The Skills Development Scotland Co. Limited

2020/21 Annual Audit Report

Prepared for Skills Development Scotland and the Auditor General for Scotland

July 2021

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Key messages

2020/21 annual report and financial statements

1 The financial statements of SDS give a true and fair view of the state of affairs of the company as at 31 March 2021 and of its total comprehensive expense for 2020/21.

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 SDS operated within its budget for 2020/21. Uncertainties about the uptake of Covid-19 initiatives added to the challenges SDS faced in managing its finances during the year.

5 SDS made an additional payment of £5 million to Strathclyde Pension Fund. SDS accounted for it properly but its value for money assessment prior to payment did not reflect the time value of money. We were content with the subsequent assessment.

6 The ongoing suspension of European Social Fund (ESF) programmes continues to affect SDS' cash flow. The Scottish Government provided £10 million additional cash to SDS during 2020/21 to support SDS' cash flow. This is in addition to £19 million cash advance SDS received last year.

7 Key controls within core financial systems operated as expected. SDS had appropriate arrangements and controls for recording and processing £24.8 million of Covid-19 related support funding.

Financial sustainability

8 SDS paused work on its rolling five-year financial plan during 2020/21 due to Covid-19. It has yet to fully evaluate the impact of Covid-19 on its business and finances over the longer term.

9 The delays in receiving ESF funding have a significant effect on SDS' finances. Its 2020/21 accounts include £57.7 million of accrued income, reflecting its estimate of the ESF funding it expects to receive in due course.

Governance, transparency and value for money

10 SDS' governance arrangements operating in the Covid-19 environment are appropriate and support effective oversight of its activities and finances.

11 SDS has improved the strategic report in its annual report and accounts from last year. This provides a comprehensive overview of SDS' performance but there is scope for further improvement.

12 SDS has a key role in contributing to the Scottish Government's economic recovery plans.

Introduction

1. This report summarises the findings from our 2020/21 audit of Skills Development Scotland (SDS).

2. The scope of our audit was set out in our Annual Audit Plan presented to the 18 March 2021 meeting of the Audit and Risk Committee. This report comprises the findings from:

- an audit of SDS' 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.

3. The main elements of our audit work in 2020/21 have been:

- an audit of SDS' 2020/21 annual report and accounts including the issue of an independent auditor's report setting out our opinions
- a review of SDS' key financial systems
- consideration of the four audit dimensions.

4. In common with all organisations, SDS has had to respond to the coronavirus pandemic (Covid-19). This affected the full financial year, in particular the National Training Programmes (NTP), provision of Career Information and Guidance (CIAG) and other SDS services such as Partnership Action for Continuing Employment (PACE). Risks related to the pandemic were included in our Annual Audit Plan, and we adapted our planned audit work to review spending on Covid-19 initiatives and grants.

Adding value through the audit

5. We add value to the body through the audit by:

- identifying and providing insight on significant risks, and making clear and relevant recommendations
- sharing intelligence and good practice through our national reports (Appendix 4) and good practice guides
- providing clear and focused conclusions on the appropriateness, effectiveness and impact of corporate governance, performance management arrangements and financial sustainability.

6. During 2020/21 we provided additional insight into the effectiveness of SDS budgeting and budget monitoring in the challenging and rapidly changing environment during Covid-19.

Responsibilities and reporting

7. SDS has primary responsibility for ensuring the proper financial stewardship of public funds. This includes preparing an annual report and accounts that is in accordance with the accounts direction from the Scottish Ministers.

8. SDS is also responsible for establishing appropriate and effective arrangements for governance, propriety and regularity.

9. Our responsibilities as independent auditor are established by 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. As public sector auditors we give independent opinions on the annual report and accounts. Additionally, we conclude on the appropriateness and effectiveness of the performance management arrangements, the suitability and effectiveness of corporate governance arrangements, the financial position and arrangements for securing financial sustainability. Further details of the respective responsibilities of management and the auditor can be found in the Code of Audit Practice 2016 and supplementary guidance.

10. This report raises matters from our audit. Weaknesses or risks identified are only those which have come to our 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.

11. Our annual audit report contains an agreed action plan at Appendix 1. It sets out specific recommendations, the responsible officers and dates for implementation. It also includes any outstanding actions from last year and progress against these.

Auditor independence

12. Auditors appointed by the Auditor General must comply with the Code of Audit Practice and relevant supporting guidance. When auditing the financial statements auditors must comply with professional standards issued by the Financial Reporting Council and those of the professional accountancy bodies.

13. 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 2020/21 audit fee of £87,630 remains unchanged. We are not aware of any relationships that could compromise our objectivity and independence.

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

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

1. Audit of 2020/21 annual report and accounts

The principal means of accounting for the stewardship of resources and performance

Main judgements

The financial statements of SDS give a true and fair view of the state of affairs of the company as at 31 March 2021 and of its total comprehensive expense for 2020/21.

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.

Our audit opinions on the annual report and accounts are unmodified

16. The SDS Board approved the annual report and accounts for the year ended 31 March 2021 following the ARC on 8 July 2021. As reported in the independent auditor's report:

- the financial statements give a true and fair view and were properly prepared in accordance with the financial reporting framework
- expenditure and income were regular and in accordance with applicable enactments and guidance issued by the Scottish Ministers
- the audited part of the remuneration report was properly prepared in accordance with legal requirements
- the strategic report, directors' report and governance statement were all consistent with the financial statements and properly prepared in accordance with relevant legislation and directions made by the Scottish Ministers.

17. The working papers provided with the annual report and accounts were of a good standard and the audit team received support from finance staff which helped ensure the final accounts process ran smoothly.

The annual report and financial statements were signed off within the agreed timescales

18. The unaudited annual report and accounts were received on 7 May 2021, in line with the agreed audit timetable. In addition to the core audit, we also reviewed Covid-19 initiatives and grants. We are pleased that our overall approach, and cooperation between the SDS finance team and the audit team, enabled completion of the audit in accordance with the agreed timetable.

19. Like last year, SDS notified us of changes to its annual report during the audit which resulted in additional audit work. We would again request that, in the interests of audit efficiency, in future all management reviews are complete before the annual report and accounts are provided to us for audit.

Recommendation 1

SDS management should complete their review of the annual report and accounts before these are provided to us for audit.

Overall materiality is £2.61 million

20. We carried out our initial assessment of materiality during the planning phase of the audit. On receipt of the unaudited annual report and accounts we reviewed our materiality calculations and concluded that they remained appropriate as shown in Exhibit 1.

Exhibit 1
Materiality values

Materiality level	Amount
Overall materiality	£2.61 million
Performance materiality	£1.57 million
Reporting threshold	£50,000

Source: Audit Scotland

Appendix 2 identifies the main risks of material misstatement and our audit work to address these

21. Appendix 2 provides our assessment of risks of material misstatement in the annual report and accounts, and any wider audit dimension risks. These audit risks influenced our overall audit strategy, the allocation of staff resources to the audit and indicate how the efforts of the audit team were directed. Appendix 2 also identifies the work we undertook to address these risks and our conclusions from this work.

Significant findings to report on the annual report and accounts

22. International Standard on Auditing (UK) 260 requires us to communicate significant findings from the audit to those charged with governance, including our view about the qualitative aspects of the body's accounting practices. The significant findings are summarised in Exhibit 2. Where a finding has resulted in a recommendation to management, a cross-reference to the action plan in Appendix 1 has been included.

Exhibit 2

Significant findings from the audit of financial statements

Issue	Resolution
1. European grant income accrual SDS is a delivery partner for two European Social Fund (ESF) programmes. The Scottish Government is the Managing Authority for ESF programmes in Scotland. The programmes are in suspension. As a result, SDS was unable to make claims and received no ESF monies in 2020/21. SDS' accounts show a £57.7 million income accrual based on underlying expenditure, of which £44.4 million relates to the Developing Scotland's Workforce (DSW) and £13.3 million to the National Third Sector Fund (NTSF). This is an accounting estimate which includes adjustments from last year and a provision for credit losses to allow for estimation uncertainty. The accrual and the expected credit loss provision are reasonable. We are also satisfied that no prior-year restatement is required as the majority of the adjustments made this year relate to changes in the estimation method. However, SDS did not include sensitivity analysis relating to the accounting estimate and did not provide adequate explanation for prior-year adjustments in the note on critical accounting estimates and judgements.	SDS agreed to provide additional disclosures in the critical estimates and judgements Note 2. This includes some of the information previously presented in trade and other receivables Note 5. We are content with the updated disclosures.
2. Retired benefit obligations SDS accounts for retired benefit obligations on a defined benefit basis under IAS 19 Employee Benefits, with a pension liability disclosed in the Statement of Financial Position. The present value of these obligations depends on factors that are determined on an actuarial basis using assumptions applied to actual information SDS provides to the actuary. Part of this involves	SDS updated the financial statements for the revised actuary report. As a result, the total liabilities in the Statement of Financial Position and the total comprehensive expense in the Statement of Comprehensive Income both decreased by £13.3 million. The retirement benefit obligations Note 7 was also updated along with the related

Issue	Resolution
measuring the rate of return on assets held by the pension fund. Due to timing, the actuary's report that SDS used to prepare the accounts included an estimated rate of return on assets. We have previously discussed with SDS that it should obtain the actual figures as soon as possible. The actuary confirmed in late June 2021 that the actual rate of return on assets would reduce the pension liability by £13.0 million. Additionally, the actuary's initial report did not include employee pension contributions of £0.3 million.	disclosures in the strategic and directors' reports. We are content with the revised financial statements but SDS should also consider enhancing disclosures in the key accounting estimates and judgements Note 2 next year. This should include the value of the obligation and a sensitivity analysis, currently presented in the retirement benefits obligations Note 7, to bring the disclosure in Note 2 in line with good practice. **Recommendation 2** (refer Appendix 1, action plan)

Source: Audit Scotland

Identified misstatements of £13.3 million were adjusted in the accounts

23. It is our responsibility to request that all misstatements, other than those below the reporting threshold, are corrected, although the final decision on making the correction lies with those charged with governance considering advice from senior officers and materiality. There were two misstatements above our reporting threshold with a total value of £13.3 million. Both related to the pension liability as described at item 2 in Exhibit 2. There are no unadjusted errors to report.

Other matters noted during the audit of financial statements

24. SDS elected not to prepare group accounts in accordance with exemptions provided under section 405 of the Companies Act 2006. SDS owns 100 per cent of the issued share capital of Scottish Ufl Limited but the subsidiary undertakings are of such a low value that they round to nil in the financial statements and the company is registered as dormant. We confirmed that it was appropriate for SDS not to prepare group accounts.

SDS has made some progress with prior year recommendations

25. SDS has made some progress in implementing our prior year audit recommendations, with scope for further improvement. Revised responses and timescales have been agreed with management and are set out in Appendix 1.

2. Financial management

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

Main judgements

SDS operated within its budget for 2020/21. Uncertainties about the uptake of Covid-19 initiatives added to the challenges SDS faced in managing its finances during the year.

SDS made an additional payment of £5 million to Strathclyde Pension Fund. SDS accounted for it properly but its value for money assessment prior to payment did not reflect the time value of money. We were content with the subsequent assessment.

The ongoing suspension of European Social Fund programmes continues to affect SDS' cash flow. In addition to last year's £19 million cash advance from the Scottish Government, SDS received a further £10 million additional cash during 2020/21 to support its cash flow.

Key controls within core financial systems operated as expected. SDS had appropriate arrangements and controls for recording and processing £24.8 million of Covid-19 related support funding.

SDS operated within its revised budget in 2020/21

26. The main financial objective for SDS is to ensure that the financial outturn for the year is within the budget allocated by Scottish Ministers.

27. SDS has reported an outturn of £233.8 million, remaining within its overall budget for 2020/21 with an underspend of £0.7 million. Exhibit 3 shows its financial performance against Departmental Expenditure Limits (DEL).

Exhibit 3
Performance against DEL in 2020/21

Performance	Initial budget* £m	Final budget £m	Outturn £m	Over/(under) spend £m
Resource DEL	234.1	234.5	232.3	(2.2)
Capital DEL	0	0	1.5	1.5
Total DEL	234.1	234.5	233.8	(0.7)

*Made up of £224.0 million in core grant-in-aid and £10.1 million in indicative Autumn Budget Revision/ Spring Budget Revision transfers.

Sources: SDS Annual Report and Financial Statements for the year ended 31 March 2021 and SDS Budget Allocation and Monitoring letters (May 2020 and June 2021)

SDS faced a challenging year managing its budget in the rapidly changing environment during 2020/21

28. The approved SDS budget for 2020/21 showed a deficit of £1.8 million, with budgeted expenditure of £266.7 million. SDS' main source of income continued to be grant-in-aid (GiA) funding from the Scottish Government. The funding allocation for 2020/21 included core funding of £224.0 million and indicative funding of £10.1 million through the autumn and spring budget revisions.

29. SDS operates demand-led services requiring detailed scenario planning and regular monitoring to operate within the budget. SDS has a good track record in this area and we have reported previously that SDS had effective arrangements for financial management. Managing its budget during 2020/21 was much more challenging for SDS due to the significant impact of Covid-19 on apprenticeship numbers as well as on demand for other services. SDS used scenario planning to evaluate different outturns. This included initiatives aimed at supporting the use of apprenticeships through the pandemic.

30. SDS continued to provide up-to-date information on the financial position to the Board and its committees which supported scrutiny of its finances. The format of the budget presentations varied across the year, reflecting the changing situation. There were two instances where papers were provided to committees late, for example on the day of the meeting, but the executive was available to support effective scrutiny.

31. SDS also kept the Scottish Government up to date on the situation through formal and informal communication. For example, SDS submitted monthly budget monitoring returns (BMRs) to help the Scottish Government understand and manage the monthly draw-down of GiA. These were provided each month, with the exception of January 2021 due to difficulties with forecasting.

32. Forecasting spending on Covid-19 initiatives was challenging due to the rapidly changing environment and the associated uncertainties. SDS has indicated that the uptake of one of the Covid-19 initiatives, the Apprentice Employer Grant (AEG), was particularly difficult to predict. This initiative commenced in January 2021 and was initially expected to result in spending of £15.0 million. By mid-February the forecast reduced to £3.5 million due to low initial uptake. SDS financial planning showed that such low uptake of the AEG could have resulted in an underspend of £22.1 million. SDS considered this to be an unlikely, worst-case scenario. SDS advised the Scottish Government of the difficulties and sought assistance with the preparation of a BMR. As indicated, SDS did not provide a BMR at the end of January 2021.

33. SDS began preparations for its February draw-down of GiA in early January. It assumed a full uptake of AEG with cash flow forecasts showing £5.0 million of AEG payments in each month from January to March 2021. The Scottish Government approved the proposed overall draw-down of £31 million and transferred that to SDS in early February 2021. At this point SDS had cumulatively drawn down £214.0 million of its 2020/21 GiA. In late February SDS submitted a BMR to the Scottish Government forecasting total cash resource spending of £212.8 million and a significant surplus of £21.3 million. SDS took this approach on the advice of the Scottish Government. It had indicated a similar forecast to the Scottish Government earlier, after the draw down in early February.

34. The Scottish Public Finance Manual (SPFM) states that GiA should not be paid in advance of need at the financial year-end. Because forecast spending in February 2021 was less than the overall amount of GiA drawn down, there was a risk that SDS could have drawn down cash in advance of need. We accept SDS' view that this was unlikely and, in the event, there was a significant increase in AEG uptake in March resulting in total spending of £19.1 million. The Scottish Government had also approved SDS' proposal to make an additional payment of £5 million to Strathclyde Pension Fund by 31 March 2021 (see paragraphs 36. to 38. for more details).

35. We refer to the circumstances SDS faced in the final quarter of 2020/21 to highlight the challenges of financial management in the rapidly changing Covid-19 environment. Overall, this underlines the need for good liaison between the Scottish Government and the public bodies it funds.

Recommendation 3

To eliminate the risk of drawing down cash in advance of need, SDS should ensure that it its cumulative GiA draw-downs do not exceed the remaining spending forecast at all times during the financial year.

SDS made an additional payment to Strathclyde Pension Fund to maintain current employer contribution rates

36. SDS opted to make an additional payment of £5 million to Strathclyde Pension Fund (SPF) at the end of March 2021. The triennial pension valuation indicated that SDS employer contributions would need to increase by 3.6 per cent at an additional cost of over £6 million over the next three years. SPF advised SDS that a one-off payment of £5 million would allow its contribution rate to remain at the previous level of 22.3 per cent. SPF calculated that paying £5 million in 2020/21 would result in SDS saving around £1 million over the next three years. SDS identified this as an 'invest to save' payment.

37. We concluded that accounting for this payment as a current year payment was appropriate. The actuary recorded it in its year-end report within current year employer contributions.

38. While this payment could be seen as re-profiling of the employer contributions, it could also be seen as a payment in advance of need as it relates to the actuarial period from April 2021 onwards. SDS should have performed a robust value for money (VFM) assessment to meet the SPFM requirements. However, SDS' VFM calculation prior to payment did not take into account the time value of money in line with HM Treasury's guidance. Additionally, although the payment proposal was discussed with the Board and committees, it was not formally reported for approval. We were content with the subsequent assessment which demonstrates a net saving of around £1.1 million.

Recommendation 4

SDS should take into account the time value of money (in line with HM Treasury guidance) in any future VFM calculations and formally report any such 'invest to save' proposals to its Board or committee for approval.

SDS received a further £10 million additional cash for European Social Fund programmes

39. As indicated in Exhibit 2, SDS was unable to make claims under the European Social Fund (ESF) due to a suspension of the ESF programmes. As a result, last year the Scottish Government provided SDS with additional cash of £19 million in March 2020 to ensure that SDS' working capital remained at an appropriate level to support the continued delivery of NTP.

40. With the ESF programmes still in suspension, SDS did not receive any funds under ESF during 2020/21, resulting in an ongoing strain on cash flows. As last year, SDS regularly presented its cash flow position to the Board and to the Scottish Government, identifying the need for additional cash towards the end of the financial year. This resulted in the Scottish Government providing SDS with a further £10 million additional cash in March 2021 to keep SDS' working capital at an appropriate level.

SDS was one of the lead partners for delivering Covid-19 initiatives in support of fair work, employability and skills

41. The Interim Letter of Guidance for 2020/21 asked SDS to stop all but the most critical business as usual activity, re-prioritise and work collaboratively to meet the immediate challenges of the Covid-19 crisis. SDS implemented initiatives to support employers and training providers in continuing to deliver apprenticeships during Covid-19. These included AEG (see earlier), the National Transition Training Fund, Pathway Apprenticeships, Enhanced Adopt an Apprentice and the Training Provider Support Grant. As administering funding to employers and training providers is part of SDS' routine business, it used existing systems and processes to deliver the Covid-19 initiatives.

42. SDS re-purposed its budget to fund Covid-19 related initiatives. It distributed £24.8 million of such funding in total (Exhibit 4). Of this, it spent £19.1 million on AEG, the largest of the Covid-19 related schemes.

43. AEG was a one-off payment to employers such as private businesses to recruit new apprentices or upskill existing employees. The initiative was designed as a short-term measure and was available for applications between 12 January and 25 March 2021. As mentioned in paragraph 34. , there was an increase in the final week of the initiative in late March with SDS receiving over half of all applications at that time.

Exhibit 4
Covid-19 Schemes administered by SDS in 2020/21

	Number of applications processed	Total Expenditure (£m)
Apprenticeship Employer Grant	3,876	**19.1**
Training Provider Support Grant	45	**2.1**
National Transition Training Fund	27	**1.0**
Pathway Apprenticeships	42	**0.7**
Enhanced Adopt an Apprentice	128	**0.6**
Other (including Apprentice Transition Plan and PACE Webinars)	N/A	**1.3**
TOTAL		**24.8**

Source: SDS

44. In our view, SDS implemented adequate controls for recording and processing grant transactions and had appropriate measures in place to reduce the risk of fraudulent or erroneous payments. Internal audit's 'real-time' review of the Training Provider Support Grant also found that arrangements for its distribution were appropriate and ensured that payments were made only to claimants who met the criteria and were subject to the agreed approval route. Implementing a 'real-time' internal audit was an effective control as it allowed SDS to make changes while this Covid-19 initiative was still live.

Financial systems of internal control operated as expected

45. We reported our findings from the review of internal controls in the management report presented to the Audit and Risk Committee on 18 March 2021. We concluded that the key controls within the core financial systems were operating as expected. We did not identify any significant internal control weaknesses which could affect SDS' ability to record, process, summarise and report financial and other relevant data to result in a material misstatement in the financial statements.

46. We also considered the main processes and controls used in the administration of the national training programmes (NTP). In our management report we concluded that effective controls are in place but, as previously, there is an inherent control risk in the system for making payments to training providers. Specifically, there is no fully comprehensive, real-time internal check when training providers claim payments.

47. SDS acknowledges this and believes that other controls mitigate the risk. These include the work of the skills investment advisors and the compliance/ fraud error protection team, automated checks within the Funding Information and Processing System (FIPS) system and training providers' annual declaration of compliance with programme rules. While we accept these mitigate the risk to some degree, we are required to highlight this matter. In line with previous years' audit approach, we extended our substantive testing of NTP payments to training providers and found no issues.

Standards of conduct and arrangements for the prevention and detection of fraud and error are appropriate

48. SDS is responsible for arrangements for the prevention and detection of fraud, error and irregularities, bribery and corruption. Furthermore, the Board is responsible for ensuring that its affairs are managed in accordance with proper standards of conduct by putting effective arrangements in place.

49. We have reviewed the arrangements in place to maintain standards of conduct including the codes of conduct in place for both staff and Board Members. There are established procedures for preventing and detecting any breaches of these standards including any instances of corruption.

50. We concluded that appropriate arrangements are in place for the prevention and detection of fraud, error and irregularities. We are not aware of any specific issues that we need to bring to your attention.

3. Financial sustainability

Financial sustainability looks forward to the medium and long term to consider whether a body is planning effectively to continue to deliver its services

Main judgements

SDS paused the work on its rolling five-year financial plan during 2020/21 due to Covid-19. It has yet to fully evaluate the impact of Covid-19 on its business and finances over the longer term.

The delays in receiving ESF funding have a significant effect on SDS' finances. Its 2020/21 accounts include £57.7 million of accrued income, reflecting its estimate of the ESF funding it expects to receive in due course.

SDS has yet to evaluate the impact of Covid-19 on its business and finances over the longer term

51. The 2021/22 SDS budget, approved by the Board in June 2021, projects a deficit of £3.1 million for the current financial year, excluding the known pressures for Covid-19 interventions as these are demand-led. SDS expects to manage this deficit to a balanced position over the course of the financial year. The Board budget paper states that the Scottish Government had accepted this position and agreed to SDS seeking additional funding should demand for modern apprenticeship exceed the projected costs. This is due to continuing uncertainty over economic and labour market conditions and a resulting uncertain demand for SDS services.

52. The process for setting the 2021/22 budget has been later than normal with the budget approved by the Board over two months after the start of the financial year. The executive presented an initial draft budget to the Board in November 2020 and a revised draft in March 2021 while it modelled scenarios in discussion with the Scottish Government, the Board Chair and the Finance and Operational Performance committee (FOP).

53. The continued uncertainty caused by the pandemic is reflected in the Scottish Government's Initial Letter of Guidance for the 2021/22 financial year, which acknowledges that a return to 'business as usual' has not yet been possible. The letter requests SDS to continue to be responsive in the face of changing circumstances whilst highlighting priority areas of work. It also states that SDS should continue to support its outcomes and values, contributing to the National Performance Framework. The Scottish Government is planning to review progress and revisit the letter by the end of September.

54. In contributing to economic recovery, the Scottish Government expects SDS to continue delivering Covid-19 initiatives such as National Transition

Training Fund, Pathway Apprenticeships and Apprenticeship Transition Plans, whilst also prioritising ongoing support through initiatives such as Partnership Action for Continuing Employment (PACE). SDS will also need to continue promoting its core services to support wider Scottish Government priorities and ambitions such as maximising apprenticeship starts. SDS will therefore need to keep its budget under close review.

55. In previous years we highlighted that SDS had an effective medium to long-term financial plan which was underpinned by scenario planning. During 2020/21 SDS paused the work on its rolling five-year financial plan due to Covid-19. It has yet to fully evaluate the impact of Covid-19 on its business and finances over the longer term. SDS should continue planning for different scenarios, to ensure it can be flexible and responsive to its financial position and the changing demands upon its services. We have been advised that SDS recruited an additional member of staff in May 2021 to support its financial planning going forward.

Recommendation 5

SDS should continue with its longer-term financial planning and scenario planning. This should include an assessment of the continued impact of Covid-19 on its business and finances.

SDS faces further potential cashflow issues in 2021/22 due to a delay in receiving ESF funding

56. As reported in Part 1, SDS' accounts include a European Social Fund (ESF) income accrual of £57.7 million (£41.4 million in 2019/20) due to the continued suspension of ESF programmes. SDS was unable to submit any claims for ESF funding and did not receive any ESF monies during 2020/21.

57. There is a risk, as a result of the continuing impact of Covid-19, that claims processing and verification is delayed, leading to further cashflow issues for SDS later in the financial year. This underlines the need for SDS to continue its longer-term planning and to keep its financial plans under close review during 2021/22. As we recommended last year, this will allow SDS to demonstrate to the Scottish Government the basis for any additional funding or cash flow requirements associated with EU funding programmes and continued response to the Covid-19 pandemic.

4. Governance and transparency

The effectiveness of scrutiny and oversight, and transparent reporting of information

Main judgements

SDS' governance arrangements operating in the Covid-19 environment are appropriate and support effective oversight of its activities and finances.

The strategic report in SDS' annual report and accounts provides a comprehensive overview of SDS' performance, with scope for further improvement.

SDS' governance arrangements are appropriate and support effective oversight of the organisation's activities and finances

58. SDS has appropriate governance arrangements in place. It operates with a board that is responsible for strategic direction. The Board met four times during the year and was supported by various committees/groups, including the audit and risk committee (ARC) and the finance and operational performance committee (FOP). Additional special committee meetings took place to keep non-executives updated in the rapidly changing Covid-19 environment. All meetings were conducted virtually and, in line with most public sector bodies, SDS staff worked remotely throughout 2020/21.

59. During 2020/21 SDS regularly reported on the impact of Covid-19 on its business to the Board and its committees. Reporting included consideration of the changing environment throughout the year and contingency planning such as reacting to local Covid-19 tier restrictions. SDS implemented a business continuity plan to ensure that services remained available and were re-designed in light of Covid-19. This included adapting the delivery of its services to a virtual environment. Reporting to the Board was also supported by labour market evidence and reviews of economic forecasts and scenarios to enable SDS to prepare for the 'new normal'.

60. SDS has also produced monthly National Covid-19 Labour Market Insights reports on its website. These reports present up-to-date evidence on the impact of Covid-19 on Scotland's economy business and people. They give an overview of SDS' response as well as support for individuals and businesses.

61. We concluded that the governance statement in SDS annual report and accounts appropriately outlines the impact of Covid-19 on SDS business during 2020/21.

Openness and transparency

62. Openness and transparency in how a body operates and makes decisions is key to supporting understanding and scrutiny. 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.

63. We have previously highlighted that, in contrast to other public bodies, SDS Board meetings are not open to the public. Detailed Board minutes are published on the SDS website, but Board and committee papers are not available publicly. While it is for each organisation to determine what papers are made available, we continue to hold the view that budget and performance monitoring reports as well as committee minutes should be published where it is reasonable to do so.

64. SDS should continue to keep this under review and periodically assess whether there are opportunities to make further information available. Further information about SDS finances and the steps it is taking in response to the impact of Covid-19 would assist stakeholders' understanding of the challenges SDS is facing in this environment.

The strategic report meets the requirements of the Companies Act

65. In addition to the opinion on the performance report covered in Part 1 of our Annual Audit Report, we also consider the qualitative aspects of SDS' performance report. The performance report should provide information on a body, its main objectives and the principal risks faced. It should provide a fair, balanced and understandable analysis of a body's performance as well as help stakeholders understand the financial statements.

66. SDS reports its performance in the strategic report section of its annual report. As SDS is required to follow the Companies Act, our testing ensured that the strategic report complied with related guidance. We were satisfied that the guidance had been met and SDS also agreed to make further improvements next year.

SDS continues to make improvements to its cyber security arrangements

67. Public bodies should have good provision for managing data and monitoring information security. They should also have demonstrable capacity and capability for responding to the increasing cyber security risks. Threats are increasing due to the growing number of cyber activities and organisations using the wide-ranging devices that use the internet to interact with the organisation's network. Public bodies should have risk assessment processes in place for recording activities and learning including the cost impact of responding to a cyber-attack.

68. Information technology services for SDS are mostly managed by the Enterprise Information Services (EIS). The EIS Partnership Board provides the strategic oversight of the EIS partnership (also involving Scottish Enterprise, South of Scotland Enterprise and Highland and Islands Enterprise) which has been in place for just over 10 years. EIS carried out a Cyber Essentials internal assessment and obtained certificates for this in February 2021 and May 2021. The partnership was also assessed externally and obtained a Cyber Essentials Plus certificate in June 2021.

69. We reported last year that internal audit's report on the EIS' cyber security in September 2019 was graded 4 (the second highest priority for attention) with a recommendation to carry out a cyber maturity assessment. All but one of the recommendations from this report were implemented by March 2021. The final recommendation relating to the development of a long-term strategy was expected to be completed by the end of April 2021.

70. Internal audit carried out further work in this area in 2020/21 with an assurance map and a report on the EIS security. The latter received a grading of 3 (medium risk) and resulted in seventeen recommendations, one of which was rated as critical. Internal audit will continue to maintain an interest in cyber preparedness. The risk and potential impact from cyber activity and related penetration actions will continue to challenge organisations and EIS should ensure that it continues to make improvements to its cyber security arrangements.

5. Value for money

Using resources effectively and continually improving services

Main judgements

SDS has a key role in contributing to the Scottish Government's economic recovery plans.

SDS has a key role in delivering the Scottish Government's economic recovery plans

71. Skills and training are central to the Scottish Government's Covid-19 economic recovery plans and its ambition for sustainable and inclusive economic growth. Increasing numbers of people may need skills support as the impact of Covid-19 on employment rates and specific sectors of the economy continues to be felt.

72. There is also a need to recruit and reskill the workforce to respond to the climate emergency and advances in digital innovation. SDS has a key role in ensuring that the skills system is functioning effectively to support people into employment with the skills that individuals and businesses need.

73. One of the Enterprise and Skills Strategic Board's objectives is to align the skills planning roles of SDS and the Scottish Funding Council (SFC) to ensure people and businesses are equipped with the right skills to succeed in the economy.

74. The Joint Director of Skills Alignment (SDS and SFC) left post in March 2021. It is not yet clear how the skills alignment agenda will be taken forward. Internal audit carried out a review of skills alignment in 2020/21 and will report its findings to the Audit and Risk Committee in July 2021.

National performance audit reports

75. Audit Scotland carries out a national performance audit programme on behalf of the Accounts Commission and the Auditor General for Scotland. As part of this, Audit Scotland is undertaking a national performance audit on investing in skills during 2021.

76. The audit will assess how effectively SDS, SFC and the Scottish Government are working together to ensure the skills system responds to the current and future needs of people and businesses in Scotland.

77. It will examine the extent to which governance arrangements and strategic plans support an integrated approach to skills planning, how much is spent on the skills provision, and the impact of Covid-19 on skills plans. Where appropriate, it will make recommendations to help support continuous improvement in the skills system.

78. In 2020/21 a number of other national performance reports were published which may be of direct interest to SDS. These are outlined in Appendix 4.

Appendix 1. Action plan 2020/21

2020/21 recommendations

Issue/risk	Recommendation	Agreed management action/timing
1. Submission of annual report and financial statements for audit We received the unaudited annual report and financial statements on 7 May 2021 in line with our agreed timetable. Like last year, SDS notified us of changes to its annual report due to the senior management review during the audit. This resulted in additional audit work and delayed completion. Risk – SDS provides unreviewed annual report and financial statements to audit resulting in additional work and delayed completion.	SDS management should complete their review of the 2021/22 annual report and accounts before these are provided to us for audit. Paragraph 19.	The programme of activities for preparation of the 2021/22 annual report and financial statements will incorporate time to allow for SDS management review, and the incorporation of feedback, prior to the commencement of the final audit. Responsible officer – Senior Director of Enabling Services Agreed date – May 2022
2. Retirement benefits obligations SDS accounts for retired benefit obligations on a defined benefit basis under IAS 19 Employee Benefits. The present value of these obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions applied to actual information SDS provides to the actuary where available. Due to timing, the actuary report SDS used to prepare	We are content with the revised financial statements but SDS should consider enhancing disclosures in the key accounting estimates and judgements note next year to better reflect uncertainty regarding the estimate. This should include the value of the obligation and a sensitivity analysis, currently presented in the retirement benefits obligations Note 7, to bring the disclosure in Note 2 in line with good practice. Exhibit 2	Presentation will be reviewed with a view to consolidating estimation disclosures within the “critical accounting estimates and judgements” note to the financial statements in future years. Responsible officer – Director of Finance, Information Governance, Resilience and Risk. Agreed date – May 2022

Issue/risk	Recommendation	Agreed management action/timing
the accounts included an element of estimation in the rate of return on assets. The actuary confirmed in late June 2021 that the actual rate of return on assets would reduce the pension liability by a material amount (£13.0 million). The accounts were subsequently amended. Risk – the retirement benefits obligation could be materially mis-stated.		
3. Budget management SDS drew down £31 million of grant-in-aid (GiA) in early February. The total draw-down for the year (£214.0 million) at that point exceeded the forecast spending of £212.8 million subsequently provided to the Scottish Government in late February. Risk – SDS draws down cash in advance of need and does not comply with the Scottish Public Finance Manual (SPFM) at year end.	To eliminate the risk of drawing down cash in advance of need, SDS should ensure that that it its cumulative GiA draw-downs do not exceed the remaining spending forecast at all times during the financial year. Paragraph 34.	We believe that there was a misunderstanding of information presented by SDS to Scottish Government in 2020/21. SDS and Scottish Government are developing a new protocol for financial oversight from 2021/22. With regular engagement with our sponsors, drawdown requests will continue to be supported by diligent cashflow forecasting and robust budget management. Responsible officer – Director of Finance, Information Governance, Resilience and Risk Agreed date - Ongoing
4. Additional payment to Strathclyde Pension Fund SDS opted to make an additional payment of £5 million to Strathclyde Pension Fund (SPF) at the end of March 2021. SPF advised SDS that this would allow its contribution rate to remain at the previous level of 22.3 per cent. SPF calculated that paying this would result in SDS saving around £1 million over the next three years.	SDS should take into account the time value of money (in line with HM Treasury's guidance) in any future VFM calculations and formally report any such 'invest to save' proposals to its Board or committee for approval. Paragraph 38.	SDS is cognisant of the guidance contained in the SPFM and will provide transparency around value for money assessments within relevant proposals requiring Board or committee approval. Responsible officer – Senior Director of Enabling Services Agreed date - Ongoing

Issue/risk	Recommendation	Agreed management action/timing
SDS' VFM calculation prior to payment did not reflect the time value of money in line with HM Treasury's guidance but we were content with the subsequent assessment. The payment proposal was discussed with Board members and the Scottish Government but it was not formally reported to the Board for approval. Risk – The VFM assessment does not meet the SPFM requirements and is not subject to formal approval by the board.		
5. Longer-term financial planning In contributing to economic recovery, the Scottish Government expects SDS to continue delivering Covid-19 initiatives whilst also delivering its core services to support wider Scottish Government priorities and ambitions such as maximising apprenticeship starts. SDS will therefore need to keep its budget under close review and consider a range of scenarios such as different volumes of apprenticeships and the associated financial challenges. During 2020/21 SDS paused the work on its rolling five-year financial plan and has yet to evaluate the impact of Covid-19 on its business and finances over the medium to long term. Risk - SDS is not well placed to be flexible and responsive to its financial position and	SDS should continue its longer-term financial planning and scenario planning. This should include an assessment of the continued impact of Covid-19 on its business and finances. Paragraph 55.	The demand for new and existing services as SDS supports the economic recovery from the Covid-19 pandemic will continue to be critical inputs to our unceasing financial modelling and budget management for the foreseeable future. Responsible officer – Director of Finance, Information Governance, Resilience and Risk Agreed date - Ongoing

Issue/risk	Recommendation	Agreed management action/timing
the changing demands on its services.		

Follow-up of prior year recommendations

Issue/risk	Recommendation	Agreed management action/timing
1. ESF income accrual and potential cash flow issue SDS' accounts for 2019/20 contains an income accrual of £41 million in relation to European grant monies. This is based on incurred expenditure extending back over several years and as a result has placed a strain on SDS' cashflow. SDS may also find increased demands on some of its services as a result of the economic impact from the Covid-19 pandemic. Risk – SDS requires to reduce or delay spending during 2020/21 as a result of a shortage of available cash and does not have sufficient funds to meet the potential increased demand for its services due to Covid-19.	SDS should continue to keep its financial plans under close review during 2020/21 so that it is in a position to demonstrate to the Scottish Government the basis for any additional funding or cash flow requirements associated with EU funding programmes and response to the Covid-19 pandemic.	Completed but ongoing in 2021/22 as the ESF programme remains in suspension. Also see Action Plan point 3. While Scottish Government remains under the suspension, SDS will continue to engage to facilitate the audit and submission of grant claims at the earliest opportunity, and will provide transparency on the working capital requirements on a regular basis throughout the year. This is achieved via monthly Budget Monitoring Returns and meetings. Responsible officer – Director of Finance, Information Governance, Resilience and Risk Revised date - Ongoing
2. Scope for improvements to the strategic report SDS' strategic report within the annual report and financial statements found complies with the Companies Act requirements but there is scope for further improvement. Risk – The reader may not get a comprehensive picture of the organisation's in-year	SDS should consider making some further improvements to its strategic report, such as increased contextual data around achievements, clearer links between risks and performance and the use of its agreed key performance indicators.	In progress - SDS took on board some of our recommendations from last year and made improvements to the strategic report such as adding narrative on the impact of Covid-19 on SDS' performance, risks and finances. There remains room for further improvement in these areas and in the structure and layout of the report. See also Action Plan point 1.

Issue/risk	Recommendation	Agreed management action/timing
performance and risks to performance in the future.		SDS will continue to consider best practice guidance and auditor feedback in enhancing its reporting. Responsible officer – Director of Finance, Information Governance, Resilience and Risk Revised date - Ongoing

Appendix 2. Significant audit risks

The table below sets out the audit risks we identified on the 2020/21 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 financial statements and those relating to our wider responsibility under the Code of Audit Practice 2016.

Risks of material misstatement in the financial statements

Audit risk	Assurance procedure	Results and conclusions
1. Risk of material misstatement due to fraud caused by the management override of controls International Auditing Standards require that audits are planned to consider the risk of material misstatement in the financial statements caused by fraud, which is presumed to be a significant risk in any audit. This includes the risk of fraud due to the management override of controls.	• Testing of journal entries. • Review of accounting estimates. • Testing of accruals and prepayments. • Cut-off testing to confirm expenditure and income is accounted for in the correct financial year. • Evaluation of significant transactions that are outside the normal course of business.	**Results:** Our testing did not identify any issues. **Conclusion:** Satisfactory
2. Risk of material misstatement caused by fraud in income recognition As set out in ISA (UK) 240, there is a presumed risk of fraud in the recognition of income. There is a risk that income may be misstated resulting in a material misstatement in the financial statements. In 2020/21, SDS expects to receive approximately £27 million of income from sources other than the	• Review of SDS' anti-fraud arrangements. • Walk-through of controls over receivables. • Analytical procedures on income streams. • Detailed testing of revenue transactions focusing on the areas of greatest audit risk, such as ESF income and Covid-19 related funding. • Consideration of internal audit's work on national	**Results**: We re-assessed this risk before our financial statements audit and decided to rebut it. This is because SDS received the majority of its income from the Scottish Government, a large underspend forecast by SDS did not materialise and there is a separate risk for ESF income (see risk 5). **Conclusion**: Satisfactory

Audit risk	Assurance procedure	Results and conclusions
Scottish Government, with £16.8 million expected from the European Social Fund (ESF) which has been in full suspension since November 2019 (see risk 5 below). Due to lower than forecast uptake of the national training programmes and COVID -19 relief initiatives, SDS is projecting a significant surplus of £22.1 million at end of February but this is subject to change. It will depend on the amount of Grant-in-Aid drawn down and other transactions in the final month of the financial year. The extent and nature of this income alongside the possible surplus means that there is a risk of fraud over income recognition.	training programmes (NTPs) and financial management.	
3. Risk of material misstatement in expenditure As most public-sector bodies are net spending bodies, the risk of fraud is more likely to occur in expenditure. Most of SDS' operating expenditure is on multi-year national training programmes (NTPs). SDS expects to spend around £117 million in 2020/21 in this area, representing 45 per cent of total forecast expenditure for 2020/21. As we have reported previously, there is an inherent control risk in the NTP system for payments to training providers. In addition, like many other public bodies, SDS made payments to third-party organisations in 2020/21 to off-set the impact of Covid-19. It forecasts to spend	• Review of SDS' anti-fraud arrangements. • Walk-through of controls over NTPs, including the funding information and processing system (FIPS). • Walk-through of controls over payables. • Analytical procedures on expenditure streams. • Detailed testing of expenditure transactions focusing on the areas of greatest audit risk, such as apprenticeship and Covid-19 related expenditure. • Review of accounting entries/disclosures in relation to areas such as Covid-19 response initiatives. • Consideration of internal audit's work on Covid-19	**Results:** We concluded that SDS has appropriate anti-fraud arrangements in place. We also confirmed that key controls over payables and national training programmes operated as expected with an inherent control risk identified in FIPS. Our testing of expenditure transactions, including expenditure relating to Covid-19 related support initiatives and grants, did not identify any significant issues. **Conclusion:** Satisfactory

Audit risk	Assurance procedure	Results and conclusions
around £21 million on COVID-19 response initiatives which is a new area of expenditure for SDS. There is a risk that expenditure may be misstated resulting in a material misstatement in the financial statements.	response initiatives, NTPs and financial management.	
4. Estimation and judgements There is a significant degree of subjectivity in the measurement and valuation of the material account areas of accruals, pensions and provisions. This subjectivity represents an increased risk of misstatement in the financial statements.	• Detailed testing of accruals including the ESF income accrual. • Completion of 'review of the work of an expert' in respect of the actuary including a review of actuarial assumptions. • Testing of pension disclosures, including data that SDS provides to actuaries. • Testing of provisions and related disclosures.	**Results:** The actuary report SDS used to prepare the accounts included an element of estimation in the rate of return on assets. The actuary confirmed in late June 2021 that the actual rate of return on assets would reduce the pension liability by a material amount (£13.0 million). The actuary report also omitted employee pension contributions of £0.3 million. The accounts were subsequently amended for both misstatements. Our review of SDS' actuaries did not identify any issues. See Action Plan point 2. **Conclusion:** Unsatisfactory
5. European funding SDS receives significant funding from the ESF. ESF is administered by the European Commission and managed by the Scottish Government (SG), which makes payments to lead partners such as SDS. Due to deficiencies for ESF in Scotland reported by auditors, the programme has been in 'full suspension' since November 2019 with payments suspended since February 2019. This affects all organisations which participate in the ESF programme. As a result, SDS' 2019/20 financial statements	• Detailed testing of the ESF income accrual including an assessment of estimation uncertainty and related disclosures. • Review of correspondence in relation to ESF funds. • Ongoing review of budget monitoring presented to Board and committees and discussions with SDS finance about ESF developments. • Review of SDS' ESF claims and its internal verification checks.	**Results:** The working papers supporting ESF expenditure agreed to the accounts and to source documents. We concluded that SDS applied the estimation uncertainty based on the best information available and in accordance with the accounting standards. **Conclusion:** Satisfactory

Audit risk	Assurance procedure	Results and conclusions
included an income accrual of £41 million in respect of ESF monies due. SDS forecasts further ESF income of £16.8 million in 2020/21 which could increase the income accrual to over £55 million if SDS does not receive any ESF monies before the end of March 2021. There is a risk that SDS misstates the ESF income and related accruals in its 2020/21 accounts.	• Liaison with the auditors of the SG on ESF developments from a national perspective.	

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

Audit risk	Assurance procedure	Results and conclusions
6. Covid-19 related support funding Since March 2020, SDS has had a key role in Scotland's response to Covid-19, supporting jobs and businesses and through its skills and training programmes. This includes distributing Covid-19 response initiatives to businesses. Decision-making in a fast-moving environment presents a challenge for SDS and other public bodies. These include maintaining good governance and controls while making decisions quickly, adapting performance measures and ensuring that anti-fraud arrangements remain robust at a time when the risk of fraud is increased.	We considered: • The extent and nature of Covid-19 response initiatives provided to SDS and distributed by SDS to businesses. • Governance and accountability arrangements for distributing Covid-19 funding, including scrutiny by the Board and steps taken to minimise fraud and error. • Key financial controls over Covid-19 related income and expenditure. • Performance targets for the efficiency and effectiveness of Covid-19 funding. • Internal audit's work on Covid-19 response and Covid-19 grants.	**Results:** We reviewed the Covid-19 response initiatives and concluded that SDS implemented adequate controls for recording and processing grant transactions. We concluded that during 2020/21 SDS acted as the principal in issuing this funding. **Conclusion:** Satisfactory

Audit risk	Assurance procedure	Results and conclusions
7. Financial management – 2020/21 outturn There are a range of factors which affect SDS' financial management. This includes in-year changes to the budget which have been particularly volatile in 2020/21. There are also ongoing uncertainties about the amount and timing of ESF funding (see above), the uptake of the current Covid-19 relief initiatives and NTPs as some training providers experience financial difficulties. All of this makes forecasting the year-end position difficult. SDS is currently projecting a surplus of £22.1 million against its approved budget, but this is still subject to change and there is a risk that financial management and reporting does not keep pace with SDS' changing financial context. There is also a risk that ongoing uncertainties affect SDS' cash-flows and operations.	• Review financial reports provided to the Board / committee over the year and compare these with the year-end results in the financial statements. • Ongoing enquiry and discussions with SDS about its financial position.	**Results**: SDS continued to provide regular and up-to-date information on the financial position to the Board and its committees. **Conclusion**: Satisfactory – SDS expenditure was within 0.26 per cent of the resource allocation but there were difficulties forecasting year-end spending due uncertain uptake of Covid-19 initiatives. See Action Plan point 3.
8. Cyber security – governance and risk management Organisations are increasingly threatened by cyber-attacks as evidenced by recent incidents affecting public bodies. This risk is heightened due to the impact of Covid-19 such as home-working. SDS has a shared Enterprise Information Service (EIS) IT arrangement with Scottish Enterprise, Highlands and Islands Enterprise and South of Scotland Enterprise. SDS is currently working to	• Assess progress towards improving cyber security including achieving Cyber Essentials+ accreditation. • Consider disclosure of cyber security risk in the governance statement within the annual report and financial statements.	**Results**: EIS partner bodies (including SDS) achieved Cyber Essentials plus accreditation in June 2021. While this is a positive development, this is an area requiring ongoing attention with an internal audit report on the new security operations centre raising 17 new recommendations. **Conclusion**: Satisfactory but SDS will need to do further work to address internal audit recommendations and to maintain good arrangements to off-set the threat of a cyber-attack.

Audit risk	Assurance procedure	Results and conclusions
strengthen its cyber security arrangements including implementing improvement actions identified during the recent cyber security maturity assessment. There is a risk that a cyber-attack could disrupt SDS' systems, including key financial systems.		

Appendix 3. Summary of 2020/21 national performance reports

April

Affordable housing

June

Highlands and Islands Enterprise: Management of Cairngorm mountain and funicular railway

Local government in Scotland Overview 2020

July

The National Fraud Initiative in Scotland 2018/19

January

Digital progress in local government

Local government in Scotland: Financial overview 2019/20

February

NHS in Scotland 2020

March

Improving outcomes for young people through school education

The Skills Development Scotland Co. Limited

2020/21 Annual Audit Report

Audit Scotland's published material is available for download on the website in a number of formats. For information on our accessibility principles, please visit:
www.audit-scotland.gov.uk/accessibility

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