

Covid-19

What it means for public audit in Scotland



Prepared by Audit Scotland
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Our approach

Context

- Public bodies are under exceptional pressure as they manage the impact of the pandemic.
- Guidance and deadlines for financial reporting have been amended to reflect this.
- It will be some time before we fully understand the impact on public services and finances.

Audit Scotland's principles

- Our approach to audit will be flexible, pragmatic and consistent.
- Sound financial management and effective governance are more important than ever.
- Audit has a key role in providing assurance and aiding scrutiny during these difficult circumstances, and we will prioritise quality and independence.
- Our work needs to reflect the impact of COVID-19 on public services but also maintain a focus on the other key challenges facing Scotland's public sector.
- We will safeguard the health and wellbeing of our colleagues at all times.

Financial audit

- To reflect the pressure on public bodies, the deadlines for preparing accounts for public bodies are being extended. These changes will impact on timings for audit work and reporting.
- Standard-setters are allowing bodies to streamline the information they provide in performance and accountability reports, but financial statements remain unchanged.
- There is considerable uncertainty and volatility in individual bodies' capacity for reporting and engaging with audit.
- Governance will be a key focus, including the new arrangements put in place by public bodies in response to COVID-19.
- We will work with colleagues, including contracted audit firms, to promote consistency of judgement on complex issues.
- We will maintain audit quality while being flexible about timelines.

Performance audit

- The majority of performance audit work has been paused as we review our work programme and our capacity.
- Those audits that were either completed or very close to completion are being published.
- Others are being reviewed on a case-by-case basis.
- We are reviewing our forward work programme to reflect the new risks and challenges public bodies face.

Resourcing

- We will need to be flexible with our resources to manage the changing timescales and priorities.
- We will seek to mitigate the impact of remote working on our audits.
- The Auditor General for Scotland and the Accounts Commission are considering extending the current audit appointments by a year.

Future COVID-19 audit work

Overview

Audit Scotland is committed to helping Parliament and the public understand how public money has been used during this crisis and ensure lessons are learned for the future.

The complex and dynamic nature of the COVID-19 crisis means we will need to take a phased approach.

Phase 1 (short term)

- Briefing the Scottish Parliament on emerging audit risks linked to the public sector response to COVID-19.
- Considering what this means for our future work programme and the work of the Parliament's Public Audit and Post-Legislative Scrutiny Committee (PAPLS).

Phase 2 (medium term)

- Developing the work programme to consider the impact of COVID-19 on:
 - specific sectors (eg, NHS, further and higher education, justice, local government)
 - policy commitments (eg, early learning and childcare expansion, addressing child poverty)
 - thematic issues raised by COVID-19 (eg, the impact on Scotland's public finances, fraud risk management, inequalities).


Phase 3 (longer term)

- Identifying lessons that can be learnt from the public sector's response.
- Assessing the outcomes achieved from key Scottish Government spending and programmes related to COVID-19.
- Aligning our work programme with the Scottish Government's work to rebuild Scotland's economy, remove inequality and advance wellbeing.

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