

475th meeting of the Accounts Commission for Scotland

**Thursday 14 January 2021, 9.30am
by video conference**

**(* to be considered on 28 January, 9.30am
by video conference)**

Agenda

1. Apologies for absence

2. Declarations of interest

3. Order of business

The Chair seeks approval of business, including proposing taking items 10 to 15 in private (** see note).

Business requiring decisions in public

4. Minutes of meeting of 10 and 17 December 2020

5. Strategy and work programme: Audit Scotland response to Commission themes and priorities

Report by the Director of Performance Audit and Best Value.

6. Climate change: internal briefing and developing plan

Report by the Director of Performance Audit and Best Value.

Business for information in public

7. Secretary's update report

Report by the Secretary.

8. Interim Chair's update report

Report by the Interim Chair.

9. Controller of Audit report

Report by the Controller of Audit.

Business requiring decisions in private

10. Local government overview 2021: emerging messages

Report by the Director of Performance Audit and Best Value.

11. * Performance audit – Education outcomes: draft report

Report by the Director of Performance Audit and Best Value.

12. Best Value update

Report by the Secretary.

Business for information in private

13. Audit Scotland update

Verbal update from the Chief Operating Officer.

14. Strategic Scrutiny Group update

Report by the Secretaries to Strategic Scrutiny Group

Any other business

15. Any other business

The Chair will advise if there is any other business to be considered by the Commission.

** It is proposed that items 10 to 15 be considered in private because:

- Item 10 requires the Commission to consider emerging messages from a performance audit report which may require consideration of confidential audit matters in advance of further audit work.
- Item 11 proposes a draft performance audit report which the Commission is to consider in private before publishing.
- Item 12 requires the Commission to consider confidential policy matters.
- Item 13 requires the Commission to consider confidential business matters.
- Item 14 requires the Commission to consider confidential policy matters.
- Item 15 (AOB) may be required if there are any confidential matters that require to be discussed outwith the public domain. The Interim Chair will inform the meeting in public at the start of the meeting if this item is required and what it covers.

The following papers are enclosed for this meeting:

Agenda item	Paper number
Agenda item 4: Minutes of meeting of 10 and 17 December 2020	AC.2021.1.1
Agenda item 5: Report by Director of Performance Audit and Best Value	AC.2021.1.2
Agenda item 6: Report by Director of Performance Audit and Best Value	AC.2021.1.3
Agenda item 7: Report by Secretary to the Commission	AC.2021.1.4
Agenda item 8: Report by Interim Chair	AC.2021.1.5
Agenda item 9: Report by Controller of Audit	AC.2021.1.6
Agenda item 10: Report by Director of Performance Audit and Best Value	AC.2021.1.7
Agenda item 11: Report by Director of Performance Audit and Best Value	AC.2021.1.8
Agenda item 12: Report by Secretary to the Commission	AC.2021.1.9
Agenda item 14: Report by Secretaries to Strategic Scrutiny	AC.2021.1.10

MEETING: 14 JANUARY 2021

MINUTES OF PREVIOUS MEETING

Minutes of the 474th meeting of the
Accounts Commission held via online meeting
on Thursday 10 and 17 December 2020, at 9.30am.

PRESENT: Elma Murray (Interim Chair)
Andrew Burns
Andrew Cowie
Sophie Flemig
Sheila Gunn (10 December only)
Christine Lester
Tim McKay (10 December only)
Stephen Moore
Sharon O'Connor (17 December only)
Pauline Weetman (17 December only)
Geraldine Wooley

IN ATTENDANCE: Paul Reilly, Secretary to the Commission
Fraser McKinlay, Controller of Audit and Director of Performance Audit
and Best Value (PABV)
Morag Campsie, Senior Manager, Audit Services and PABV (Item 13)
Antony Clark, Audit Director, PABV (Item 14)
Blyth Deans, Audit Manager, PABV (Item 12)
Stuart Dennis, Corporate Finance Manager (Item 11)
Lisa Duthie, Senior Auditor, Audit Services (Item 12)
Brian Howarth, Audit Director, Audit Services (Item 12)
Lucy Jones, Senior Auditor, PABV (Item 13)
Christopher Lewis, Senior Auditor, PABV (Item 12)
Tricia Meldrum, Senior Manager, PABV (Item 14)
Bernadette Milligan, Audit Manager, PABV (Item 13)
Beverley Oakman, Audit Manager, PABV (Item 14)
Mark Roberts, Audit Director (PABV) (Item 13)
Kirstin Scott, Auditor, PABV (Item 13)

Item Subject

1. Apologies for absence
2. Declarations of interest
3. Order of business
4. Minutes of meeting of 12 November 2020
5. Minutes of Financial Audit and Assurance Committee of 26 November 2020
6. Minutes of Performance Audit Committee of 26 November 2020
7. Audit Scotland Board update
8. Secretary's update report
9. Interim Chair's update report
10. Controller of Audit's update report
11. 2020/21 audits – local government fees (in private)
12. Local government in Scotland: financial overview 2019/20: draft report (in private)
13. Performance audit – Digital progress in local government: draft report (in private)
14. * Performance audit – Education outcomes: emerging messages (in private)
15. Best Value update (in private)
16. New audit appointments update (in private)
17. Any other business

* This item was considered on 17 December.

1. Apologies for absence

It was noted that apologies for absence had been received from Sharon O'Connor and Pauline Weetman (both 10 December only) and Sheila Gunn and Tim McKay (both 17 December only).

2. Declarations of interest

No declarations of interest were made.

3. Order of business

It was agreed that items 11 to 17 be considered in private because:

- Item 11 requires the Commission to consider confidential business and commercial matters.
- Item 12 proposes a draft audit report which the Commission is to consider in private before publishing.
- Item 13 proposes a draft performance audit report which the Commission is to consider in private before publishing.
- Item 14 requires the Commission to consider emerging messages from a performance audit report which may require consideration of confidential policy matters in advance of further audit work.
- Item 15 requires the Commission to consider confidential policy matters.
- Item 16 requires the Commission to consider confidential commercial and contractual matters.
- Item 17 may be required if there are any confidential matters that require to be discussed outwith the public domain. The Interim Chair will inform the meeting in public at the start of the meeting if this item is required and what it covers.

The Interim Chair advised that there was no business for item 17.

4. Minutes of meeting of 12 November 2020

The minutes of the meeting of 12 November 2020 were approved as a correct record.

Arising therefrom, the Commission:

- In relation to item 4, fourth bullet point, noted advice from the Interim Chair that it was proposed to hold a member workshop in February on the principles associated with the audit appointments procurement strategy including the Commission's legal obligations in this regard.
- In relation to item 10, noted advice from the Chair that she would in early course be liaising with members to identify sponsors for the planned thematic study on the impact of Covid-19 on Scottish councils' benefit services.

5. Minutes of meeting of Financial Audit and Assurance Committee of 26 November 2020

The minutes of the meeting of the Financial Audit and Assurance Committee of 26 November 2020 were approved as a correct record.

6. Minutes of meeting of Performance Audit Committee of 26 November 2020

The minutes of the meeting of the Performance Audit Committee of 26 November 2020 were approved as a correct record.

7. Audit Scotland Board update

The Commission considered a report by the Secretary providing an update on the business of the Audit Scotland Board.

During discussion, the Commission:

- In relation to paragraph 4 of the minute of the Board of 30 September, noted advice from the Secretary, in response to a query from Geraldine Wooley, that he would confirm with members the outcome of previous discussion with Audit Scotland on the Office of National Statistics classification of the Accounts Commission, which had reached a satisfactory conclusion.

Action: Secretary

- In relation to paragraph 19, noted advice from the Interim Chair that she had liaised with Audit Scotland's Corporate Governance Manager on the annual policy review of records management policies, and had agreed, in conjunction with the Secretary, the updated policies as being appropriate for the Commission.
- In relation to paragraph 22, noted advice from the Secretary, in response to a query from Sheila Gunn, that the Audit Quality and Assurance Team had advised him that they would be reporting to the Commission early in 2021 on progress with the draft audit quality investigation and escalation procedure.

Action: Associate Director, AQA

The Commission agreed to note the report.

8. Secretary's update report

The Commission considered a report by the Secretary providing an update on significant recent activity relating to local government and issues of relevance or interest across the wider public sector.

During discussion, the Commission:

- Noted advice from the Secretary that he had responded to a member's query on paragraph 121 of the report (namely extra funding for the Kickstart scheme), details of which were available on the Member SharePoint site.
- In relation to paragraph 7, noted advice from Geraldine Wooley on the Audit Scotland roundtable event on 4 November on the impact that the Covid-19 pandemic has had on community empowerment, in which she had participated.
- In relation to paragraph 10, noted advice from the Secretary, in response to a query from Sheila Gunn, on councils' use of furlough during the Covid-19 pandemic.
- In relation to paragraph 93, noted advice from the Secretary, in response to a query from Sheila Gunn, on reports in the local press on the spending by the City of Edinburgh Council on external consultants.

Thereafter, the Commission noted the report.

9. Interim Chair's update report

The Commission considered a report by the Interim Chair providing an update on recent and upcoming activity.

The Commission agreed to note the report

10. Controller of Audit's update report

The Commission considered a report by the Controller of Audit providing an update on recent and upcoming activity.

The Commission agreed to note the report.

11. 2020/21 audits – local government fees (in private)

The Commission considered a report by the Corporate Finance Manager seeking the Commission's endorsement of audit fees for the local government sector for the 2020/21 audit year

Following discussion, the Commission agreed to endorse the fee levels set out in the report.

12. Local government in Scotland: financial overview 2019/20: draft report (in private)

The Commission considered a report by the Director of PABV proposing the draft report *Local government in Scotland: financial overview 2019/20*, the process for finalising the report, and publication arrangements for the report.

During discussion, the Commission agreed:

- To approve the draft report, subject to the audit team considering points raised in discussion in conjunction with the sponsors of the report, Elma Murray and Tim McKay.

Action: Director of PABV

- To approve the publication and promotion arrangements for the report, subject to revisions raised in discussion, and including a revised publication date of 26 January 2021.

Action: Secretary and Director of PABV

13. Performance audit – Digital progress in local government: draft report (in private)

The Commission considered a report by the Director of PABV proposing the draft performance audit report *Digital progress in local government*.

Following discussion, the Commission agreed:

- To approve the draft report and additional resources, subject to the audit team considering points raised in discussion in conjunction with the sponsors of the report, Andrew Cowie and Christine Lester.

Action: Director of PABV

- To approve the publication and promotion arrangements for the report, subject to revisions raised in discussion, and including a publication date of 14 January 2021.

Action: Secretary and Director of PABV

14. * Performance audit – Education outcomes: emerging messages (in private)

The Commission considered a report by the Director of PABV proposing the emerging messages for the performance audit report *Education outcomes*.

During discussion, the Commission:

- Noted advice from Tricia Meldrum, in response to a query from Christine Lester, that the data in the published report would be made available to local auditors for use in their annual audit work.
- Noted advice from Antony Clark and Tricia Meldrum, in response to a query from Andrew Cowie, that the report will make appropriate reference to other planned national reports from other agencies in this regard.
- Noted advice from Antony Clark, in response to a query from Stephen Moore, that matters in relation to support staffing were not part of the agreed scope of the audit, but education workforce planning remained an area of monitoring by Audit Scotland on the Commission's behalf.
- Noted advice from Antony Clark, in response to a query from Stephen Moore, that matters in relation to looked-after children and children with disabilities featured elsewhere in the Commission's work programme, an update on which it will be considering at its January meeting.
- Noted advice from Antony Clark, in response to a query from Sophie Flemig, that human rights is a focus of the work programme and can be considered further by the Commission in its development of the work programme.

Following discussion, the Commission agreed:

- To endorse the emerging messages, subject to the audit team addressing the matters raised in discussion with the audit sponsors, Sheila Gunn and Sharon O'Connor.

Action: Director of PABV

- To consider a draft report at its January meeting.

Action: Secretary and Director of PABV

15. Best Value update (in private)

The Commission considered a report by the Secretary providing an update on matters relating to Best Value.

During discussion, the Commission noted its continuing focus on ensuring public assurance about the performance of health and social care integration joint boards (IJBs), both in its current work programme and in its ongoing development of its new approach to auditing Best Value in IJBs.

Following discussion, the Commission:

- Approved the proposed scheduling of the remaining council Best Value Assurance Reports.
- Approved a refocused audit approach for the 2021 and 2022 Best Value audit work.
- Noted the latest conclusions of the Best Value Working Group.
- Noted the progress of the Best Value and Code of Audit Practice stakeholder engagement plan.

Actions: Secretary and Director of PABV

16. New audit appointments update (in private)

The Commission considered a report by the Interim Chair providing an update on progress made with new audit appointments.

Following discussion, the Commission:

- Noted that it would consider at a future meeting the recommendations from the Interim Review of the new audit appointments project.
- Agreed that further information be provided on the project timeline.

Actions: Interim Chair and Secretary

Following discussion, the Commission noted the report.

17. Any other business

The Interim Chair, having advised that there was no business for this item, closed the meeting.

Close of meeting

The meeting closed at 12.30pm (on 10 December) and 9.40am (on 17 December).

MEETING: 14 JANUARY 2021

REPORT BY: DIRECTOR OF PERFORMANCE AUDIT AND BEST VALUE

STRATEGY AND WORK PROGRAMME: AUDIT SCOTLAND RESPONSE TO COMMISSION THEMES AND PRIORITIES

Purpose

1. This paper sets out how Audit Scotland is planning to respond to the themes and priorities emerging as part of the Accounts Commission's strategy development and Insight Programme work.
2. It draws on discussions at the Commission's strategy seminar in August, the priorities discussion that took place at the Commission's October Insight Programme meeting and wider issues emerging from the Commission's ongoing Insight Programme.

Strategy seminar: August 2020

3. At its strategy seminar in August, the Commission considered the key Covid-19 related risks and issues facing councils and their partners in Scotland. This discussion helped the Commission give early thought to how it could reflect Covid-19 in its future strategy and work programme.
4. During this seminar, Commission members noted that:
 - a) The pandemic has highlighted the importance of many long-standing issues it has previously reported on: good governance, openness and transparency, financial controls and management, and effective long-term planning.
 - b) In some areas of interest, such as financial sustainability and service provision, Covid-19 has exacerbated pre-existing risks and challenges.
 - c) The significant negative economic consequences of the pandemic may affect progress towards key national performance framework outcomes. For example, progress towards inclusive growth and tackling inequalities.
 - d) Different groups in society have been disproportionately affected by the pandemic. Members agreed that equalities should be a key lens through which to consider future audit work.
5. As part of that discussion the Commission agreed that its future work programme should consider how to capture and share the good practice and innovation emerging as part of the public service response to Covid-19.

Insight Programme priorities discussion: October 2020

6. The Covid-19 emergency has challenged the nature and sustainability of public services, and the relationship between communities and citizens and those public services. In that context the Commission agreed at its August strategy seminar to undertake an Insight programme to reconsider how it fits into this changed environment with a view to shaping and publishing a new strategy and work programme in Spring 2021.

7. The Insight Programme consists of a combination of:
 - a) considering the Commission's priorities and purpose
 - b) engaging with key external stakeholders
 - c) discussions on what the short, medium and longer-term impact of Covid-19 might mean for the Commission's expectations of local government bodies.
8. Before its Insight Programme meeting in October Commission members completed an online prioritisation exercise. This helped inform a working list of themes and priorities for its future work programme. During the October discussion Commission members made the following points about areas of interest:
 - a) consider councils' role in supporting local economic growth
 - b) health and social care integration should be a key focus
 - c) local government Covid-19 spending, including to community groups, should be properly scrutinised
 - d) important to make connections across different aspects of Scottish Government policy. For example, the links between poverty, mental health and disability
 - e) community empowerment to be prominent including the role of Community Wealth Building
 - f) need to consider performance and outcomes from a citizen perspective.

Response to themes and priorities

9. Policy cluster teams have drawn on the working list of themes and priorities and Commission members' specific areas of interest to start to develop work programme proposals for April 2021 onwards. The Appendix shows the progress we are making with this.
10. In addition to its regular local government overview reports and Best Value Assurance Reports, specific areas for potential performance audit activity beyond April 2021 include: social care sustainability and early learning and childcare. The proposals also outline plans for other outputs related to: community empowerment, climate change and housing benefit.
11. Our proposals also reflect and respond to the key Covid-19 risks and challenges the Commission discussed at its strategy seminar in August. They seek to set out clear future priorities for the Commission in the context of the key risks and challenges facing councils, IJBs and their partners.
12. The principles below will guide our planning and delivery. They are not universal and some will be more prominent than others depending on the nature of the audit work.
 - a) **Insight and improvement** - Our unique local and national perspective will produce valuable insights into the innovative ways Scotland's public services are responding to Covid-19, contributing to learning across the whole public sector and driving improvement as Scotland moves towards recovery and renewal.
 - b) **Person-centred** - Wherever possible and appropriate, audit work will capture and reflect the needs and concerns of the people who use public services.
 - c) **Cross-cutting themes** - When scoping audit work we will look to integrate thinking on key themes and issues that cut across policy areas and have an impact on citizens and service users. The main cross-cutting themes we have identified in the draft programme are:

- prevention
- digital
- inequality
- climate change
- community engagement.

d) **Flexible and agile** - Our work will remain flexible and agile. Our work programme may need to change at short notice as new issues emerge or risks change. We will report our audit work in a range of ways, including thematic briefing papers, round table discussions and blogs alongside traditional overview, performance audit and statutory reports. We will consider how we ensure the Commission is able to review and approve the work programme at regular intervals.

Plans for consultation

13. The Commission consults with its key stakeholders to ensure its priorities and programme of work reflect issues important to the local government community. It does this through regular dialogue with its stakeholders and through its annual written consultation on its draft work programme.
14. This year the Commission has already begun its engagement over the revised code of audit practice and new approach to the auditing Best Value, including its application to IJBs. Some of these activities were suspended with the onset of Covid-19 and have now resumed. This brings the opportunity to widen these discussions to include the Commission's priorities and emerging work programme.
15. The Commission's work programme consultation normally starts in late autumn, with the Commission receiving a summary of the feedback at its February meeting before publishing its strategy and work programme in March.
16. The timings will need to be altered this year given the impact of Covid-19. After discussing with the Commission support team, we would suggest the Commission issues its work programme consultation shortly after its January meeting. The Commission can then receive a summary of the findings at its March meeting, allowing around four weeks for consultees to respond, and publish its strategy and work programme in early spring in conjunction with the Auditor General.
17. The consultation feedback summary will include both the written consultation with councils, IJBs and other key stakeholders, plus feedback from wider stakeholder discussions, as set out in Table 1.

Table 1: Consultation approach and timescales

Stakeholder	Approach	Timescale
Councils	Formal work programme consultation issued to all council chief executives	January / February
	Further discussions on BV developments with SOLACE and chief financial officers	January
	Newsletter to update councillors on consultation on Commission work programme	January
Integration Joint Boards	Formal work programme consultation issued to IJB chief officers	January / February
	Workshop with IJB officers to discuss BV auditing in context of work programme	January
	Communication to IJB chairs advising on plans for BV auditing in IJBs	January
Scottish Government	Discussion with Local Government Minister on strategy	October 2020 & early 2021 (to be confirmed)
	Communication with Local Government Division on Commission Strategy & Work Programme	February / March
Scottish Parliament	Discussion with Local Government and Communities Committee to include BV and Commission priorities.	January TBC
Public	Commence series of Commission-led roundtables with event on service expectations for communities.	February TBC

Conclusion

18. The Commission is asked to:

- a) Note the progress we have made developing proposals that respond to its emerging themes and priorities (Appendix).
- b) Approve the consultation approach set out in this paper.

19. We will reflect the Commission's feedback and consultation feedback on these proposals and table a final draft dynamic work programme in the spring of 2021.

Fraser McKinlay
Director of Performance Audit and Best Value
15 December 2020

DRAFT WORK PROGRAMME PROPOSALS – BEYOND APRIL 2021

Introduction

The Accounts Commission, working with the Auditor General for Scotland, is committed to ensuring that public audit makes a positive contribution to the recovery and renewal of public services. This is more important than ever in the context of the unprecedented challenges and uncertainties facing Scotland's public services and public finances due to the global coronavirus (Covid-19) pandemic.

It is crucial to assess how well public money is being used to rebuild the economy and repair the damage to communities caused by Covid-19. Public audit has a key role in reporting on how the virus has affected the quality and effectiveness of public services. It can also help establish whether the Scottish Government's investment in its Covid-19 recovery plan delivers a fairer, more just and equal society, with better outcomes for Scotland's people.

This work programme is taking place in a volatile and uncertain context. It is difficult to predict how the next few months and years will unfold. Alongside recovery and renewal, there are other important strategic challenges and change we need to respond to:

- continuing to implement wider financial powers devolved to Scotland.
- the potential long-term effects of EU withdrawal on Scotland's economy and its public services.
- intensifying pressure to respond to climate change.
- planned elections to the Scottish Parliament in May 2021.

Auditing Best Value

Current approach to September 2022

The Commission has reviewed the audit approach for 2021 and 2022 Best Value (BV) work to take account of the impact of and response to Covid-19 within local government. The table below sets out plans for the remaining seven Best Value Assurance Reports (BVARs) the Commission is due to publish during this period.

Year	Council	Auditor	Proposed month for reporting to AC
2021 Year 5	Aberdeen City	KPMG	June 2021
	South Ayrshire	Deloitte	August 2021
	East Dunbartonshire	ASG	September 2021
	Falkirk	EY	November 2021
2022 Year 6	Moray Follow-Up Report	ASG	February 2022
	Comhairle nan Eilean Siar	ASG	Tbc
	Angus	ASG	Tbc
	Shetland Islands	Deloitte	Tbc

Auditors will continue to determine the scope of BV audit work to reflect the local risks in each council, relating to the statutory BV themes. While the primary focus in BVAR will remain judgement on the council's continuous improvement, auditors will supplement this with commentary on its response to the Covid-19 pandemic. This will include its response to the immediate pressures of Covid-19 and how well placed it is to respond to the challenges in the medium to longer term. This revised approach will mean the coverage of the future BVARs may be different from those already published.

Approach from September 2022 onwards

In November 2019 the Commission agreed a new approach to auditing BV in councils. This comes into effect from September 2022 and includes the following:

- Local audit teams will fully integrate BV audit work into annual audit work and report it through Annual Audit Reports (AARs).
- At least once during each five-year audit appointment the Controller of Audit will provide the Commission with a section 102 statutory report on top of the AAR. This will cover progress relating to the BV statutory themes.
- The Commission will not publish BVARs.

- The Commission will agree coverage for BV thematic work. The AARs and the Controller's Annual Assurance and Risks Report (AARR) will help the Commission identify areas of risk where it requires audit work across all councils. This will be on top of risk-based annual audit work.

Under this new approach local auditors will audit and report on BV as part of their wider scope audit work. They will take a risk-based approach, considering and reporting audit findings on:

- local audit risks identified in statutory BV theme areas
- follow up of previous audit recommendations, including those on BV thematic work
- thematic BV work prescribed by the Commission.

Through the BV thematic work there is an opportunity for the Commission to build on AARs and the AARR to explore areas of audit risk within their themes, priorities and areas of interest.

Best Value in integration joint boards

The Accounts Commission is committed to developing an approach to auditing BV in health and social care integration joint boards (IJBs) that is proportionate, risk-based, and which will provide public assurance on the extent to which IJBs are meeting their statutory BV duty.

The new BV audit arrangements will be developed in time to be introduced as part of the next round of Accounts Commission/Auditor General for Scotland external audit appointments to IJBs which will begin in 2022/23 and run through to 2026/27.

The Commission's approach to auditing BV in IJBs will be based on the following principles:

- founded on integrated wider-scope annual audit work
- proportionate and risk-based
- targeted at topics where wider scope BV audit work will add greatest value
- informed by IJB self-evaluation activity
- developed in consultation with scrutiny partners, and informed by their scrutiny work
- focused on driving improvement
- flexible and able to adapt to changing circumstances.

The Commission will be working closely with the Care Inspectorate and Healthcare Improvement Scotland when developing its new audit approach given the important role that their existing joint strategic inspections of adult care services and services for older people already play in supporting accountability and improvement in IJBs, and because this work already considers several important BV themes (e.g., vision and leadership, governance and accountability, use of resources, partnership and collaboration, and performance).

The Commission will also be working closely with IJBs when designing its new audit approach to ensure that it aligns effectively with the wide range of self-evaluation activity undertaken by IJBs and is targeted and focused on those areas where audit can make the greatest difference in supporting improvement.

Given the significant uncertainties in the IJB operating environment, the Commission will be developing a flexible audit model which is able to reflect the likely longer-term impact of the Covid-19 pandemic on IJBs and any significant issues arising from the ongoing [Independent Review of Adult Social Care in Scotland](#).

Commission themes and priorities

Theme one: Economic recovery and growth

How public money is being used to support the economic recovery

We anticipate Covid-19 will have a significant impact on the Scottish economy and public finances. Increased unemployment is likely, which may increase demands for social security. Any reductions in tax take will increase longer-term pressures on public finances.

The Scottish Government is investing in measures to mitigate the negative impact of the pandemic and support economic recovery. Audit work on the impact and effectiveness of these investment programmes and related policy interventions will be a central feature of our longer-term work programme, alongside audit work on the potential impacts of Brexit across government.

Within this theme the Accounts Commission has prioritised supporting jobs, businesses and enterprise. Members are also interested in how funding is being used to support local businesses, the skills and re-training required, and responding to the climate emergency now to avoid a future crisis.

Supporting jobs, business and enterprise

Our initial work in this area will focus on key Scottish Government Covid-19 spending decisions. We aim to establish:

- where the money has gone to address the economic downturn associated with Covid-19
- how it has been managed (including how the risk of fraud has been managed)
- how public bodies (mainly the enterprise bodies and councils but also key arts bodies) have adjusted their activities to support affected businesses and individuals
- what the results have been.

Local auditor work will be central to this.

We will use the Scottish Government's Economic Recovery Plan as a starting point to prepare a briefing paper looking at economic development activity across the public sector. This will provide the basis for further programme development work and proposals for a range of different audit outputs in the future. Other areas of economic development activity, such as ambitions for a green, wellbeing recovery and sustainable, green growth, will also feature as part of this work.

In the longer term, we will consider the scope for outputs which examine:

- developments to, and delivery of, City Region and Growth Deals. This will follow-up on our previous performance audit and consider changes to the City Deals approach, for example to address regional inequalities and tackle climate change.

	<ul style="list-style-type: none"> • the introduction and performance of the Scottish National Investment Bank (SNIB) in supporting business development • support to rail services, including the contribution that rail is making to supporting progress in reducing CO2 emissions through modal shift. For example, reducing road-based cargo shipping.
<p>Public finances</p>	<p>We will keep the overall position of the devolved public finances under review, including the operation of the fiscal framework and any significant risks to financial sustainability. This will include:</p> <ul style="list-style-type: none"> • monitoring and reviewing fiscal developments such as the Scottish Government’s medium-term financial strategy • Scottish Fiscal Commission forecasts alongside the Scottish and UK budgets • considering any changes that might flow from the planned review of the fiscal framework. <p>We will track the funding of Covid-19 related public spending and assess its implications for Scottish public finances. More details are available about this in the section on following the pandemic pound under theme five.</p>
<p>Skills and training</p>	<p>Equipping the workforce with appropriate skills is important for Scotland’s economic growth. Planning for skills provision needs to consider a range of factors including the potential impact of EU withdrawal and Covid-19 on the labour market, demographic change, the climate emergency and advances in digital innovation. Recent reports by the Advisory Group on Economic Recovery and the Enterprise and the Skills Strategic Board have stressed the importance of aligning skills provision with the current and future needs of employers and individuals.</p> <p>Given the central role of the skills sector in supporting economic recovery and growth we are proposing undertaking audit work for the AGS in 2021. This is likely to examine how the Scottish Government and its partners are working together to plan and invest in skills provision.</p>

<p>Infrastructure investment and low carbon economy</p>	<p>We are considering the scope for outputs looking at infrastructure investment. These will build on the January 2020 audit on Privately Financed Infrastructure Investment. Other key documents which will inform these include: the Scottish Government’s Infrastructure Investment Plan (IIP), Medium Term Financial Strategy and updated Climate Change Plan. They are all due to be published in early 2021.</p> <p>Longer term, we are considering audit work on strategic capital investment, which will look at how the IIP is being delivered in practice.</p> <p>The IIP places significant emphasis on the need to tackle climate change and this is likely to be central to future work in this area. Further work on climate change is included in theme two: policy priorities and outcomes.</p>
<p>Impact of EU withdrawal</p>	<p>The impact of EU withdrawal will become clearer over time and measures to address it are likely to feature across economic recovery and growth audit work, including local government economic development activities, skills and training, and infrastructure investment.</p> <p>Local auditors will continue to look at councils’ preparations for EU withdrawal in annual audit reports. BVARs will also look at the impact of EU withdrawal in 2021 and 2022 as appropriate.</p> <p>Longer term, we will consider the scope for work which looks at the implementation of schemes designed to replace the EU Structural, Social and Agricultural Funds.</p>

Theme two: Policy priorities and outcomes

<p>Progress on key policy commitments and public services’ ability to deliver on long-term strategic priorities and outcomes</p> <p>Outcomes from public expenditure are what makes a difference to peoples’ lives. Public audit has an important contribution to make in testing whether the Scottish Government’s improvement ambitions are making a difference on the ground.</p> <p>Covid-19 has exacerbated pre-existing risks and challenges in areas such as financial sustainability and service provision. The significant negative economic consequences of the pandemic may also affect progress towards key national performance framework outcomes. For example, progress towards inclusive growth and tackling inequalities. The impact of this changed context will be reflected in our future audit work.</p> <p>Within this theme the Accounts Commission prioritised health and social care integration, with members expressing an interest in funding risks and whether IJBs are achieving their aims. Members also interested in education, climate emergency, and prevention and early intervention.</p>

<p>Local Government Overview (LGO)</p>	<p>The Commission’s approach to LGO reporting in 2021 will focus on the initial response to the pandemic by local government, including what the main risks and issues were, how services changed and adapted, what early lessons have been learned, and recovery plans. Future overview reports will focus more on the longer-term impact of the pandemic.</p> <p>The LGO 2021 report will include:</p> <ul style="list-style-type: none"> • how local government used contingency and emergency planning measures to manage the crisis. • the resilience of council IT infrastructure. • councils’ communication with the public and stakeholders. • the effectiveness of partnership working in delivering services. • changes to governance arrangements, including risk management and internal control systems, and the impact on accountability and decision making. • the financial impact of Covid-19 for local government finances, including costs, loss of revenue and impact on savings generated. • changes to the ways council services are provided including the move to digital public services. • the impact and implications of the crisis on councils’ workforce. <p>Initial findings on the impact of Covid-19 on accelerating digital transformation in local government are covered in the Digital in Local Government audit due to publish in January 2021.</p>
<p>Financial LGO (FLGO)</p>	<p>The Commission’s next FLGO will focus on the financial impact of Covid-19 on councils. The content and coverage will be dependent on the levels of information available through the accounts and what information local auditors can reasonably obtain from councils during this challenging time.</p> <p>The report will be published in 2022 rather than November 2021. The FLGO will continue to provide the Commission with assurance on the financial health and sustainability of IJBs.</p>

<p>Health and social care integration</p>	<p>The Scottish Government policy of health and social care integration through the creation of Integration Authorities (IAs) to strategically commission and oversee local health and social services has been one of the most significant pieces of public service reform (alongside police and fire reform) of the last decade. For that reason, we have been undertaking a series of audits in this area over recent years:</p> <ul style="list-style-type: none"> • Health and Social Care Integration – December 2015 • Changing Models of Health and Social Care – March 2016 • Health and Social Care Integration: update on progress – November 2018 <p>In the last audit we reported that the shift to new models of care was not happening fast enough to meet the growing need. The Scottish Government needed to provide stronger leadership and NHS boards and councils, working with integration authorities, had to do more to facilitate change.</p> <p>Even before the global pandemic the challenges facing health and social care integration due to service demand and financial pressures were significant and there were significant doubts about whether the 2020 Healthcare Vision for Scotland would be achieved. Covid-19 is likely to have exacerbated many pre-existing challenges facing IAs and reinforces the need for fresh thinking to deliver the radical transformational change required to meet the scale of these challenges.</p> <p>We are planning further work on health and social care integration which is likely to revisit many of the themes of our earlier reports, including: leadership, strategic planning and change management, financial sustainability, quality and outcomes. The impact of Covid-19 will add new context to these.</p> <p>We are currently scoping a joint Commission/AGS audit on social care sustainability. This will need to reflect the findings of the ongoing Scottish Government independent review of adult social care, due to publish at the end of January, and other major policy developments in this area. Our work is likely to focus on issues of financial sustainability and the quality and effectiveness of local strategic commissioning and social care market management. We will provide an update on this to the Commission’s Performance Audit Committee in February.</p>
<p>Early learning and childcare</p>	<p>The AGS and Accounts Commission have already reported in February 2018 and March 2020 on the progress that the Scottish Government and Councils are making in planning for the expansion to 1,140 hours of funded ELC by August 2020.</p> <p>We are proposing to carry out two further pieces of audit work in our series of audits looking at the Scottish Government’s expansion of funded early years provision:</p> <ul style="list-style-type: none"> • A short audit will look at whether the expansion was delivered as planned and how much it

	<p>cost. The timing of this work will be dependent upon the new timetable for delivering 1,140 hours which has been paused due to the impact of Covid-19 on councils' ability to deliver their original expansion plans.</p> <ul style="list-style-type: none"> • In the longer term a further audit will look at the impact of the expansion. This is likely to focus on assessing whether the significant investment being made in expanding publicly funded ELC has delivered improved outcomes, is helping to reduce the poverty-related attainment gap and has made a difference in supporting parents and carers to work, train or study.
School education	<p>The Scottish Government and local government have set out in a joint agreement that:</p> <p>“improving the education and life chances of our children and young people is the defining mission of our Scottish education system. Our shared ambition is to close the unacceptable gap in attainment between our least and most disadvantaged children and to raise attainment for all”.</p> <p>The AGS and the Accounts Commission are planning to publish a report on school education outcomes in spring 2021 which will draw on the education outcomes audit work that we carried out in 2019/20, but which was not published because of the impact of Covid-19. The report will also consider how effectively the Scottish Government, councils and their partners have worked together to address pupils' immediate needs during the pandemic and how they are planning to remedy the potential longer-term damage to pupils' learning and well-being, including the likely impact of Covid-19 on the poverty-related attainment gap. We anticipate that the report will set out the key opportunities and challenges facing education in Scotland and will be used to inform our longer-term plans for future education-related audit work.</p>
Community empowerment	<p>Empowering communities is a national priority for the Scottish Government. It is an important part of public service reform, focusing attention on reducing disadvantage and inequality and improving outcomes for communities. Covid-19 makes effective community empowerment more important than ever.</p> <p>The Strategic Scrutiny Group's 2019 Principles for Community Empowerment report provided an overview of some of the key issues and challenges facing public bodies and their partners as they seek to take forward this important but difficult work.</p> <p>We are liaising with the SSG's Community Empowerment Advisory Group (CEAG) and working with the Accounts Commission to develop a programme of work on community empowerment. We are considering the following areas and how they fit into the work programme:</p>

	<ul style="list-style-type: none"> • Covid-19 – learn from good practice and challenges in effective community-based responses to the pandemic and how Covid-19 funding for communities has supported this. • Capacity and skills - capacity within councils and partner bodies for community empowerment and Community Learning and Development (funding, staff, skills, focus and priority). • Governance and accountability - how communities hold public bodies to account, governance for communities responsible for budgets or assets. • Improved outcomes - how local outcome improvement plans (LOIPs) and locality planning are supporting improved National Performance Framework (NPF) outcomes. • Impact - case study work on what difference the Community Empowerment Act and other activities are having on the ground in communities. <p>We will bring a paper to the February Commission setting out proposals for a briefing in 2021 on the Covid-19 response, longer-term work and how community empowerment links to other audit work.</p>
<p>Community justice</p>	<p>Shifting the balance of justice, from prison sentences to more community-based sentences, has long been an ambition of the Scottish Government. But, as last year’s statutory report by the AGS on the Scottish Prison Service indicated, prisoner numbers had been rising. At the same time, the number of community sentences had been falling.</p> <p>The reform of community justice in 2016 was intended to accelerate change. Community Justice Scotland replaced Community Justice Authorities and a new strategy and performance framework for community justice was launched. Our 2012 report Reducing reoffending in Scotland highlighted the lack of available data to assess performance in community justice. In its Outcome Activity Report in March 2020, Community Justice Scotland noted that data limitations mean it is not able to provide a definitive assessment of progress against the national outcomes for Scotland.</p> <p>Local community justice partnerships have been responsible for planning and delivering services since the reforms. Our analysis of community justice data indicates the use of community justice sentences varies. We are working to better understand the factors behind this variation. This will help us decide whether to do further audit work on the apparent lack of progress in shifting the balance of justice by community justice partnerships. The way in which the justice system responds to the courts backlogs caused by Covid-19 is also likely to have implications for community justice services.</p>

Climate change	<p>We have developed an internal briefing on climate change and are developing a plan for auditing climate change in the short, medium and longer-term.</p> <p>We propose a short series of alternative outputs in 2021 while we work in the medium term to increase the prominence of climate change in our work and mainstream it into integrated audits, performance audits and overview reports. As climate change is a cross-cutting area it is likely to feature in a range of other work such as infrastructure investment and developing a new, green-based, economy.</p> <p>We are also considering a more in-depth look at public sector actions and spend to reduce emissions, meet national targets and adapt the environment to mitigate the effects of existing climate change.</p> <p>We will work with the Commission and the AGS as we develop these plans.</p>
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Theme three: Inequalities

Impact of Covid-19 on different groups in society, with a focus on the risk of exacerbation of existing inequalities

Different groups in society have been disproportionately affected by the pandemic. The most direct of these is the elevated Covid-19 death rates amongst the BAME community. Furloughing and the wider economic impacts of Covid-19 on low earners and part-time workers, many of whom are women and younger people, creates a risk of longer-term negative effects on these groups, as seen in previous economic downturns and recessions. This highlights the importance of equalities being a key lens through which to consider future audit work.

Within this theme the Accounts Commission prioritised child poverty. Members noted the connectedness of poverty, mental health and disability and identified the need for preventative practice. Members also noted that digital inclusion is more pressing given the impact of Covid-19.

Child poverty

Prior to the impact of Covid-19, around one in four children in Scotland were living in poverty. This is expected to have increased as a result of the pandemic. In addition, children who were already living in poverty are likely to be more badly affected. Children living in poverty are likely to experience a range of negative impacts. The Child Poverty (Scotland) Act 2017 places a duty on Scottish Ministers to reduce four income-related measures of child poverty by 2030/31, with interim targets for 2023/24. The Covid-19 crisis has exacerbated the challenge of reducing inequalities and reducing child poverty and is likely to have a significant impact on the Scottish Government's ability to meet its child poverty targets.

We are considering carrying out audit work to look at the progress made in achieving these targets. This would include looking at any new plans and actions the Scottish Government is putting in place with local government and their partners to mitigate the new risks in this area created by Covid-19. As part of scoping this audit work we will consider links with wider policy areas such as social security. Future audit work relating to services for children and young people will also consider links with child poverty.

Children and young people with additional support needs

Around a third of school pupils are recorded as having at least one additional support need. Available data on outcomes from school education shows a significant gap in attainment and positive destinations between children with additional support needs and all children. However, data on wider outcomes is not available to better understand the impact of education and other services on outcomes for young people with additional support needs. The [independent review](#) of the implementation of the additional support for learning legislation, published in June 2020, identified a number of areas for improvement. Outcomes for pupils with additional support needs are likely to have been negatively impacted by the closure of schools due to Covid-19.

We are currently monitoring the Scottish Government's response to the independent review and considering carrying out audit work to consider the effectiveness of actions by Scottish Government,

	<p>local government, schools and the further education, higher education and skills sectors, including spending, to improve outcomes for these young people and to mitigate the impact of Covid-19. This would build on our school education outcomes audit and could also look at transitions from school for these young people.</p>
<p>Care experienced children and young people</p>	<p>Care experienced children and young people are at risk of poorer outcomes in the short and longer term. The Independent Care Review published its reports in February 2020, following a three-year root and branch review that included hearing from over 2,000 care experienced children and adults. The reports make a wide range of recommendations for public bodies and set out a new approach for Scotland. In May 2020, the Scottish Government announced that it had established an Independent Oversight Board to progress the recommendations.</p> <p>We are monitoring how public bodies have responded to the Independent Care Review to improve outcomes and how they are addressing the impact of Covid-19, and we are considering the potential value of carrying out audit work on the response and impact.</p>
<p>Mental health</p>	<p>In 2018 we reported on Children and young people’s mental health and made a commitment to a longer-term programme of audits on mental health related issues.</p> <p>The impact of Covid-19 on the nation’s mental health and mental health services cannot be underestimated. It is widely accepted that the concurrently economic, social and health impacts of Covid-19 will have a compounding effect on many groups in society storing up future vulnerabilities which will play out over the longer term. The immediate and longer-term psychological impacts will be far reaching and are likely to lead to a deterioration of mental health – particularly affecting women, young people, families with young children, those facing financial problems, people with existing mental health issues, disabled people and the shielding group.</p> <p>We are currently considering how best to reflect this significant long-term challenge in our work programme. Options include:</p> <ul style="list-style-type: none"> • national overview work looking at the strategic planning by the Scottish Government and its partners to mitigate the potential negative mental health impacts of Covid-19 • specific client-group work (e.g. adult mental health services, women, young people), or • some combination of the above.
<p>Housing benefit</p>	<p>We propose carrying out a thematic study in 2020/21 to understand the full impact of Covid-19 on benefit services, which has resulted in different outcomes on councils’ speed of processing performance. This study will take the form of a survey of all Scottish councils to establish the</p>

	<p>approach adopted, how this affected performance, and to identify good practice that could be shared. If agreed, we would seek to publish our findings in Spring 2021.</p> <p>We do not currently plan to carry out individual risk assessments in 2020/21 but will continue to monitor performance and engage with councils as appropriate.</p>
<p>Digital exclusion</p>	<p>The recent Covid-19 pandemic has highlighted that while digital can break down barriers and reach more people, it also excludes people. Some citizens and communities still experience difficulties in using digital public services because they cannot afford or access the right equipment, or do not have the right connectivity or required skills and knowledge.</p> <p>The Accounts Commission’s audit report on Digital in Local Government features digital exclusion and is timed well to inform the Scottish Government and COSLA’s consultation on their joint Digital Strategy. We will monitor progress with this consultation and consider the actions set out in the finalised strategy (due to publish in early 2021). This will help determine the type and timing of our future work in this area.</p> <p>We are considering audit work looking at digital exclusion and connectivity and how this is being addressed. We are also considering adopting a more thematic approach of considering digital issues in other pieces of work. For example, our audit on Education Outcomes will consider how technology was used to support learning during lockdown and the impact of digital exclusion.</p>
<p>Social security</p>	<p>The Scottish Government is now accountable for approximately £3.5 billion of social security expenditure. This expenditure will be a significant, demand-led, element of the Scottish budget which the government will need to manage alongside other priorities. Implementing and delivering the new social security powers successfully will be crucial to peoples’ experience of the Scottish social security system and the government’s achievement of its wider policy aims.</p> <p>We are planning audit work that will focus on the progress the Scottish Government has made in delivering devolved social security benefits and responding to our previous recommendations. It will assess the impact of Covid-19 on the Scottish Government’s benefits programme, including revised delivery plans and capacity for future delivery.</p> <p>Longer term, we will continue to monitor the transfer of social security powers to Scotland with a view to considering how this informs other audit areas, such as child poverty and inequalities, and whether we should produce any further outputs in this area.</p>

Theme four: Innovation and transformation

How public bodies are learning lessons and innovating and transforming public services

A wide range of public bodies have quickly reshaped their operating models to enable them to deliver the key public services that many people depend on. Changes and developments previously considered impossible or laborious, such as longer-term plans to introduce homeworking, were achieved within days by many public bodies.

Considering how the good practice and innovations demonstrated during the pandemic are being reflected and embedded in new models of public service delivery will be a key theme across the future work programme alongside audit work on wider public service reform programmes.

Within this theme the Accounts Commission prioritised service re-design. Members noted how digital transformation is inseparable from service redesign, and the need to share good practice across authorities. They also said workforce skills, aims to support economic recovery and the concept of Community Wealth Building were important.

Service redesign	<p>The pace and range of service change seen during the pandemic has been unprecedented. It is widely recognised that challenges lie ahead in embedding new models of service delivery in a sustainable way, and that reverting to ‘business as usual’ will not be possible given the scale of ongoing challenges caused by the global pandemic. No one yet knows what future models of public service delivery are needed, but major service redesign will be necessary.</p> <p>Previous audit reports on Enabling Digital Government (June 2019), the Accounts Commission’s Local Government Overview 2020 and Digital in Local Government (due to publish January 2021) have highlighted the need for a collaborative, whole systems approach to designing services around users and delivering better outcomes for citizens and communities. This will need collaborative leadership to break down barriers, and new skills to do proper user research and service design.</p> <p>Service redesign is unlikely to be a standalone audit. Instead, we are likely to treat it as a cross-cutting theme to be woven through all our audit work at both national and local level. We share the Commission’s assessment of the interconnectedness of service redesign and digital transformation and will take a joined-up approach to our work in these areas.</p>
Digital transformation	<p>The Covid-19 pandemic has highlighted how vital a role digital now plays in delivering public services. In some respects, this has been a catalyst for change.</p> <p>We are planning a series of reports in this area building on our earlier work looking at digital across government (Digital principles, Enabling digital government, Digital in Local Government (due to publish January 2021) as well as reports on individual ICT/digital programmes.</p>

	<p>The Scottish Government started a consultation on its refreshed Digital Strategy (a joint strategy with COSLA) in October 2020. And it is also refreshing its Health and Care digital strategy. We will monitor progress with this consultation and consider the actions set out in the finalised strategy alongside progress with other sector digital strategies. This will help determine the type and timing of our work in this area.</p> <p>Potential areas we are considering for future audit work include:</p> <ul style="list-style-type: none"> • progress against digital strategies • digital exclusion and connectivity (see digital exclusion in section above) • data transformation and data ethics. This could include the how data is being used, and the use of Artificial Intelligence and algorithms • innovation and collaboration - how effectively public bodies are innovating and collaborating.
<p>Workforce planning</p>	<p>We have highlighted the need for improved workforce planning across all sectors for several years. It consistently features as an issue in Local Government Overview, NHS Overview and Scottish Government/Scotland Act reports.</p> <p>This is even more critical as part of Covid-19 recovery planning. There will be a need to reassess workforce plans, factoring in retraining and redeployment as the new ways of working developed during the pandemic become embedded. Different skills may now be needed sooner than planned with the roll out of new technology and processes. Productivity levels may also have been impacted. We will continue to monitor and comment on this area as a key theme across all our audit work (including financial audit). Key areas of future focus for this work are likely to include:</p> <ul style="list-style-type: none"> • expansion of publicly funded early learning and childcare. • education work (e.g. teacher workforce planning) • NHS and social care related audit work • an AGS audit on skills planning and investment.

Theme five: Governance and accountability

How public bodies are ensuring proper and effective use of public money across the public sector and within individual bodies

The pandemic highlights the importance of many long-standing issues of audit interest such as good governance, openness and transparency, financial controls and management. These will continue to lie at the heart of our core annual audit work in public bodies across the public sector.

Effective decision-making and scrutiny remain a central area of interest across our annual audit work, Best Value auditing, and overview reporting. Our local and national audit work will also consider how governance and accountability arrangements are responding to the new and emerging risks and issues arising from the impact of the Covid-19 global pandemic.

Within this theme the Accounts Commission prioritised effective decision-making and scrutiny. Members raised related themes including transparency, public engagement, performance management and public reporting, tracking funding and fraud, and local empowerment.

Fraud risks

Covid-19 has brought significant challenges across the public sector as bodies seek to continue to deliver services for individuals, communities and businesses in an extremely difficult time. This includes additional fraud risks that will be important for public bodies to identify and manage.

We work with local auditors and other partners to deliver a range of counter-fraud activity, including:

- reporting on significant fraud and irregularity identified by auditors during their annual audit work in Scotland’s public bodies
- directing audit work to cover specific fraud-related issues (e.g. procurement fraud), with outcomes and improvement actions highlighted in annual audit reports
- coordinating and reporting on the [National Fraud Initiative](#) in Scotland
- producing briefings to help identify and prevent fraud (e.g. [Covid-19 – Emerging fraud risks](#) and [Procurement in the public sector – how red flags can help us stop and consider fraud](#))
- liaising with other organisations such as Police Scotland and NHS Scotland Counter Fraud Services
- speaking at conferences and similar events about our counter-fraud activity. Our counter-fraud work is highlighted in the [counter-fraud hub](#) on our website.

Appointed auditors will be asked to focus on fraud risks due to Covid-19 as part of their 2020/21 and 2021/22 audits of public bodies. We will also continue to look for opportunities to raise awareness and report in a variety of ways on fraud across the Scottish public sector.

Effective scrutiny

The pace and scale of change required in response to the pandemic has been unprecedented. Public-sector staff have been working under extreme pressure and have had to respond to rapidly

	<p>unfolding events. Many public bodies have had to make changes in governance arrangements and some may have suspended or relaxed some internal controls.</p> <p>This may mean there has been less scrutiny and due diligence. For example, urgent procurement decisions and changes to delegated authority arrangements may have impacted on the level of scrutiny.</p> <p>There may also have been changes in risk appetite during the pandemic to allow for services to operate effectively and respond to issues in a timely manner. Some changes may be significant therefore officers and audit and risk committee members need to consider how sustainable these changes will be in the longer term.</p> <p>We have already issued early guidance to audit and risk committees on how to safeguard good governance and exercise effective scrutiny during the Covid-19 pandemic. We will continue to issue further guidance in this area as the longer-term governance implications of Covid-19 become clearer.</p> <p>All appointed auditors will report routinely on the effectiveness of the governance arrangements within the public bodies they audit. Any significant governance concerns arising from their work will be reported to the Public Audit and Post-legislative Scrutiny Committee of the Scottish Parliament by the AGS through his Section 22 reporting powers. Any governance concerns in local government bodies will be reported to the Accounts Commission by the Controller of Audit.</p>
<p>Collaborative leadership</p>	<p>The importance of effective collaborative leadership is well understood across the Scottish public sector. The Christie Commission report stressed the need for shared leadership and collaboration to improve public services and deliver better outcomes. Partnership and collaboration are fundamental building blocks of the ‘Scottish approach’ to public service reform.</p> <p>The response to Covid-19 has shone a spotlight on some of the strengths of the Scottish public sector, including its ability to adapt and change quickly when necessary and the way partners can pull together when presented with an urgent shared challenge. But this needs to be seen alongside longstanding concerns about the extent to which the types of collaborative and shared leadership required to deliver long-term transformational change are yet consistently being demonstrated across Scotland’s public services.</p> <p>The leadership challenges created by the Covid-19 pandemic are of a scale never experienced in the lifetimes of most people working in the Scottish public sector. We will ensure that our audit work captures and comments on the leadership successes moving forward and helps lessons to be learned</p>

	<p>from the challenges and problems that will inevitably be experienced as Scotland moves from response to recovery and renewal.</p>
<p>Following the pandemic pound</p>	<p>Given the national and local dimension to the allocation of Covid-19 funding to support businesses, we propose the AGS and the Accounts Commission adopt a coordinated approach to following the pandemic pound.</p> <p>This will allow us to track expenditure through central and local government bodies and enable us to form a view on how effectively the overall system of Covid-19 related business support and funding for communities and third sector groups has operated in Scotland.</p> <p>Local auditor work across a range of national and local bodies will be central to this with local annual audit reports (AARs) providing a key evidence base and source of assurance about how public money is being spent in response to the pandemic.</p> <p>We will report the findings of this work in a range of different ways:</p> <ul style="list-style-type: none"> • reporting on Scottish Government Covid-19 spending decisions through the annual Section 22 report to PAPLS on the Scottish Government’s Consolidated Accounts • thematically in NHS and local government overview reports • through other outputs such as briefing papers. <p>We will highlight significant issues arising from Scottish Government, central government bodies or local government responses to the pandemic.</p>

MEETING: 14 JANUARY 2021

REPORT BY: DIRECTOR OF PERFORMANCE AUDIT AND BEST VALUE

CLIMATE CHANGE: INTERNAL BRIEFING AND DEVELOPING PLAN

Purpose

1. This paper invites the Accounts Commission to consider the internal briefing on climate change, provide initial input into plans for audit activity and advise on what role the Commission would like in developing and delivering these plans.

Background

2. Climate change is generally considered the greatest challenge of our time. Governments across the globe are working to reduce global warming. World leaders will be in Scotland for COP26 in November to try to agree more ambitious targets and action. In Scotland, climate change has become an increasing priority for national and local government. The Scottish Government and a majority of councils have declared a climate emergency and a new target of net-zero emissions by 2045 at the latest.
3. Successful action on climate change needs strong leadership, collaboration and co-ordination to ensure action is embedded at all levels of government and in all policy and service areas. Early and decisive efforts to tackle climate change and its impact must take place across all public and private sector activity.
4. Audit Scotland has not carried out any specific audit work in this area since the joint Accounts Commission and AGS report, *Protecting and improving Scotland's environment*, published in January 2010. Although action to address climate change does increasingly feature in BVARs and sustainable development is one of the seven themes in the draft updated BV guidance.

Draft plan

5. Recently, a small team in PABV has been looking at developing an audit approach to climate change, thinking about how we can increase the prominence of climate change in all our work and ensure cross cutting links and connections are made. The team has had positive initial discussions with key stakeholders, including COSLA, the Scottish Government and the Committee on Climate Change. COSLA welcomed audit work in the area and has offered to put us in contact with key contacts in several councils.
6. The audit team is developing a plan to increase the prominence of climate change and ensure it is integrated into our work programme for the short, medium and longer term. The team propose that:
 - In the short-term we produce a series of alternative outputs (briefings, graphics and / or blogs) in the run up to COP26 and work internally across the organisation to discuss plans for the medium and longer-term.
 - In the medium term (2022-2025) we will work with colleagues to include climate change in the integrated annual audits and to incorporate it into performance audits and overviews as appropriate. We could also produce specific climate change outputs.

- From 2025 onwards, climate change will be fully integrated into all our audit work (integrated audit reports, performance audits, overviews and alternative outputs).

Discussion

7. The audit team want to hear the Commission's views on our proposed approach to auditing climate change and how we engage with the Commission going forward. Specifically:
 - Are there particular areas of interest?
 - Thoughts on the draft plan outlined
 - What level of input would you like?
 - How best do we engage with the Commission going forwards to allow for Commission ownership and input and also fluidity as we develop and deliver our plans? Would a 'link person(s)' / 'sponsor(s)' be a good option?

Next steps

8. The audit team is having a similar discussion with the AGS at the end of January. We will incorporate Commission member and AGS views into our plans and feedback as appropriate.

Conclusion

9. The Commission is asked to:
 - a) Consider the internal briefing paper.
 - b) Provide thoughts on the general proposed approach and plan.
 - c) Advise preferred approach for ongoing involvement going forwards.

Fraser McKinlay
Director of Performance Audit and Best Value
16 December 2020

What is climate change and why does it matter?

1. Climate change means large-scale changes to the world's weather patterns. Climate change causes global temperatures to rise. This leads to snow and ice melting and sea levels rising. It causes flooding, droughts, loss of homes and land, reduced food production and poorer health.
2. Greenhouse gas emissions are the cause of climate change. Since the 1800's, humans have increasingly produced greenhouse gas emissions. Predictions are that, without action on emissions, global warming and rising sea-levels will continue and increase at ever increasing rates.

All governments have agreed to reduce emissions and adapt to global warming

3. In response, countries across the world are committed to reducing greenhouse gas emissions and adapting our world to live with the current and predicted effects of global warming. The 2015 Paris Agreement is the biggest international commitment of this kind.
4. In the UK, responsibility towards climate change sits with both the UK and Scottish Parliament and both have passed legislation to reduce emissions. Some important powers over gas and industry are reserved to the UK Parliament. Other key areas such as transport, agriculture and infrastructure are largely devolved to the Scottish Parliament. Local Government has a key role in tackling climate change through planning and delivering these services in communities.

Scotland's emissions have reduced but most legal targets have not been met

5. In the last 30 years, there has been a 45 per cent reduction in Scotland's greenhouse gas emissions. This compares to a 43.1 per cent reduction across the UK. Reduced emissions from energy supply make up the majority of this reduction although there have been reductions in most sectors (business, residential and agriculture). Transport saw a slight increase due to international aviation and shipping.
6. Between 2010 and 2018, Scotland's legal targets for reduced emissions were only achieved in 2011. Transport is the biggest producer of greenhouse gases, followed by business, agriculture and then energy supply. Measuring emissions is complicated. In 2017, following scientific advice, the Scottish Government introduced a new approach to measure its own emission targets. In line with scientific advice, the Scottish Government now uses different ways to measure emissions for different targets and reports. This is to ensure information is as comparable and accurate as possible.

Scotland has a new ambitious target that requires action across all levels and areas of government, business and private life

7. In April 2019, the Scottish Government declared a climate emergency and announced that Scotland will seek to become net-zero by 2045, five years earlier than planned. This is now enshrined in legislation and interim targets set, including a challenging 75 per cent reduction by 2030. The Scottish Government's climate change plan to achieve its ambitions has been delayed due to COVID and is expected in December 2020. The COVID pandemic has very quickly changed how many of us live, work and travel, and many of these changes are expected to remain in place even after the pandemic. This could have a significant impact on the Scottish Government's targets and the steps needed to achieve them.
8. The Committee on Climate Change (CCC) provides an independent assessment of the Scottish Government's work on tackling climate change. It welcomes the Scottish Government's ambitions and has encouraged the UK Government to match them. The CCC has made clear that meeting the 2030 and 2045 targets requires early and decisive action to deliver meaningful reductions across all sections of the economy. It states that net-zero policy must be embedded across all levels of government, with strong leadership and coordination at the centre. Efforts to reduce climate change and its impact must take place across all government policies and other public and private sector activity. Community engagement will be key. This is not an easy task and will require significant collaboration and difficult decisions. The CCC also recommended that the Scottish Government develops stronger governance arrangements to manage its work on climate change.
9. COSLA believes that strong collaboration and leadership are also essential at a local level to drive forward the changes needed in almost every aspect of public and private life, from transport, housing to business support. To date, twenty Scottish councils have declared a climate emergency, set targets and developed plans to achieve Net Zero, sometimes as early as 2030.

The Scottish Government plans to invest significantly in climate change

10. Recent Scottish Government action, as set out in its 2018 Climate Change Plan and its Programme for Government in 2019-20 and 2020-21 include plans, targets and funding to increase the use of renewables, reduce emissions from buildings and transport, give support to green business, skills and jobs, invest in adaptations and increase forestation. The Scottish Government also has a number of recently published or forthcoming strategies that it considers central to tackling climate change such as the National Transport Strategy and the Infrastructure Investment Plan.

11. The most recent Programme for Government (2020-21) is centred around creating green jobs that support economic recovery and eliminating inequalities, including those that come from climate change. These include some significant public sector investment:
 - £3 billion investment into a Green New Deal to support sustainability
 - £2 billion for the Scottish National Investment Bank with a primary mission to support the transition to net zero emissions
 - £1.6 billion over the next Parliament to decarbonise the way we heat our home and our buildings, reducing emissions, tackling fuel poverty and creating new jobs.
12. These build on significant funding commitments in the Programme for Government for 2019-20, most significantly a £3 billion green investment portfolio that will be backed by public and private finance and £500 million to improve bus services and limiting petrol and diesel cars. More work is required to understand the extent of overlap, duplication and double counting in these, and other 'green funds'. Considerable work is also required to understand the impact of this, and other, investment at a council level.
13. The Scottish Government is currently working to review all its budget commitments to understand the emissions associated with them. This is an on-going piece of work which is still at an early stage but should allow the Scottish Government to align its spending with its net zero ambitions.

There is little scrutiny of other public bodies

14. One hundred and eighty public bodies in Scotland, including the Scottish Government, NHS Boards and councils, are required to produce an annual report that sets out what action they are taking to reduce greenhouse gas emissions, adapt to a changing climate and promote sustainable development.
15. Reports show that councils account for half of Scotland's public sector emissions. The NHS accounts for 18 per cent. The biggest sources of public sector emissions are electricity and gas. However, there is little scrutiny of these reports and little is known at a national level about the progress of and variation between individual public bodies.
16. As well as working to reduce their own emissions, public bodies can play a role in regulating the factors that contribute to climate change and influencing the progress towards net zero across the private sector. It is unclear if and how this activity is monitored or whether good practice is shared.

There is less scrutiny of actions to adapt to mitigate the effects of climate change

17. Adapting the environment to the current and future effects of climate change is a key feature of public action and spend which public bodies must report against. The Scottish

Government is legally required to report each year on progress against the Scottish Climate Change Adaptation Programme which it does using an outcomes approach. This is at an early stage, so it is difficult to draw conclusions. Councils and other public bodies are also required to report progress each year. There appears to be little external scrutiny to assess the public sectors efforts to adapt to climate change.

World leaders will be in Scotland in November 2021

18. In November 2021, the 26th United Nations Climate Change Conference, Conference of the Parties (COP26), is to be held in Glasgow. Most world leaders are expected to attend, and it is hoped an updated agreement to the 2015 Paris Agreement can be reached. As the host country, there is added pressure on the Scottish Government to deliver action to reduce emissions and protect the environment.

MEETING: 14 JANUARY 2020**REPORT BY: SECRETARY TO THE COMMISSION****UPDATE REPORT**

Introduction

1. The purpose of this report is to provide an update to the Commission on significant recent activity relating to local government, focussing particularly on the response to the Covid-19 pandemic.
2. The Commission also receives other regular information to complement this report. This is made available to the Accounts Commission through its members' extranet site:
 - The Controller of Audit report to the Commission which updates the Commission on his activity.
 - The Commission's Financial Audit and Assurance Committee receives a more detailed update on issues relating to local government.
 - The weekly news coverage briefing provided to the Commission by Audit Scotland's Communication Team.

Commission business***Publications***

3. Audit Scotland collects media coverage on all the reports published by the Accounts Commission. Appendix 1 provides download statistics for the Commission's published reports over the last 12 months. Appendix 2 provides additional information on the overall engagement that reports and other business have received on social media.
4. Over the period (14 days) since the previous social media statistics were gathered:
 - Audit Scotland re-promoted on Facebook and Twitter the video content (report overview and animation) from the Edinburgh Best Value assurance report, attracting almost 300 views. A paid for Facebook advert (which included top line report message, animation and link to report) had over 16,000 impressions (the number of times the post was displayed).
 - Audit Scotland promoted the Commission's December meeting on Twitter with a link to the meeting papers, resulting in 2,500 impression and 63 engagements (likes, shares, comments and clicks). This is an engagement rate of 2.5%.
5. On 8 December the Accounts Commission published the ['Housing Benefit Performance audit: annual update 2020'](#)

Other Commission business

6. The Interim Chair issued a number of letters to local government stakeholders in December. Copies of these are available on the member SharePoint site as follows:

Date **Letter**

- 15/12 Seven council chief executives (Angus, Aberdeen City, Comhairle nan Eilean Siar, East Dunbartonshire, Falkirk, Shetland, South Ayrshire) setting out the schedule for 2021 BV Assurance Reports
- 17/12 NHS Board chief executives introducing them to the Commission's development of auditing BV in IJBs
- 17/12 Similar letter to NHS Board chairs
- 17/12 Chief executives of Care Inspectorate and Health Improvement Scotland introducing them to the Commission's development of auditing BV in IJBs
- 21/12 All council chief executives and IJB chief officers introducing them to the published Covid-19 guidance notes (see paragraph 9 below)

7. On 2 December representatives from the Accounts Commission met with elected members and officers from the City of Edinburgh Council to discuss the recent Best Value report and to hear their feedback on their experience of the audit. The Commission was represented by Elma Murray, Andrew Cowie and Christine Lester. Also present were Paul Reilly; Nick Bennett, Regional Managing Partner, Azets (appointed auditor); and Mark MacPherson, Senior Audit Manager, Audit Scotland (from the BV audit team). The Council was represented by councillors Adam McVey, Leader of the Council; Cllr Cammy Day, Deputy Leader; Iain Whyte, Conservative Group Leader; Melanie Main and Alex Staniforth, Green Group members; Robert Aldridge, Liberal Democrat Group Leader; and Gavin Barrie, Independent Group Leader. Officers were Andrew Kerr, Chief Executive; Stephen Moir, Executive Director of Resources; Paul Lawrence, Executive Director of Place; Jackie Irvine, Head of Safer and Stronger Communities and Chief Social Work Officer; Judith Proctor, Chief Officer, Edinburgh Health and Social Care Partnership; Gavin King, Democracy, Governance and Resilience Senior Manager; and Hayley Barnett, Corporate Governance Manager. The Council considered and noted the BVAR at its meeting on 10 December 2020, and further progress and a way forward will be further considered by the Council in January or February.
8. On 15 December, Christine Lester attended a workshop hosted by the Equalities and Human Rights Commission for members of the Strategic Scrutiny Group on equality outcomes (which the Commission will be renewing during next year). Some papers for the event are available on the [members' SharePoint site](#).
9. On 5 January, the Commission issued an email newsletter to all 1227 Scottish councillors, summarising the Commission's work in 2020 and looking forward to its work in 2021. Part of the Commission's engagement strategy, this newsletter will be issued three times a year to update local councillors on the work of the Commission. A copy will be placed on the [members' SharePoint site](#) once it has been issued.
10. At its October meeting the Commission requested that a timeline and plan for engagement on the United Nations Convention on the Rights of the Child (Incorporation) (Scotland) Bill be shared with Commission members. The dates in the Bill team work plan are still only provisional and will be determined by the Parliamentary timetable. However, further clarification has been received:
- The UNCRC (Incorporation) (Scotland) Bill is currently being considered by the Scottish Parliament and is at Stage 1
 - The Bill timetable is a matter for parliament and we do not yet have dates for Stages 2, but it is expected that the Bill will complete its parliamentary passage before the pre-election period
 - The Scottish Government is committed to commencement of the legislation

(assuming it is passed by the Scottish Parliament) as soon as is possible.

Further information on the Bill can be found at this [link](#).

11. The Commission has at previous meetings maintained an interest in the recent increased benefits uptake. The Scottish Parliament's Social Security Committee published an [inquiry report](#) into benefit uptake on March 2020. Amongst other topics, this inquiry report refers directly to the Money Talk Team. This service has dealt with 7,777 clients through face-to-face services in every citizens advice bureau and its national telephone line. Of those clients, outcomes have been recorded for 3,198 - with more than £6 million of financial gain for those clients. The committee are now looking into the role of Scottish Social Security in the recovery from Covid-19. Members may wish to note that Audit Scotland colleagues are planning a Covid-19 output early in 2021.

Auditor General

12. On 1 December the Auditor General published a section 22 report on [Social Security Scotland](#). This report found that an estimated £14.8 million of a carer's benefit is thought to have been overpaid in Scotland due to error and fraud. The Department for Work and Pensions calculated that 5.2 per cent of the £284 million paid out in Carer's Allowance in 2019/20 related to estimated error and fraud, which led to auditors qualifying Social Security Scotland's accounts. The inherent risk of error and fraud in social security systems means an audit qualification is not unusual. The National Audit Office has qualified the annual accounts of the DWP for the last 31 years. Social Security Scotland has improved error and fraud prevention and detection in the last year. But it remains reliant on the DWP for the delivery of much of the £3.5 billion it spends on benefits, and for the associated estimates of error and fraud. That increases the audit risk to Social Security Scotland's finances at a time when Covid-19's economic impact brings added uncertainty.
13. On 3 December the Auditor General published a report on [NHS Tayside](#). The report concluded that the health board has improved its financial management and service performance, but risks related to its high running costs remain. The health board has improved waiting times for some services and made recurring savings of more than £14 million in 2019/20. The Auditor General says NHS Tayside has also made positive moves to improve mental health services after a highly critical independent report, and needs to show continued progress. However, the board needed £7 million from the Scottish Government in 2019/20 to break-even, the eighth year in a row it has required financial assistance. The NHS Tayside operating model has higher than average staffing, in-patient and prescriptions costs than the Scottish average. It still has a number of senior leadership posts it needs to fill on a permanent basis. In common with all health boards, Covid-19 has had an impact on NHS Tayside's focus and priorities.
14. On 11 December the Auditor General published a [report on the Scottish Police Authority](#). The authority, which oversees policing in Scotland, is still unable to balance its budget. The SPA overspent by a total of £26.6 million in 2019/20, with the Scottish Government making up the gap in additional funding. Leadership of the SPA and Police Scotland has stabilised, and the authority has made progress in financial planning and management, as well as in its business support and governance functions.

Audit Scotland

15. On 27 November Audit Scotland published the [Environment, Sustainability and Biodiversity annual report 2019/20](#). This sets out the organisation's attempts to reduce carbon emissions.

16. On 26 November the Strategic Scrutiny Group involving the Commission, Audit Scotland and scrutiny partners held a Community Empowerment Advisory Group virtual 'roundtable' event with a panel of third sector and other experts on community empowerment and its response to Covid-19.
17. On 21 December Audit Scotland published two guides for auditors, on [Balancing the budget in councils](#) and on [Going concern in councils](#). On the same day, the Commission Interim Chair wrote to council and IJB chief executives, introducing them to the guides and encouraging them to engage with auditors on the matters contained in them.

Issues affecting local government

Scottish Government

18. Given that the Covid-19 emergency has meant a significant number of matters originating from the Scottish Government since the last meeting of the Commission, this section is divided, for ease of reference, into the following sub-sections:
 - Local government general
 - Economy
 - Health and social care
 - Education
 - Transport
 - Communities
 - Business
 - Other matters
19. On 19 December, the UK and Scottish governments announced significant changes to response arrangements to Covid-19, as a result of identifying a new strain of Covid-19 that appears to have significantly higher transmission rates. In Scotland, this includes an imposition of Tier 4 restrictions to the entire mainland. The implications of this on much of the matters reported elsewhere in this section are not clear at the time of writing.

Local government general

20. On 3 December the Scottish Government published [figures](#) detailing numbers of additional support staff recruited by local authorities.
21. On 4 December the Scottish Government published [guidance](#) for local authority verifiers on changes to building standards legislation and guidance from 1 March 2021.

Economy

22. On 25 November the Scottish Government published the latest [GDP estimates](#) for September. They found that in September, Scotland's GDP is provisionally estimated to have increased by 1.6% compared to August, the fifth consecutive month of increasing GDP, but output remains 7.6% below the level in February prior to the direct impacts of the Covid-19 pandemic. In September there has been a growth in all the main sectors of the economy, but at a slower rate than over the summer months. GDP is provisionally estimated to have increased by 14.7% in quarter 3 as a whole (July-September).

Health and social care

23. On 28 November the Scottish Government [confirmed](#) more than 53,000 health and social care staff have received psychological support from the National Wellbeing Hub since it was launched in May. The hub helps people facing challenging situations at home or at work and includes digital programmes designed to help manage stress and reduce anxiety.
24. On 3 December the Scottish Government published [guidance](#) on financial support arrangements for social care providers.

Education

25. On 4 December the Scottish Government [announced](#) the holiday dates for Christmas and New Year will remain as planned. The Education Recovery Group considered the potential increase in social interaction between households over the festive period. The Deputy First Minister [wrote](#) to the Education & Skills Committee setting out the reasons for not extending the holidays.
26. On 9 December the Scottish Government announced the [replacement](#) of the Higher and Advanced Higher exams in 2021 with awards based on teacher judgement of evidence of pupil's attainment. The model will be based on the approach agreed for [National 5 awards](#). An exceptional one-off payment will also be made to teachers and lecturers critical to assessing and marking courses this year to recognise the additional workload.
27. On 9 December the Scottish Government announced [plans](#) for the return of students to campuses in January. College students should return as planned in line with local authority protection levels, but the return of university students will be staggered over six weeks. Undergraduate students will restart their studies at home and should only return to campus when asked to do so by their university. Students will be asked to voluntarily restrict their social interactions for two weeks before and after the return to student accommodation, and lateral flow testing will be offered on return.

Transport

28. On 10 December the Scottish Government [confirmed](#) a £49 million package for the Stornoway deep water terminal. The project, in partnership with Highlands & Islands Enterprise and Comhairle nan Eilean Siar, will create over 200 jobs and includes berthing facilities for cruise ships, cargo vessels and freight ferries, as well as unloading facilities for renewable energy components and development land for decommissioning.

Communities

29. On 28 November the Scottish Government announced an [increase](#) in funding available for the Affordable Housing Supply Programme from £300 million to £500 million.
30. On 1 December the Scottish Government published [key findings](#) from the Scottish house condition survey 2019. This includes updated fuel poverty rates, energy efficiency ratings, the condition of housing and the Scottish Housing Quality Standard.
31. On 4 December the Scottish Government [confirmed](#) regulations are to be introduced preventing evictions from rented properties from Friday 11 December to Friday 22 January. There will be exceptions in the case of serious anti-social behaviour. The Scottish Government has said it hopes the eviction ban will reduce the burden on local authorities, who have a duty to rehouse those made homeless through evictions.

Business

32. On 28 November the Scottish Government published non-domestic rates relief [statistics](#) for 2020. [Figures](#) show 74% of non-domestic reports were in receipt of a relief other than the 1.6% universal relief as of 1 July, an increase from 64% as of 31 May 2019. The total value of all reliefs awarded as of 1 July was £1,679 million, of which £965m was attributable to reliefs introduced to support businesses through the Covid-19 pandemic.
33. On 30 November the Cabinet Secretary for Finance delivered a speech at the SNP Conference and announced new policy –
 - an additional £10 million will be allocated this year to help an estimated 2000 small and medium enterprises reap the benefits of investment in digital.
 - Highlands and Islands Enterprise will be allocated £800,000 to extend its Digital Enablement Grant scheme to reach more businesses in the Highlands and Islands.
 - the Data Lab will receive £1 million to help businesses to invest in more advanced technologies such as data analytics and artificial intelligence.
34. On 3 December the Scottish Government announced the [three core missions of the Scottish National Investment Bank](#) (SNIB). The bank should drive the transition to net-zero; promote inclusive growth through investment in employment, housing, education and local generation; and invest in innovation to address demographic change, raise skill levels and develop a healthier population.
35. On 10 December the Finance Secretary Kate Forbes [confirmed](#) that businesses across Scotland will benefit from a new £185 million package of targeted coronavirus support, following discussions with a range of campaign groups. Among the support announced was £60 million to be provided to the tourism sector, one-off grants totalling £15 million for mobile close contact services, £6 million for coach companies and tour operators and a £19 million fund for taxi drivers. In addition, there will be one-off payments of £2,000 or £3,000 to hospitality businesses in January to help them deal with the traditional post-Christmas dip in demand, depending on rateable value.

Covid-19 measures

36. On 1 December the Scottish Government announced that it was [extending](#) eligibility of the self-isolation payment from 7 December to parents on low incomes with children self-isolating and for those eligible for Universal Credit who may not have applied yet.
37. On 2 December the Scottish Government published the second overview [report](#) of the range of poverty and equality impacts in relation to the Phase 3 measures that were taken in following the route map out of the coronavirus pandemic.
38. On 3 December the Scottish Government [confirmed](#) Covid-19 vaccinations will start on Tuesday 8 December. The vaccine will be transported to 23 locations across Scotland in temperature-controlled lorries. Those giving the vaccination will be vaccinated first, followed by the groups that have been recommended by the Joint Committee on Vaccination & Immunisation.
39. On 4 December the Scottish Government published a [brief update](#) on the Covid-19 legislation that is currently in force.
40. On 8 December the first vaccinations against Covid-19 in Scotland were [given](#) to those carrying out the vaccination programme. Initial supplies of the Pfizer vaccine have been arriving at NHS boards throughout the weekend and are being stored at the required

ultra-low temperature.

41. On 8 December the First Minister announced that the [11 council areas in Tier 4 will move to Tier 3 from 6pm on Friday 11 December](#). Shops in those areas can re-open again from 06:00 on the same day. Angus, Inverclyde and Falkirk will move from Tier 3 to Tier 2, while Dumfries & Galloway and Borders councils will move down a level to Tier 1. Travel restrictions will remain in place, meaning people living in Tier 3 and 4 areas should not travel outside their council area except for urgent reasons.
42. On 11 December the Scottish Government confirmed that the four UK CMOs have advised that the [self-isolation period](#) can be reduced from 14 to ten days from Monday. This applies to people asked to isolate as contacts and those returning from countries that are not exempt. It will have no impact on the self-isolation payment.

Other matters

43. On 28 November the Scottish Government confirmed that it will [set out](#) how it intends to support the Paris Agreement goal of preventing temperature rises of more than 1.5 degrees by publishing its own Nationally Determined Contribution (NDC) ahead of COP26 in Glasgow next November. The indicative NDC will follow the government's update to the 2018 climate change plan due to be published in December.
44. On 30 November the First Minister delivered a speech at the SNP Conference and announced new policy –
 - £100 million will be provided for the [winter plan for social protection](#), which would be used to bridge the gap during winter with a £100 cash grant for families in receipt of free school meals
 - provided details on the new [Pathway to Apprenticeships](#) programme, which includes an apprenticeship employment grant and payments for employers taking on apprentices.
 - a [one-off payment of £500](#) will be given this financial year for those working in NHS frontline primary care, adult social care sector, hospice and palliative care sector, and residential childcare settings.
45. On 1 December the Scottish Government published the second [annual report](#) of the Scottish fuel poverty advisory panel and the Scottish fuel poverty partnership forum.
46. On 9 December the Scottish Government [published](#) its report about preventing violence against women and girls. It presents robust international evidence on what works to preventing violence before it happens. The [report](#) assesses the effectiveness of primary prevention interventions, highlighting moderating factors for their successful implementation.
47. On 10 December the Scottish Government [announced](#) £3.3 million to help meet the needs of those affected by poverty at Christmas and in the new year. The money forms part of the £100 million winter support package announced by the First Minister last month. The £3.3 million will support those most in need of help, including lone parents, families with a disabled child or young person, kinship carers, care leavers and families with a loved one in prison. Nine charities will receive funding to support their work, or to distribute to grass-roots organisations.
48. On 10 December the Scottish Government published a 2020 [progress report](#) on the Fairer Scotland Action Plan, detailing the achievements and ongoing work in relation to the plan first published in 2016. The report also includes an update on the actions taken in relation to two reports published by the independent poverty & inequality advisor, *Shifting the Curve* and the *Life Chances of Young People in Scotland*.

49. On 10 December the Scottish Government announced a [£55 million package to help sporting organisations](#) deal with lost ticket revenue due to the pandemic. The funding will comprise grants and low-interest loans, including £30 million for Scottish Football at all levels of the game. Scottish Rugby will benefit from £20 million, alongside funding for basketball, netball, motor sport, horse racing and ice hockey, including support for ice rinks that support Scotland's world-class curling programmes as well as recreational and professional skating.

Scottish Parliament

50. On 4 December the Scottish Parliament Information Centre (SPICe) published a [briefing](#) on adult social care and support in Scotland. The briefing includes information on the history, key legislation and policy to help explain the system that comprises adult social care and support. It also includes data from key sources and a summary of written evidence provided to the Health & Sport Committee's social care inquiry in 2020. Audit Scotland and the Auditor General were mentioned.

Parliamentary Committee News

Public Audit and Post Legislative Scrutiny Committee

51. On 28 November the Convenor of the Committee, [Jenny Marra MSP](#), [announced that was standing down as MSP at the 2021 Scottish Parliament election](#). Ms Marra serves as the Labour MSP for North East Scotland.
52. On 2 December it was confirmed that Anas Sarwar MSP will [remain](#) Acting Convener of the Public Audit and Post-legislative Scrutiny Committee until at least 7 December.
53. On 3 December the Committee has [wrote](#) to the Education & Skills Committee on the joint Auditor General and Accounts Commission performance audit on [early learning and childcare](#).
54. On 3 December the Committee published [responses from local authorities](#) about the [Control of Dogs \(Scotland\) Act 2010](#).
55. On 3 December the Committee held an evidence session on [managing information and communications technology projects](#).

Local Government and Communities Committee

56. On 1 December the Minister for Housing [wrote](#) to inform the Committee of the increase in funding of the Affordable Housing Supply Programme from £300 million to £500 million.
57. On 1 December the Committee published a [report](#) recommending the Valuation (Postponement of Revaluation) (Coronavirus) (Scotland) Order 2020 be approved.
58. On 2 December the Committee
- Took evidence from the Cabinet Secretary for Communities and Local Government on the European Charter of Local Self-Government (Incorporation) (Scotland) Bill. [COSLA](#) welcomed the support that the Cabinet Secretary apparently expressed for this Bill.
 - Continued its post-legislative scrutiny of parts 3 and 5 of the Community Empowerment (Scotland) Act 2015.
59. On 9 December the Minister for Housing [wrote](#) to the Committee to advise that there should be no change to the definition of a factor in the Property Factors (Scotland) Act

2011. However, a modification order will be laid to make a smaller change to the definition in respect of property factors who have been removed from the register to ensure they are bound by the code while outstanding cases are heard by the first tier tribunal.

Finance and Constitution Committee

60. On 3 December the Committee has published [responses](#) from each Scottish Parliament Committee on the impact of Brexit on devolution.
61. On 7 December the Committee published its pre-budget scrutiny [report](#). It concluded greater access to borrowing for devolved governments during times of national emergency should be considered by HM Treasury to enable them to tailor their respective spend and policy responses to the current pandemic and economic recovery. The unanimously agreed reports says the Fiscal Framework has protected Scotland's budget from a UK-wide economic shock this year, but an imbalance has become apparent which results in the Scottish Government being dependent on policy decisions at a UK level when determining its own Covid-19 related spending and policies. Audit Scotland was mentioned.

Covid-19 Committee

62. On 26 November the Committee took evidence from the Cabinet Secretary for the Constitution, Europe and External Affairs on [Subordinate Legislation](#).
63. On 3 December the Committee took evidence from the Deputy First Minister and Cabinet Secretary for Education and Skill on the [Scottish Government's preparedness for key issues that lie ahead in its response to Covid-19 during the winter months](#).

Other committees

64. On 9 December the Rural Economy & Connectivity Committee published its [report](#) on the findings from the inquiry into construction and procurement of ferry vessels in Scotland. The inquiry was launched following Ferguson Marine Engineering Limited (FMEL) being taken into public ownership and delays to two new hybrid ferries. In the report, the [committee notes](#) evidence taken "exposed a lack of robust due diligence" on the part of procurement agency Caledonian Maritime Assets Ltd. Audit Scotland was mentioned in the report and the press release linked above.
65. On 10 December the Justice Committee published its [report](#) about the Hate Crime and Public Order (Scotland) Bill. Although members support the bill's general principles, they unanimously agreed this was conditional on the government agreeing to make further changes to the legislation.

Local government news

66. On 4 December Argyll and Bute Council presented a [report to its Policy and Resources Committee](#) outlining the options to meet an estimated funding gap of £6 million in 2021/22. The council will identify more opportunities for savings over the coming months, with options going to full Council for budget setting in February 2021.
67. On 10 December Unison Scotland launched their ['No Going Back to Normal'](#) campaign. This campaign warns that council services will be removed if the Scottish Government doesn't invest further in local services.

COSLA

68. On 1 December, in partnership with the Scottish Government, COSLA published the

[No One Left Behind – Delivery Plan](#). This outlines the shared ambition to deliver a Scottish approach to employability that focuses on the needs of the individual first and foremost.

Improvement Service

69. On 9 December the Improvement Service published the [annual National Instrumental Music Survey](#). This contains information about instrumental music services (IMS) across Scotland including tuition fees, concessionary rates, instrument hire and loan policies, pupil numbers, cost of services, instructor numbers and additional activities. In 2020, services have been heavily disrupted by Covid-19 with lessons often delivered remotely to over 56,000 pupils across Scotland. There has also been an increase in concessions to tuition fees with over a third of pupils receiving some sort of discount, and all pupils in receipt of Free School Meals or in receipt of an equivalent state benefit entitled to free tuition.

Scrutiny, inspection, regulatory and related bodies

Scottish Public Ombudsman (SPSO)

70. The [SPSO's Newsletter – November](#) outlines investigation reports, recent SPSO news and highlights emerging issues. More information on the SPSO's work, including detailed investigations and decision reports, is available on the [Our findings](#) webpage. The Commission's Financial Audit and Assurance Committee will consider more detailed intelligence from the SPSO on a six-monthly basis at its next meeting.

Scottish Housing Regulator (SHR)

71. On 25 November the SHR published updated [advisory guidance for RSL governing bodies](#) during Covid-19.

Other UK audit bodies

72. On 30 November the National Audit Office (NAO) published its [report](#) on whether the UK Government's approach to managing the risks of flooding and coastal erosion is achieving value for money. It found the Environment Agency is on track to meet the government's aim to better protect 300,000 homes and it has also secured more than £500m of partnership funding to supplement the programme. However, the report found that Defra's focus on the homes better protected target has not necessarily produced the best return on investment. NAO has also published a [data visualisation](#) tool to accompany the report.
73. On 30 November Audit Wales created a new [data tool](#) showing the additional spend and the current financial positions for each NHS Wales' body due to the pandemic. The tool demonstrates that NHS Wales has spent an additional £501m dealing with Covid-19 midway through the year. Two key areas of spend were PPE with £130m and staffing with £109m. The tool reveals these staffing costs varied across health boards through a mixture of overtime, agency staff, students and returners.
74. On 1 December the Northern Ireland Audit Office (NIAO) comptroller & auditor general, Kieran Donnelly published his [report](#) on managing children who offend. The report is a follow-up to a 2017 report, which highlighted the lack of a specific strategy to co-ordinate the youth justice system, as well as deficiencies around measuring the performance and cost effectiveness of services. The follow-up report finds the successful reform of the youth justice system is at risk if fundamental issues in investment are not addressed.

75. On 4 December the NAO published its [report](#) investigating the Department for Education's free school meals voucher scheme. The report details the initial difficulties for schools in England seeking to register for the scheme and that its overall cost is expected to exceed the initial maximum estimate of £384 million.
76. On 8 December the NAO published its achieving net-zero [report](#); highlighting the challenges for the UK Government in achieving its net-zero greenhouse gas emissions target by 2050. The report details that the Department for Business, Energy & Industrial Strategy, alongside the other departments involved, is yet to put in place all the essential components for effective cross government working, such as integrated planning and progress monitoring, and processes to manage interdependencies, to ensure all of government steps up to this challenge.
77. On 10 December the NAO published its [report](#) on digital services at the border, assessing the Home Office's progress in delivering the Digital Services at the Border programme. The report found that between 2014 and 2019, the Home Office did not achieve value for money against its plans to deliver the programme and it did not deliver the programme by its original timetable of March 2019, with only one of the planned three systems in live operation at that point. NAO agreed with the decision made in July 2019 to reset the programme as it provided a more realistic delivery plan; however, the reset decision has extended the programme's delivery timescale by three years and the additional cost to the taxpayer of not delivering to its original timetable is £173 million.

UK Government

78. On 1 December the Department of Health & Social Care published guidance on local authority restrictions in [Tier 1](#), [Tier 2](#) and [Tier 3](#). The UK Government has also [set out](#) the evidence and analysis in relation to Covid-19 and the health, economic and social effects of the government's tiered approach. A [government prospectus](#) on community testing in Tier 3 areas has also been published. Local areas can [apply for support](#) for community testing and will be asked to consider incentives to encourage people to take part in programmes.
79. On 4 December the UK Government [opened](#) a new walk-through coronavirus testing centre at Bruce House Car Park in Arbroath.
80. On 8 December the UK Government published a [report](#) on the Vaccines Taskforce (VTF), highlighting the VTF's strategy, goals and achievements. The report found the VTF acted "decisively and at great pace" in the face of the pandemic to secure access to 357 million doses of potential Covid-19 vaccines for the UK. Other key successes highlighted in the report include the creation of the first citizen registry of over 360,000 volunteers to join vaccine trials, the human challenge studies and the strategic investment to enhance the UK's vaccine research and manufacturing infrastructure.
81. On 9 December the UK Government [announced](#) a £4 million fund for community projects to reduce loneliness in the coming months.

Other UK news

82. On 2 December the Medicines & Healthcare products Regulatory Agency (MHRA) [approved](#) the Pfizer/BioNTech coronavirus vaccine for safe use and the roll out could begin next week. The government has [accepted](#) the recommendation and the Joint Committee on Vaccinations & Immunisations will shortly publish its final advice for the priority groups to receive the vaccine. This group is to include care home residents, health and care staff, the elderly and the clinically extremely vulnerable. The vaccine offers up to 95% protection against Covid-19 and requires two doses 21 days apart. The UK has ordered 40 million doses and around ten million should be available soon.

83. On 2 December the Public Accounts Committee published a [report](#) on Whitehall planning for EU exit, concluding that with preparations costing £4.4 billion and involving 22,000 civil servants and paid consultants, the UK still faces a risk of “serious disruption and delay at the short Channel crossings” when the transition period ends in four weeks. The report also believes that despite these risks, the government still only seems to be taking “limited responsibility” for that readiness.

Conclusion

84. The Commission is invited to consider and note this report.

Paul Reilly
Secretary to the Commission
21 December 2020

APPENDIX 1: Accounts Commission reports in past 12 months – downloads

Report	Date	Report downloads	Podcast downlds
Best Value Assurance Report: The City of Edinburgh Council	26 Nov 20	337 (n/a)	
Covid-19 Strategic Scrutiny Group	5 Nov 20	419 (n/a)	n/a
Best Value Assurance Report: Aberdeenshire Council	22 Oct 20	489 (+131)	n/a
Best Value Assurance Report: Dundee City Council	29 Sept 20	652 (+395)	n/a
Best Value Assurance Report: Moray Council	27 Aug 20	1,163 (+93)	n/a
Accounts Commission annual report 2019/20	2 July 20	332 (*)	n/a
Best Value Assurance Report: North Ayrshire Council	30 June 20	845 (+72)	n/a
Local government in Scotland Overview 2020	23 June 20	1,222 (+166)	n/a
Equal pay in councils - Impact report	9 June 20	547 (+50)	n/a
Best Value Assurance Report: Argyll and Bute Council	21 May 20	829 (+57)	n/a
Affordable housing	9 April 20	2,070 (+344)	n/a
The 2018/19 audit of Renfrewshire Council: Report on accounts closure	24 Mar 20	260 (*)	n/a
Early learning and childcare: follow-up	3 Mar 20	2,190 (+190)	149 (*)
2018/19 audit of Fife IJB	27 Feb 20	459 (*)	n/a
2018/19 audit of Glasgow City Council: Update on equal pay settlement	6 Feb 20	402 (*)	n/a
Privately financed infrastructure investment	28 Jan 20	1,712 (+85)	216 (*)
Highland Council: Best Value Assurance Report	23 Jan 20	1,699 (*)	365 (*)
Scotland's City Region and Growth Deals	16 Jan 20	2,595 (+152)	178 (*)
Scotland's City Region and Growth Deals - Supplement	16 Jan 20	295 (*)	n/a
Self-directed support: 2017 progress report - impact	17 Dec 19	671 (*)	n/a
Local government in Scotland: Financial overview 2018/19	17 Dec 19	4,014 (+316)	308 (*)

Key:

- (x) Increase in numbers since last month
- * This figure is below 30
- n/a Not applicable.

APPENDIX 2 – Accounts Commission social media engagement data

	Followers*	Posting views	Video views	Links accessed	Retweets	Likes	Replies
Jan	491 (+18)	22,500	272	69	63	51	1
Feb	503 (+12)	12,500	11	56	52	25	1
Mar	520 (+17)	13,100	11	29	129	23	1
Apr	526 (+6)	3,400	1	7	4	2	1
May	539 (+13)	7,700	177	135	14	43	0
Jun	561 (+22)	5,000	1,900	53	24	45	2
Jul	583 (+22)	12,600	408	19	30	86	4
Aug	590 (+7)	7,100	129	27	18	18	0
Sep	605 (+15)	9,700	607	82	35	46	2
Oct	617 (+12)	10,700	526	34	26	34	0
Nov	639 (+22)	23,400	730	106	49	53	3

increase on previous month shown in brackets

MEETING: 14 JANUARY 2021

REPORT BY: INTERIM CHAIR OF ACCOUNTS COMMISSION

INTERIM CHAIR'S REPORT

Purpose

1. This report provides an update on the engagements and work of the Interim Chair of the Accounts Commission.
2. It is also my last report for 2020 and will be received by the Commission at the start of 2021. I therefore want to put on record my thanks to my Commission colleagues, our Support Team, the Controller of Audit and Audit Scotland staff for their diligence and good humour as we worked through the most extraordinary year. It is worth recognising that since the first lockdown in March 2020:
 - We only had one month (April) when we did not meet formally, although we did meet informally.
 - Since May we have met twice a month remotely and we have held two sets of our Committee meetings.
 - We have considered and published six Best Value Audits and have worked with Audit Scotland to publish Performance reports and our well-respected Overview reports.
 - We held our Strategy Session in August to review our priorities and we have commenced a wide-ranging Insight programme to better understand the impact of the pandemic on those bodies that we audit.
3. This is not a full review of our work, our Annual Report will do that later this year, but I am very proud of what we have achieved in the incredible circumstances of 2020 and I am looking forward to continuing to work with everyone to provide quality public sector audit that supports public service improvement in 2021.

Engagement and Audit Scotland business

4. The engagements and work in the period from 1 to 31 December have been as follows:

Audit Scotland Board and Committee meetings

- There were no meetings in December.

Audit Scotland engagement

- 7 December – Catch up with David Blattman, HR & OD Manager
- 9 December – Monthly catch up with Diane McGiffen, Chief Operating Officer
- 11 & 21 December – Catch ups with Fraser McKinlay, Controller of Audit
- 14 December – Regular catch up with Alan Alexander, Audit Scotland Board Chair.

External engagement

- 2 December – Meeting with City of Edinburgh Council to discuss their Best Value report with Andy Cowie and Christine Lester, Commission members, Paul Reilly, Secretary to the Commission, Mark MacPherson, Senior Audit Manager and Nick Bennett, Partner, Azets
- 4 December – Improvement Service Board Meeting
- 7 December – Catch up with Andrew Kerr, Chief Executive of City of Edinburgh Council
- 11 December – Best Value engagement meeting with IJB Chief Officers with Leigh Johnston, Senior Manager
- 21 December – Catch up with Brenda Campbell, Deputy Director for Local Government at Scottish Government to provide an update on Commission work programme and strategy
- 21 December – Sarah Gadsden, Chief Executive, Improvement Service, catch up following from the meeting with the IS Board.

Commission business, development and support

5. Commission business has been as follows:

- Weekly catch ups with Paul Reilly, Secretary to the Commission, and Jillian Elgin, Executive Assistant
- 1 December – Action Tracker review meeting with Jillian Elgin and Peter Worsdale, who both provide support to the Commission
- 2 December – City of Edinburgh Best Value report catch up with Mark MacPherson, Senior Audit Manager
- 4 & 17 December – Catch ups with Antony Clark, Audit Director, and Leigh Johnston, Senior Audit Manager, on the new approach to auditing best value in IJBs
- 7 December – Community Empowerment catch up – Jillian Matthews, Senior Audit Manager, Gemma Diamond, Audit Director, and Geraldine Wooley, Commission member
- 8 December – Forward planning meeting with Tim McKay, Interim Deputy Chair of the Commission, and Paul Reilly
- 8 December – Member catch up with Stephen Moore, Commission member, and Paul Reilly
- 9 December – Accounts Commission pre meeting with Commission members
- 9 December – Catch up with Gayle Fitzpatrick, Corporate Governance Manager, to review the approach to records management
- 9 December – Paul Reilly, Peter Worsdale and Craig Flannigan and Joanna Mansell, Communications Team, to discuss Accounts Commission communications, engagement and public profile
- 10 December – Accounts Commission first meeting in December
- 10 December – Commission Insight session with members
- 10 December – Member catch up with Andrew Burns, Commission member, and Paul Reilly

- 10 December – Best Value Working Group meeting. Updates are shared with Commission members at each monthly Commission meeting as a standing item on our agenda
- 17 December – Accounts Commission second meeting in December
- 21 December – Catch-up with Andrea Quinn to review the progress following the Commission Support Review
- 22 December – Catch up with Tracey Bray, Senior Business Partner, HR & OD
- 22 December – Catch up with Tim McKay
- 22 December – Member catch up with Christine Lester, Commission member
- 22 December – Member catch up with Sharon O'Connor, Commission member
- 22 December – Member catch up with Sheila Gunn, Commission member

6. Other areas of work have included:

- Two videos on i) the Accounts Commission meeting of December, and; ii) a Christmas message to Audit Scotland staff from the Commission.
- Reviewed a range of letters and communications in support of the emerging approach to Best Value in IJBs and the publication of two guidance reports on Covid-19 for councils and their auditors.
- In conjunction with the Secretary and Commission Support Team, we have undertaken a review of the Commission Support Review recommendations and the progress that has been made. This will be circulated to Commission members during January 2021.
- Started to make arrangements for further Insight discussions with the 3rd/Voluntary sector for our February meeting.

Forthcoming activities

7. My forthcoming engagement activities include:

- 6 January – Preparatory meeting for January Commission meeting with Fraser McKinlay and Tim McKay
- 6 January – Monthly catch up with Stephen Boyle, Auditor General for Scotland
- 7 January – Catch up with Diane McGiffen and Martin Walker, Associate Director, Corporate Performance and Risk, on the Strategic Improvement Programme
- 7 January – Best Value Working Group Meeting
- 11 January – Local Government Communities pre meeting with Fraser McKinlay and Carol Calder, Senior Manager
- 11 January – Strategic Scrutiny Group catch up with Gemma Diamond and Mark Roberts, Strategic Scrutiny Group Secretaries
- 12 January – Joint Strategic Scrutiny Group and Shared Intelligence Group meeting with Sarah Gadsden, Chief Executive, Improvement Service, Alastair McLellan, Joint Chair of SIG and Co-Lead for Quality, Simon Watson, Joint Chair of SIG and Medical Director, Healthcare Improvement Scotland, Gemma Diamond and Mark Roberts, Strategic Scrutiny Group Secretaries, Leigh Johnston, Senior Audit Manager and Donald Morrison, Healthcare Improvement Scotland

- 12 January – Risk meeting with Tim McKay and Paul Reilly
- 13 January – Local Government and Communities Committee meeting
- 13 January – Accounts Commission pre meeting
- 13 January – New Audit Appointments Steering Group meeting
- 13 January – Forward planning meeting with Tim McKay and Paul Reilly
- 14 January – Accounts Commission meeting 1
- 15 January – Best Value Engagement with Council Directors of Finance.

Conclusion

8. The Commission is invited to:

- a) note this report and enquire about any areas of interest
- b) consider whether there are any changes that they would wish to see to the format and content of the report for the future.

Elma Murray
Interim Chair
6 January 2021

MEETING: 14 JANUARY 2021

REPORT BY: CONTROLLER OF AUDIT

CONTROLLER OF AUDIT REPORT

Purpose

1. This report provides an update on the engagements of Controller of Audit.

Engagement

2. Please note below my engagements in December:
 - **9 December** – Joanne Brown, Grant Thornton. General catch-up
 - **11 December** – The Hunter Foundation and Third Sector Funders. Participate on call to discuss charity reserves
 - **16 December** – Paul Johnston, Director General. General catch-up
 - **22 December** – Grace Vickers, Midlothian Council & Fiona Lees, East Ayrshire Council. Discussion on their work as Solace lead for Children’s Services.

Forthcoming activities

3. My upcoming engagements in January include:
 - **12 January** – UK & Ireland Performance Audit Forum
 - **13 January** – Local Government & Communities Committee
 - **22 January** – Midlothian Council & EY
 - **January** – issue letters to Council Chief Executives and IJB Chief Officers regarding the annual audit process.

Conclusion

4. Commission members are invited to note this report.

Fraser McKinlay
Controller of Audit
15 December 2020