

# International work

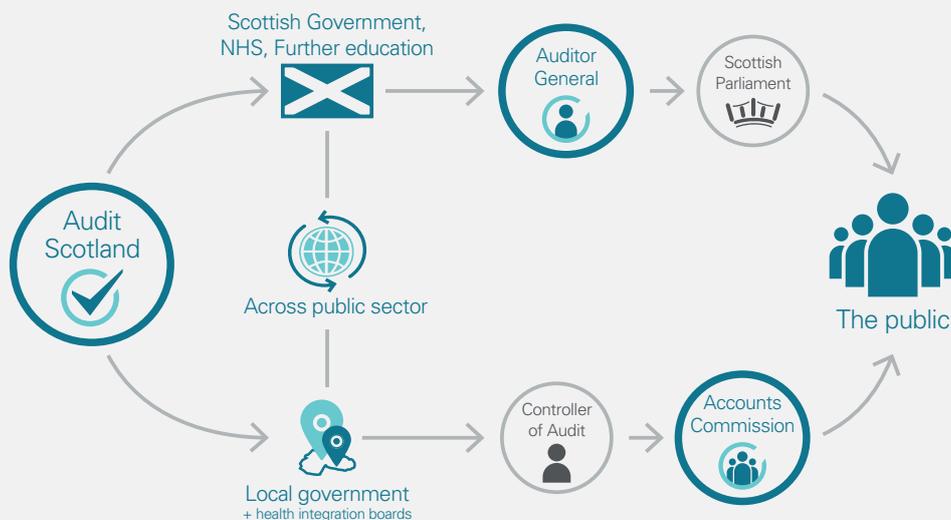
Annual report 2016/17



# Who we are

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

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



## About us

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

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

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

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# Welcome

## From the chair of the International Steering Group

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Audit Scotland's vision is to be a world-class audit organisation that improves the use of public money. This involves, among other things, applying the highest standards of good audit practice, continually developing our staff and their skills, and ensuring that our work has real impact. We consider that our international work contributes to all of these areas, particularly through our involvement with such a wide range of overseas audit institutions and public bodies.

2016/17 has been a very busy year for our international work, spanning many different activities, the highlights from which are captured in this report.

During the year, we also developed a new International Strategy to cover the period for 2017-20. The new strategy sets out an ambitious agenda for developing our approach to international work and supports our vision of becoming a world-class audit organisation. The new strategy closely aligns and complements Audit Scotland's over-arching corporate plan and other key strategic documents.

International work is, by its very nature, outward looking – and this has meant adopting a more proactive approach to our external communications in this area. We have made a strong start, using our social media presence to build international contacts, exchange information in real time and promote the work of Audit Scotland internationally. With this in mind, we see our international work as a two-way learning process. We are always looking out for examples of best practice in our profession across the world. For example, we are grateful to colleagues in audit institutions in New Zealand for giving us useful advice as we review our audit quality arrangements.

Finally, I would like to acknowledge the work of my predecessors – Dave McConnell and Laurence Slavin for all their efforts in leading this work over the last few years. I took over as chair partway through 2016/17 and Dave and Laurence have provided us with a great foundation to build on.

I hope you find this report interesting. If you require any additional information or wish to speak to us about our international work, our contact details are on the back cover of this report.



**Antony Clark**  
Chair, International Steering Group



**Antony Clark**  
Chair,  
International  
Steering Group

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# Highlights of the year

1. During 2016/17, our international work spanned many different activities all of which are intended to support our vision of becoming a world-class audit organisation that improves the use of public money. Some of the main activities are captured below:



## International delegations

We hosted seven international delegations from audit institutions spanning the globe including Japan, Canada, New Zealand and Palestine. There remains strong interest in our approach to financial, performance and Best Value audits from overseas audit institutions.



## European Organisation of Regional Audit Institutions (EURORAI)

We presented at two EURORAI seminars in Austria and France to share our specialist knowledge on housing benefits and 'following the public pound'. We also provided input into the development of EURORAI's new *Guidelines for Independent Regional Public Sector Institutions*.



## Exchange programme

In April 2016, we provided an internship to a senior member of staff from the court of auditors in the state of Baden-Württemberg in Germany. In March 2017, a colleague from Audit Scotland then spent five days in Germany to learn more about key areas of interest that were identified during the earlier visit.



## Learning from good practice

We continued to learn from overseas audit institutions to assist in developing our own audit work. As part of our work to develop our approach to quality, we have assessed practice in overseas audit institutions. Recent learning from the German exchange has also offered us the opportunity to work differently.



## Social media and communications

We made much greater use of new technology and social media (eg, Twitter, Facebook) to build our network of international contacts, share information and promote the work of Audit Scotland.



## Staff development

We provided personal development and growth opportunities to more than 50 staff from all parts of the organisation in our international work, through presenting to delegates, attending seminars or engaging with overseas audit institutions.

# Our priorities

## Becoming world class

2. Our vision is to become a world-class audit organisation that improves the use of public money. This can only be achieved through learning from what works well elsewhere and challenging ourselves in the work we do. International work at Audit Scotland has an important contribution to make to support this vision. Our new *International work: Our strategy for 2017-20* continues to help us to achieve this vision.

## Our approach and priorities

3. In support of our vision, during 2016/17 our international work has been based around the following activities:

- Sharing our professional, technical and audit-related expertise with overseas audit institutions and public sector bodies, through hosting visits.
- Participating in international conferences and seminars to share our knowledge and expertise. Such events also provide opportunities to build networks internationally and exchange information.
- Participating in exchange programmes and learning from good practice from overseas audit institutions, which will assist in our own audit work.
- Sharing the knowledge and learning that we glean from international work with colleagues within Audit Scotland through information exchanges, team meetings and seminars.

## New technology and social media

4. Following Audit Scotland's move to our new Edinburgh office in November 2015, we have enjoyed better access to video conferencing technology – and this has been a huge asset to our international work.

5. Throughout 2016/17 we have made greater use of social media (eg, Twitter, Facebook, WordPress and LinkedIn) to build our network of international contacts, exchange information in real time and promote the work of Audit Scotland.

6. We are building on our #GoingGlobal social media and web campaign to advertise our international work, ensuring overseas audit institutions are aware that we are willing to engage with them. During 2016/17, we found that:



People in **74 countries** around the world have read our **WordPress blog**. It proved most popular in the USA, Australia, Russia and India



**5,261 people** have seen our **#GoingGlobal tweets** on Twitter



**2,475 people** have read our **#GoingGlobal posts** on Facebook



**International work: Our strategy for 2017-20**   
June 2017

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# 2016/17 in review

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## Spotlight on visiting delegations

In 2016/17, we hosted seven international delegations to Audit Scotland spanning countries from all corners of the globe.

One of the visits involved two auditors from the Palestinian State Audit and Administrative Control Bureau (SAACB) spending a week with Audit Scotland. Through this visit, the auditors learnt more about our work, which in turn will help them develop and improve their approach to auditing back at their own audit bureau. Midway through the visit, the auditors presented to Audit Scotland on the work of SAACB. This was a fascinating insight into the work of another audit institution. The whole visit proved very successful and was an excellent learning opportunity for everyone involved.



### Benefits to Audit Scotland:

- Sharing learning, good practice and knowledge to support and improve approaches to auditing.
- Learning about the work of other audit institutions.
- Networking and establishing international contacts.
- Providing development opportunities for our staff.
- Promoting the work of Audit Scotland and raising our own international profile.



**Presentation by the SACCB to Audit Scotland in our Edinburgh Office**

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## Spotlight on German Exchange



In May 2016, we welcomed Dr Nicolai Böcker, a senior member of staff from the court of auditors in the state of Baden Württemberg in Germany. The purpose of the visit was for Dr Böcker to learn more about public sector audit and the work of Audit Scotland. During the course of his visit, we learnt about the strong focus that his audit institution has around value for money (VFM) auditing and in March 2017, Peter Worsdale from Audit Scotland spent five days in Germany to explore their approach further.

During his visit, Peter met with the President and Vice President of the court of auditors and various managers across its functions. He learned more about how the staff of another audit institution plan their work, the methods they employ, their improvement processes, and their general approaches to working. Peter also gave a presentation to the Senat of the court of auditors on the role of Audit Scotland. This was followed by a presentation from Nicolai on his exchange with us and a question and answer session on areas of mutual interest.

The exchange has highlighted a number of possible areas for us to follow up on. Later this year, Peter will give an overview of his experience at a seminar for Audit Scotland colleagues. This will highlight areas of practice that Audit Scotland will examine further with a view to both developing its focus on VFM and its audit role in connection with Scotland's new financial powers.

Overall, the exchange programme has been very successful and we are keen to maintain this new relationship through further information updates and regular knowledge sharing.

### Benefits to Audit Scotland

- Challenging our thinking and learning from other approaches with a view to building this into our audit work.
- Improving our approach to VFM auditing.
- On-going exchange of information updates and knowledge sharing.
- Further networking and relationship building.



**Nicolai Böcker and Fraser  
McKinlay in our Edinburgh Office**

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## Spotlight on EURORAI

### EURORAI seminar in Austria

In May 2016, Antony Clark attended a EURORAI conference in Poltzen, Austria. The purpose of the seminar was to discuss the new EURORAI [Guidelines for Independent Regional Public Sector Audit Institutions](#). With over 90 attendees from across Europe and beyond (Austria, Brazil, France, Germany, Hungary, Lithuania, Morocco, Netherland, Norway, Poland, Russia, Slovakia, Spain, Switzerland, Wales) it was a real United Nations of Audit.

The new guidelines set out some key principles that capture why independent external audit is important, and how audit institutions should operate if they are to maintain their legitimacy and add value through their work. Antony gave a presentation on Audit Scotland's work around 'following the public pound' in support of best practice against two of EURORAI's principles.

Reflecting on his experience Antony commented: "It was great to hear other peoples' experiences of auditing in different countries, regions and cities. It made me realise that we have a great deal to be thankful for here in Scotland in terms of our audit resources, the respect our role is afforded and the quality of the staff that work for our organisation."

### EURORAI seminar in France

In October 2016, Anne Cairns attended a EURORAI conference in Nantes, France to discuss our audit work in respect of benefits and new devolved financial powers. One hundred and thirty delegates from 14 different countries attended the conference, which was devoted to the audit of social welfare.

Topics under discussion included the inherent risk of fraud in social security payments and the effectiveness of specific policies in reducing these risks. It was reassuring to hear that many of the issues we come across in our work in Scotland are the same as those in other audit institutions throughout Europe.

Reflecting on her experience Anne commented: "What really surprised me on listening to both the presentations and through discussions was that Audit Scotland is ahead of many other audit institutions with our audit approach to social security benefits. Certainly no one else is trying to grapple with the complexity of both additional devolved powers in respect of social security as well as Brexit."

### Benefits to Audit Scotland

- Establishing a network of new audit contacts to exchange ideas and share information.
  - Learning about the approach of overseas audit institutions to specific areas of work.
  - Establishing issues of commonality in our work with overseas audit institutions and exploring ways to address these.
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**Guidelines for  
Independent  
Regional Public  
Sector Audit  
Institutions** 

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**Anne Cairns,  
Manager**

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# Our people



**7.** In 2016/17, more than 50 colleagues from across the organisation had the opportunity to be involved in international work. This spanned a range of activities including presenting to international delegates, attending conferences and information exchanges.

**8.** Hosting visits in particular provides our colleagues with opportunities to share knowledge and develop their presentation skills. We also benefit more widely through the application of newly acquired skills and experience. We also seek to incorporate new ideas into our on-going work to improve how we deliver our core audit work.

Delegates from Japan with Audit Scotland colleagues in our Edinburgh Office

## Here are some of our colleagues' reflections from being involved in international work during 2016/17:



“From being involved with a couple of overseas delegations, it’s clear that there are many differences between ourselves and other audit institutions in our areas of responsibilities and the challenges we face in our work. However, much binds us together and we all share and recognise the same principles that guide all our audit work such as integrity and objectivity and as auditors, we must hold onto these values.”



“The visit I was involved in was a great opportunity to learn about audit in a challenging environment and for us to share our knowledge to help the visiting delegates continue improving their practices. Visits also change perceptions – the delegates came with a particular view about our work and how we might operate and through their time with us, we changed that view. This type of outcome makes it a pleasure to be involved in the international work.”



“Presenting to overseas delegates has improved my presentation skills as it really made me think about the best way to explain and share data and information. I knew that what I said would need to be translated for the delegates so I kept it short and simple and used plain English at all times. I will reflect on these principles when preparing presentations for any audience in the future. It has been a great learning experience.”

Delegates from the Shandong province of China with Audit Scotland colleagues in our Edinburgh Office

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“I am relatively new to Audit Scotland and being involved in international work provided a great opportunity for me to gain a better understanding of Audit Scotland’s work and the context it operates in. I also found it really interesting to discuss ideas with professionals from another country and consider how this might improve how we do our own work.”

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# Policies and procedures

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9. All our work is underpinned by policies and processes, which are guided by Audit Scotland's International Steering Group.

## Gift and hospitality policy

- Audit Scotland's policy on visits, gifts and hospitality states that: 'Gifts of small monetary value may be accepted where this would not breach guidance contained in our Code of Conduct for staff. In exceptional circumstances, it may be appropriate to accept a gift where refusal would embarrass Audit Scotland or damage relationships.'
- In 2016/17, visitors to Audit Scotland presented our staff with token gifts, such as scarves and ornamental plates. All gifts were recorded in the international register of gifts and hospitality. In turn, we presented token gifts of Quaichs and books to visiting delegations.

## International volunteer register

- Audit Scotland maintains a register of staff who have participated in international work each year. We review the database regularly to ensure that we are involving as many staff as possible from across the organisation in this important work. All staff who have been involved in our international work have found it both challenging and interesting and have helped promote our reputation as a world-class audit organisation.

Discussing our work and sharing our experience with delegates from the Fujian province of China in our Edinburgh Office

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# International work

## Annual report 2016/17

This report is available in PDF and RTF formats, along with a podcast summary at:

[www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk) 

If you require this publication in an alternative format and/or language, please contact us to discuss your needs: 0131 625 1500

or [info@audit-scotland.gov.uk](mailto:info@audit-scotland.gov.uk) 

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