

Forestry Commission Scotland

2017/18 Annual Audit Report



 AUDIT SCOTLAND

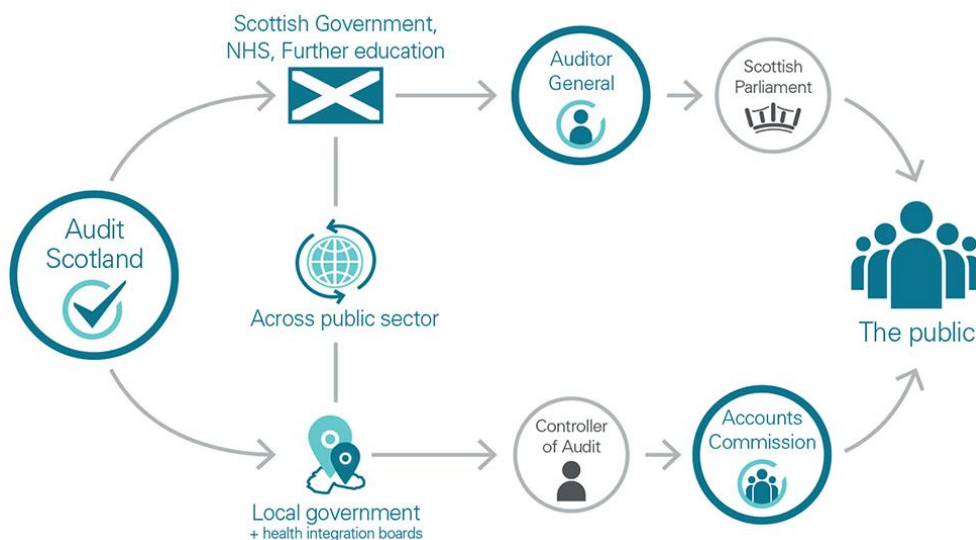
Prepared for Forestry Commission Scotland and the Auditor General for Scotland

30 July 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

Our vision is to be a world-class audit organisation that improves the use of public money.

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

2017/18 annual report and accounts

- 1 The financial statements of Forestry Commission Scotland give a true and fair view of the financial position and its net operating expenditure.
- 2 The expenditure and income in the financial statements were incurred or applied in accordance with applicable enactments and guidance.
- 3 The other information in the annual report and accounts is consistent with the financial statements and prepared in accordance with legal requirements.

Financial management

- 4 Forestry Commission Scotland has effective financial management arrangements. It has remained within its overall resource budget for 2017/18.
- 5 Systems of internal control operated effectively in 2017/18.

Financial sustainability

- 6 Forestry Commission Scotland has deferred the development of longer term financial planning until the establishment of the new Scottish Forestry Executive Agency.
- 7 There are no specific concerns about the overall financial position of Forestry Commission Scotland.

Governance and transparency

- 8 Forestry Commission Scotland has appropriate governance arrangements in place that support scrutiny of decisions.
- 9 Forestry Commission Scotland continues to improve the disclosures in its annual report. Openness and transparency could be further improved by extending the availability of papers and minutes.
- 10 Forestry Commission Scotland has made good initial progress towards transitioning into the Scottish Forestry Executive Agency. Significant continuing work is required for the new Agency to be fit for purpose from 1 April 2019.

Value for money

- 11 Forestry Commission Scotland has overall arrangements in place which help support performance management.
- 12 There is scope to build on existing approaches to managing and publicly reporting organisational performance, and demonstrating the contribution this makes to the Scottish Government's outcomes.

Introduction

1. This report summarises the findings from our 2017/18 audit of Forestry Commission Scotland.

2. The scope of our audit was set out in our Annual Audit Plan presented to the February 2018 meeting of the Audit and Risk Committee. This report comprises the findings from:

- an audit of the Forestry Commission Scotland's annual report and accounts
- consideration of the four audit dimensions that frame the wider scope of public audit set out in the [Code of Audit Practice 2016](#) as illustrated in [Exhibit 1](#).

Exhibit 1

Audit dimensions



Source: *Code of Audit Practice 2016*

3. The main elements of our audit work in 2017/18 have been:

- a review of the main financial systems
- an audit of Forestry Commission Scotland's 2017/18 annual report and accounts including the issue of an independent auditor's report setting out our opinions
- consideration of the four audit dimensions.

4. Forestry Commission Scotland has primary responsibility for ensuring the proper financial stewardship of public funds. This includes preparing an annual report and

accounts that are in accordance with the accounts direction from the Scottish Ministers. The annual report and accounts includes the following:

- Performance Report
- Accountability Report (which includes the Corporate Governance Report, Remuneration and Staff Report and Parliamentary and Accountability Report)
- Financial statements and supporting notes.

5. Forestry Commission Scotland is also responsible for establishing effective arrangements for governance, propriety and regularity that enable the board to successfully deliver its objectives.

6. Our responsibilities as independent auditor are outlined in the Public Finance and Accountability (Scotland) Act 2000 and the *Code of Audit Practice 2016* and supplementary guidance, and International Standards on Auditing in the UK.

7. As public sector auditors we give independent opinions on the annual report and accounts. We also review and provide conclusions on the effectiveness of the performance management arrangements, suitability and effectiveness of corporate governance arrangements, and financial position and arrangements for securing financial sustainability. In doing this we aim to support improvement and accountability. Further details of the respective responsibilities of management and the auditor can be found in the [Code of Audit Practice 2016](#) and supplementary guidance.

8. This report raises matters from the audit of the annual report and accounts and consideration of the audit dimensions. Weaknesses or risks identified are only those which have come to their attention during our normal audit work, and may not be all that exist. Communicating these does not absolve management from its responsibility to address the issues we raise and to maintain adequate systems of control.

9. Our annual audit report contains an agreed action plan at [Appendix 1](#). It sets out specific recommendations, responsible officers and dates for implementation. It also includes outstanding actions from last year and the steps being taken to implement them.

10. We can confirm that we comply with the Financial Reporting Council's Ethical Standard. We can also confirm that we have not undertaken any non-audit related services and therefore the 2017/18 audit fee of £40,000 as set out in our Annual Audit Plan remains unchanged. We are not aware of any relationships that could compromise our objectivity and independence.

Adding value through the audit

11. Our aim is to add value to Forestry Commission 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 Forestry Commission Scotland promote improved standards of governance, better management and decision-making and more effective use of resources.

12. This report is addressed to both Forestry Commission Scotland and the Auditor General for Scotland and will be published on Audit Scotland's website www.audit-scotland.gov.uk in due course.

13. We would like to thank all management and staff who have been involved in our work for their cooperation and assistance during the audit.

Part 1

Audit of 2017/18 annual report and accounts



Main judgements

The financial statements of Forestry Commission Scotland give a true and fair view of the financial position and its net operating expenditure.

The expenditure and income in the financial statements were incurred or applied in accordance with applicable enactments and guidance.

The other information in the annual report and accounts is consistent with the financial statements and prepared in accordance with legal requirements.

Audit opinions on the annual report and accounts

14. The annual report and accounts for the year ended 31 March 2018 were agreed to be passed to the Accountable Officer for signing by the Audit and Risk Committee on 27 July 2018. We reported within our independent auditor's report that in our opinion:

- the financial statements give a true and fair view and were properly prepared
- expenditure and income were regular and in accordance with applicable enactments and guidance
- the audited part of the remuneration and staff report, performance report and governance statement were all consistent with the financial statements and properly prepared in accordance with the accounts direction.

15. Additionally, we have nothing to report in respect of misstatements in information other than the financial statements, the adequacy of accounting records and the information and explanations we received.

The annual report and accounts are the principal means of accounting for the stewardship of its resources and its performance in the use of those resources.

Submission of annual report and accounts for audit

16. We received the unaudited financial statements on 29 May 2018 in line with our agreed audit timetable.

17. The working papers provided with the unaudited financial statements were generally of a high standard. Finance staff provided good support to the audit team which helped ensure the final accounts audit process ran smoothly.

Risk of material misstatement

18. [Appendix 2](#) provides a description of those assessed risks of material misstatement that were identified during the planning process. These risks had the greatest effect on the overall audit strategy, the allocation of staff resources to the audit and directing the efforts of the audit team. Also included within the appendix are wider audit dimension risks, how we addressed these and conclusions.

Materiality

19. Misstatements are material if they could reasonably be expected to influence the economic decisions of users taken based on the financial statements. The assessment of what is material is a matter of professional judgement. It involves considering both the amount and nature of the misstatement. It is affected by our perception of the financial information needs of users of the financial statements.

20. Our initial assessment of materiality for the annual report and accounts was carried out during the planning phase of the audit. Specifically, regarding the annual report and accounts we assess the materiality of uncorrected misstatements, both individually and collectively.

21. On receipt of the annual report and accounts we reviewed our original materiality calculations and updated these to reflect reported outturn at 31 March 2018, as shown in [Exhibit 2](#) below.

Exhibit 2 Materiality values

Materiality level	Amount
Overall materiality - This is the calculated 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.	£0.846 million
Performance materiality - 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 85% of overall materiality.	£0.719 million
Reporting threshold - 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 5% of overall materiality.	£42,000

Source: Audit Scotland

How we evaluate misstatements

22. There were no material adjustments to the unaudited financial statements arising from our audit. A number of presentational adjustments to the accounts were identified and discussed with senior finance officers who agreed to amend the financial statements. There are no unadjusted misstatements and we did not identify any monetary errors.

Significant findings from the audit in accordance with ISA 260


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

24. These findings include our views about significant qualitative aspects of the Forestry Commission Scotland's accounting practices including:

- | | |
|---|---|
| <ul style="list-style-type: none"> Accounting policies | <ul style="list-style-type: none"> Accounting estimates and judgements |
| <ul style="list-style-type: none"> Significant financial statements disclosures | <ul style="list-style-type: none"> Timing of transactions and the period in which they are recorded |
| <ul style="list-style-type: none"> The impact on the financial statements of any uncertainties | <ul style="list-style-type: none"> The effect of any unusual transactions on the financial statements |
| <ul style="list-style-type: none"> Misstatements in the annual report and accounts | <ul style="list-style-type: none"> Disagreement over any accounting treatment or financial statements disclosure |

Exhibit 3

Significant findings from the audit of financial statements

Issue	Resolution
<p>1. EU income</p> <p>The 2017/18 financial statements disclose current trade and other receivables of £15.9m of which £15.2m relates to the accrual of income from the European Union (EU) (£15.4m 2016/17).</p> <p>The accrual represents committed grant funding due to be received in respect of projects related to the creation of woodland. All forestry payments are made by the Scottish Government's Rural Payments and Inspections Division (RPID), who are the accredited paying agency in Scotland for all European Commission Common Agricultural Policy (CAP) grants.</p> <p>Management expect this to be fully repaid as all outstanding issues raised by previous EU audits have been addressed in their view and they have had no notification of any further disallowance.</p> <p>The Performance Report refers to the continuing risk of grant disallowance and that ongoing work is required to ensure full compliance with EU procedures.</p>	<p>Internal audit has reviewed EU grant payments and provided a substantial assurance opinion. However earlier work on processes and procedures raised a number of concerns.</p> <p>We sample tested a range of grant income and expenditure and concluded that the amounts accrued appeared reasonable. We also reviewed and reperformed the work of the finance team who select a sample of payments and confirm the amount paid is accurate against the original claim. No issues were identified and all payments were agreed to original claims and had been processed correctly.</p> <p>We have requested that the Accountable Officer provides assurances that the accruals for EU income are properly stated.</p> <p> Recommendation 1 (refer appendix 1, action plan)</p>
<p>2. Provisions</p> <p>Included within provisions of £240,000 (note 13 of the financial statements) is £169,000 in respect of 36 shared service staff. The provision has been assessed against the requirements of IAS 37 which requires a provision to be recognised when, three specified conditions are met:</p> <ul style="list-style-type: none"> the body has a present obligation as a result of a past event it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation a reliable estimate can be made of the amount of the obligation <p>The costs included within the provision reflect Forestry Commission Scotland's agreed share.</p>	<p>We agreed that the costs recorded as provisions met the requirements of IAS37.</p>

Issue	Resolution
<p>3. Exit packages</p> <p>The remuneration and staff report records exit packages paid to three shared services staff at a total cost of £125,000. This cost is then split across Forestry Commission Scotland, Forest Enterprise Scotland and Forestry Commission England.</p> <p>In 2016/17, we reported that Forestry Commission Scotland bore the cost of exit packages for both Forestry Commission Scotland and Forest Enterprise Scotland. In 2017/18, the allocation of costs has been formally agreed across all three organisations.</p>	<p>We recommended in 2016/17 that funding decisions should be formally recorded as evidence of the agreement.</p> <p>Evidence was provided of agreement of the allocation of costs. A disclosure has been included in the remuneration report to this extent.</p>

Source: Audit Scotland

Other Findings

25. We have highlighted below a number of other matters identified during our audit.

Future financial commitments

26. Note 18 in the annual accounts records Forestry Commission's Scotland's financial commitments to the payment of future instalments under a range of EU funded programmes. These commitments total £87.4m and include:

- Scottish Rural Development Plan 2007 – 2013 (woodland creation and replanting): £26.6m
- Scottish Rural Development Plan 2014 – 2020 (woodland creation and replanting): £52.8m
- Scottish Rural Development Plan 2007 – 2013 (existing woodlands): £1.5m
- Scottish Rural Development Plan 2014 - 2020 (existing woodlands): £6.5m

27. Forestry Commission Scotland has responsibility for the monitoring and compliance with EU regulations. To ensure compliance with the regulations, internal audit and finance staff have reviewed the procedures and processes in place. No significant matters arising were noted. Internal audit also undertook a review of the Forestry Grants Scheme (FGS) and provided a limited assurance opinion: this review sought to promote and agree actions between Forestry Commission Scotland and RPID on the deliverable IT functionality of the system or an alternative approach to the end of the programme period. Internal Audit referred to the *'the extra administrative burden undertaken to provide a functioning FGS system against a background of an inadequate cradle to grave RP&S system.'*

Cash and cash equivalents

28. The statement of financial position discloses a year-end cash balance of £20.7m, an increase of £7.9m from the prior year. The increase reflects funding drawn down in respect of the locally funded element of the Forestry Grant Scheme, which had not yet been paid out to grant claimants. The delay in payments was largely due to adverse weather conditions delaying work on these projects. Additional funding received for the Strategic Timber Transport Scheme was not paid to grant claimants until after the year end. Amounts payable for both schemes had been appropriately recognised as expenditure.

Follow up of prior year recommendations

29. We have followed up actions agreed in 2016/17 to assess progress with implementation. We have reported progress of these prior year actions in [Appendix 1](#). They are identified by the prefix b/f (brought forward).

30. Three agreed actions were raised in 2016/17. We can report for 2017/18 that two of the actions have been implemented by Forestry Commission Scotland; one relating to EU income is ongoing and has been continued into 2017/18.

Part 2

Financial management



Main judgements

Forestry Commission Scotland has effective financial management arrangements. It has remained within its overall resource budget for 2017/18.

Systems of internal control operated effectively in 2017/18.

Financial performance in 2017/18

31. The main financial objective for Forestry Commission Scotland is to ensure that the financial outturn for the year is within the budget allocated by Scottish Ministers.

32. Forestry Commission Scotland has reported net operating expenditure of £67.2m, remaining within its overall budget for 2017/18 with an underspend of £1.4m. This was largely due to underspend in Forestry Development programmes and Plant Health funding whereby there were a number of un-submitted claims and payments were made which were lower than original claim value. The financial performance against Departmental Expenditure Limits (DEL) is shown in [Exhibit 4](#).

Exhibit 4

Performance against DEL in 2017/18

Performance	Initial budget £m	Final budget £m	Actual outturn £m	Overspend/ (underspend) £m
Resource DEL	59.700	66.800	65.376	(1.424)
Capital DEL (FES)	1.600	1.600	1.600	-
Total DEL	61.300	68.400	66.976	(1.424)
Annually Managed Expenditure (AME)	-	0.200	0.201	0.001
Total Allocation	61.300	68.600	67.177	(1.423)

Source: Forestry Commission Scotland's Annual Report and Accounts 2017/18, Spring Budget Revision 2017-18

33. A number of adjustments were made to the original budget. £7.1m was provided as part of the Scottish Government's autumn budget revision. £5m of this was additional funding for the Strategic Timber Transport Scheme, with a further £1.9m provided as part of the Forest Enterprise Scotland subsidy. It was also

agreed with the Scottish Government in the spring budget revision that £0.2m of annually managed expenditure would be provided.

34. Funding for Forestry Commission Scotland includes a subsidy agreed by the Scottish Government for Forest Enterprise Scotland (FES) who manages the forest estate. In addition to the £20.7m DEL provided, a further £1.9m was transferred to FES for the ongoing peatland restoration projects. An additional £0.5m was transferred to FES from the administration budget for additional services provided by FES as part of the organisational change.

Budgetary processes

35. We reviewed Forestry Commission Scotland's budgetary processes and budget monitoring arrangements. From our review of budget monitoring reports, review of committee papers and attendance at committees we confirmed that senior management and members receive regular, timely and up to date financial information on the financial position.

36. We concluded that Forestry Commission Scotland has effective budgetary monitoring and control arrangements that allow members and management to carry out effective scrutiny of its finances.

Systems of internal control

37. As part of our audit we identify and inspect the key internal controls in those accounting systems which we regard as significant to produce the financial statements. Our objective is to gain assurance that Forestry Commission Scotland has systems of recording and processing transactions which provide a sound basis for the preparation of the financial statements.

38. Our findings were included in a management report presented to the Audit Committee in July 2018. We concluded that the controls tested were operating effectively. No significant internal control weaknesses were identified during the audit which could affect Forestry Commission Scotland's ability to record, process, summarise and report financial and other relevant data to result in a material misstatement in the financial statements.

ICT controls

39. Our ICT audit work focussed on cyber resilience (see para 83 below). We also followed up findings reported in our 2016/17 Interim Report. The findings arising from this follow up work have been reported in our 2017/18 management report.

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

Part 3

Financial sustainability



Main judgements

Forestry Commission Scotland has deferred the development of longer term financial planning until the creation of the new Scottish Forestry Executive Agency.

There are no specific concerns about the overall financial position of Forestry Commission Scotland.

2017/18 financial position

40. The Statement of Financial Position summarises what is owned and owed by Forestry Commission Scotland. This shows taxpayers' equity – an accounting measurement of the amount invested that has continuing public benefit. It shows how much of this has arisen from the application of revenues and that which has resulted through changes over time in the value of assets.

41. The financial statements show that Forestry Commission Scotland has net liabilities of £2.5m which is an increase of £0.3m on 2016/17 figures. This is largely attributable to the low baseline value of property plant and equipment. This is not considered an issue in relation to the going concern of the organisation as Forestry Commission Scotland receives all its funding from the Scottish Government.

Financial Planning

42. The draft budget for Forestry Commission Scotland for 2018/19 has been set at £63.7m, reflecting an increase of £2.4m on the original prior year budget. The budget includes:

- a resource allocation of £62.1m which is slightly higher than the initial 2017/18 budget allocation of £59.7m
- capital DEL of £1.6m which is in line with the 2017/18 budget.

43. The 2018/19 expenditure budget reflects the increased level of funding for woodland grants which has been offset by a decrease in funding for programme costs and policy regulation and administration. The subsidy payment to Forest Enterprise Scotland has been reduced from £20.7m to £19.7m. The 2018/19 budget continues to show a challenging position reflecting the impact of financial pressures.

Medium to long term financial planning

44. In 2016/17 we reported on the absence of any longer term financial plans within Forestry Commission Scotland and accepted this due to the uncertainties around the future of forestry. It has since been confirmed that Forestry Commission Scotland will become an Executive Agency of the Scottish Government on 1 April 2019, following the passing of the Forestry & Land Management (Scotland) Bill in March 2018.

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.

45. As a result of the organisational change and competing work demands, Forestry Commission Scotland has deferred the development of long-term financial planning until after the creation of the new Agency. Further, the absence of multi-year spending reviews has created additional difficulties in developing longer term financial plans.



Recommendation 2

We recommend that following transition to Scottish Forestry in April 2019, a longer-term financial strategy (5 years +) supported by clear and detailed financial plans (3 years +) is prepared. This should include scenario planning (best, worst, most likely) with a much clearer assessment of the impact of budget assumptions on activity and any residual risks.

(refer appendix 1, action plan).

EU withdrawal

46. There remains significant uncertainty about the detailed implications of EU withdrawal (ie Brexit). It is critical that public sector bodies are working to understand, assess and prepare for the impact on their business in three broad areas:

- Workforce – the extent to which changes to migration and trade policies are likely to affect the availability of skilled and unskilled labour
- Funding – the extent to which potential changes to funding flows are likely to affect the finances of the organisation and the activity that such funding supports
- Regulation – the extent to which potential changes to regulation across a broad range of areas overseen at an EU level are likely to affect the activities of the organisation.

47. The impact of Brexit has been incorporated into Forestry Commission Scotland's business: for example, the risk register includes reference to Brexit across a range of risks, with actions to mitigate the risk including engagement with the Scottish Government on Brexit processes and communication with the wider Forestry sector. In addition to this, Forestry Commission Scotland has created a Forestry Working Group which works alongside the Scottish Government on Brexit issues impacting forestry. The group's remit includes preparing for a 'post-CAP' grant support system and developing a Plant Health UK Framework. Given the level of uncertainty around Brexit at this time, this approach appears reasonable.

Part 4

Governance and transparency



Main judgements

Forestry Commission Scotland has appropriate governance arrangements in place that support scrutiny of decisions.

Forestry Commission Scotland continues to improve the disclosures in its annual report. Openness and transparency could be further improved by extending the availability of papers and minutes.

Forestry Commission Scotland has made good initial progress towards transitioning into the Scottish Forestry Executive Agency. Significant continuing work is required for the new Agency to be fit for purpose from 1 April 2019.

Governance arrangements

48. The governance structure is complex reflecting the current cross border arrangements for the management of the forest estate. The Forestry Commission has a chair and a board of commissioners who are responsible for stewardship of the UK national forest estate. Certain duties have been delegated to the National Committee for Scotland by the commissioners. The National Committee was established to help formulate advice to Ministers on the strategic direction of forestry in Scotland and to help ensure that the Minister's policies are carried out efficiently and effectively.

49. The National Committee for Scotland includes representation from the Forestry commissioners (2 non-executives and 1 executive director), senior Forestry Commission Scotland and Forest Enterprise Scotland staff and a further three non-executive committee members.

50. The Scotland Executive Board was established in 2016/17 with membership drawn from Forestry Commission Scotland and Forest Enterprise Scotland management boards. The board was established to address the organisational change programme and devolution of the Forestry Commission.

51. The Forestry Commission Scotland Management Board is the senior management monitoring and decision-making forum. It is well established with members demonstrating commitment to their roles and responsibilities. At 31 March 2018, the board consisted of the Head of Forestry Commission Scotland and four Heads of Service. In 2017/18 there were eight board meetings.

52. The National Committee for Scotland has established an Audit and Risk Committee (ARC) to support it in its responsibilities for the effective management of risk, control and governance. The ARC works across both Forestry Commission Scotland and Forest Enterprise Scotland. During the year, the chair of the ARC stepped down due to a conflict of interest. The Chair was replaced and another non-executive member of the National Committee was appointed to the ARC.

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.

53. We attend all ARC meetings. Agendas follow a standard format and papers are circulated to members in advance, allowing adequate time for members to review. From attendance at these meetings, we can confirm that members provide appropriate scrutiny of submitted reports.

54. Forestry Commission Scotland maintains its own risk registers which are overseen by the Audit and Risk Committee. We concluded that, overall, Forestry Commission Scotland has appropriate arrangements in place that support good governance, accountability and scrutiny. The governance arrangements in place support effective working relationships between senior management, chief officers, non-executives and commissioners.

Forestry and Land Management (Scotland) Act

55. The Forestry and Land Management (Scotland) Act received Royal Assent on 1 May 2018. The Act provides a legislative framework to develop, support and regulate forestry in Scotland, including a requirement for a Scottish forestry strategy and a duty to promote sustainable forest management. As a result of the Act, Forestry Commission Scotland will be replaced by a new Agency, Scottish Forestry. The new Agency will become operational on 1 April 2019.

56. The Head of Forestry Commission Scotland is responsible for the delivery of this project and is supported by a Project Board and the Scottish Government Forestry Devolution Programme Board. The project has been split into five workstreams:

- People and Skills
- IT – Systems and Data
- Processes and Procedures
- Assets and Locations
- Governance and Corporate Services Functions.

57. Each workstream has been allocated a lead and a detailed plan is in place for each of the workstreams. Regular project highlight reports are prepared covering a range of issues including: budget position; project plan status; progress against each milestone; issues encountered; key risk updates; and actions for the next period. The Guidance on Establishment of New Public Bodies (December 2017) issued by the Scottish Government has been followed where appropriate.

58. The most recent project highlight report detailed a budget position of £1.7m for the cost of IT transfer, with spend to date being £1.6m. Three planned milestones have been completed, with four key milestones still to be achieved, including the Learning and Development strategy and migration of the IT systems to the Scottish Government's system, SCOTS. These will not be completed until later in 2018/19.

59. Communication with staff is an essential element in the process. A central email address has been set up for staff to submit any questions. A roadmap has also been issued to all staff outlining important points in the Forestry Commission Scotland journey towards transition.

60. Forestry Commission Scotland has a significant amount of work ahead to ensure transition to the Scottish Forestry Agency in April 2019 and management acknowledge the challenges involved. We shall continue to monitor progress towards transition.

Transparency

61. Transparency means that the public have access to understandable, relevant and timely information about how the board is taking decisions and how it is using resources such as money, people and assets.

62. We reported in 2016/17 that minutes of meetings of the Forestry Commission Scotland Management Board, National Committee for Scotland and Scottish Executive Board are publicly available on the Forestry Commission Scotland's website. This remains the case in 2017/18. Some background papers are available for Scottish Executive Board and National Committee meetings. Audit and Risk Committee papers and minutes are not available to the public and board and committee meetings are not open to the public.

63. Forestry Commission Scotland continues to improve transparency in its annual report and accounts. For example, further information was provided within the performance and accountability reports. We have discussed in Part 5 of this report further improvements through the introduction of specific and measurable performance targets leading to some trend analysis although we accept that the transition to the new Agency may preclude this in the short term.

64. As part of the transition into Scottish Forestry, management should review the new 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. This could include extending the availability of formal meeting agendas and papers on its website. Where papers include confidential information, these can be withdrawn or redacted as appropriate.

Risk management

65. As part of our planning work we reviewed Forestry Commission Scotland's risk management arrangements and reviewed the risks identified during the year. Forestry Commission Scotland has a risk management policy and risk registers are reviewed and updated on a regular basis by management. The management board discuss risks at meetings and regular updates on key and emerging risks are provided to the Audit and Risk Committee as a standing agenda item. There is a separate risk register for the new agency project.

66. We have concluded that risk management arrangements are appropriate.

Internal audit

67. Internal audit provides the Accountable Officer and the 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).

68. 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.

69. The opinion provided by internal audit in 2017/18 is that of 'reasonable assurance' which is defined as controls are adequate but require improvement. There are some weaknesses in the risk, governance and/or control procedures in place but these are not of a significant nature.

70. As noted in our Annual Audit Plan, Audit Scotland's Scottish Government audit team undertook a review of the effectiveness of the internal audit function to ensure it operates in accordance with the PSIAS. Their report which was issued in July 2018 noted that the SGIAD meets some of the Public Sector Internal Audit Standards, but also does not comply with significant aspects of the standards. Our review of a sample of internal audit reports and supporting documentation found

that significant improvements are required to comply with PSIAS and the Internal Audit Manual (IAM) in audit planning, audit documentation, audit reporting and management review. No internal audit reports were identified where the underlying evidence would suggest an incorrect audit opinion or conclusion. Agreed actions have been put in place to address the issues raised.

71. We intended to place formal reliance on internal audit's work on FCS Grants (including Legacy Grant Payments and controls for the new SRDP system). Based on the Limited Assurance opinion given by SGIAD on the forest grants scheme and the delayed report (issued July 2018) on EU Accounting and Finance (which was given a substantial assurance opinion) we undertook some additional testing of forestry grants.

Governance Statement

72. HM Treasury's Financial Reporting Manual (the FReM) states that Forestry Commission Scotland must prepare an annual governance statement within the annual report and accounts. Guidance is set out within the Scottish Public Finance Manual (SPFM) for the content of the governance statement and provides assurances around the achievement of the organisation's strategic objectives.

73. The SPFM does not prescribe a format for the annual governance statement but sets out minimum requirements for central government bodies. In 2016/17 we recommended that to assist the accountable officer fulfil her responsibilities, specific assurances should be sought from senior staff in the organisation. We are pleased to note that assurances were sought from FCS conservators and Heads of Functions. Checklists were completed and annual assurance certificates summarising the checklists were provided to the Accountable Officer covering 2017/18. The framework now complies more closely with the SPFM; processes and procedures will continue to be developed and improved in 2018/19.

74. We discussed a number of amendments to the draft governance statement to better reflect the position throughout the year which management agreed to implement. We concluded that the 2017/18 governance statement complies with the guidance issued by the Scottish Ministers and, based on our knowledge and work performed, presents an appropriate picture of the governance arrangements in place.

National Fraud Initiative

75. The National Fraud Initiative (NFI) in Scotland is a counter-fraud exercise coordinated by Audit Scotland. It uses computerised techniques to compare information about individuals held by different public bodies, and on different financial systems, to identify 'matches' that might suggest the existence of fraud or irregularity. NFI activity for both Forestry Commission Scotland and Forest Enterprise Scotland is summarised below in [Exhibit 5](#).

Exhibit 5 NFI activity



1,282

Matches



237

**Recommended
for investigation**



366

**Completed/closed
investigations**

76. Although 237 matches were identified as recommended matches, 366 were in fact investigated. The additional testing was undertaken on the basis of where it proved time effective to follow up. No instances of fraud were identified as a result of this exercise; two errors were discovered resulting in overpayments of £16,000 which have subsequently been recovered. As a result of these errors, invoice & eFinancials authorisation procedures have been reviewed and updated. Findings from the NFI exercise were reported to the Audit and Risk Committee in November 2017.

77. Forestry Commission Scotland has been pro-active in investigating matches and reporting the outcomes of NFI activity to the Audit and Risk Committee.

78. The 2018/19 NFI exercise is due to start in autumn 2018.

79. Audit Scotland published a national report The National Fraud Initiative in Scotland, in July 2018. The report noted that since the last report on the NFI in Scotland in June 2016, outcomes valued at £18.6 million have been recorded. The cumulative outcomes from the NFI in Scotland since 2006/07 are now £129.2 million. These outcomes represent a significant return to the public sector at a time when Scotland's public finances continue to be under pressure.

80. The report recommended that audit committees and officers leading the NFI should review [the National Fraud Initiative: self-appraisal checklist](#). This will ensure they are fully informed of their organisation's planning and progress in the 2018/19 NFI exercise. We would agree with this recommendation.



Recommendation 3

We recommend that the ARC review the NFI self-appraisal checklist as completed by management to ensure they are fully informed of progress on the 2018/19 NFI exercise.

(refer appendix 1, action plan)

Standards of conduct for prevention and detection of fraud and error

81. We have reviewed the arrangements in place to maintain standards of conduct including the Staff Handbook and Civil Service and Members' Codes of Conduct. There are established procedures for preventing and detecting any breaches of these standards including any instances of corruption.

82. Based on our review of the evidence we concluded that Forestry Commission Scotland has appropriate arrangements in place for the prevention and detection of bribery and corruption. As noted in our management report, Forestry Commission Scotland has established procedures for recording, monitoring, and disclosing staff and board member interests. We identified several examples of good practice. We did however recommend that guidance should be prepared to formalise procedures should a conflict of interest arise.

Cyber security

83. 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.

84. As information services continues to be provided through the Forestry Commission as a non-ministerial UK government department, limited progress has been made by Forestry Commission Scotland. Systems are in the process of being established. Management have advised that they used the pre-assessment

questionnaire as a gap analysis/scoping tool. Management have given assurances that once the new Agency is established together with the implementation of its own systems, Cyber Essentials Plus accreditation will be sought. We shall continue to monitor progress.

General Data Protection Regulation (GDPR)

85. The new GDPR came into force on 25 May 2018. This replaced the UK Data Protection Act 1998. As a Regulation, all EU member states must implement it in the same way. GDPR sets out more requirements than the DPA and has introduced new and significantly changed data protection concepts.

86. GDPR introduces a wide range of new rights for individuals in respect of their personal data. These include the right to be forgotten, the right to object to certain processing activities and to decisions taken by automated processes. Failure to comply with new GDPR data handling arrangements could result in Forestry Commission Scotland incurring significant fines.

87. Forestry Commission Scotland has undertaken a range of actions in preparation for the introduction of GDPR. Key actions included: development of an action plan; communications to all employees and staff training on information handling; engagement with a legal firm to identify changes in the law; development of a GDPR risk register and updates to the Forestry Commission data policy; and an inventory of personal data held.

88. Management have put in place arrangements to achieve compliance with the requirements of the new regulations. However, further work is being undertaken to ensure that processes and procedures across the business are as efficient and transparent as possible.

Part 5

Value for money



Main judgements

Forestry Commission Scotland has overall arrangements in place which help support performance management.

There is scope to build on existing approaches to managing and publicly reporting organisational performance and demonstrating the contribution this makes to the Scottish Government's outcomes.

Performance management

89. Value for money is a key element of our audit approach. In 2017/18, we did not identify any significant value for money risks during our planning and therefore did not undertake any specific value for money work this year. We will keep this area under review over the five-year audit appointment and will report as appropriate.

90. 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 corresponding duty of Best Value. Where such requirements are not specified we may, in conjunction with Forestry Commission Scotland agree to undertake local work in this area.

91. The National Committee agrees Forestry Commission Scotland's priorities on an annual basis in agreement with the Head of Forestry Commission Scotland. Seven priorities were identified at the National Committee meeting in June 2017. Progress and activity is monitored by the National Committee.

92. Performance against each of these priorities is reported in Forestry Commission Scotland's 2017/18 annual report and accounts and progress has been made in relation to all the priorities.

93. We concluded that Forestry Commission Scotland has overall arrangements in place which support performance management.

94. These priorities are aligned to the Scottish Forestry Strategy which was published by Scottish Ministers in October 2006 and links into the Scottish Government's programme for government. The Strategy will be updated as part of the restructuring of forestry services and is due to be published in April 2019.

95. Outcomes based scrutiny was one of the main recommendations arising from the Budget Process Review Group. This group was established by the Finance and Constitution Committee and the Scottish Government to carry out a fundamental review of the Scottish Parliament's budget process. It noted that an outcomes-based scrutiny approach provides a means for evaluating the economic and social outcomes being achieved by public spending and recommended that public bodies strengthen their performance planning and reporting to provide a greater focus on the delivery of outcomes.

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

96. Public bodies are required to identify and report performance measures to demonstrate their effectiveness and efficiency in service delivery and the benefits they provide to the public.

97. The performance report included within the annual report and accounts provides a range of information covering the activities of Forestry Commission Scotland. The information includes a narrative about the organisation's priorities and objectives. As an Executive Agency of the Scottish Government, Scottish Forestry will be expected to take an 'Outcomes based approach' to corporate and business planning, and effectively demonstrate their contribution to the delivery of the government's Purpose and National Outcomes, as set out in the National Performance Framework.

98. The information provided in the annual report could be enhanced through the assessment of whether the priorities are being delivered and whether the aims are being achieved. A key component of this approach requires the production of a corporate and business plan together with an effective performance management reporting system. We have therefore recommended that Forestry Commission Scotland build on its existing approaches to managing and publicly reporting organisational performance and demonstrating the contribution this makes to the Scottish Government's outcomes.



Recommendation 4

Forestry Commission Scotland should build on its existing approaches and develop its reporting systems in order to manage and publicly report on organisational performance. These should enable the contribution this makes to the Scottish Government's outcomes to be more clearly demonstrated.

(refer appendix 1, action plan)

99. The Mackinnon report was published in December 2016. This report was commissioned to identify opportunities for simplifying and speeding up the Forestry Grant Scheme approval process for woodland creation. As noted in the Performance Report, the implementation of the report findings has had a positive impact on the approvals process. It is essential that progress is maintained on fulfilling this Scottish Government commitment.

National performance audit reports

100. 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 some of which are of direct interest to Forestry Commission Scotland. These are outlined in [Appendix 3](#).

101. We provide regular updates to the Audit and Risk Committee in which we refer to Performance Audit reports which may be of interest to members.

Appendix 1

Action plan 2017/18

2017/18 recommendations for improvement



No.	Issue/risk	Recommendation	Agreed management action/timing
1	<p>EU income</p> <p>Issues have been identified in the past in relation to the audit of EU claims.</p> <p>Risk</p> <p>There is a risk that some scheme funding may be disallowed or income may have been accrued in error which result in subsequent pressures on finances.</p>	<p>Forestry Commission Scotland should ensure that there are adequate controls in place to ensure disallowance is avoided and that all relevant grant conditions are met.</p> <p>Exhibit 3, point1</p>	<p>FCS will continue to ensure that all grant related accruals are based on sound information including verified reports and claim data. Reporting under FGS is being improved and will help to enhance the confidence around accruals.</p> <p>Multiple controls and case process monitoring will continue to be developed and carried out by FCS and SG internal audit to ensure ongoing good compliance with EU regulations and minimise the risk of future disallowances. Where significant risks are identified provisions will be included within the relevant year's accounts.</p> <p>Responsible officer: Brendan Callaghan, Head of Delivery and Regions</p> <p>Agreed date: Ongoing</p>
2	<p>Medium to long term financial planning</p> <p>Longer term financial planning has been deferred pending the reorganisation of Forestry Commission Scotland.</p> <p>Risk</p> <p>There is a risk that the impact of budget assumptions on agreed or projected outputs is not effectively recognised.</p>	<p>We recommend that once devolution of central services is complete and arrangements for the new Agency are more settled that, a long term financial strategy (5 years +) supported by clear and detailed financial plans (3 years +) is prepared.</p> <p>Plans should set out scenario plans (best, worst, most likely); with a much clearer assessment of the impact of budget assumptions on activity and any residual risks</p>	<p>Scottish Forestry will prepare a 3 year Corporate Plan and will look at Financial Planning in line with SG Executive Agency best practice. As part of the Scottish Forestry Project we will work with Public Bodies unit, SG Finance and other Executive Agencies to develop our financial modelling and scenario planning for the New Agency.</p> <p>Responsible officer: Nicky Whitaker, Head of Corporate Services</p>



No.	Issue/risk	Recommendation	Agreed management action/timing
		Paragraph 45	Agreed date: by Sep 2019
3	<p>NFI</p> <p>The NFI self-appraisal checklist was not provided to the ARC.</p> <p>Risk</p> <p>There is a risk that the ARC is not kept apprised of progress on the NFI exercise.</p>	<p>The ARC should review the NFI self-appraisal checklist as completed by management to ensure they are fully informed of progress on the 2018/19 NFI exercise</p> <p>Paragraph 80</p>	<p>Review of self-appraisal checklist will be undertaken and added to the NFI reports/papers presented to future ARC meetings.</p> <p>Responsible officer: Ross MacHardie, Senior Finance Manager</p> <p>Agreed date: Apr 2019</p>
4	<p>Performance management</p> <p>Information provided in the annual report could be enhanced through the assessment of whether the priorities are being delivered and whether the aims are being achieved.</p> <p>Risk</p> <p>There is a risk that the new Agency cannot demonstrate its progress in achieving Scottish Government performance targets.</p>	<p>Forestry Commission Scotland should build on its existing approaches to managing and publicly reporting organisational performance. The contribution this makes to the Scottish Government's outcomes should be demonstrated.</p> <p>Reporting systems may need to be developed to provide this information.</p> <p>Paragraph 98</p>	<p>The Corporate Plan for Scottish Forestry will be developed within the first six months of the Agency being established (as required by SG). The Scottish Forestry project is considering how this will be taken forward including the resources required to deliver this new model. The Corporate Plan will reflect the National Performance Framework.</p> <p>Responsible officer: Jo O'Hara, Head of FCS</p> <p>Agreed date: Sept 2019</p>

Follow up of prior year recommendations

b/f	<p>1. Governance statement</p> <p>The accountable officer receives assurances through a wide range of governance arrangements. There are no formal assurance arrangements in place for the management team to provide their view of the control system applying throughout the financial year.</p> <p>Risk</p> <p>There is a risk that the accountable officer is unable to provide an unqualified view on</p>	<p>The accountable officer should request specific written assurances on the range of internal control systems directly managed by senior officers.</p>	<p>Formal assurance arrangements have been introduced to assist the accountable officer form a view on the controls in place across the organisation.</p> <p>Conclusion: Actioned</p>
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No.	Issue/risk	Recommendation	Agreed management action/timing
	the range of controls in place across the organisation		
b/f	<p>2. Exit packages</p> <p>Forestry Commission Scotland funded the full cost of exit packages in respect of shared service staff. There was no evidence of this being formally agreed between Forestry Commission and Forest Enterprise Scotland.</p> <p>Risk</p> <p>There is a risk that expenditure is incurred without the appropriate agreement.</p>	<p>Funding decisions should be formally recorded as evidence of the discussions and subsequent agreement.</p>	<p>Shared services exit packages for 2017/18 have been allocated between Forestry Commission Scotland and Forest Enterprise Scotland by 20:80. Management have formally agreed to the sharing of costs.</p> <p>Conclusion: Actioned</p>
b/f	<p>3. EU funding</p> <p>The financial statements disclose existing EU contractual commitments in future years of £76.3m.</p> <p>Risk</p> <p>There remains a risk that some scheme funding may be disallowed resulting in subsequent pressures on finances.</p>	<p>Officers should ensure that all EU funding requirements and regulations are adhered to.</p>	<p>Refer to action plan no 1 above.</p> <p>Conclusion: Ongoing</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](#).

Audit Risk	Assurance procedure	Results and conclusions
Risks of material misstatement in the financial statements		
<p>1 Risk of management override of controls</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 in order to change the position disclosed in the financial statements.</p>	<p>Detailed testing of journal entries.</p> <p>Review of accounting estimates.</p> <p>Focused testing of year-end payables and receivables.</p> <p>Evaluation of significant transactions that are outside the normal course of business.</p> <p>Substantive testing of transactions after the year end to confirm expenditure and income have been accounted for in the correct financial year.</p>	<p>We did not identify any issues as a result of our audit work that would indicate management override of controls affecting the year end position.</p> <p>We reported matters arising in our management report relating to instances where some journals had been input and authorised by the same person. Journals should be subject to independent review and authorisation. Management agreed to review controls and policy on journal input and authorisation.</p>
<p>2 Risk of fraud over grant expenditure</p> <p>ISA240 and the Code of Audit Practice require auditors to consider the risk of fraud over certain types of public sector expenditure. This includes grants and other claims made by individuals and organisations on the public purse. FCS administers a significant number of grants to private woodland owners from EU receipts as well as other general support grants.</p> <p>There is an inherent risk of fraud over the payment of grants.</p>	<p>Analytical procedures.</p> <p>Review of controls in place over grant expenditure to address the risk of fraud.</p> <p>Substantive testing of expenditure transactions focussing on the areas of greatest risk.</p> <p>Reliance on Internal Audit's review of SRDP grants (legacy and new grants).</p> <p>Review and reliance on FCS Finance team's review of SRDP grants.</p> <p>Focused testing of year-end payables.</p> <p>Review of FCS's anti-fraud arrangements including application of Your Reputation @ Risk survey (to be discussed with management).</p>	<p>We tested controls in place over grant expenditure during our interim work and did not identify any issues.</p> <p>We substantively tested a sample of expenditure items during finals: no issues were identified.</p> <p>We were unable to rely on the Internal Audit review of grants due to a delay in the completion of the work (the delay was due to issues at SGRIPD). Additional testing was undertaken with no issues identified.</p> <p>We reviewed and were able to rely on the finance team's review of SRDP grants.</p> <p>Anti-fraud arrangements were reviewed. We did not apply the Your Reputation @ Risk survey due to the ongoing organisational change programme. This will be considered going forward.</p>

Audit Risk	Assurance procedure	Results and conclusions
<p>3 EU funded grant schemes</p> <p>The Forestry Grant Scheme is a discrete scheme under the Scottish Rural Development Programme. FCS is the Scheme Manager and is responsible for complying with EU regulations.</p> <p>In 2016/17, Forestry Commission Scotland accrued £15.4m of EU funding. This related to grant payments made by FCS for the Forestry Grant Scheme, for which EU grant funding was to be claimed in 2017/18.</p> <p>There is a risk that:</p> <ul style="list-style-type: none"> • approved expenditure does not comply with EU regulations • FCS does not properly provide for potential disallowances • the necessary information required from the Scottish Government is not received timeously leading to an underclaim of grant. 	<p>Minute reviews of joint SGRPID and FCS meetings.</p> <p>Review and reliance on grant work undertaken by Internal Audit.</p> <p>Review of year end accrual for legacy grant payments.</p> <p>Monitor progress of commitments for any potential disallowance and ensure accounting treatment is appropriate.</p>	<p>We reviewed SGRPID/ FCS joint meeting minutes and the work of internal audit. In addition, we undertook testing of the year end accrual for legacy grant payments. No specific issues were identified.</p> <p>As noted previously, we were unable to rely on the Internal Audit review of grants due to a delay in the completion of the work (the delay was due to issues at SGRPID). Additional testing was undertaken with no issues identified.</p> <p>We have been advised that there are no potential disallowances for FCS schemes in 2017/18.</p> <p>However the risk remains that</p> <ul style="list-style-type: none"> • approved expenditure does not comply with EU regulations • the necessary information required from the Scottish Government is not received timeously leading to an underclaim of grant <p>Raised above in action plan point 1.</p>












Risks identified from the auditor's wider responsibility under the Code of Audit Practice

<p>4 Governance and transparency</p> <p>FCS is currently in the process of significant organisational change following the review of Forestry Commission services. Major programmes include:</p> <p><u>Establishing Corporate Services Scotland:</u></p> <p>This programme is reviewing the transition of shared services from FC Central Services into FCS/FES. The plan is that all shared services should be transferred to England and Wales by the end of March 2018 although delays have been identified.</p> <p>There is a risk that any prolonged slippage in the programme could impact on service delivery, knowledge transfer and transition into the Scottish Government. There is</p>	<p>High level review of organisational change programmes.</p> <p>Review processes for maintaining register of interests.</p> <p>Monitor progress on testing plans for business continuity and review progress on implementing General Data Protection Regulation.</p> <p>Monitor progress of transition of Finance and Digital services.</p> <p>Review processes for maintaining FCS risk registers.</p> <p>Review cyber security arrangements.</p>	<p>Refer to part 4 of this report.</p>
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Audit Risk	Assurance procedure	Results and conclusions
<p>a further risk that internal controls may not be as effective in a period of change.</p> <p>Forestry and Land Management (Scotland) Bill:</p> <p>Forestry Commission Scotland will become a division of the Scottish Government on 1 April 2019.</p> <p>The following risks are associated with this period of organisational change:</p> <ul style="list-style-type: none"> • loss of key staff and knowledge due to the uncertainty • detrimental impact on the effectiveness of internal controls in a period of change, including maintenance of the register of interests • cannot continue to provide key services alongside managing the change programme. 		

Appendix 3

Summary of national performance reports 2017/18

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

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

Forestry Commission Scotland

2017/18 Annual Audit Report

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