

# Education Scotland

2017/18 Annual Audit Report



 AUDIT SCOTLAND

Prepared for Education Scotland and the Auditor General for Scotland

27 June 2018

## Who we are

The Auditor General, the Accounts Commission and Audit Scotland work together to deliver public audit in Scotland:

- The Auditor General is an independent crown appointment, made on the recommendation of the Scottish Parliament, to audit the Scottish Government, NHS and other bodies and report to Parliament on their financial health and performance.
- The Accounts Commission is an independent public body appointed by Scottish ministers to hold local government to account. The Controller of Audit is an independent post established by statute, with powers to report directly to the Commission on the audit of local government.
- Audit Scotland is governed by a board, consisting of the Auditor General, the chair of the Accounts Commission, a non-executive board chair, and two non-executive members appointed by the Scottish Commission for Public Audit, a commission of the Scottish Parliament.



## About us

Through our work for the Auditor General and the Accounts Commission, we provide independent assurance to the people of Scotland that public money is spent properly and provides value. We aim to achieve this by:

- carrying out relevant and timely audits of the way the public sector manages and spends money
- reporting our findings and conclusions in public
- identifying risks, making clear and relevant recommendations.

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# Key messages

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## 2017/18 annual report and accounts

- 1 The financial statements of Education Scotland give a true and fair view of the state of the affairs of the agency as at 31 March 2018 and of its net expenditure for the year then ended.
- 2 We have issued an unqualified independent auditor's report on the Agency's Annual Accounts for 2017/18.

## Financial management

- 3 The Agency reported an underspend of £4.167 million against its Departmental Expenditure Limit (annual budget). Projected financial outturns reported during the year proved to be inaccurate.
- 4 Systems of internal control operated effectively in 2017/18 with scope for improvements in some areas.
- 5 A finance action plan has been developed to address the Agency's financial management capacity issues.

## Financial sustainability

- 6 The Agency's financial position is sustainable in the foreseeable future although management have advised that they will require a significant increase in resources to deliver the Scottish Government's *Education Governance: Next Steps* agenda.
- 7 Education Scotland is containing its expenditure within annual budgets. The Agency should develop medium to long term financial plans using sensitivity analysis and scenario planning.

## Governance and transparency

- 8 Progress is now being made on previously reported governance issues.
- 9 An action plan is now in place to address the significant and ongoing governance deficiencies concerning the Agency's IT function. These include a number of major risks to the organisation that require to be actioned as a matter of priority.

## Value for money

- 10 Performance reporting should be improved to ensure that the format and detail of reports provide sufficient information to enable good quality scrutiny and challenge.

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# Introduction

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1. The scope of our audit was set out in our Annual Audit Plan presented to the April 2018 meeting of the Audit and Risk Committee.
2. This report sets out our findings from:
  - the audit of the Annual Accounts
  - our consideration of the wider dimensions of public sector audit, [exhibit 1](#), as set out in Audit Scotland's [Code of Audit Practice](#).

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## Exhibit 1 Audit dimensions



Source: *Code of Audit Practice 2016*

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3. The main elements of our audit work in 2017/18 were:
  - a review of Education Scotland's main financial systems and governance arrangements
  - the audit of Education Scotland's 2017/18 Annual Accounts
  - an overview of IT governance arrangements
  - a review of Education Scotland's arrangements to manage performance, regularity and use of resources.
4. The Chief Executive of Education Scotland, as Accountable Officer, is responsible for, inter alia:

- preparing financial statements which give a true and fair view in accordance with HM Treasury Financial Reporting Manual (FReM) and the Scottish Public Finance Manual (SPFM)
- ensuring the regularity of transactions by putting in place systems of internal control
- ensuring that the financial position is soundly based.

**5.** An audit of the Annual Accounts is not designed to identify all matters that may be relevant to those charged with governance. We have included in this report only those matters that have come to our attention as a result of our normal audit procedures; consequently, our comments should not be regarded as a comprehensive record of all deficiencies that may exist or improvements that could be made. It is the auditor's responsibility to express an opinion on the financial statements prepared by management: this does not relieve management of the responsibility for the preparation of the Annual Accounts.

**6.** Further details of the respective responsibilities of management and the auditor can be found in Audit Scotland's Code of Audit Practice.

**7.** An action plan is included at [appendix 1 \(page 24\)](#) setting out our recommendations to address the issues identified from the audit. Officers have considered the issues and agreed to take the specific steps in the column headed "Management action/response". The Audit and Risk Committee should ensure that they are satisfied with proposed action and have a mechanism in place to assess progress and monitor outcomes.

**8.** We can confirm that we comply with the Financial Reporting Council's Ethical Standards. We are not aware of any relationships that could compromise our objectivity and independence. We can also confirm that we have not undertaken any non-audit related services and that the previously agreed audit fee of £37,840, is unchanged.

**9.** Our aim is to add value to Education Scotland by increasing insight into, and offering foresight on, financial sustainability, risk and performance, by identifying areas of improvement and by recommending and encouraging good practice. In so doing, we aim to help the Agency promote improved standards of governance, better management and decision making and more effective use of resources.

**10.** This report is addressed to both the Accountable Officer and the Auditor General for Scotland and following the Agency's audited Annual Accounts being laid at the Scottish Parliament the report will be published on Audit Scotland's website: [www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk).

**11.** The cooperation and assistance afforded to the audit team during the course of the audit is gratefully acknowledged.

# Part 1

## Audit of 2017/18 Annual Accounts



### Main judgements

The financial statements of Education Scotland give a true and fair view of the state of the affairs of the agency as at 31 March 2018 and of its net expenditure for the year then ended.

Expenditure and income were in accordance with applicable enactments and guidance.

The audited part of the Remuneration and Staff Report, Performance Report and Governance Statement were consistent with the financial statements and properly prepared in accordance with the accounts direction.

### Audit opinions on the Annual Accounts

12. The Annual Accounts for the year ended 31 March 2018 were approved for issue on 27 June 2018.

13. We reported, in the Independent Auditor's Report:

- an unqualified opinion on the financial statements;
- an unqualified opinion on regularity of expenditure and income; and
- an unqualified audit opinion on the auditable part of the Remuneration and Staff Report, Performance Report and Annual Governance Statement.

14. We are satisfied that there are no matters which we are required by the Auditor General to report by exception.

The Annual Accounts are the principal means by which Education Scotland accounts for the stewardship of resources and its performance in the use of those resources.

### Submission of Annual Accounts

15. We received the unaudited Annual Accounts, by agreement, on 30 April 2018.

16. The working papers provided with the unaudited Annual Accounts were of a good standard and finance staff provided good support to the audit team which helped ensure the Annual Accounts audit process ran smoothly.

### Risk of material misstatement

17. The concept of audit risk is of central importance to our audit approach. During the planning stage of our audit we identified a number of key audit risks which could impact on the financial statements. These risks informed the audit strategy, resources and activity. We set out in our Annual Audit Plan the audit work we proposed to undertake to secure appropriate levels of assurance. [Appendix 2](#) sets out the significant audit risks identified and how we addressed each risk in arriving at our opinion on the financial statements.

## Materiality

**18.** Materiality can be defined as the maximum amount by which auditors believe the financial statements could be misstated and still not be expected to affect the perceptions and decisions of users of the financial statements. The assessment of what is material is a matter of professional judgement. A misstatement or omission, which would not normally be regarded as material by value, may be important for other reasons (for example, an item contrary to law). In forming our opinion on the financial statements, we assess the materiality of uncorrected misstatements, both individually and collectively.

**19.** Our initial assessment of materiality for the financial statements was undertaken during the planning phase of the audit and was based on the gross expenditure reported in the 2016/17 audited Annual Accounts.

**20.** On receipt of the unaudited Annual Accounts we recalculated our materiality levels based on the actual gross expenditure for the year ended 31 March 2018. As the recalculated materiality levels were lower than our initial assessment we extended our final accounts testing to ensure appropriate audit coverage was obtained of any transactions that could result in a material misstatement in the accounts. Our final materiality levels are summarised at [exhibit 2](#).

## Exhibit 2

### Materiality levels

Materiality level	Amount
<b>Overall materiality</b> - This is the figure we use in assessing the overall impact of audit adjustments on the financial statements. It was set at 1% of gross expenditure for the year ended 31 March 2018.	£0.283 million
<b>Performance materiality</b> - This acts as a trigger point. If the aggregate of errors identified during the financial statements audit exceeds performance materiality this would indicate that further audit procedures should be considered. Using our professional judgement we have calculated performance materiality at 70% of planning materiality.	£0.198 million
<b>Reporting threshold</b> - We are required to report to those charged with governance on all unadjusted misstatements in excess of the 'reporting threshold' amount. This has been calculated at 3% of planning materiality.	£10,000

Source: Audit Scotland

## Evaluation of misstatements

**21.** We identified 14 misstatements in the unaudited financial statements, 13 of which have been adjusted in the audited accounts. As a result of these changes the net comprehensive expenditure for the year recognised in the Statement of Comprehensive Net Expenditure reduced by £0.273 million and the Net Funding shown in the Statement of Changes in Taxpayers Equity has reduced by £0.369 million. This resulted in net liabilities shown in the Statement of Financial Position increasing by £0.104 million.

**22.** The unadjusted misstatement related to the over-accrual of expenditure at 31 March 2017. If this error had been corrected then it would have increased the in-year net comprehensive expenditure by £0.231 million but would have had a nil impact on the net liabilities shown in the Statement of Financial Position as it would have been matched by a corresponding reduction in the net comprehensive expenditure reported for the prior year.



**23.** It is our responsibility to request that all misstatements are corrected although the final decision on this lies with those charged with governance taking into account advice from senior officers and materiality levels. Management do not propose to adjust for the item above as the amounts are not considered material in the context of the financial statements.

**24.** The gross value of misstatements (including classification errors) totalled £3.865 million. As this exceeded our overall materiality of £0.283 million further audit procedures were performed to provide assurance that the errors identified were isolated in nature and not pervasive to either the account area or the financial statements.

## Significant findings

**25.** International Standard on Auditing (UK) 260 requires us to communicate significant findings from the audit to those charged with governance. These are summarised at [exhibit 3](#). Where a finding has resulted in a recommendation to management, a cross reference to the Action Plan at [appendix 1](#) has been included.





**26.** These findings include our views about significant qualitative aspects of Education Scotland's accounting practices including:





- Accounting policies
- Accounting estimates and judgements
- Significant financial statements disclosures
- Timing of transactions and the period in which they are recorded
- The impact on the financial statements of any uncertainties
- The effect of any unusual transactions on the financial statements
- Misstatements in the annual report and accounts


## Exhibit 3

### Significant findings

Issue	Resolution
<p><b>1. Over-accrual of IT expenditure at 31 March 2017</b></p> <p>A reduction in the costs of the Glow programme from £3.985 million in 2016/17 to £2.054 million in 2017/18 was, in part, due to the over-accrual of expenditure at 31 March 2017 which resulted in the prior year expenditure being overstated and the current year expenditure being understated.</p> <p>Our review of these items identified two accruals where we believe the level of the over-accrual (53% and 29% over-accrued) was outwith the expected estimation uncertainty for the type of expenditure concerned. As a result we have concluded that the value of these accruals represents a misstatement as it has reduced the in-year expenditure reported by £0.231 million.</p>	<p>Management has decided not to adjust for this in the audited Annual Accounts. This does not breach our materiality threshold.</p>

Issue	Resolution
<p><b>2. Duplicate prepayment</b></p> <p>Our testing of prepayments at 31 March 2018 identified that the prepayment of £0.131 million in respect of the 2018/19 NDR payment to West Lothian Council had been posted twice.</p>	<p>Amount agreed with management and corrected in the audited Annual Accounts. Further testing provided assurance that there were no other duplicate prepayments processed.</p> <p> <a href="#">Recommendation 1</a> (refer appendix 1, action plan)</p>
<p><b>3. Payroll overpayment</b></p> <p>A member of staff who left Education Scotland in July 2017 remained on the payroll and was paid until February 2018. Scottish Government payroll staff are responsible for the removal of leavers from the payroll: Education Scotland staff are responsible for reviewing monthly payroll output, however, continuing payment to this individual was not detected.</p>	<p>The correction was agreed with finance staff and an adjustment has been made in the audited Annual Accounts. No further payroll errors were identified from our extended substantive testing of staff costs.</p> <p> <a href="#">Recommendation 2</a> (refer appendix 1, action plan)</p>
<p><b>4. Duplicate accruals</b></p> <p>Our testing of expenditure accruals at 31 March 2018 identified that two accruals totalling £0.027 million for IT expenditure had been posted twice.</p>	<p>Amount agreed with management and corrected in the audited Annual Accounts. Further testing provided assurance that there were no other duplicate accruals processed.</p> <p> <a href="#">Recommendation 1</a> (refer appendix 1, action plan)</p>
<p><b>5. Asset additions not capitalised</b></p> <p>During the audit we identified that expenditure of £0.020 million on new access control systems for Denholm House in Livingston and the Optima Building in Glasgow had been expensed to revenue rather than being capitalised as leasehold improvements.</p>	<p>Amount agreed with management and corrected in the audited Annual Accounts. Further testing provided assurance that there were no material asset additions not capitalised.</p> <p> <a href="#">Recommendation 3</a> (refer appendix 1, action plan)</p>
<p><b>6. VAT refund netted off against staff costs</b></p> <p>A VAT refund of £2.894 million due in respect of amounts previously paid for secondees had been netted off against staff costs in the unaudited accounts. As this is a one-off item that relates to costs spanning a number of years we recommended that it should be disclosed separately as income at Note 4 in the accounts.</p>	<p>Management concurred with this view and have made the adjustment in the audited Annual Accounts.</p>
<p><b>7. Training costs</b></p> <p>During the audit the finance team identified that expenditure of £0.059 million on training costs had been incorrectly posted to other expenditure codes.</p>	<p>Miscoding of expenditure corrected in the audited Annual Accounts.</p>

Issue	Resolution
<p><b>8. Holiday pay accrual</b></p> <p>Manual adjustments had been made to the leave balances produced by the e-HR system in order to calculate the required accrual for untaken leave at 31 March 2018. We established that adjustments were made to the records of around 30 staff to correct some anomalous data.</p>	<p>We reviewed the basis for the manual adjustments, and assessed the reasonableness of the accrual figure, and have concluded that the value of the accrual is in line with our expectations of the range within which the average untaken annual leave level would sit. However, management should investigate the source of the errors in the records on the e-HR system to ensure that accurate information is available in the future.</p> <p> <a href="#">Recommendation 4</a> (refer appendix 1, action plan)</p>
<p><b>9. Maintenance of asset register</b></p> <p>Our testing of in-year asset disposals identified two ICT asset disposals requested during the year which are still included on the asset register. We also noted that a number of other ICT asset disposal requests during the year related to assets that had already been removed from the asset register in prior years due to them being fully depreciated, even though the assets were still in use.</p>	<p>Management confirmed that the arrangements for the maintenance of the asset register will be reviewed to ensure this provides a complete and accurate record of the assets available for use by the Agency.</p> <p> <a href="#">Recommendation 3</a> (refer appendix 1, action plan)</p>
<p><b>10. Historic payables balances</b></p> <p>Our review of the aged creditors report at 31 March 2018 identified that this included 17 balances totalling £0.053 million that date back to 2012.</p>	<p>Management advised that these items are currently being investigated but as they relate to amounts owed by the Agency they cannot be cleared until it is confirmed that the debt has been settled.</p> <p> <a href="#">Recommendation 5</a> (refer appendix 1, action plan)</p>
<p><b>11. Seconded debt</b></p> <p>As at 31 March 2018 the Agency owed £1.175 million to various Scottish councils in respect of the costs of inward secondees for which no invoice had been received. An accrual was processed in respect of these costs but the level of the outstanding balance suggests that the Agency need to be more proactive in contacting secondees' employers to arrange payment of the outstanding amounts. While the onus is on councils to issue timeous invoices, regular payment arrangements with the local authorities should be considered to prevent such high levels of debt accumulating in the future.</p>	<p>Management advised that £0.491 million of the balance at 31 March 2018 related to Glasgow City Council staff which in part was attributable to a long running dispute about whether an administration cost could be charged to the Agency for seconded staff. This dispute has now been resolved and £0.391 million of that balance was paid in period 1 of 2018/19. Management also confirmed that they will consider how the arrangements for paying secondee costs could be improved to ensure regular payment of all such debt.</p> <p> <a href="#">Recommendation 6</a> (refer appendix 1, action plan)</p>

Issue	Resolution
<p><b>12. Notional charges</b></p> <p>During the audit we identified that notional charges had not been included in the accounts for the annual service charges for the Optima building in Glasgow and Longman House in Inverness, or the apprenticeship levy which is a new tax charged at 0.5% of an organisation's payroll. As a result the operating expenditure shown in the Statement of Comprehensive Net Expenditure does not show the full cost of the Agency's activity for the year.</p>	<p>Management advised that these amounts were paid directly by the Scottish Government on Education Scotland's behalf and as a result funding for the year would have been reduced by the same value. However, they agreed that it would be preferable to show both the costs and funding within the Agency's Annual Accounts and confirmed they would raise this with their sponsor division for action in 2018/19.</p> <p> <a href="#">Recommendation 7</a> (refer appendix 1, action plan)</p>

Source: Audit Scotland

## Other findings

**27.** In addition to the issues set out above, and in accordance with normal audit practice, a number of presentational and disclosure amendments were discussed and agreed with management.

## Follow up of prior year recommendations

**28.** We followed up on actions agreed in the 2016/17 Annual Audit Report, to assess what progress on implementation had been made. We have commented on the lack of progress in the Governance and transparency section at Part 4 of this report.

# Part 2

## Financial management



### Main judgements

The Agency reported an underspend of £4.167 million against its Departmental Expenditure Limit (annual budget). Projected financial outturns reported during the year proved to be inaccurate.

Systems of internal control operated effectively in 2017/18 with scope for improvements in some areas.

A finance action plan has been developed to address the Agency's long-term staffing and financial management.

### Financial performance in 2017/18

**29.** Education Scotland, as an executive agency of the Scottish Government, receives most of its funding directly from the Scottish Government. Its main financial objective is to ensure that the financial outturn for the year is within the budget allocated by Scottish Ministers.

**30.** The initial budget, £21.443 million, was set out in the Scottish Government's Draft Budget 2017/18 published in December 2016. The Agency received additional allocations totalling £8.680 million during the course of the year resulting in a final budget for 2017/18 of £30.123 million.

**31.** Education Scotland has reported an outturn of £25.956 million: a net underspend of £4.167 million. The financial performance against Departmental Expenditure Limits (DEL) is set out at [exhibit 4](#).

Financial management is about financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively.

### Exhibit 4

#### Performance against Departmental Expenditure Limits 2017/18

Performance	Initial budget £m	Final budget £m	Actual outturn £m	Overspend/ (underspend) £m
Resource DEL	21.423	30.103	25.886	(4.217)
Capital DEL	0.020	0.020	0.070	0.050
<b>Total DEL</b>	<b>21.443</b>	<b>30.123</b>	<b>25.956</b>	<b>(4.167)</b>

Source: Education Scotland audited Annual Accounts 2017/18

## Quality of financial reporting and budget monitoring

**32.** The Agency reported an underspend of £4.167 million against its Departmental Expenditure Limit (annual budget). Projected financial outturns reported during the year proved to be inaccurate. This was mainly attributable to a VAT refund of £2.9 million which had been significantly underestimated and an underspend of £1.7 million on the Glow programme. As the full extent of these did not become apparent until late in the year, they were not reflected in the Spring budget revision. Consequently, the additional budget allocated exceeded the amount that the Agency ultimately required.



[Recommendation 8](#) (refer appendix 1, action plan)

**33.** Management advised that the Scottish Government have confirmed that the small overspend against the Agency's Capital DEL budget can be managed within the overall capital budget of the Education and Skills Directorate.

## Systems of internal control

**34.** As part of our 2017/18 audit we identified and tested key controls operating in the main accounting systems. Our objective was to gain assurance that Education Scotland has systems of recording and processing transactions which provide a sound basis for the preparation of the financial statements.

**35.** We concluded that, generally, controls were operating satisfactorily. However, we have suggested enhancements to controls and processes in the interim management letter, and in this report, which would strengthen the internal control environment.

## Financial management capacity

**36.** The finance team are currently operating without some key staff due to vacancies and other absences. To address the immediate staff capacity issues an officer has joined the Agency as Acting Chief Financial Officer on a 6-month secondment from the Scottish Government and other qualified staff have been brought in on temporary arrangements. Management have advised that a finance action plan has been developed to address the longer-term staff capacity and financial management issues. Addressing these resourcing challenges will be vital in providing an effective, sustainable finance function.

# Part 3

## Financial sustainability



### Main judgements

**Education Scotland is containing its expenditure within annual budgets. The Agency should develop medium to long term financial plans using sensitivity analysis and scenario planning.**

**The Agency's financial position is sustainable in the foreseeable future although management have advised that they will require a significant increase in resources to deliver the Scottish Government's *Education Governance: Next Steps* agenda.**

### Financial planning

**37.** Statement of Financial Position summarises the assets and liabilities of Education Scotland. As at 31 March 2018 the agency had net liabilities of £1.238 million (£4.922 million as at 31 March 2017) a decrease of £3.684 million. The net liabilities position is as a result of the requirement to account for activities on an accruals basis, whilst recording funding from the Scottish Government on a cash basis.

**38.** The Scottish Government's Draft Budget 2018/19 was published in December 2017. Education Scotland's core budget has been reduced by £1 million to £20.5 million for 2018/19, a reduction of 5% from the 2017/18 core budget allocation.

### Medium to long term budget requirements

**39.** We recognise that Education Scotland is mainly funded by the Scottish Government budget allocation through vote funding and this is determined on an annual basis. This should not preclude the Agency from preparing medium to long term financial plans using sensitivity analysis and scenario planning.

Financial sustainability looks forward to the medium and longer term to consider whether the body is planning effectively to continue to deliver its services or the way in which they should be delivered.



[Recommendation 9](#) (refer appendix 1, action plan)

### Education Governance: Next Steps

**40.** The conclusions from the consultation on governance arrangements in Scottish education were published in the *Education Governance: Next Steps* document in June 2017. This paper set out the Scottish Government's plans for Education Scotland and how its role and functions will be developed, including:

- strengthening the inspection function;
- a lead role in providing national support for professional learning and leadership development; and
- a significant contribution to the development and implementation of Regional Improvement Collaboratives.

**41.** Management have estimated, that to deliver the Agency's enhanced remit, 109 additional staff will be required at a net cost of £3.500 million in 2018/19 and £6.640 million per annum in succeeding years.

**42.** The Agency has submitted a bid for additional funding and have already commenced a recruitment campaign for the additional posts.



# Part 4

## Governance and transparency



### Main judgements

**Limited progress was made on previously reported governance issues during the year under review.**

**We have previously reported some significant and ongoing governance deficiencies concerning the Agency's IT function. These were not addressed during the year. A separate action plan to address the deficiencies has now been agreed.**

### Governance arrangements

**43.** Education Scotland is an executive agency of the Scottish Government with responsibility for supporting quality and improvement in Scottish education. The agency is headed by a Chief Executive, to whom responsibility for all operational matters is delegated by the Director General for Education, Communities and Justice. The Chief Executive also holds the office of Chief Inspector of Education for Scotland and is the appointed Accountable Officer.

**44.** The previous Chief Executive of Education Scotland retired in June 2017. The Chief Operating Officer also left the organisation in August 2017. An interim Chief Executive was in place during the recruitment process for a new Chief Executive. In December 2017 Gayle Gorman was appointed permanent Chief Executive and Accountable Officer.

**45.** The Chief Executive is supported by a number of Non-Executive Board Members (NEBMs) and the Agency's Strategic Directors who together form the Advisory Board. The role of the Advisory Board is to undertake an advisory and enabling function, providing strategic leadership and guidance for the Agency in pursuing its objectives. The Advisory Board and Executive Team have no role in holding the Chief Executive to account for the Agency's performance and cannot issue directions to her. As at May 2018 the Advisory Board consisted of:

- Chief Executive - Chair
- Two Strategic Directors
- Three Interim Strategic Directors
- Five Non-Executive Board Members

**46.** The Advisory Board is in turn supported by a number of other internal bodies including the Audit and Risk Committee (ARC). A revised governance framework has recently been agreed and this is summarised at [exhibit 5](#).

**47.** In our Annual Audit Report of 2016/17 we reported a number of governance issues some of which had been carried over from previous years. The Agency's senior management was content to await the outcome of the Scottish Government's Education Governance Review prior to reviewing and revising the

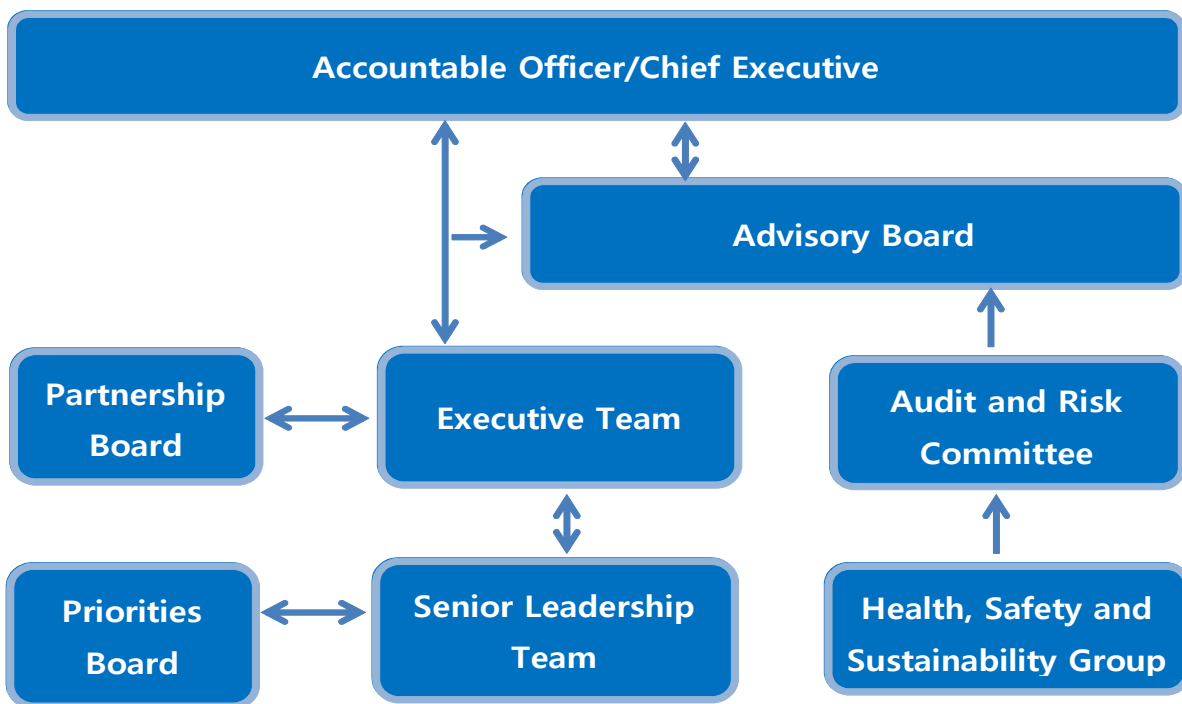
Governance and transparency is concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision-making and transparent reporting of financial and performance information.

governance arrangements. The following issues had been highlighted as areas of concern:

- outdated Framework Document
- corporate planning
- risk management strategy
- workforce planning
- Non-Executive Board Member recruitment

48. Limited, if any, progress was made on these issues during the year under review. However, we acknowledge that since the new Chief Executive took office in December she introduced an Acting Strategic Director for Governance and Assurance (March 2018) and encouraging progress is now being made across these issues.

### Exhibit 5 Education Scotland governance structure



Source: Education Scotland

49. The Audit and Risk Committee's role is to support the Advisory Board by overseeing audit, risk and governance arrangements. The support extended to the ARC during 2017/18 was, in our view, poor. We noted issues with the scheduling of meetings (including last minute changes) and the timely issue and quality of papers. There is a risk that this impacts upon the ability of non-executive board members to provide appropriate scrutiny, support and challenge to management.

## IT governance issues

**50.** We have previously reported some significant and ongoing governance deficiencies concerning the Agency's IT function. Our Annual Audit Plan identified this as a risk area and we applied specialist computer auditor resource as part of our interim audit work. A number of issues were identified and a separate report and action plan has been agreed with management. In summary, the issues of concern were:

- absence of a digital strategy and implementation plan.
- service structure, capacity and operating procedures
- project management
- business continuity planning.

**51.** In addition, it was noted that cyber security did not feature in the Agency's corporate risk register.

## Transparency

**52.** Transparency means that the public have access to understandable, relevant and timely information about how the Agency is taking decisions and how it is using resources such as money, people and assets. Transparency is a process - good governance leads to an approach designed to increase transparency, [exhibit 6](#).

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### Exhibit 6 Transparency model



Source: Audit Scotland

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**53.** Education Scotland's website is the principal means by which information is made available to the public. The website has links from the home page to all public facing services (for example Parentzone) as well as corporate information, including: inspection reports, the corporate plan, framework document and various policy documents. The website is in our view accessible and informative.

**54.** Minutes of the Advisory Board and Audit and Risk Committee (ARC) are made available to the public on the website although there can be a considerable delay before the minutes are published. Neither agendas nor papers are published. The Agency should consider enhancing transparency by publishing papers on its website. Where papers include confidential information these can be withdrawn or redacted as appropriate.

**55.** Overall, we concluded that Education Scotland conducts its business in an open and transparent manner but we believe that there is scope to shift the organisation further to the right in the model at [exhibit 6](#). As part of the renewal of the Agency's governance framework, management should consider performing an assessment of the organisation's openness and transparency against best practice and the Scottish Government's values of Open Government which aim to foster openness, transparency and citizen participation.

## Internal audit

**56.** Internal audit provides the Accountable Officer, the Advisory Board and ARC with independent assurance on risk management, internal control and corporate governance processes. The internal audit function is carried out by the Scottish Government Internal Audit Division (SGIAD).

**57.** Public Sector Internal Audit Standards (PSIAS) are mandatory for all central government departments, agencies and executive NDPBs. The standards require the "chief audit executive" to provide an annual internal audit opinion and report that can be used to inform the annual governance statement.

**58.** The opinion provided by internal audit is that of "limited assurance". SGIAD define limited assurance as: "weaknesses in the current risk, governance and/or control procedures that either do, or could, affect the delivery of any related objectives. Exposure to the weaknesses identified is moderate and being mitigated".

**59.** As part of our risk assessment process our Scottish Government audit team assessed the SGIAD. A draft report has been prepared and issued to the Scottish Government for management responses. We did not plan to place reliance on the work of internal audit for the purposes of the audit of the financial statements.

## Annual Governance Statement

**60.** HM Treasury Financial Reporting Manual 2017/18 (FReM), specifies the preparation of an annual governance statement as part of the annual financial statements. The Scottish Public Finance Manual (SPFM) sets out guidance on the content and minimum requirements of the statement but does not prescribe a format. We concluded that the annual governance statement 2017/18 complies with the guidance issued by the Scottish Ministers and presents a satisfactory explanation and assessment of Education Scotland's governance arrangements for the year under review.

## Budget monitoring

**61.** We have commented on the quality of the financial reporting and budget monitoring previously in this report.

**62.** It is important that NEBMs and budget holders with no financial background understand the financial information presented in financial monitoring reports and are equipped with the knowledge and skills to enable them to effectively scrutinise and challenge. Management should consider whether specific financial training would be beneficial and consult with users to ensure that the structure, format and language used in financial monitoring reports is adequate for their needs.

## National Fraud Initiative

**63.** The National Fraud Initiative (NFI) in Scotland brings together data from local government, health boards and other public sector bodies, to help identify and prevent a wide range of frauds against public funds. Matching data obtained from the systems of participating bodies allows the identification of potentially fraudulent claims on the public purse including housing benefit fraud, occupational pension fraud and payroll fraud. If fraud or overpayments are not identified in a body, and the NFI exercise has been undertaken properly, assurances may be taken about internal arrangements for preventing and detecting fraud.

**64.** Education Scotland participates in the NFI through the Scottish Government Payroll and Financial Services Division. As the Scottish Government does not hold a separate record of data matches relating specifically to Education Scotland we have not been able to establish the number of data matches identified or investigated. However, the agency has not been advised of any issues by the Scottish Government in relation to NFI matches.

## Special investigation

**65.** During the year, as a result of an enquiry into late delivery of an IT contract by an external contractor, management established that a payment in advance of approximately £0.500 million had been made to the contractor. The payment was not in line with normal business practice and contrary to the provisions of the Scottish Public Finance Manual. A preliminary investigation into the circumstances was undertaken by Internal Audit following which a special investigator has been appointed. The investigation will commence shortly and we will comment on the outcome in future reports.

## Payroll overpayments

**66.** Education Scotland has a relatively small staff complement at under 300. During 2017/18 a payroll overpayment of some £35,000 was made to an individual who had left Education Scotland in July 2017. This resulted from a failure to review monthly payroll prints, a key system control. Similar issues were reported in 2015/16 and in 2016/17. Management should introduce more rigorous controls to ensure that salary payments are made only to valid employees.



[Recommendation 2](#) (refer appendix 1, action plan)

## Cyber security

**67.** The Scottish Government issued a Public Sector Action Plan on Cyber Resilience in November 2017. This requires all public sector bodies to carry out a review to ensure their cyber security arrangements are appropriate.

**68.** Management have advised that the Head of Information and Security is currently reviewing the Agency's cyber security arrangements against the SG action plan and will report back to the Audit and Risk Committee later in 2018.

## General Data Protection Regulation

**69.** The EU General Data Protection Regulation (GDPR) came into force across all member states on 25 May 2018. GDPR contains provisions and requirements pertaining to the processing of personally identifiable information and has introduced new and significantly changed data protection concepts.

**70.** Management have advised that the Agency has put in place arrangements to make themselves compliant with the requirements of the new regulations. However, further work is being undertaken to ensure that all processes and procedures across the business are as efficient and transparent as possible.

# Part 5

## Value for money



### Main judgements

**Performance reporting should be improved to ensure that the format and detail of reports provide sufficient information to enable good quality scrutiny and challenge.**

### Performance management

**71.** Accountable officers have a specific responsibility to ensure that arrangements have been made to secure Best Value. The Auditor General may require that we consider whether accountable officers have put in place appropriate arrangements to satisfy their duty of Best Value. We performed no specific Best Value work during 2017/18.

**72.** Performance reports are provided to the Advisory Board in the form of a “dashboard”, using the red, amber, green assessment of progress against individual projects. The reports are high-level and no meaningful Key Performance Indicators (detailing performance against measurable targets) are included. Performance reports do not make clear linkages with corporate objectives.

**73.** Best practice performance reports contain detailed information for each performance target including trend analysis, specific performance issues and actions being taken to improve performance. We consider that performance reporting could be improved and that management should consult with NEBMs to ensure that the format and detail of performance reports provide sufficient information to enable good quality scrutiny and challenge.



[Recommendation 10](#) (refer appendix 1, action plan)

### National performance audit reports

**74.** Audit Scotland carries out a national performance audit programme on behalf of the Accounts Commission and the Auditor General for Scotland. In 2017/18 several reports were published which are of direct interest to Education Scotland. These are outlined at [appendix 3](#).

Value for money is concerned with using resources effectively and continually improving services.

# Appendix 1

## Action plan 2017/18

### 2017/18 recommendations for improvement

No.	Issue/risk	Recommendation	Agreed management action/timing
1	<p><b>Income and expenditure accruals</b></p> <p>Our year-end cut-off testing identified that a duplicate prepayment and two duplicate accruals had been processed at 31 March 2018.</p> <p><b>Risk:</b> There is a risk that income or expenditure could be incorrectly stated due to year-end adjustments being processed twice.</p>	<p>As part of the year-end closedown procedures the income and expenditure accruals and prepayments listings should be reviewed to identify and remove any duplicate items.</p> <p><a href="#">Exhibit 3 – Issues 2 and 4</a></p>	<p>Agreed, this review process is underway.</p> <p>Strategic Director for Corporate Services and Governance</p> <p>August 2018</p>
2	<p><b>Payroll overpayments</b></p> <p>In each of the last 3 years our testing has identified salary overpayments due to staff continuing to be paid after leaving the Agency. These resulted from a failure of a key control to review monthly payroll data.</p> <p><b>Risk:</b> There is a risk of financial loss to the Agency and reputational damage.</p>	<p>Education Scotland should ensure that the monthly review of payroll data is subject to a supervisory check and sign-off.</p> <p><a href="#">Exhibit 3 – Issue 3 and paragraph 66</a></p>	<p>Agreed, this process is being built into monthly reconciliation procedures.</p> <p>Strategic Director for Corporate Services and Governance</p> <p>July 2018</p>
3	<p><b>Maintenance of asset register</b></p> <p>Our fixed assets testing identified asset additions that had not been capitalised, assets disposed of which were still on the asset register and assets requested for disposal which had already been removed from the asset register.</p> <p><b>Risk:</b> There is a risk that the asset register does not provide a complete and accurate</p>	<p>The agency should ensure that there are appropriate controls over asset additions and disposals and the maintenance of the asset register.</p> <p><a href="#">Exhibit 3 – Issues 5 and 9</a></p>	<p>Agreed, our asset management controls are being reviewed.</p> <p>Strategic Director for Corporate Services and Governance</p> <p>September 2018</p>





No.	Issue/risk	Recommendation	Agreed management action/timing
	record of the assets available for use by the Agency.		
4	<p><b>Leave records on e-HR system</b></p> <p>Accurate untaken leave balances at 31 March 2018 could not be obtained from the e-HR system for a number of employees.</p> <p><b>Risk:</b> There is a risk that staff leave is not being accurately recorded on the e-HR system.</p>	<p>HR should regularly review staff leave balances to ensure that all leave is being recorded and approved on the e-HR system.</p> <p><a href="#">Exhibit 3 – Issue 8</a></p>	<p>Agreed, we will establish a process for monitoring and reporting leave balances.</p> <p>Strategic Director for Corporate Services and Governance</p> <p>September 2018</p>
5	<p><b>Historic payables balances</b></p> <p>Our review of the aged creditors report at 31 March 2018 identified that this included 17 balances totalling £0.053 million that date back to 2012.</p> <p><b>Risk:</b> There is a risk that the Agency are continuing to recognise an obligation for debts that have already been settled in full.</p>	<p>These items should be investigated to establish whether the debts have been settled.</p> <p><a href="#">Exhibit 3 – Issue 10</a></p>	<p>Agreed, this review process is underway.</p> <p>Strategic Director for Corporate Services and Governance</p> <p>August 2018</p>
6	<p><b>Seconded debt</b></p> <p>As at 31 March 2018 the Agency owed £1.175 million to various Scottish local authorities for the costs of inward secondees that they had not been recharged for.</p> <p><b>Risk:</b> There is a risk that Education Scotland are not reimbursing the employing organisations within an appropriate time period.</p>	<p>The arrangements for paying seconded costs should be improved to ensure regular payment of all such debt.</p> <p><a href="#">Exhibit 3 – Issue 11</a></p>	<p>Agreed, although the onus is on the local authority we will review our procedures to establish if we can improve processes without undue resource implications.</p> <p>Strategic Director for Corporate Services and Governance</p> <p>September 2018</p>
7	<p><b>Notional charges</b></p> <p>The financial statements do not include notional charges for a number of expenses paid directly by the Scottish Government on behalf of Education Scotland.</p> <p><b>Risk:</b> There is a risk that the operating expenditure shown in the Statement of Comprehensive Net Expenditure does not show the</p>	<p>Management should liaise with the Scottish Government to ensure they receive appropriate budget cover to include these costs in future years.</p> <p><a href="#">Exhibit 3 – Issue 12</a></p>	<p>Agreed, this will be taken into account as part of revised year-end procedures.</p> <p>Strategic Director for Corporate Services and Governance</p> <p>March 2019</p>





No.	Issue/risk	Recommendation	Agreed management action/timing
	full cost of the Agency's activity for the year.		
8	<p><b>Budget monitoring</b></p> <p>Inaccurate projected financial outturns during the year resulted in the Agency reporting an underspend of £4.167 million.</p> <p><b>Risk:</b> Unreliable financial monitoring impacts upon the Agency's ability to effectively manage their budget.</p>	<p>Robust budget monitoring arrangements should be put in place to ensure accurate and timely reporting of the financial position to budget holders and the board throughout the year.</p> <p><a href="#">Paragraph 32</a></p>	<p>Agreed, we will establish a process for the effective monitoring and reporting budgets and the financial position.</p> <p>Strategic Director for Corporate Services and Governance</p> <p>July 2018</p>
9	<p><b>Medium and long term financial planning</b></p> <p>Education Scotland do not currently have medium to long term financial plans.</p> <p><b>Risk:</b> There is a risk that the Agency will not be able to respond to future budget changes and other emerging cost pressures.</p>	<p>The Agency should prepare medium to long term financial plans using sensitivity analysis and scenario planning.</p> <p><a href="#">Paragraph 39</a></p>	<p>Agreed, although there will be a limit to the extent we can model into the future without medium to long term financial settlements. We will build on our corporate planning processes to include our resource projections for our enhanced role and remit.</p> <p>Strategic Director for Corporate Services and Governance</p> <p>September 2018</p>
10	<p><b>Performance management</b></p> <p>The current performance reports are high-level and do not make clear links with the corporate objectives.</p> <p><b>Risk:</b> The Advisory Board are not being provided with a clear and accurate picture of the Agency's performance.</p>	<p>Performance reporting should be improved to ensure that the format and details of reports provide sufficient information to enable good quality scrutiny and challenge.</p> <p><a href="#">Paragraph 73</a></p>	<p>Agreed, we are currently working to improve performance management and are in the process of reviewing our performance reporting as part of our corporate planning processes.</p> <p>Strategic Director for Corporate Services and Governance</p> <p>August 2018</p>

# Appendix 2

## Significant audit risks identified during planning

The table below sets out the audit risks we identified during our planning of the audit and how we addressed each risk in arriving at our conclusion. The risks are categorised between those where there is a risk of material misstatement in the annual report and accounts and those relating our wider responsibility under the [Code of Audit Practice 2016](#).

No.	Audit Risk	Assurance procedure	Results and conclusions
<b>Risks of material misstatement in the financial statements</b>			
1	<p><b>Risk of management override of controls</b></p> <p>ISA 240 requires that audit work is planned to consider the risk of fraud, which is presumed to be a significant risk in any audit. This includes consideration of the risk of management override of controls.</p>	<ul style="list-style-type: none"> <li>Detailed testing of journal entries.</li> <li>Review of accounting estimates.</li> <li>Focused testing of accruals and prepayments.</li> <li>Evaluation of significant transactions that are outside the normal course of business.</li> </ul>	<p>Our audit procedures identified two expenditure accruals at 31 March 2017 where we believe the level of the over-accrual (53% and 29% over-accrued) was out with the expected estimation uncertainty for the type of expenditure concerned.</p> <p><a href="#">Exhibit 3 – Issue 1</a></p> <p>We did not identify any other similar issues from our extended audit testing of journal entries, accounting estimates, accruals and prepayments.</p>
2	<p><b>Risk of fraud over expenditure</b></p> <p>Education Scotland make a number of significant contractual payments each year. There is a risk that these payments do not accurately reflect the timing of the provision of the related goods or services.</p>	<ul style="list-style-type: none"> <li>Detailed testing of year-end prepayments and accruals.</li> <li>Review of written assurances from senior officers that they have complied with Scottish Public Finance Manual and that advance payments have not been made.</li> </ul>	<p>Our audit procedures identified two expenditure accruals at 31 March 2017 where we believe the level of the over-accrual (53% and 29% over-accrued) was out with the expected estimation uncertainty for the type of expenditure concerned. Our testing also identified a duplicate prepayment and two duplicate accruals processed at 31 March 2018.</p> <p><a href="#">Exhibit 3 – Issues 1, 2 and 4</a></p> <p>We did not identify any other similar issues from our extended audit testing of accruals and prepayments.</p>
3	<p><b>Estimation and judgements</b></p> <p>The statement of financial position as at 31 March 2017 included a material provision in relation to VAT and early departures costs. As there is a substantial degree of subjectivity in the</p>	<ul style="list-style-type: none"> <li>Review supporting calculation and underlying audit trail for VAT and early departures provision balances as part of the 2017/18 audit of the annual accounts.</li> </ul>	<p>We have reviewed the basis and valuation of the provisions balances at 31 March 2018 and are content that the amounts included in the audited accounts reflect the requirements of <i>IAS 37 – Provisions, Contingent</i></p>












No.	Audit Risk	Assurance procedure	Results and conclusions
	<p>measurement and calculation of provisions this represents a risk of misstatement in the financial statements.</p>		<p><i>Liabilities and Contingent Assets.</i></p>
<p><b>4</b></p>	<p><b>Accounting practices</b></p> <p>During the 2016/17 audit we reported issues with Education Scotland's accounting practices in the following areas:</p> <ul style="list-style-type: none"> <li>• supervisory checks of monthly payroll data</li> <li>• temporary staff cost classification</li> <li>• calculation of deferred income</li> </ul> <p>In addition, the interim Chief Executive informed us of a payment in advance of some £0.5 million, made in March 2017, contrary to the provisions of the Scottish Public Finance Manual.</p> <p>There is a risk that the financial statements are misstated.</p>	<ul style="list-style-type: none"> <li>• A supervisory review has been introduced of the monthly payroll data which involves significant variances being investigated to ensure there are valid reasons for the movements.</li> <li>• The year-end ledger report used to prepare the accounts has been updated to ensure that the ledger codes used for agency/temporary staff costs and inward secondments are picked up for the staff costs figure in the 2017/18 accounts.</li> <li>• Finance have explained to project managers the importance of maintaining clear records of the receipt of income and timing of payments to ensure there is a robust audit trail for any unspent element at 31 March.</li> </ul>	<p>Our staff costs testing identified that the Agency had continued to pay an individual whose employment had ceased.</p> <p><a href="#">Exhibit 3 – Issue 3 and paragraph 66</a></p> <p>No other issues were identified with the accounting practices in the areas listed.</p>
<p><b>5</b></p>	<p><b>Finance capacity</b></p> <p>Education Scotland continues to place great reliance on the Head of Finance for the production of the annual accounts and the day-to-day operation of the finance section. The Agency should ensure it has sufficient capacity to support the Head of Finance and provide adequate cover during periods of holiday and other absence.</p> <p>In the absence of adequate capacity there is a risk of adverse impact on the ongoing operation of the finance function and the preparation and quality of the statutory annual accounts.</p>	<ul style="list-style-type: none"> <li>• A secondee is to be employed to support the Head of Finance with day-to-day duties and the preparation of the 2017/18 annual accounts.</li> </ul>	<p>The secondee made a valuable contribution to the Agency including taking on a key role in the production of the 2017/18 Annual Accounts. Her secondment has now finished and we have highlighted in the body of the report that the Agency continues to face staff capacity issues due to vacancies and other absences.</p> <p><a href="#">Paragraph 36</a></p>

No.	Audit Risk	Assurance procedure	Results and conclusions
<b>Risks identified from the auditor's wider responsibility under the Code of Audit Practice</b>			
6	<p><b>Financial sustainability</b></p> <p>The main financial target for Education Scotland is to achieve a break even position at year-end. At October 2017 a projected underspend of £0.921 million was anticipated based on the assumption that the Scottish Government would provide further budget transfers of around £5 million at the Spring Budget Revision.</p> <p>Education Scotland continues to face a risk to its financial sustainability due to budget pressures and uncertainty over future funding allocations.</p>	<ul style="list-style-type: none"> <li>Review of arrangements to secure efficiencies.</li> <li>Review of correspondence with Scottish Government regarding 2017/18 funding.</li> <li>Review financial monitoring papers presented to committee.</li> </ul>	<p>The Agency received an additional budget allocation of £5 million in the Spring budget revision and reported an underspend of £4.167 million for 2018/19.</p> <p>The Agency's financial position is sustainable in the foreseeable future although management have advised that they will require a significant increase in resources to deliver the Scottish Government's <i>Education Governance: Next Steps</i> agenda.</p> <p><a href="#">Paragraphs 29-31 and 40-42</a></p>
7	<p><b>Executive Team</b></p> <p>A new permanent Chief Executive was appointed in December 2017 but permanent appointments have yet to be made to three other Executive Team posts.</p> <p>There is a risk that the lack of certainty around the Executive Team posts impacts upon the strategic direction and operation of the Agency.</p>	<ul style="list-style-type: none"> <li>Review any further changes to Executive Team during 2017/18.</li> </ul>	<p>Interim strategic directors have been appointed to the Executive Team during 2017/18 to support the strategic direction and operation of the Agency.</p> <p><a href="#">Paragraph 45</a></p>
8	<p><b>Governance arrangements</b></p> <p>In view of the audit risks set out in this table and governance issues referred to in previous Annual Audit Reports, governance arrangements need to be reviewed and updated.</p> <p>There is a risk that the existing arrangements and culture do not reflect good practice or that governance arrangements are no longer appropriate.</p>	<ul style="list-style-type: none"> <li>Monitor progress of implementation.</li> </ul>	<p>A revised governance framework has recently been agreed and this is summarised at <a href="#">exhibit 5</a>.</p>
9	<p><b>Plans and policies</b></p> <p>A number of corporate plans and policies require to be updated, finalised or approved, including:</p> <ul style="list-style-type: none"> <li>2016-2019 corporate plan</li> <li>workforce plan</li> <li>risk management strategy</li> </ul>	<ul style="list-style-type: none"> <li>Monitor progress of implementation.</li> </ul>	<p>Limited, if any, progress was made on these issues during the year under review. However, we acknowledge that since the new Chief Executive took office in December she introduced an Acting Strategic Director for Governance and Assurance (March 2018) and encouraging</p>

No.	Audit Risk	Assurance procedure	Results and conclusions
	<ul style="list-style-type: none"> <li>business continuity plan</li> </ul> <p>There is a risk that this lack of strategic and operational guidance impacts upon the ability of the Agency to plan and operate effectively.</p>		<p>progress is now being made across these issues.</p> <p><a href="#">Paragraphs 47 and 48</a></p>
<b>10</b>	<p><b>Information Technology</b></p> <p>During the 2016/17 audit it was identified and reported that Education Scotland has not yet developed a digital strategy in response to the Scottish Government's programme 'Scotland's Digital Future - A Strategy for Scotland'. The Agency has also yet to agree and approve its approach to digitising the inspection and review process.</p> <p>There is a risk that this will impact on the ability of the Agency to deliver digital services effectively and in accordance with the Scottish Government's programme.</p>	<ul style="list-style-type: none"> <li>Our specialist ICT auditor will review the approved digital strategy and the approach to digitising the inspection and review process.</li> </ul>	<p>Our IT review highlighted significant and ongoing governance deficiencies concerning the Agency's IT function. An action plan has been agreed with management to address these issues.</p> <p><a href="#">Paragraphs 50 and 51</a></p>
<b>11</b>	<p><b>Organisation of audit and risk committee (ARC) meetings and support to Non-executive Directors</b></p> <p>The ARC's role is to support the Board by overseeing audit, risk and governance arrangements. The support extended to the ARC could be improved. During 2017 there were only 3 meetings of the ARC. We noted issues with the scheduling of meetings and the timely issue and quality of papers.</p> <p>There is a risk that this impacts upon the ability of Non-Executive Members to provide appropriate scrutiny over the Agency's activities.</p>	<ul style="list-style-type: none"> <li>Review operation of the audit and risk committee during 2017/18.</li> </ul>	<p>The support extended to the ARC during 2017/18 was, in our view, poor. We noted issues with the scheduling of meetings (including last minute changes) and the timely issue and quality of papers. There is a risk that this impacts upon the ability of NEBMs to provide appropriate scrutiny, support and challenge to management.</p> <p><a href="#">Paragraphs 49</a></p>

# Appendix 3

## Summary of national performance reports 2017/18

		 <b>2017/18 Reports</b>	
		Apr	
		May	
Common Agricultural Policy Futures programme: further update		<b>Jun</b>	 Scotland's colleges 2017
		Jul	 NHS workforce planning
Self-directed support: 2017 progress report		<b>Aug</b>	
Equal pay in Scottish councils		<b>Sept</b>	
Transport Scotland's ferry services		<b>Oct</b>	 NHS in Scotland 2017
Local government in Scotland: Financial overview 2016/17		<b>Nov</b>	
		Dec	
		Jan	
Early learning and childcare		<b>Feb</b>	
Managing the implementation of the Scotland Acts		<b>Mar</b>	

### Central Government relevant reports

[Common Agricultural Policy Futures programme: further update](#) – June 2017

[Transport Scotland's ferry services](#) – October 2017

[Early learning and childcare](#) – February 2018

[Managing the implementation of the Scotland Acts](#) – March 2018

# Education Scotland

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