



Disclosure Scotland

2019/20 Annual Audit Report to the Accountable Officer and the Auditor General for Scotland

October 2020



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Key messages



Annual report and accounts audit

Disclosure Scotland's annual report and accounts for the year ended 31 March 2020 were reviewed by Disclosure Scotland's Audit and Risk Committee (ARC) on 13 October 2020 and authorised by the Accountable Officer on 13 October 2020

We report within our independent auditor's report unqualified opinions on the financial statements, the regularity of transactions and on other prescribed matters. There were no matters which we are required to report by exception.

We specifically updated our risk assessment and audit plan in light of the COVID-19 pandemic and recognised this as a key audit risk. Our findings as they relate to this risk are documented under each section of this report.

Our thanks go to management and staff for their assistance with our work.

Wider scope audit

As outlined in our External Audit Plan, our annual audit work in respect of our wider scope audit responsibilities was restricted to:

- Audit work to allow conclusions to be made on the appropriateness of the disclosures in the Governance Statement;
- Consideration of the financial sustainability of the organisation and the services that it delivers over the medium and longer term; and
- An update on the progress in addressing the key findings identified in the Auditor General's Section 22 report "The 2018/19 audit of Disclosure Scotland".

Our conclusions and key observations are set out below:



Governance statement

- We are satisfied that the Governance Statement complies with Scottish Ministers' guidance and that the content is consistent with the financial statements.
- Disclosure Scotland has appropriate systems in place to record, process, summarise and report financial and other relevant data. We have not identified any significant weaknesses or governance issues in Disclosure Scotland's accounting and internal control systems.
- The Chief Executive left the organisation on 7 February 2020 to take up another position within the Scottish Government. Disclosure Scotland's Director of Protection Services and Policy has been appointed as Accountable Officer and Interim Chief Executive, until a new Chief Executive is appointed, and will be responsible for signing aspects of the 2019/20 annual report and accounts. We have confirmed that appropriate arrangements are in place to ensure the new Interim Chief Executive and Accountable Officer has the appropriate assurances to allow them to sign the 2019/20 annual report and accounts.



Financial sustainability

- Disclosure Scotland reported a small underspend in its 2019-20 annual accounts, but this masks an increased funding requirement required to achieve a balanced position over the year. The COVID-19 pandemic has reduced the volumes of cases processed by Disclosure Scotland and the Scottish Government has waived fees for applications as a short-term measure during the pandemic. These measures have significantly reduced fee income whilst the organisation continues to face additional costs associated with the introduction of the new PASS system and the impact of the Disclosure Bill.
- In March 2020, the United Kingdom entered into a nationwide lockdown due to the COVID-19 pandemic. The subsequent impact meant Disclosure Scotland underwent a shift in moving employees to working from home, setting up with appropriate IT equipment and planning for changes to their services.
- Disclosure Scotland as part of the national response prioritised essential workers and volunteers disclosure applications. All prioritised applicants were given free disclosure checks, and all other applications were stopped. This impacted upon the income against expectations, with Disclosure Scotland reporting weekly on income lost as a result and kept Scottish Government up to date with their financial position.
- During the pandemic, the Government also passed the Disclosure (Scotland) Bill into an Act in June of 2020. Disclosure Scotland will continue to work with stakeholders moving forward into the long-term impacts of the act on the organisation.
- Overall, Disclosure Scotland continues to anticipate a return to a more balanced budget position when the COVID-19 pandemic is more contained.

Section 22 follow up

- Our wider scope audit in 2018/19 reported on the delay in completion of the Transformation Programme, associated costs and limitations on system functionality. The key concerns highlighted in the Section 22 report included the design and effectiveness of strategic programme governance arrangements. We had concern over the roles of the Disclosure Scotland Leadership Team (when acting in a programme capacity) and the Transformation Programme Board.
- In response to the Section 22 report, we have as part of our wider scope work tested and documented the changes implemented by Disclosure Scotland to ensure appropriate governance is in place moving forward.
- These changes have included the creation of a governance sub-committee, the Change Delivery Advisory Panel (CDAP) is now at full membership and contains an appropriate mix of knowledge and skills to support direct reporting to the Board. The CDAP will independently scrutinise and advise the Board in a number of areas as an additional governance structure to avoid any similar issues arising in future programme developments.
- Overall, the PASS system is now operating more effectively and continues to process the vast majority of disclosure applications quickly and efficiently. The organisation is now able to adapt the system to meet new processing challenges (for example from the Disclosure Bill) which would not previously have been possible.
- The requirement to rely on manual workarounds for some elements of the disclosure application process continues, but the organisation is making progress in reducing reliance with availability of capital funding a limiting factor. Finally, the PASS system overall is significantly less costly to operate than the previous BT system whilst being more operationally effective.

Conclusion

This report concludes our audit for 2019/20. Our work has been performed in accordance with the Audit Scotland Code of Audit Practice, International Standards on Auditing (UK) and Ethical Standards.

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October 2020

Introduction

This report is presented to those charged with governance and the Auditor General for Scotland and concludes our audit of Disclosure Scotland for 2019/20.

We carried out our audit in accordance with Audit Scotland's Code of Audit Practice. This report also fulfils the requirements of International Standards on Auditing (UK) 260: *Communication with those charged with governance.*

Introduction

1. This report summarises the findings from our 2019/20 audit of Disclosure Scotland.
2. We outlined the scope of our audit in our External Audit Plan, which we presented to the Audit and Risk Committee at the outset of our audit. The core elements of our work include:
 - an audit of the 2019/20 annual report and accounts and related matters;
 - consideration of Disclosure Scotland’s arrangements against the audit dimensions within the Code of Audit Practice (Exhibit 1); and
 - any other work requested by Audit Scotland.

Exhibit 1: Audit dimensions within the Code of Audit Practice



3. Disclosure Scotland is responsible for preparing an annual report and accounts which show a true and fair view and for implementing appropriate internal control systems. The weaknesses or risks identified are only those that have come to our attention during our normal audit work and may not be all that exist. Communication in this report of matters arising from the audit of the annual report and accounts or of risks or weaknesses does not absolve management from its responsibility to address the issues raised and to maintain an adequate system of control.
4. The report contains an action plan with specific recommendations, responsible officers and dates for implementation. Senior management should assess these recommendations and consider their wider implications before deciding on appropriate actions. We give each recommendation a grading to help the management assess their significance and prioritise the actions required.
5. We would like to thank all management and staff for their co-operation and assistance during our audit.
6. International Standards on Auditing in the UK (ISAs (UK)) require us to

Confirmation of independence

communicate on a timely basis all facts and matters that may have a bearing on our independence.

7. We confirm that we complied with the Financial Reporting Council's (FRC) Ethical Standards. In our professional judgement, the audit process is independent, and our objectivity has not been compromised in any way.
8. We set out in Appendix 1 our assessment and confirmation of independence.

Adding value through the audit

9. All of our clients demand of us a positive contribution to meeting their ever-changing business needs. Our aim is to add value to Disclosure Scotland through our external audit work by being constructive and forward looking, by identifying areas of improvement and by recommending and encouraging good practice. In this way, we aim to help Disclosure Scotland promote improved standards of governance, better management and decision making and more effective use of resources.

Feedback

10. Any comments you may have on the service we provide, the quality of our work and our reports would be greatly appreciated at any time. Comments can be reported directly to any member of your audit team.

Openness and transparency

11. This report will be published on Audit Scotland's website www.audit-scotland.gov.uk.

Annual report and accounts

Disclosure Scotland's 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.

In this section we summarise the findings from our audit of the 2019/20 annual report and accounts.

Annual report and accounts

An unqualified audit opinion on the annual report and accounts

Our independent auditor's report includes an unqualified opinion on the financial statements, regularity and on other prescribed matters.

Overall conclusion

12. The annual report and accounts for the year ended 31 March 2020 were reviewed by the Audit and Risk Committee on 13 October 2020 and authorised by the Accountable Officer on 13 October 2020. We report within our independent auditor's report:

- An unqualified opinion on the financial statements;
- An unqualified opinion on regularity; and
- An unqualified opinion on other prescribed matters.

13. We are also satisfied that there were no matters which we are required to report by exception.

Our assessment of risks of material misstatement

14. The assessed risks of material misstatement described in the table below are those that had the greatest effect on our audit strategy, the allocation of resources in the audit and directing the efforts of the audit team. Our audit procedures relating to these matters were designed in the context of our audit of the annual report and accounts as a whole, and not to express an opinion on individual accounts or disclosures. Our opinion on the annual report and accounts is not modified with respect to any of the risks described below.

Our assessment of risks of material misstatement and how the scope of our audit responded to those risks

Management override

In any organisation, there exists a risk that management has the ability to process transactions or make adjustments to the financial records outside the normal financial control processes. Such issues could lead to a material misstatement in the financial statements. This is treated as a presumed risk area in accordance with ISA (UK) 240 - *The auditor's responsibilities relating to fraud in an audit of financial statements*.

Noted in the 2019/20 External Audit Plan

15. We have not identified any indications of management override in the year. We have reviewed Disclosure Scotland's accounting records and obtained evidence to ensure that transactions outside the normal course of business were valid and accounted for correctly. We have also reviewed management estimates and the journal entries processed in the period and around the year end. We did not identify any areas of bias in key judgements made by management and judgements were consistent with prior years.

Revenue recognition

Under ISA (UK) 240- *The auditor's responsibilities relating to fraud in an audit of financial statements* there is a presumed risk of fraud in relation to revenue recognition. The presumption is that Disclosure Scotland could adopt accounting policies or recognise revenue transactions in such a way as to lead to a material misstatement in the reported financial position.

Noted in the 2019/20 External Audit Plan

16. At the planning stage of our audit we concluded that the revenue recognition risk was present in all revenue streams except for Disclosure Scotland's funding from Scottish Government.
17. Based on audit work performed, we have gained reasonable assurance on the completeness and occurrence of income and we are satisfied that income is fairly stated in the financial statements. To inform our conclusion we evaluated Disclosure Scotland's key revenue streams and reviewed the controls in place over revenue accounting. We also carried out testing to confirm that the revenue recognition policy is appropriate and that it was applied consistently throughout the year.

Risk of fraud in the recognition of expenditure

In 2016, the Public Audit Forum issued Practice Note 10 “*The Audit of Public Sector Financial Statements*” which applies to the audit of public sector financial statements for periods commencing after June 2016. This Practice Note recognises that most public sector bodies are net spending bodies and notes that there is an increased risk of material misstatement due to improper recognition of expenditure.

Noted in the 2019/20 External Audit Plan

18. We have evaluated each type of expenditure transaction and documented our conclusions. We have gained reasonable assurance on the completeness and occurrence of expenditure and are satisfied that expenditure is fairly stated in the financial statements. To inform our conclusion, we carried out testing to confirm that Disclosure Scotland’s policy for recognising expenditure is appropriate and has been applied consistently throughout the year.

Update to our initial risk assessment

19. Planning is a continuous process and our audit plans are updated during the course of our audit to take account of developments as they arise. We have specifically updated our risk assessment and audit plan in light of COVID-19. We recognised this as a key audit risk¹.

¹ A key audit risk is one which may result in a material misstatement to the financial statements or

significantly impact on our audit judgements and conclusions on the wider scope dimensions..

COVID-19

The COVID-19 pandemic is presenting unprecedented challenges to the operation, financial management and governance of organisations, including public sector bodies. Core areas of service delivery have been suspended or substantially reduced, systems and processes have been amended to support remote working, arrangements for governance, decision making and performance management have been adapted, and many organisations are forecasting large operating deficits due to loss of income and/ or additional cost pressures. It is uncertain how long these challenges will persist.

The implications of these risks and uncertainties are under consideration by Disclosure Scotland and the Scottish Government. We continue to monitor government and relevant announcements as they pertain to the audit and have adapted our audit approach as required.

20. In response to this risk we identified potential areas where there was the risk of material misstatement to the financial statements and/or our audit opinion. These areas included:

- Content of the annual report and accounts
- Access to audit evidence

Content of the annual report and accounts

21. In May 2020, HM Treasury issued an addendum to the Government Financial Reporting Manual (FRoM) which covered the following:

- The addendum permits, but does not require, bodies to omit or reduce the performance analysis section from the Performance Report. Where relevant performance information has already been published elsewhere, bodies are encouraged to refer to the relevant publication.
- Where unaudited information otherwise required to be included in the Accountability Report is already published elsewhere, bodies are permitted to refer to the relevant publication rather than including the

information in their Accountability Report.

22. Disclosure Scotland took the decision to include the performance analysis section of the Performance report and make the full disclosures in the Accountability Report.

Access to audit evidence

23. Our audit this year has been carried out remotely. As a consequence, we identified a risk that access to and provision of sufficient, appropriate audit evidence in support of our audit opinion may be impacted by the inherently challenging nature of carrying out our audit remotely.

24. We have employed a greater use of technology to examine evidence, but only where we have assessed both the sufficiency and appropriateness of the audit evidence produced.

25. Throughout our audit of Disclosure Scotland, we have been provided with sufficient audit evidence to form our audit opinion. There were no issues noted with the reliability or appropriateness of evidence provided.

26. The unaudited annual report and accounts and supporting papers received were of a good standard. Our thanks go to staff at Disclosure Scotland for their assistance with our work.

An overview of the scope of our audit

27. The scope of our audit was detailed in our External Audit Plan, which was considered by the Audit and Risk Committee in February 2020. The plan explained that we follow a risk-based approach to audit planning that reflects our overall assessment of the relevant risks that apply to Disclosure Scotland. This ensures that our audit focuses on the areas of highest risk. Planning is a continuous process and our audit plan is subject to review during the course of the audit to take account of developments that arise.

28. At the planning stage we identified the significant risks that had the greatest effect on our audit. Audit procedures were then designed to mitigate these risks.

29. Our standard audit approach is based on performing a review of the key financial systems in place, substantive tests and detailed analytical procedures. Tailored audit procedures, including those designed to address significant risks, were completed by the audit fieldwork team and the results were reviewed by the audit management team. In performing our work we have applied the concept of materiality, which is explained earlier in this report.

Our application of materiality

30. Materiality is an expression of the relative significance of a matter in the context of the financial statements as a

whole. A matter is material if its omission or misstatement would reasonably influence the decisions of an addressee of the auditor's report. The assessment of what is material is a matter of professional judgement over both the amount and the nature of the misstatement. We review our assessment of materiality throughout the audit.

31. Performance materiality is the working level of materiality used throughout the audit. We use performance materiality to determine the nature, timing and extent of audit procedures carried out. We perform audit procedures on all transactions, or groups of transactions, and balances that exceed our performance materiality. This means that we perform a greater level of testing on the areas deemed to be at significant risk of material misstatement.

32. Performance materiality is set at a value less than overall materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of the uncorrected and undetected misstatements exceed overall materiality.

33. Our initial assessment of materiality for the financial statements was £603,000. This was increased upon receipt of the unaudited annual report and accounts to £650,000. This equates to approximately 1.8% of Disclosure Scotland's 2019/20 gross expenditure. We consider our updated assessment has remained appropriate throughout our audit.

	Materiality £
<p>Overall materiality: Our assessment is made with reference to Disclosure Scotland’s gross expenditure. Operating within budget is a key target for Disclosure Scotland and one of the principal considerations for the users of the financial statements when assessing financial performance.</p>	650,000
<p>Performance materiality: Using our professional judgement we have calculated performance materiality at approximately 75% of overall materiality.</p>	487,500

34. We noted within our External Audit Plan that we would report on all audit differences in excess of 5% of the overall materiality figure, as well as differences below that threshold which, in our view, warranted reporting on qualitative grounds. We also report on disclosure matters that we identify when assessing the overall presentation of the financial statements.

Audit differences

35. We are pleased to report that there were no material adjustments to the financial statements. We identified some disclosure and presentational adjustments during our audit. These have been reflected in the final set of financial statements.

Representations

36. We have requested that a signed representation letter be presented to us

at the date of signing the annual report and accounts. This letter is to be signed by the Accountable Officer.

Other matters identified during our audit

37. During the course of our audit we noted the following:

Other information in the annual report and accounts

38. “Other information” in the annual report and accounts comprises any information other than the financial statements and our independent auditor’s report thereon. We do not express any form of assurance conclusion on the “other information” except as specifically stated below.

The performance report

39. The performance report provides information on the entity, its main objectives and strategies and the principal risks that it faces. It comprises an overview of the organisation and a detailed summary of how the entity measures performance.

40. We have concluded that the performance report has been prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions from Scottish Ministers and is consistent with the financial statements.

The accountability report

41. The accountability report is required in order to meet key parliamentary accountability requirements and comprises three sections: a corporate governance report (including the governance statement), a remuneration and staff report, and a parliamentary accountability report.

42. Our audit opinion specifically refers to the governance statement and the audited part of the remuneration and staff report.

Governance statement

43. Based on the audit work carried out, we have concluded that the governance statement has been prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers and is consistent with the financial statements. We have provided further detail on our work and findings within the Wider Scope section of our report (section 4).

Remuneration and staff report

44. We have concluded that the audited part of the remuneration and staff report has been prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

Regularity

45. We have planned and performed our audit recognising that non-compliance with statute or regulations may materially impact on the annual report and accounts. We did not identify any instances of irregular activity.

46. In our opinion in all material respects the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

Systems of internal control

47. We have evaluated Disclosure Scotland's key financial systems and internal financial controls to determine whether they are adequate to prevent

material misstatement in the annual report and accounts. Our approach has included documenting key internal financial controls and performing walkthroughs to confirm they are operating as intended.

48. We did not identify any material weaknesses in Disclosure Scotland's accounting and internal control systems.

Shared systems and functions

49. Disclosure Scotland use and rely upon Scottish Government core financial systems to carry out payment and payroll functions. Scottish Government external auditors have provided assurance that with the exception of payroll, the Scottish Government's main systems of internal control operated effectively during 2019/20. Issues were identified regarding the payroll function and Scottish Government have developed an action plan to address these. We have completed sufficient substantive testing to gain assurance that DS payroll costs are free from material misstatement in the financial statements.

Follow up of prior year recommendations

50. As part of our audit we have followed up on the two recommendations from the prior year. Detail on these recommendations is included in the action plan at Appendix 2.

Prevention and detection of fraud and irregularity

51. Our audit was planned to provide a reasonable expectation of detecting material misstatement in the financial statements resulting from fraud and irregularity. We found Disclosure

Scotland's arrangements for the prevention and detection of fraud and other irregularities to be adequate and appropriate.

52. Disclosure Scotland currently adopts the Scottish Government's counter fraud and whistleblowing policies, which is deemed appropriate given the scale of operations. As Accountable Officer, the Interim Chief Executive is responsible for ensuring these are adhered to and for monitoring the risk of fraud.

Qualitative aspects of accounting practices and financial reporting

53. During the course of our audit, we consider the qualitative aspects of the financial reporting process, including items that have a significant impact on the relevance, reliability, comparability, understandability and materiality of the information provided by the annual report and accounts. The following observations have been made:

Qualitative aspect considered	Audit conclusion
The appropriateness of the accounting policies used.	We consider the accounting policies, which are disclosed in the financial statements, to be appropriate and in line with the Government Financial Reporting Manual.
The timing of the transactions and the period in which they are recorded.	We did not identify any concerns over the timing of transactions or the period in which they were recognised.
The appropriateness of the accounting estimates and judgements used.	We are satisfied with the appropriateness of other accounting estimates and judgements used in the preparation of the financial statements.
The appropriateness of the going concern assumption	We have reviewed the detailed financial forecasts for 2020/21. Our understanding of the legislative framework and activities undertaken provides us with sufficient assurance that Disclosure Scotland will continue to operate for at least 12 months from the signing date.
The potential effect on the financial statements of any uncertainties, including significant risks and related disclosures that are required.	We have not identified any uncertainties, including any significant risk or required disclosures, which should be included in the annual report and accounts.

Qualitative aspect considered	Audit conclusion
The extent to which the financial statements have been affected by unusual transactions during the period and the extent that these transactions are separately disclosed.	From the testing performed, we identified no significant unusual transactions in the period.
Apparent misstatements in the annual report or material inconsistencies with the accounts.	The annual report contains no material misstatements or inconsistencies with the financial statements.
Any significant annual report and accounts disclosures to bring to your attention.	There are no significant financial statement disclosures that we consider should be brought to your attention. All the disclosures required by relevant legislation and applicable accounting standards have been made appropriately.
Disagreement over any accounting treatment or annual report and accounts disclosure.	While disclosure and presentational adjustments were made during the audit process there was no material disagreement during the course of the audit over any accounting treatment or disclosure.
Difficulties encountered in the audit.	There were no significant difficulties encountered during the audit.

Wider scope

Following consideration of the size, nature and risks of Disclosure Scotland, the application of the full wider scope audit is judged by us not to be appropriate. Our annual audit work on the wider scope has therefore been restricted to:

- Audit work to allow conclusions to be made on the appropriateness of the disclosures in the governance statement;
 - Consideration of the financial sustainability of the organisation and the services that it delivers over the medium and longer term; and
 - An update on the progress in addressing the key findings identified in the Auditor General's Section 22 report "The 2018/19 audit of Disclosure Scotland".
-

Wider scope conclusions

Governance statement



We are satisfied that the Governance Statement complies with Scottish Ministers' guidance and that the content is consistent with the financial statements. We have reviewed the annual governance statement and have found that it is consistent with the financial statements and has been prepared in accordance with Scottish Ministers' guidance. Overall, the disclosures in the governance statement are consistent with this and internal audit's conclusion for 2019/20.

Disclosure Scotland has appropriate systems in place to record, process, summarise and report financial and other relevant data. We have not identified any significant weaknesses or governance issues in Disclosure Scotland's accounting and internal control systems.

Financial sustainability



In March 2020, the United Kingdom entered into a nationwide lockdown due to the COVID-19 pandemic. The subsequent impact meant Disclosure Scotland underwent a shift in moving employees to working from home, setting up with appropriate IT equipment and planning for changes to their services.

Disclosure Scotland as part of the national response prioritised essential workers and volunteers disclosure applications. All prioritised applicants were given free disclosure checks, and all other applications were stopped. This impacted upon the income against expectations, with Disclosure Scotland reporting weekly on income lost as a result and kept Scottish Government up to date with their financial position.

During the pandemic, the Government also passed the Disclosure (Scotland) bill into an Act in June of 2020. Disclosure Scotland will continue to work with stakeholders moving forward into the long-term impacts of the act on the organisation.

Disclosure Scotland's budget for 2019/20 identified an original funding shortfall of £16.1million (£6.6million revenue and £9.5million capital). Management have prepared a range of long term financial planning assumptions to support ongoing budget submissions and long term financial planning. It is likely that Disclosure Scotland will continue to require additional funding from the Scottish Government throughout the COVID 19 pandemic.

Section 22 follow up

Our wider scope audit in 2018/19 raised issues with the delay in completion of the Transformation Programme. Disclosure Scotland demonstrated clear commitment within the programme to minimising safeguarding risk. This commitment influences heavily in management's decision making. As a result, the programme was delayed, over budget and delivered a lesser product than was envisaged. Audit Scotland resultantly wrote a Section

22 report to bring attention to the key areas where Disclosure Scotland did not meet the expectations when delivering such a programme.

The key concerns highlighted in the Section 22 report included the design and effectiveness of strategic programme governance arrangements. We had concern over the roles of the Disclosure Scotland Leadership Team (when acting in a programme capacity) and the Transformation Programme Board.

In response to the Section 22 report, we have as part of our wider scope work, tested and discussed the changes in which Disclosure Scotland to ensure appropriate governance is in place moving forward.

Disclosure Scotland has created a governance sub-committee, the Change Delivery Advisory Panel (CDAP) is now at full membership and contains a mix of knowledge and skills to report directly to the Board. The CDAP will independently scrutinise and advise the Board in a number of areas as an additional governance structure to avoid any similar issues arising in future programme developments.

Our approach to the wider scope audit

54. Our approach to the wider scope audit (as set out in our 2019/20 External Audit Plan) builds upon our understanding of Disclosure Scotland which we developed from previous years, along with discussions with management and review of minutes and key strategy documents.

55. During our audit we also considered the following risk areas as they relate to Disclosure Scotland:

- EU withdrawal
- Fraud and corruption in respect of the procurement function

56. Overall, we concluded that Disclosure Scotland has appropriate arrangements in place in respect of these areas as noted below:

Impact of EU withdrawal

Disclosure Scotland was well prepared for leaving on the original due date of 29 March 2019 and has been able to demonstrate their consideration of each area of the EU withdrawal checklist. This included a meeting held by the Leadership to assess the impact withdrawal would have on Disclosure Scotland. Contingency planning for a no deal Brexit has been undertaken, which seeks to manage and monitor the identified risks from a no deal Brexit. Disclosure Scotland has a risk matrix and action log in the event of a no deal Brexit.

The three areas identified by Audit Scotland refer to workforce, funding and regulatory. Through discussions with senior Disclosure Scotland employees, and our understanding of Disclosure Scotland, none of the above areas represents a significant risk to ongoing operations. Disclosure Scotland have not identified any further major risks to either of the above areas.

Fraud and corruption in respect of the procurement function

Our review of Fraud and Procurement centred around the Audit Scotland checklist for countering fraud and corruption in procurement, which Disclosure Scotland completed as part of our final audit.

Disclosure Scotland has a Procurement Policy Manual and a Counter Fraud and Bribery Policy. Fraud is recognised to be a risk on the Corporate Services Risk Register. This risk is owned by the Head of Finance and Analytical Services, and any suspected/reported procurement fraud is owned specifically by the Head of Procurement and Data Protection.



Governance statement

Our audit opinion considers whether the Governance Statement has been prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made by Scottish Ministers and is consistent with the financial statements.

57. We are satisfied that the Governance Statement for the year to 31 March 2020 is consistent with the financial statements and has been prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made by Scottish Ministers.
58. The Accountable Officer has confirmed that in his opinion, the control arrangements at Disclosure Scotland are appropriate and effective, and no significant issues have been identified.

59. From our audit work performed we concluded that Disclosure Scotland has appropriate systems in place to record, process, summarise and report financial and other relevant data. We have not identified any significant weaknesses or governance issues in Disclosure Scotland's accounting and internal control systems.

COVID-19 Governance Arrangements

60. Disclosure Scotland commenced planning for the potential impact of COVID-19 in their standing committees at the beginning of the 2020 calendar year.
61. Disclosure Scotland updated their governance arrangements in a number of different ways in response to the pandemic, whilst those charged with governance maintained their statutory duties.

62. A COVID-19 specific risk register was produced to identify, manage and control risks and challenges which the pandemic presented.
63. The COVID-19 risk register followed the format of the corporate risk register. Each identified risk included details of Disclosure Scotland's current mitigating actions, a risk score and associated priority and timing of such a risk being realised, any plans for further mitigating actions, an identified risk owner and log changes over the course of the pandemic.
64. Following the update and approval of the COVID-19 risk register, Disclosure Scotland also moved to a more agile mode of governance in terms of those charged with governance. One major change through the pandemic included the Board of Directors meeting on a weekly, remote basis.
65. The weekly Board meetings allowed a platform for the Disclosure Scotland Board to consider business continuity in the short term in providing their services. The Board also planned for the longer term in developing the recovery strategy and aiding the remobilisation efforts.
66. Following changes to the Board, the Leadership Team followed suit and through the lockdown, phases 1, 2 and the beginning of 3, met on a daily basis until July. From then on, they met 3 times a week (with the option of meeting daily if certain weeks required this).
67. The leadership team meetings considered a variety of information across the pandemic as we obtained meeting minutes spanning April – June 2020. In the move to working from home at the beginning of the pandemic, the Leadership Team were provided with regular updates on employees being provided with desktops and laptops to

ensure ability to provide the COVID-free disclosure checks.

68. The Leadership team also considered updates on the financial position and received weekly updates on the statistics in terms of COVID-free checks, and ultimately the income lost against demand expectations for 2020/21 prior to COVID-19.
69. The combination of both weekly Board meetings and the more regular Leadership Team meetings allowed for a more agile mode of governance. The Board provided the oversight and the Leadership team could ensure this was operationally developed into actions to be implemented.



Financial sustainability

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

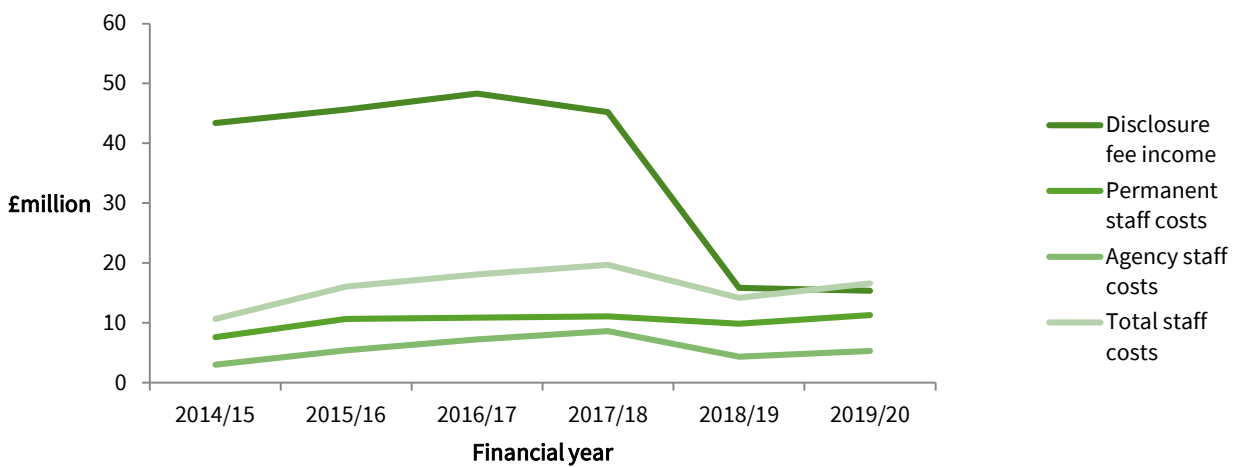
Short-term financial planning and impact

70. In 2019/20, for the second consecutive year, Disclosure Scotland did not generate 100% of its income from disclosure fees. In previous years Disclosure Scotland has been able to generate income in excess of costs resulting in the organisation being a net contributor to the Scottish Consolidated Fund. In January 2018 responsibility for Welsh and English basic disclosures transferred to DBS. Disclosure Scotland's disclosure fee income has reduced by £29.354 million (65%) to £15.839 million in 2018/19 and £15.349 in 2019/20 as a result (exhibit 3 below).

71. Until 2017/18, staff costs and disclosure fee income have increased every year for the past several years, with 2017/18 as the only exception. This is because a number of agency and temporary staff were retained to manage the anticipated

business transformation following the DBS transition (exhibit 3).

Exhibit 3: Disclosure fee income and staff costs



Source: Disclosure Scotland’s Annual report and accounts 2014/15, 2015/16, 2016/17, 2017/18, 2018/19 and 2019/20

72. It is clear from the graph above that the number of applications processed, income received, and staff costs have historically flexed to coincide with each other following a predictable pattern to 2019/20. In 2019/20, the increase in both permanent and agency employees coincides with a slight decrease in income. This is due to a decrease in the total number of applications in comparison to the prior year, dropping to 579,000 (2018/19; 604,00), representing a 4% decrease.

million in 2019/20, representing 31.8% of 2019/20 staff costs (£16.604 million), in line with prior year percentages (31%).

73. The use of temporary agency staff aligns with Disclosure Scotland’s business model to proactively manage seasonal trends in demand. Disclosure Scotland incurred agency staff costs of £5.281

74. However, a number of agency staff were employed in relation to the Transformation Programme. These skills are in high demand and required to support Disclosure Scotland as they work to limit, and eventually eliminate, reliance on manual workarounds associated with the PASS system.

75. The lift of the public sector pay cap has continued to result in additional cost pressures. Disclosure Scotland has incorporated Scottish Government core pay policy 2019/20 into the 2019/20 budget:

- Providing a guaranteed cash underpin of £750 for public sector workers under £25,000 or less
 - 3% uplift for current salary below £80,000; and
 - £2,000 above £80,000.
76. We recognise the significant levels of uncertainty associated with the COVID-19 pandemic. We will therefore continue to closely monitor Disclosure Scotland's financial modelling and the corresponding impact on financial sustainability as part of the 2020/21 audit.
77. Disclosure Scotland reported a shortfall of £6.6million, reduced to £5.6million with additional input from health via a budget transfer of £1.0 million of Resource DEL (cash) from the Scottish Government Health and Social Care Directorate to Disclosure Scotland as a contribution to the Protection of Vulnerable Groups (PVG) Scheme.
78. Disclosure Scotland contributed to the national response by prioritising disclosure checks for priority workers for free from the 23 March through till the 9 June, coinciding during the nationwide lockdown and phases 1 and 2 of the Scottish Governments response plan.
79. Disclosure Scotland had carried out 34,404 basic disclosure checks, 6,698 standard/enhanced disclosure checks and 51,940 PVG checks until the end of July 2020. These checks were classed as "COVID-Free" checks in their internal monitoring processes, and compared against expected demand for Q1 of 2020/21 (pre-COVID-19) resulted in the identified shortfall of income of £4.3m, which has been reported upon to the Scottish Government.
80. From the 9 June Disclosure Scotland re-introduced applications for disclosure checks alongside continuing the free checks for priority workers.
81. Disclosure Scotland carried out regular analysis of the loss of income through the free checks, and the increase of income due to checks now being processed. There is a noted increase in the income via the normal channels which involve payments. Disclosure Scotland will continue to monitor the income for governance purposes.
82. In response to a strategic need of being an increasingly efficient organisation with reduced funding needs, Disclosure Scotland created a Strategic Finance paper which has been presented to both Board and ARC members. This paper explores key themes that will lead to the realisation of savings over the next four years and beyond this period.
83. Many factors were considered in the drafting of strategic financial priorities. The longer term plan is being able to reach a position to achieve a funding position whereby the funding required (if any) from the Scottish Government is kept at the lowest possible level. The paper details awareness of financial drivers of the organisation, the best value for money opportunities, associated risks, and confidence levels and assessment of cost reductions/efficiencies which can be achieved for each key theme.
84. Disclosure Scotland pulled together an extensive plan of best case/worst case financial scenarios, identifying the broadly known factors and their associated costs and how these variables may also change. The best/worst case scenarios were quantified in monetary funding terms with assumptions explaining both scenarios.

85. An appendix was further detailed to go into each variable assumption which could have a significant financial impact, and the actions which Disclosure Scotland will take for each scenario. Each scenario is then explained in either best/medium/worst case with an attached most likely to happen and the expected budgeted impact.
86. The paper provides a foundation to build upon as the financial impact of COVID-19 becomes clearer, and how Disclosure Scotland will have to continue to plan strategically to meet their goal of being an efficient government agency that is working towards a self-sustaining funding position.

Longer-term financial planning

87. During 2019/20 Disclosure Scotland developed financial models to demonstrate their expected financial position following the introduction of the Disclosure (Scotland) Bill Legislation.
88. The model accounts for key assumptions including volumes of applications, attrition rates, potential fee structure and meeting future efficiencies. We have reviewed the assumptions that are projected within the model and conclude the reasonableness and prudent approach of the assumptions in producing reliable financial forecasts.
89. The modelling takes into account the different pricing options from the scheme. Either pricing strategy, under the current assumptions, puts Disclosure Scotland into a net contribution position to the Scottish Government over a five year period.
90. The model also extends another five years, taking financial projections until the year 2032/33. Similar assumptions

have been assumed in the long term modelling.

Looking forward

91. Historically, Disclosure Scotland has been a net funder to the Consolidated Fund. However, the loss of economies of scale brought about by the transfer for processing English and Welsh applications, the short term costs of the Transformation Programme, compliance requirements associated with the introduction of the new Disclosure Bill, and the impact of the COVID19 pandemic introduces a risk to Disclosure Scotland's financial sustainability, with a funding gap that was identified in 2019/20 and moving forward into 2020/21.
92. Disclosure fees are set by Scottish Ministers, and have remained static since 2011. PVG applications are provided for free to Volunteer Scotland Disclosure Services which account for 20% of all PVG checks, which provides free PVG checks to volunteers within the regulated workforce. Disclosure Scotland receives funding from the Health Portfolio to contribute to the cost of "Free Checks" for Health Related volunteers and a contribution towards their continuous monitoring. A review of such costs has been included within the financial modelling undertaken by Disclosure Scotland and are kept under constant review.
93. The introduction of the new PASS system for processing applications is making a significant contribution to operational efficiency. However, the system requires a number of manual workarounds until further capital investment is available to address known technical gaps. These manual workarounds cost over £2million per

year by requiring the continued employment of agency staff to process the manual workarounds. Addressing these manual workarounds remains an operational priority for Disclosure Scotland.

has included an analysis of a range of options to mitigate operational and financial risks and these options are subject to ongoing discussion with the Scottish Government.

94. The COVID-19 pandemic continues to impact on all organisations across Scotland. Public sector organisations are part of a collective remobilisation plan in returning to pre-COVID-19 activities. Disclosure Scotland has undertaken a detailed analysis of the potential ongoing impact of COVID-19 on current and future operations, this

Section 22 follow up

95. Our audit plan identified a significant risk in relation to the section 22 report issued by Audit Scotland surrounding key aspects of the Transformation Programme.

Section 22 follow up

At the end of September 2019, Disclosure Scotland successfully completed the transfer of all of its activities to an innovative bespoke, cloud-based system called PASS (Protecting and Safeguarding Scotland). The transfer of all activities to PASS allowed Disclosure Scotland to end its contract with BT which had supported the disclosure system through a public-private partnership since 2002. This was 18 months later than originally planned. The final cost of the new system was significantly greater than that presented in the Final Business Case that was last updated in November 2017.

The current PASS system is described as a Minimum Viable Service (MVS). It requires manual workarounds delivered by temporary staff, at an additional cost, estimated at £2.70 million in 2019/20 and reducing to an estimated £1.90 million in 2020/21. The pace at which further development happens is dependent on securing appropriate levels of future capital funding from the Scottish Government.

The Disclosure (Scotland) Bill, aims to extend and further modernise the existing disclosure system.

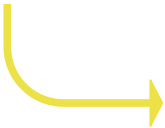
Disclosure Scotland's budget for 2019/20 identified an original funding shortfall of £16.1million (£6.6million revenue and £9.5million capital). Management's financial projection for 2019/20 to inform the Scottish Government's Spring Budget Review (SBR) predicted a revenue budgetary pressure of £9.7million; £3.1million greater than the original forecast. All funding needs were resolved at SBR.

In 2019, the Auditor General for Scotland issued a report to Parliament under Section 22 of The Public Finance and Accountability (Scotland) Act 2000 which highlighted issues relating to Disclosure Scotland's transformation programme. The report concluded that lessons are to be learned relating to governance, financial reporting, assessment of optimism bias and programme management and contingency planning. It noted that there were real weaknesses in control and oversight. While the PASS system was

Section 22 follow up

delivered, it was late, over budget and with less functionality that intended. Further work is required before the full ambition for the PASS system and the wider transformation of the disclosure system is realised. The Auditor General has asked external audit to review progress as part of the 2019/20 audit.

Noted in the 2019/20 External Audit Plan

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96. Disclosure Scotland has responded positively to the issues raised in the Audit Scotland S22 report and made good progress in implementing a range of recommendations to address identified issues with a number of other actions in progress.
 97. This introduction of the CDAP sub-committee is the key 'lesson learned' from the Section 22 Report and is recognised as the preventative control now in place to avoid the repeat of issues identified. CDAP membership is at full capacity and moving forward will have six members in acting as a sub-committee governance group.
 98. The overall goal for the CDAP is to provide long term value and independent advice in a number of areas, not just aspects of digital development and the prior transformation programme into PASS. The CDAP will also have a remit to oversee technical, financial and adherence of the overall programme to the strategy set out by Disclosure Scotland.
 99. The PASS system is operating effectively and handles the significant majority of disclosure applications. The system is agile and can accommodate future developments in Disclosure Scotland's operations (such as the impact of implementing the new requirements of the Disclosure Bill) which would not have been possible under the previous system.
 100. The PASS system is also cost effective and has significantly reduced operating costs within the organisation by c. £8 million annually. However, the technical deficit which requires manual workarounds to support applications processing, remain largely in place. Disclosure Scotland has plans to reduce reliance on manual workarounds, but these plans require further capital investment and the timing of this investment remains uncertain.
 101. As a result, Disclosure Scotland's interim strategy is to employ agency staff to deliver the manual workaround processing tasks at an annual cost of just under £2 million. The move to reduce and eliminate reliance on manual workarounds remains a strategic priority for the organisation.

Disclosure Scotland 2019/20 overview

102. During 2019/20 Disclosure Scotland continues to experience fundamental changes. Disclosure Scotland worked with the DBS to support their development of new technology to take over the management of English and Welsh basis disclosures from February 2019. Work also continued on Disclosure Scotland's Transformation Programme, details of in year milestones are included with 'Transformation Programme overview' below. Disclosure Scotland and BJSS were also nominated for, and won, an award at the annual ScotlandIS Digital Technology Awards for Innovation within the Public Sector.

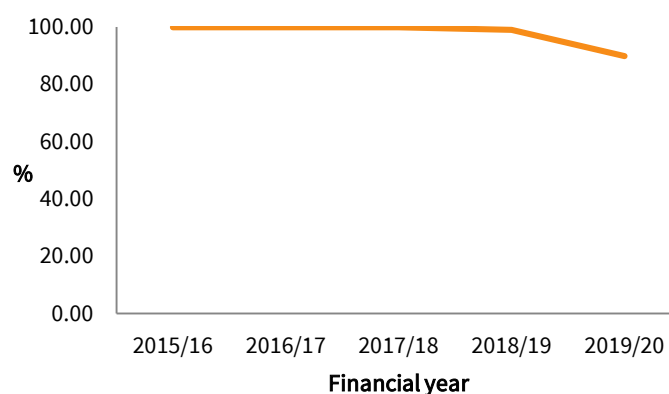
103. Despite of these changes, Disclosure Scotland has continued to deliver against its Service Level Agreement (SLA). The SLA is to process 90% of disclosure certificates within 14 days (as long as the application was completed correctly and there are no further enquiries). This is measured from the day Disclosure Scotland receives the application to the day the certificate is sent. 98.9% of applications in 2018/19 were processed with 14 days.

104. However, Disclosure Scotland's performance against this SLA has slightly declined in the past three financial years, as shown in exhibit 4 (below). The performance for 2019/20 decreased to a level below the target of 90% for all applications, recognising an 89.8% turnaround time of application processed within the 14 day target.

105. The full switch to the PASS system caused disruption mid-year with all applications being processed from

September 2019. Disclosure Scotland was on trajectory to meet the 90% target prior to COVID-19 pandemic declared in March 2020 which resulted in another downturn in this element of performance.

Exhibit 4: SLA % applications processed within 14 day target



Source: Disclosure Scotland's Annual report and accounts 2015/16, 2016/17, 2017/18, 2018/19 and 2019/20

Looking forward

106. Disclosure Scotland, like all public bodies, continues to be impacted by the COVID19 pandemic affecting its operations, performance, staff, financial position and customer base. The organisation has good plans in place to manage in the current environment, but it is recognised that there remains significant uncertainty and public bodies will continue to need to remain flexible and responsive in adapting to changing requirements.

107. The PASS system appears to be working well, but action to limit and remove reliance on manual workarounds continues to be dependent on other factors, including the availability of capital funding. Disclosure Scotland recognises the need to remove manual workarounds as a key priority.

108. The PASS system, whilst processing all applications effectively, requires further development to address the 'technical debt' occasioned by moving onto a Minimal Viable Service at the handover from the former BT system. This important work will need to be progressed and prioritised alongside the work necessary to deliver the Disclosure (Scotland) Act into effect in due course.
109. The new Disclosure (Scotland) Bill will be phased in over a period of time. Disclosure Scotland has undertaken significant work in terms of financial modelling to demonstrate how the organisation could be financially sustainable following the implementation of the Bill. As outlined below we have reviewed the Board's arrangements for managing its financial position in this context.
110. June 2020 saw the Disclosure (Scotland) Bill 2020 be approved to become an Act of Parliament. Disclosure Scotland will work with the Scottish Government to put the legislation and secondary legislation in place, and the process is at its inception.
111. Disclosure Scotland will work with internal and external stakeholder on producing an implementation plan following the agreement on the legislation. We will follow up with progression of the Act over the course of our external audit service to Disclosure Scotland.

Appendices



Appendix 1: Respective responsibilities of the Accountable Officer and the Auditor

Responsibility for the preparation of the annual report and accounts

It is the responsibility of the Accountable Officer to prepare financial statements that give a true and fair view in accordance with the Government Financial Reporting Manual (FRoM) issued by HM Treasury and the accounts directions issued by Scottish Ministers, and for such internal control as the Accountable Officer determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual report and accounts, the Accountable Officer is required to:

- apply on a consistent basis the accounting policies and standards;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Financial Reporting Manual have not been followed where the effect of the departure is material;
- prepare the accounts on a going concern basis unless it is inappropriate to presume that Disclosure Scotland will continue to operate; and
- ensure the regularity of expenditure and income.

The Accountable Officer is also responsible for:

- keeping proper accounting records which are up to date; and
- taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor responsibilities

We audit the annual report and accounts and give an opinion on whether:

- they give a true and fair view in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers of the state of Disclosure Scotland's affairs as at 31 March 2020 and of its net expenditure for the year then ended;
- they have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2019/20 FReM ;
- they have been prepared in accordance with the requirements of the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers;
- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate;
- Disclosure Scotland has not disclosed in the financial statements any identified material uncertainties that may cast doubt about its ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue;
- in all material respects the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers, the Budget (Scotland) Act covering the financial year and sections 4 to 7 of the Public Finance and Accountability (Scotland) Act 2000 and the sums paid out of the Scottish Consolidated Fund for the purpose of meeting the expenditure shown in the financial statements were applied in accordance with section 65 of the Scotland Act 1998;
- the audited part of the Remuneration and Staff Report has been properly prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers; and
- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers; and
- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

We are also required to report, if in our opinion:

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration and Staff Report to be audited are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Wider scope of audit

The special accountabilities that attach to the conduct of public business, and the use of public money, mean that public sector audits must be planned and undertaken from a wider perspective than in the private sector. This means providing assurance, not only on the financial statements, but providing audit judgements and conclusions on the appropriateness, effectiveness and impact of corporate governance and performance management arrangements and financial sustainability.

The Code of Audit Practice frames a significant part of our wider scope responsibilities in terms of four audit dimensions: financial sustainability; financial management; governance and transparency; and value for money.

We have concluded that the full application is not appropriate due to the size of the organisation. As part of our annual audit we consider and report against:

- appropriateness of the disclosures in the governance statement; and
- financial sustainability of the body and the services that it delivers over the medium to longer term.

Independence

International Standard on Auditing (UK) 260 "*Communication with those charged with governance*" requires us to communicate on a timely basis all facts and matters that may have a bearing on our independence.

Confirmation of independence

We confirm that we have complied with the FRC's Ethical Standards. In our professional judgement, the audit process is independent, and our objectivity has not been compromised in any way. In particular there are and have been no relationships between Azets, Disclosure Scotland, its Advisory Board members and senior management that may reasonably be thought to bear on our objectivity and independence.

Appendix 2: Action Plan

Our action plan details the weaknesses and opportunities for improvement that we have identified during our audit.

Action plan grading structure

The recommendations have been rated to help Disclosure Scotland assess the significance of the issues and prioritise the actions required.

The rating structure is summarised as follows:

Grade	Explanation
Grade 5	Very high risk exposure - Major concerns requiring immediate attention.
Grade 4	High risk exposure - Material observations requiring management attention.
Grade 3	Moderate risk exposure - Significant observations requiring management attention.
Grade 2	Limited risk exposure - Minor observations requiring management attention
Grade 1	Efficiency / housekeeping point.

There are no new recommendations emerging from our 2019/20 audit of the 2019/20.

Follow up of prior year recommendations

Two new recommendations were raised in our 2018/19 annual audit report. We note below progress on implementing those recommendations.

Fair pay disclosure

Initial rating	Issue & recommendation	Management comments
Grade 2	<p>Issue</p> <p>Our audit work identified that agency staff are excluded from the calculation of median remuneration (as disclosed within the remuneration and staff report's fair pay disclosure). Government Financial Reporting Manual indicates the median remuneration should include agency staff costs.</p> <p>Disclosure Scotland has excluded agency staff from the median remuneration as these costs vary significantly year to year therefore would give rise to distorted figures. Disclosure Scotland has provided narrative to explain this.</p> <p>Risk</p> <p>There is a risk that the fair pay disclosures do not fully meet the requirements of the FReM.</p> <p>Recommendation</p> <p>We recommend Disclosure Scotland reviews this approach in 2019/20 to ensure that the fair pay disclosure fully meets the requirements of the FReM.</p>	<p>Our Median pay is calculated by the SG Analysts from the SG payroll information. No Agency staff or contractors feature in this payroll as these staff are not employed by us and contractors have IR 35 applied to ensure they should not be on the SG payroll.</p> <p>The guidance does say "the calculation should include agency and other temporary employees covering staff vacancies" but the majority of these workers which represent 30% of our staffing complement and 31% of our staffing cost are not civil servants and are employed to meet service demands and not to cover vacancies.</p> <p>"The principle of the disclosure is intended to hold organisations to account for remuneration policy, and in particular, the remuneration of the highest paid director compared with the median remuneration of staff".</p> <p>All staff members of Disclosure Scotland are civil servants of the Scottish Government and Disclosure Scotland does not have a separate remuneration policy.</p> <p>Disclosure Scotland will look at including the median pay of agency staff and contractors in the note explaining why these have not been included within the Disclosure Scotland staff median pay for the 2019-20 Annual Report and Accounts.</p>

Initial rating	Issue & recommendation	Management comments
		<p>Responsible officer: Head of Finance and Analytical Services</p> <p>Implementation date: 30 April 2020</p>
Current status	Update	
Complete	There were no issues identified in the current year audit.	

Openness and transparency

Initial rating	Issue & recommendation	Management comments
Grade 2	<p>Issue</p> <p>We identified that it is difficult to access all Advisory Board and ARC meeting minutes. As Disclosure Scotland is a unique organisation and has to be vigilant in what they can divulge to the public, this is the primary method for ensuring all stakeholders can be kept up to date with operations/current activities etc. Via the website, we could only easily access the most recent copy of the Board/ARC minutes.</p> <p>Risk</p> <p>There is an increasing focus on how public money is used and what is achieved. Openness and transparency supports understanding and scrutiny. There is a risk that Disclosure Scotland fails to keep pace with public expectations and good practice.</p> <p>Recommendation</p> <p>We recommend that Disclosure Scotland consider storing all Board/ARC minutes in a folder on their website which would provide an easy access point for all stakeholders looking to access such information.</p>	<p>Disclosure Scotland will review and make a decision on how to proceed.</p> <p>Need to survey customers to ascertain if the mygov platform is fit for purpose and does it meet stakeholder/customer needs?</p> <p>Will require assessing the business / cost / vfm implications that we will need to scope.</p> <p>Responsible officer: Director of Disclosure Services</p> <p>Implementation date: 31 December 2020</p>
Current status	Update	
Complete	The audit team didn't encounter any issues with getting access to the minutes this year.	



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