

489th meeting of the Accounts Commission for Scotland

Thursday 12 May 2022, 9.30am

**by video conference, in the offices of Audit Scotland, 102 West Port, Edinburgh
and via public livestream**

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 17 in private (* see note).

Business requiring decisions in public

4. **Minutes of meeting of 7 April 2022**
5. **Audit Scotland Board update**

Report by the Secretary.

Business for information in public

6. **Secretary's update report**
7. **Chair's update report**
8. **Interim Controller of Audit's update report**

Report by the Secretary.

Report by the Chair.

Report by the Interim Controller of Audit.

Any other public business

9. **Any other public business**

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

Business requiring decisions in private

10. **Mainstreaming equality and equality outcomes– interim progress report**
Report by Chair of Audit Scotland's Equalities and Human Rights Steering Group.
11. **Draft report – Integration Joint Boards financial analysis 2020/21**
Report by the Interim Director of Performance Audit and Best Value.
12. **Draft report – Quality of public audit in Scotland**
Report by the Associate Director, Audit Quality and Appointments.

13. New audit appointments: revised audit portfolios 2022/23 to 2026/27

Report by the Associate Director, Audit Quality and Appointments.

14. Local Government in Scotland: Overview 2022: promotion plan

Report by the Interim Director of Performance Audit and Best Value.

15. Best Value update:

a) Best Value Working Group Update

b) Best Value thematic work

c) Best Value in Integration Joint Boards.

Report by the Secretary

Business for information in private

16. Strategic Scrutiny Group update

Report by the Secretary to the Strategic Scrutiny Group.

Any other private business

17. Any other private business

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

* It is proposed that items 10 to 17 be considered in private because:

- Item 10 may require the Commission to consider confidential policy matters relating to the operation of Audit Scotland.
- Item 11 proposes a draft publication which the Commission is to consider in private before publishing.
- Item 12 proposes a draft report which the Commission is to consider in private before subsequent consideration by the Audit Scotland Board and publishing thereafter.
- Item 13 may require the Commission to consider confidential commercial and contractual matters
- Items 14 proposes matters associated with a draft report which the Commission is to consider in private before publishing.
- Items 15 may require the Commission to consider confidential policy matters.
- Item 16 may require the Commission to consider confidential policy matters.
- Item 17 may be required if there are any confidential matters that require to be discussed outwith the public domain. The Chair will inform the meeting in public at the start of the meeting if this item is required and what it covers.

MEETING: 12 MAY 2022

MINUTES OF PREVIOUS MEETING

Minutes of the 488th meeting of the Accounts Commission held via 'hybrid' (in-person and online) meeting, in the offices of Audit Scotland at 102 West Port, Edinburgh and online on Thursday 7 April 2022 at 9.30am.

PRESENT: * William Moyes (Chair)
 * Andrew Burns
 ** Sophie Flemig
 ** Sheila Gunn
 ** Christine Lester
 * Tim McKay
 * Stephen Moore
 ** Geraldine Wooley

 * In person
 ** Online

IN ATTENDANCE: Paul Reilly, Secretary to the Accounts Commission
 Antony Clark, Interim Controller of Audit and Director of Performance
 Audit and Best Value (PABV)
 Carol Calder, Audit Director, PABV (item 11)
 Blyth Deans, Senior Manager, PABV (item 11)
 Lucy Jones, Senior Auditor, PABV (item 11)
 Ashleigh Madjitey, Audit Manager, PABV (item 12)
 Bernadette Milligan, Audit Manager, PABV (item 11)
 Richard Robinson, Senior Manager, PABV (item 12)

<u>Item</u>	<u>Subject</u>
1.	Apologies for absence
2.	Declarations of interest
3.	Order of business
4.	Minutes of meeting of 10 March 2022
5.	Annual governance review
6.	Strategic Alliance between the Accounts Commission and the Improvement Service: Annual Review
7.	Secretary's update report
8.	Chair's update report
9.	Interim Controller of Audit's update report
10.	Any other public business
11.	Local government in Scotland: Overview 2022 – draft report (in private)
12.	Performance audit: draft report – Reviewing Scotland's financial response to the Covid-19 pandemic (in private)
13.	Best Value Working Group update (in private)
14.	Any other private business (in private)

1. Apologies for absence

It was noted that apologies for absence had been received from Andrew Cowie and Sharon O'Connor.

2. Declarations of interest

There were no declarations of interest.

3. Order of business

It was agreed that the following items be considered in private:

- Item 11, as it proposed a draft publication which the Commission is to consider in private before publishing.
- Item 12, as it proposed a draft performance audit which the Commission is to consider in private before publishing.
- Item 13, as it may have required the Commission to consider confidential policy, commercial and contractual matters.

The Chair advised that there was no business for item 14.

4. Minutes of meeting of 10 March 2022

The minutes of the meeting of 10 March 2022 were approved as a correct record,

Arising therefrom, the Commission:

- Noted the following:
 - In relation to item 5, first bullet point (first sub-bullet), advice from the Secretary that self-evaluation was covered on an initial basis at the Commission's recent Strategy Seminar.
 - In relation to item 5, first bullet point (second sub-bullet), advice from the Secretary that a response to the emergency consultation by the Chartered Institute of Public Finance and Accountancy / Local Authority (Scotland) Accounts Advisory Committee Local Authority Accounting Code Board (CIPFA/LASAAC) on proposals by the Department for Levelling Up, Housing and Communities (DLUHC) on accounting requirements in the light of continuing delays in completing local audits in England had been submitted and shared with members.
 - In relation to item 5, first bullet point (third sub-bullet), advice from the Secretary that the tight timescales in the consultation meant that only limited engagement took place with auditors on the consultation.
 - In relation to item 5, third bullet point (first and fourth sub-bullets), advice from the Secretary that he was discussing with the Chair of Audit Scotland Equalities and Human Rights Steering Group (i) the definition of and approach to human rights in the Commission's work; and (ii) the effect on its audit reporting and its responsibilities of the United Nations Convention on the Rights of the Child.
 - In relation to item 5, third bullet point (second sub-bullet), advice from the Secretary that a 'stress testing' approach to public services in relation to the financial and social impact of Covid-19 would feature for discussion as part of future proposals on the refresh of the work programme.

- In relation to item 5, third bullet point (third sub-bullet), advice from the Secretary that public involvement and participation in audit work was discussed at the Commission's recent Strategy Seminar and thus would feature in an action plan arising from the event.
 - In relation to item 7, second and fifth bullet points, advice from the Secretary that the Commission's use of Local Government Benchmarking Framework (LGBF) data in its reporting was discussed at the Commission's recent Strategy Seminar and thus would feature in an action plan arising from the event.
 - In relation to item 7, fourth bullet point, advice from the Secretary that the points raised by Stephen Moore in discussion had been referred to the LGBF Board for its consideration.
 - In relation to item 7, tenth bullet point, advice from the Secretary that dialogue with the LGBF Board on the future development of the project had been initiated, starting with a meeting of the Board on 27 April.
 - In relation to item 8, sixth bullet point, advice from the Secretary that Commission members had discussed potential Best Value thematic audit work in 2022/23 at the recent Strategy Seminar, a proposal from which would be discussed at a meeting with appointed auditors on 25 April.
 - In relation to all other actions, advice from the Secretary and Interim Controller of Audit and Director of PABV that matters were subject to ongoing discussion.
- Agreed that for future meetings of the Commission, matters arising from previous minutes be set out in a written report.

Action: Secretary

5. Annual governance review

The Commission considered a report by the Secretary on the conclusion of a review of the Commission's governance arrangements.

During discussion, the Commission:

- Noted advice from the Secretary, in response to a query from Geraldine Wooley, of the interest of the Standards Commission in the requirements in the Board Member Code of Conduct on member involvement in strategic and operational matters.
- Noted advice from the Secretary, in response to a query from Andrew Burns, that the Commission's Best Value Working Group has a finite timescale, decided by the Commission.
- Noted advice from the Secretary, in response to a query from William Moyes, that he would consider any implications of the UK Corporate Governance Code on the Commission's Code of Conduct.

Action: Secretary

Following discussion, the Commission:

- Endorsed the conclusion of the annual governance review.
- Agreed the recommendations in the report.
- Agreed that an interim update on progress be made in six months.

Actions: Secretary

6. Strategic Alliance between the Accounts Commission and the Improvement Service: Annual Review

The Commission considered a report by the Secretary reviewing the Strategic Alliance between the Commission and the Improvement Service (IS) and proposing joint priorities for the next 12 months.

The chair welcomed Sarah Gadsden, Chief Executive of the IS who was present participate in discussion

During discussion, the Commission:

- Noted advice from Sarah Gadsden that she would invite the Commission to an early meeting of the IS Board following the local government election.
- Noted advice from Sarah Gadsden, in response to queries from Tim McKay and Sheila Gunn, on ongoing and planned work by the IS on elected member development.
- Noted advice from Antony Clark, in response to a query from William Moyes, on the potential of future discussions between the IS, Commission and Audit Scotland on a longer-term collaborative approach to supporting elected member development.
- Noted advice from Sarah Gadsden, in response to a query from William Moyes, that she would provide further information on the IS's approach to developing measures of the impact of its work.

Action: Secretary

- Noted advice from Sarah Gadsden, in response to a query from Stephen Moore, on ongoing and planned work by the IS on supporting elected members in effectively scrutinising the impact of the Covid-19 pandemic on local outcomes.
- Noted advice from Sarah Gadsden, in response to a query from Tim McKay, on the support provided by the IS to South Ayrshire Council following the Commission's publication of its Best Value Assurance Report on the Council.

Following discussion, the Commission:

- Noted the progress of the Strategic Alliance between the Commission and the IS.
- Agreed to restate and underline its commitment to the Alliance and articulate accordingly to a new IS Board in place following the local government elections.
- Agreed to retain and further develop the joint priorities agreed as a basis for the Alliance.
- Noted that the Secretary will report back on the new IS Board's review of the Alliance.
- Agreed a further review in 12 months' time, but with an interim report of progress before then.

Actions: Secretary

7. 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.

The Commission noted advice from the Secretary that, in line with the approach agreed with Commission members, members had been given the opportunity to provide queries on the Secretary's report in advance of the meeting, a response to which he would circulate to members.

During discussion, the Commission:

- Noted advice from the Interim Controller of Audit, in response to a query from Stephen Moore, that a reported £3.3 million shortfall in Moray Council's early learning and childcare budget would be subject of consideration by the appointed external auditor.
- Noted advice from the Secretary, in response to a query from Christine Lester, that his update report to the next meeting of the Commission would refer to the consideration by the Scottish Parliament's Public Audit Committee on 31 March of the Commission and Auditor General's recently published briefing on drug and alcohol services.

Action: Secretary

Following discussion, the Commission:

- Agreed not to respond to the consultations highlighted at paragraphs 39, 44 and 73 of the report.
- Agreed to respond to the upcoming consultation highlighted in paragraph 73 when it goes live.

Actions: Secretary

- Noted the report.

8. Chair's update report

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

9. Interim Controller of Audit update report

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

10. Any other public business

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

The livestream of the meeting was stopped at this point.

11. Local government in Scotland: Overview 2022 – draft report (in private)

The Commission considered a report by the Interim Director of PABV proposing the draft *Local government in Scotland: Overview 2022* report and the process for finalising, publishing and promoting the report.

Following discussion, the Commission:

- Approved the report, to be published on 26 May, subject to the drafting team considering, in conjunction with the sponsors William Moyes and Tim McKay, points raised in discussion.

Action: Interim Director of PABV

- Agreed proposals for publishing and promoting the report, including:

- Encouraging ideas from members on themes or subjects for blogging activity around the publication of the report.
- Further to this end, one such idea on the impact of the pandemic and service disruption on communities already experiencing inequality (suggested by Andrew Burns).
- A seminar-type event aimed at local government stakeholders, aimed at promoting the messages in the report and considering how they are acted upon.

Action: Interim Director of PABV and Secretary

- Agreed that further information on the publication and promotion plan be provided at the next meeting.

Action: Interim Director of PABV and Secretary

- Agreed that it consider the future approach to its overview reporting at a future meeting.

Action: Interim Director of PABV and Secretary

12. Performance audit: draft report – Reviewing Scotland’s financial response to the Covid-19 pandemic (in private)

The Commission considered a report by the Interim Director of PABV inviting the Commission to approve the draft performance audit report on Scotland’s financial response to Covid-19.

During discussion, the Commission:

- Noted advice from the Interim Director of the challenges inherent in this work, particularly around the constantly changing public finance environment.
- Noted advice from the Interim Director, in response to a query from Christine Lester, that council reserves will be a core feature of next year’s local government financial overview reporting.
- Noted advice from the Interim Director, in response to a query from Stephen Moore, of the continued importance of the annual audit process in providing accountability on financial resources.

Following discussion, the Commission:

- Approved the draft performance audit report, to be published on 9 June, subject to the drafting team considering, in conjunction with the sponsors Sophie Flemig and Sheila Gunn, points raised in discussion.
- Agreed to give sponsors delegated authority to finalise the content of the audit report through discussion with the audit team and the Auditor General for Scotland.

Actions: Interim Director of PABV

- Agreed, in the absence of a publication and promotion being provided with the report, that the audit team liaise with the report sponsors on this plan.

Action: Interim Director of PABV

13. Best Value Working Group update (in private)

The Commission considered a report by the Secretary providing an update on the work of the Best Value Working Group (BVWG).

Following discussion, the Commission noted the report.

14. Any other private business

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

15. Close of meeting

The meeting closed at 12.20pm.

MEETING: 12 MAY 2022

REPORT BY: SECRETARY TO THE COMMISSION

AUDIT SCOTLAND BOARD UPDATE

Purpose

1. This report provides an update on the business of the Audit Scotland Board.

Background

2. Audit Scotland is established in statute to “provide such assistance and support as the Auditor General and the Accounts Commission require in the exercise of their respective functions and, in particular, is to provide them, or ensure that they are provided, with the property, staff and services which they require for the exercise of those functions”.¹
3. Audit Scotland (i.e. its Board) consists of the Auditor General for Scotland, the Chair of the Commission, and three other members.² These three members, including a Chair, are appointed by the Scottish Commission for Public Audit.³
4. As well as being a member of Audit Scotland’s Board, the Commission Chair is also a member of its two committees, the Audit Committee and the Human Resources and Remuneration Committee.
5. In [Public Audit in Scotland](#)⁴, the Commission, the Auditor General for Scotland and Audit Scotland set out how they together deliver public audit in Scotland. They state that “by working together and each fulfilling our distinct roles, the Auditor General, the Accounts Commission and Audit Scotland will ensure a strong system of public audit works to support transparency and promote improvement in the performance of public bodies.”
6. To this end, the Commission at its meetings considers for its interest the business of Audit Scotland Board.

Current Board business

7. This report provides the Commission with the latest available minutes from the meeting of the Audit Scotland Board, in this case the meeting of 26 January 2022. They are attached in Appendix 1.
8. The most recent meeting of the Board was on 5 April 2022, but the minute of this meeting is not yet publicly available as it is yet to be ratified by the Board. This will be available after the next Board meeting on 17 May 2022 and considered by the Commission at its June meeting.

¹ Public Finance and Accountability (Scotland) Act 2000, Section 10(3).

² Public Finance and Accountability (Scotland) Act 2000, Section 10(2).

³ The Scottish Commission for Public Audit was established under Section 12 of the Public Finance and Accountability (Scotland) Act 2000 and is made up of 5 MSPs. Its main areas of responsibility are to (a) examine Audit Scotland’s proposals for the use of resources and expenditure and report on them to the Parliament; (b) appoint an auditor to audit the accounts of Audit Scotland; (c) lay these accounts and auditor’s report before the Parliament; and (d) appoint three of the five members of Audit Scotland’s Board, including its Chair.

⁴ *Public Audit in Scotland*, Accounts Commission, Auditor General and Audit Scotland, May 2015.

9. The Commission has agreed however that the agenda for the most recent Board meeting be provided (even if the minute is not yet available). The agenda is attached in Appendix 2. The Chair will provide a verbal update on any relevant business for members' interest and invites questions from members to this end.

Conclusion

10. The Commission is invited to consider this update for its interest and seek further information from the Chair as appropriate.

Paul Reilly
Secretary to the Commission
1 May 2022

Minutes Board



Wednesday 26 January 2022, 10.00am
Audit Scotland by Video conference

Present:

Alan Alexander (Chair)
Stephen Boyle
Colin Crosby
Jackie Mann
William Moyes

Apologies:

There were no apologies.

In attendance:

Martin Walker, Acting Director of Corporate Services
Stuart Dennis, Corporate Finance Manager
Simon Ebbett, Communications Manager
Michelle Borland, Business Manager, Performance Audit and Best Value
Elaine Boyd, Associate Director, Audit Quality and Appointments
Owen Smith, Senior Manager, Audit Quality and Appointments
John Gilchrist, Manager, Audit Quality and Appointments
Mark Roberts, Audit Director, Performance Audit and Best Value

1. Private meeting of Board members

The Board met privately and there were no matters arising.

2. Welcome and apologies

Martin Walker, Acting Director of Corporate Services, Stuart Dennis, Corporate Finance Manager, Simon Ebbett, Communications Manager, joined the meeting.

The Chair welcomed attendees to the meeting and formally welcomed William Moyes to his first meeting as a member of the Board following his appointment as Chair of the Accounts Commission. The members recorded their thanks to Elma Murray, the former Interim Chair of the Accounts Commission for her contribution to the Board during her appointment.

3. Declarations of interest

There were no declarations of interest.

4. Items to be taken in private

The Chair invited members to agree that the reports at items 16, 17, 18 and 19 of the agenda be considered in private based on the reasons set out on the agenda. The Board agreed.

5. Chair's report – verbal update

The Chair invited members to note he had joined the tender interview panel for the new audit appointments which had been held on 10,11 and 17 January. He advised of regular meetings with Stephen Boyle, Auditor General for Scotland and Accountable Officer on a range of operational matters including the reshaping of Audit Scotland's management structure and of an introductory meeting with William Moyes following his appointment as Chair of the Accounts Commission.

The Chair referred to his attendance, with Stephen Boyle and colleagues, at the evidence session with the Scottish Commission for Public Audit on Audit Scotland's 2021/22 Spring Budget Revision and 2022/23 Budget Submission, noting an update on which will be considered at item 11 of today's agenda.

The Chair expressed his thanks to Stephen Boyle and the UK Auditors General for hosting the insightful keynote session on 25 January 2022, 'Audit without borders'.

The Chair advised members of engagement with Judith Strange on the agenda for the Board's next development session proposed to be held on 5 April 2022.

The Board welcomed the update.

6. Accountable Officer's report – verbal update

Stephen Boyle welcomed William Moyes to the Board and that he was looking forward to working with him both on this forum and in his capacity as Chair of the Accounts Commission.

Stephen advised the Board of regular meetings with the Chair and reflected on the level of activity across the organisation as Audit Scotland progresses the delivery of the dynamic work programme and financial audits and he recorded his thanks to colleagues for their continued dedication and commitment.

Stephen invited the Board to note the recent publication of five section 22 reports and two further pending reports on the 2020/21 audit of public bodies in Scotland. The Board also noted the publication of an additional assurance report on Public Income Tax alongside the audit of the Scottish Income Tax which is conducted by the Controller and Auditor General of the NAO as part of his audit of HMRC, and the publication of a section 23 report on skills planning arrangements in Scotland.

Turning to Parliamentary engagement, Stephen invited members to note a range of activity including briefings and attendance at evidence sessions with the Public Audit Committee throughout November, December 2021 and January 2022.

Stephen invited members to note the culmination of Audit Scotland's 2021 Conference series with a keynote session 'Audit without borders' when he was joined by the Auditors

General from the National Audit Office, Audit Wales and Northern Ireland Audit Office. The members noted the session was joined by more than 400 colleagues from the respective agencies and noted ongoing engagement with the UK and Ireland Auditors General as part of the Public Audit Forum.

Stephen advised members of an introductory meeting with the National Statistician Professor Sir Ian Diamond to hear more of the work of the Office for National Statistics.

The members also noted the communication to all staff on increased access to offices following the latest announcement by the Scottish Government and welcomed the continued engagement with colleagues by way of pulse surveys, drop in sessions and the forthcoming Best Companies Survey.

The Board welcomed the update.

7. Accounts Commission Chair's report – verbal update

William Moyes, Chair of the Accounts Commission, advised members that since his appointment on 1 January 2022 he had engaged with colleagues through a series of introductory meetings and expressed his thanks to colleagues for their time.

William invited the Board to note Andy Cowie's blog in November 2021 on assurance and scrutiny on Scotland Housing benefits services and advised that the Commission had published its Statutory Performance Information Direction for Councils on 21 December 2021, a Best Value report on Falkirk Council on 13 January 2022 and that a briefing on Social Care is scheduled for 27 January 2022.

On future publications, the Board noted plans to publish a newsletter for councillors, the Best Value report on Moray Council (scheduled for 3 March 2022), the Local Government Overview (10 March 2022) and a report on Orkney and Shetland Joint Valuation Board (end of March 2022). In addition, William advised of joint briefings with Auditor General for Scotland on supporting business through the pandemic and planning Scotland's economic recovery and a publication on Drug and Alcohol Services (March 2022).

The Board welcomed the update.

8. Review of minutes

Board meeting: 22 November 2021

The Board considered the minutes of the meeting of 22 November 2021, which had been previously circulated.

The Board approved the minutes as an accurate record of the meeting, subject to the correction of a minor typographical error.

9. Review of action tracker

The Board noted the updates provided on the action tracker.

The Chair sought Board approval to close action ASB152 following Stuart Dennis' update to the Accounts Commission's Financial Assurance Audit Committee on 25 November 2021. The Board agreed the closing of this action.

Martin Walker clarified the position in relation to ASB149, advising this will come to the Board meeting on 5 April 2022 as part of Q3 corporate performance reporting.

10. Covid-19 update

Martin Walker introduced the Covid-19 update report, copies of which had been previously circulated.

Martin invited the Board to consider the report, the actions taken to date in response to the Covid-19 pandemic, the ongoing actions and next steps.

The Board noted the First Minister's announcement on 25 January 2022 indicating the likelihood of a move to hybrid working for businesses and the forthcoming publication of guidance by the Scottish Government.

Martin invited members to note that Audit Scotland would return to Phase 3 of the 'our workplaces' plan this week and that there is a review of measures planned to enable Phase 4 access. The Board noted further consideration of the formulation of a hybrid operating model and that colleague engagement was underway to inform both expectations and the future needs of business. In addition, the Board noted that additional KPIs will be developed as appropriate.

The Board welcomed the update on the completion of financial audits, noted the relatively low completion rate for Colleges at this stage and welcomed assurance that Audit Scotland are able to distinguish those audits which have been directly impacted by Covid-19 and those where issues pre-date the pandemic.

Following discussion, the Board welcomed the update and noted the actions taken to date in response to the Covid-19 pandemic, the ongoing actions and the next steps.

11. 2021/22 Spring Budget Revision and 2022/23 Budget proposal – verbal update

Martin Walker provided a verbal update on the 2021/22 Spring Budget Revision and 2022/23 Budget proposal and the evidence session with the Scottish Commission for Public Audit held on 22 December 2021. The Board were invited to note the SCPA's subsequent recommendation to the Public Finance Committee of Audit Scotland's budget submission which is being considered in Parliament later today.

The Board noted the forthcoming SCPA business planning day on 23 February 2022 and discussed the proposed agenda and format for that meeting.

Stuart Dennis advised the Board that planning is underway in relation to new audits and associated costs together and of the development of the Medium Term Financial Plan which is scheduled to come to the Board in April 2022.

The Board welcomed the update.

12. Our purpose – Workstream update

Michelle Borland, Business Manager, Performance Audit and Best Value, joined the meeting.

Simon Ebbett introduced the Our purpose – Workstream update report, copies of which had been previously circulated.

Simon invited the Board to note the scope and outline of the project and the existing resources which the project will draw from. He also highlighted the links between the core components and the proposed timeline for engagement with stakeholders, the Auditor General for Scotland, Accounts Commission, Leadership Group, colleagues, and advised of the development of proposals for engagement with the public.

During discussion, the Board considered the development of the strategic plan, proposed engagement and timing of publication of Public Audit in Scotland and Audit Scotland's Corporate Plan. Turning to the Partnership Working Framework, the Board noted that the respective responsibilities of the Auditor General for Scotland, Accounts Commission, and Audit Scotland are set in statute and agreed that there was merit in the Framework forming part of our suite of external publications.

Following discussion, the Board welcomed the update, noted the scope and outline of the project and plans for stakeholder engagement and agreed a further detailed discussion be scheduled for June 2022.

**ASB160: A Board meeting to be scheduled for discussion and formal approval.
(June 2022)**

Michelle Borland, Business Manager, Performance Audit and Best Value, left the meeting

13. Any other business

There was no other business for discussion.

14. Review of meeting

The members welcomed the quality, content and comprehensive nature of the reports in supporting helpful and detailed discussion.

The Chair thanked everyone for their contributions.

15. Date of next meeting: 5 April 2022

The members noted the next meeting of the Audit Scotland Board is scheduled for 5 April 2022.

Items taken in private

16. Building strategic capacity

Martin Walker left the meeting.

Alan Alexander introduced the Building strategic capacity report, copies of which had been previously circulated.

The Chair reflected on the meeting of 7 January 2022 and the overall support by Board members subject to points of clarification on the proposed structure and invited Stephen to provide an update.

Stephen thanked members for their feedback and reported further consideration of the balance of reporting lines for the Executive Director of Innovation and Quality. The direct reports to this Executive Director will include the Head of Learning and Development and Head of Organisational Improvement.

The Board noted engagement with executive search organisations to support the forthcoming recruitment campaigns and, following consideration of the bids, Stephen confirmed an appointment had been made.

During discussion, the Board noted the anticipated timing of the appointments, confirmed departure date of the Director of Audit Services and reflected on the impact and risk for managing this business group until appointments have been made. In addition, the Board sought clarification on the responsibility for training and trainees and the strategic scope of the Chief Operating Officer's role.

The Board noted the engagement with Leadership Group, Corporate Services Manager and Professional Support on the proposed structure and noted the forthcoming engagement with the Accounts Commission at its meeting on 10 February 2022.

On role profiles, Stephen advised that he had met with the external consultant to benchmark spot rates for these roles and will further report on this and the respective role profiles by correspondence, with a further update to be provided at the meeting of the Remuneration and Human Resources Committee on 2 March 2022.

Following discussion, the Board welcomed the update and endorsed its support for the proposals as agreed by the Board at its informal meeting on 7 January 2022.

Action ASB161: An update to be scheduled for the Remuneration and Human Resources Committee meeting on 2 March. (March 2022)

17. New audit appointments – verbal update

Elaine Boyd, Associate Director, Owen Smith, Senior Manager, John Gilchrist, Manager, and Kathrine Sibbald, Project Manager, Audit Quality and Appointments, joined the meeting. Martin Walker re-joined the meeting.

The Chair provided a verbal update on the legal advice on the draft Audit Quality complaints procedure for the Auditor General for Scotland and the Accounts Commission which had confirmed the process was fit for purpose in relation to the new audit appointments.

The Chair advised members of the process for the procurement of audit appointments. This included a desk-based evaluation of the tenders, interviews with the selected firms followed by a moderation meeting to agree the proposed appointments. In addition, a further meeting had been held to assess the affordability of the appointments, a report on which appears at Item 18 of today's agenda.

The Chair advised the Board of his intention to stand down the New Audit Appointments Steering Group after its next meeting on 22 February 2022 as its work had been

completed. The members noted a lessons learned review exercise by the New Audit Appointments Steering Group was scheduled for that meeting and an update would come to the Board at its meeting on 5 April 2022.

Following discussion, the members welcomed the update and supported the Chair's proposal to dissolve the New Audit Appointments Steering Group following conclusion of its meeting on 22 February 2022.

Action ASB162: An update report from the New Audit Appointments Steering Group to be scheduled for the next meeting of the Board. (April 2022)

18. New audit appointments – affordability

Elaine Boyd introduced the New Audit Appointments – Affordability Report, copies of which had been previously circulated.

Elaine advised the Board of the consideration of the affordability of the bids received from the procurement exercise and invited the Board to consider whether the bids are affordable, the risks in relation to capacity if the number of appointments was reduced and sought the Board's approval for the contracts to be awarded.

During detailed discussion, the Board reflected on the internal and external challenges overcome as part of the project and welcomed the compliance with best practice for the procurement exercise.

Elaine invited the Board to note all audits with the exception of one had received bids and advised of the option to run a mini competition tender. She also advised of the process to review any potential conflicts of providers and highlighted a market review in relation to one bid received which was in excess of the anticipated fee. The Board considered the number of bids, ability to rotate auditors, and likely future public sector reform over the course of these appointments and welcomed the flexibility of the clarity and assurance provided.

Following discussion, the Board accepted the conclusions on affordability and approved the recommendation to appoint six audit firms and noted the issue of letters to the successful firms early next week following which there would be a 10 day quarantine period prior to the award of those contracts.

The Board reflected on the overall project and expressed its thanks to the Audit Quality and Appointments team.

Elaine Boyd, Owen Smith, John Gilchrist and Kathrine Sibbald left the meeting.

19. Stakeholder engagement update

Mark Roberts, Audit Director, Performance Audit and Best Value joined the meeting and Simon Ebbett, Communications Manager, re-joined the meeting.

Simon Ebbett introduced the Stakeholder engagement update report, copies of which had been previously circulated.

Simon invited the Board to note the results from the recent engagement undertaken on behalf of Audit Scotland, the key findings reported and areas for further consideration.

During discussion, the Board welcomed the engagement and reported levels of awareness and considered engagement and feedback from other groups which could be developed.

Following discussion, the Board noted the report and welcomed a suggestion that the Board have a further discussion on stakeholder engagement at a later date.

Action ASB163: A further discussion on stakeholder engagement to be scheduled.

Mark Roberts and Simon Ebbett left the meeting.

Agenda

Tuesday 5 April 2022 at 10.00am

1. Private meeting of members
 2. Welcome and apologies
 3. Declarations of interest
 4. Items to be taken in private
-

Standing items

- | | |
|---|-----------------|
| 5. Chair's report - verbal update | For information |
| 6. Accountable Officer's report - verbal update | For information |
| 7. Accounts Commission Chair's report - verbal update | For information |
| 8. Review of minutes: <ul style="list-style-type: none">• Board meeting: 26 January 2022• Audit Committee meeting: 10 November 2021• Remuneration and Human Resources Committee meeting: 10 November 2021 | For approval |
| 9. Review of action tracker | For information |
| 10. Covid-19 update | For information |
-

Strategic priorities

- | | |
|--|-----------------|
| 11. Strategic Improvement Programme update | For information |
|--|-----------------|
-

Business planning, performance and governance

- | | |
|---|-----------------|
| 12. 2022/23 Operational budget | For approval |
| 13. Q3 Financial performance report | For information |
| 14. Q3 Corporate performance report | For information |
| 15. Best Companies survey results | For information |
| 16. Annual policy review of Freedom of Information and Environmental Information requests | For approval |
| 17. Data Protection Policy | For approval |

18. Scheme of Delegation and Management Team quorum For information

Conclusion

19. Any other business For discussion

20. Review of meeting For discussion

21. Date of next meeting For information

Items to be taken in private

22. New Audit Appointments – Lessons learned For discussion

[Item to be taken in private to support the effective conduct of business and commercial sensitivity]

23. Audit Scotland Annual Report and Accounts 2021/22 For discussion

[Item to be taken in private to support the effective conduct of business, and intended for future publication]

24. Internal audit procurement For approval

[Item to be taken in private to support the effective conduct of business, commercial]

MEETING: 12 MAY 2022

REPORT BY: SECRETARY TO THE COMMISSION

SECRETARY'S UPDATE REPORT

Purpose

1. The purpose of this report is to provide an update to the Commission on significant recent activity relating to local government.
2. The Commission receives regular information to complement this report, which is available through the [members' SharePoint site](#). This includes:
 - The Controller of Audit report to the Commission, updating the Commission on his activity.
 - An update on issues relating to local government which is considered by the Commission's Financial Audit and Assurance Committee.
 - A weekly news coverage briefing provided to the Commission by Audit Scotland's Communication Team.

Commission business

Publications and activities

3. Audit Scotland collects media coverage on all reports published by the Accounts Commission. [Appendix 1](#) provides download and view statistics for the Commission's published reports and blogs over the last 12 months, as of 31 March 2022. [Appendix 2](#) provides additional information on the overall engagement that reports, and other business received on social media, as of 29 April 2022.
4. Due to the moratorium period between 24 March and 5 May 2022, the Commission restricted its social media activity except for a Tweet promoting its monthly meeting. As a result, April was a quiet month in terms of social media activity resulting in low numbers of impressions (the number of browsers exposed to the Commission's social media content) compared to previous months with only 2,009 impressions compared to 33,100 in March and 8,000 in February. As expected, clicks, retweets, likes and video views were also low compared to previous months.

Forthcoming publications and activities

5. Between 24 March and 5 May 2022, the Commission is not releasing any publications in respect of the moratorium for local government elections.
6. During May the following activities are planned:
 - Publication of:
 - A blog on the Commission's January briefing on Social Care, to be published by the Improvement Service and repromoted on the Commission's Twitter account (date to be confirmed).

- A blog by William Moyes about the Improvement Service Strategic alliance (date to be confirmed)
 - A blog by Stephen Moore about Children with Additional Support Needs (17 May).
 - A vlog/video by Andy Cowie about the May Commission meeting (20 May).
 - The publication of the updated joint work programme with the Auditor General of Scotland (25 May)
 - The publication of the Local government overview 2021 report on (27 May).
- The Commission Chair will be writing a letter welcoming new councillors after the local elections, accompanied by social media promoting this.

Other Commission business

7. On 13 April, the Commission met with representatives of Orkney and Shetland Joint Valuation Board to discuss the [statutory report](#) on the Board which the Commission published on 22 March. The Commission was represented by William Moyes (Chair) and Paul Reilly (Secretary to the Commission). The Board was represented by Councillor Andrew Drever (Convener) and Karen Greaves (Clerk). At the meeting, the Board confirmed that following the local government election, a newly appointed Board will consider the Commission's findings and agree an appropriate response
8. On 9 May, the Commission advertised for applications for the Controller of Audit role. The advert is open for four weeks.
9. In June, the Scottish Government will advertise for applications for four new members of the Commission, to be appointed for an initial period of four years from early October 2022. The Commission will also be undertaking its own promotional campaign around these appointments, including outreach events for individuals who may be interested in becoming a member of the Commission.
10. Members are asked to review the members' communications schedule on the [members' SharePoint site](#). This includes a list of planned publications and activities for the year, along with indicative roles for members in promotion and engagement activities. This document is live and is updated monthly, following discussion with Audit Scotland's communications team.

Auditor General

11. On 21 April the Auditor General [published](#) a report on the 2020/21 audit of South Lanarkshire College. The independent audit was unable to conclude that governance at the college had been satisfactory in the last year and found a number of areas where the college did not fully comply with the Code of Good Governance for Scotland's Colleges.

Audit Scotland

12. During March Audit Scotland [retained](#) its Silver Healthy Working Lives award after the Healthy Working Lives team submitted a portfolio of evidence and met with the assessor. The team are now working on their action plan for 2022 and the Health and Wellbeing Strategy for the next three years.

13. On 30 March Audit Scotland [published](#) its gender pay gap report for 2021 as at 31 March 2021 and giving an overview of the steps being taken to continue to reduce the gap.
14. On 7 April Audit Scotland Management Team and Leadership Group shared a [summary](#) of the most recent Best Companies Survey in which Audit Scotland retained One Star accreditation. The Commission will meet the Auditor General following its June meeting.
15. On 18 April, following the latest change relating to the requirement to wear face coverings in public places, Audit Scotland advised staff that in line with the latest Scottish Government [guidance](#), and following discussions with office landlords, staff are being requested to continue to wear face coverings when moving around Audit Scotland offices and in common areas.
16. Over 20-21 April Audit Scotland held three hybrid sessions with colleagues interested in choosing active travel and hear views on facilities at Audit Scotland offices.
17. On 27 April Audit Scotland published an interim progress report on mainstreaming equality and equality outcomes. This is an agenda item for today's Commission meeting.
18. On 14 July Audit Scotland will publish its annual fraud and irregularity report 2020/21. Audit Scotland plays an important role in deterring and detecting fraud in public bodies, and in helping organisations prevent the loss of public money through mistakes. Part of its counter-fraud work involves sharing examples of where fraud has been identified in public bodies. Audit Scotland shares this information anonymously through quarterly technical bulletins and a summary report after the year end. The purpose is to share information about cases where internal control weaknesses have led to fraud and irregularities. This will allow audited bodies to review their arrangements to help prevent similar circumstances happening again. The report will be shared with Commission members.

Issues affecting Scottish local government

Scottish Government

19. On the 4 April the Scottish Government published [guidance](#) for public bodies on procurement implications and options that may be taken in relation to discouraging activity that may support the Russian government's action on Ukraine.
20. On the 13 April the Scottish Government [published](#) details of its consultation of the key aspects of the revised National Strategy for Community Justice. Due to the specific nature of this consultation, it is not proposed that the commission would respond.
21. On 19 April the Scottish Government [published](#) statutory guidance to support appointing persons and public authorities to carry out functions under the Gender Representation on Public Boards (Scotland) Act 2018.

Local government general

22. On 1 April Unison [announced](#) plans to consult local government members on taking industrial action over pay after an initial offer from COSLA of a 2% increase across the board and an increase in the Living Wage hourly rate to £9.98 was rejected.
23. On 1 April the Scottish Government [published](#) guidance for local authorities on the Scottish Government's Super Sponsorship Scheme and Scotland's responsibilities under the UK Government's Homes for Ukraine scheme.

24. On 22 April the Scottish Government [published](#) its updated finance circular 2/2022 providing guidance for local authorities in the delivery of the cost of living award.

Health and social care

25. On 31 March the Scottish Government [published](#) details of new Standards for Health and Social Care in adult care homes. The two new Standards set out the expectation that people living in care homes should have the right to see someone who is dear to them, even during a Covid-19 outbreak, and be able to name a person or persons who can directly participate in meeting their care needs. The Care Inspectorate will consider whether they are being met when registering, inspecting and supporting homes.
26. On 3 April the Scottish Government [published](#) details £25 million funding for drugs services. A total of 77 initiatives working with people affected by drug use are to receive awards totalling more than £25m over the next five years. Grants of more than £6m in total have been allocated to 16 organisations providing residential rehabilitation and pre- and post-rehabilitation support to enable further enhancement of services. A further 38 awards totalling more than £10m have been made to organisations that support people through recovery and 23 projects working with children and families have received funding of almost £9.5m.
27. On 11 April the Scottish Government published a range of information relating to the Tayside Mental Health Inquiry and Tayside Mental Health Service Oversight Group. This included the oversight group's first [quarterly report](#) and four themed [work plans](#).

Education

28. On 12 April the General Teaching Council for Scotland [announced](#) the appointment of Ms Khadija Mohammed as convener of the GTCS council. She is its first black, Asian and / or minority ethnic (BAME) convener. Ms Mohammed previously worked as a Primary teacher and is a university lecturer.

Social Security

29. On 3 April the Scottish Government [published](#) details about employability services helping those at greatest risk of long-term unemployment are to receive up to £113 million of funding. This includes £60 million for the No one Left Behind and the Young Person's Guarantee in the 2022/23 budget plus additional investment in the Parental Employability Support Fund and Tackling Child Poverty.
30. On 12 April the Scottish Government [published](#) a report analysing the impacts of UK Government reform on households with children in Scotland. The report estimates that 70,000 people in Scotland, including 30,000 children would be lifted out of poverty by 2024 if the UK Government welfare reforms introduced since 2015 were reversed. The report estimates that the cost of reversing the changes, including the removal of the £20 per week Universal Credit uplift and two children benefit cap, would be around £780 million a year.

Communities

31. On 12 April, the Scottish Government [published](#) details of an increase in funding for the Outdoor Community Play Fund to £550,000 for the year 2022-23. The fund will also support four pilot projects providing outdoor play opportunities for children with additional support needs.
32. On 26 April the Scottish Government [published](#) plans to automatically pay the Best Start Grant Early Learning and School Age Payments to parents and carers who already receive Scottish Child Payment when their children become eligible.

Economy and business

33. On 13 April the Scottish Government published new measures to revitalise town centres and regenerate local economies in a [joint response](#) with COSLA to the Town Centre Action Plan [review](#) which was launched in June 2020 and published in February 2021. A spokesperson from COSLA [welcomed](#) the response and that the framework will help towns to contribute to national targets as well as open up opportunities for towns. The response outlines actions to better embed a 'Town Centre First' approach to meet the needs of communities and tackle climate change. Actions include:
- ensure town centre regeneration contributes to climate action by reducing emissions, investing in low carbon transport and creating more green spaces
 - make town centre services as accessible as possible to help reduce unnecessary car journeys and prevent climate change
 - incentivise entrepreneurship by delivering the ambitions set out in the National Strategy for Economic Transformation
 - support businesses with town centre premises by exploring a new online sales tax that helps traditional businesses compete with those operating online
 - use the planning system to limit out of town development and ensure the non-domestic rates system continues to support our net zero ambitions
 - require developers to install and optimise digital connectivity in new town centre housing developments and support community organisations delivering digital skills training
34. On 14 April the Scottish Government published its labour market monthly briefing for [April 2022](#). This summarises employment and economic inactivity from the Labour Force Survey and other labour market statistics from a range of official sources. Some of the information is broken down into Scottish local authority areas. On the 12 April SPICe [published](#) overviews of the labour market for Scotland.

Covid-19 measures

35. Throughout April, as the Scottish Government reviewed the latest evidence regarding Covid-19 and restrictions, and guidance for [workplaces and public settings](#) and coronavirus [testing](#) was updated. Updates and announcements included;
- From 4 April, the legal face covering requirement was removed for those attending places of worship, marriage ceremonies, civil partnerships, funeral services, and commemorative events.
 - From 18 April the legal requirement to wear [face coverings](#) in most public spaces and on public transport became guidance.
 - From 31 May the [Highest Risk List](#), formerly known as the Shielding list will formally end as a result of the successful vaccination programme and new treatments for Covid-19. Revised [advice](#) for people on the Highest Risk List was also published.
 - From 1 May public health advice for people who have [symptoms of Covid-19](#) will change from self-isolation to 'stay at home'.
36. On 8 April the Scottish Government [wrote](#) to all chief executives of public sector bodies following the removal of all legal restrictions relating to Covid-19 from 18 April, setting

out the Scottish Government's mitigation measures in place in Scottish Government buildings until further notice. Measures include encouraging the continued wearing of face coverings in communal areas and when moving around buildings, keeping a social distance while working and ensuring good ventilation.

Scottish Parliament

37. During April, the Scottish Parliament Information Centre (SPICe) published:
- A [blog](#) exploring the energy price crisis
 - A [blog](#) looking at how Scotland is performing against the 81 National Indicators
 - A [central hub](#) for all SPICe material on Covid-19

Parliamentary committee news

38. The Scottish Parliament was in recess from 2 to 17 April 2022, and as a result no meetings in the chamber or committee meetings were scheduled to take place at this time.
39. On 19 April, the Parliament debated the [National Planning Framework 4](#), tabled by the Local Government, Housing and Planning Committee. On 19 April, the Parliament debated the [National Planning Framework 4](#), tabled by the Local Government, Housing and Planning Committee. On 19 April, the Parliament debated the [National Planning Framework 4](#), tabled by the Local Government, Housing and Planning Committee. The Parliament agreed that the Committee's report and associated documents form the basis of the Parliament's response to the Scottish Government.

Public Audit Committee

40. During April the Committee took evidence on and [considered](#): the Commission and Auditor General update on [Drug and Alcohol services](#), Major ICT projects accountability and governance arrangements, the performance audit on the new vessels for the Clyde and Hebrides, the Commission and Auditor General's Social Care Briefing, the Section 22 Report: The 2020/21 audit of NHS Highland; and the Auditor General's work programme.¹
41. On 31 March the Auditor General, Audit Scotland Interim Director of Performance Audit and Best Value (PABV), Antony Clark and Senior Manager Jillian Matthew gave [evidence](#) on [update on Drug and alcohol services](#). This was followed by the Auditor General and Senior Manager Morag Campsie giving evidence on Major ICT projects accountability and governance arrangements relating back to previous reports considered: the Audit Scotland 2017 report [Principles for a Digital Future: Lessons learned from public sector IT projects](#) and the Public Audit and Post-legislative Scrutiny Committee's March 2021 report [Key audit themes: Managing public sector ICT projects](#).
42. On 21 April the Auditor General, Audit Scotland Interim Director of PABV, Antony Clark, Audit Director Angela Canning and Audit Manager Gill Miller gave [evidence](#) on the performance audit [New vessels for the Clyde and Hebrides](#). This was followed by the Auditor General and Senior Manager Mark MacPherson giving evidence on the [Social care briefing](#).

¹ Section 22 reports are prepared by the Auditor General if any specific concerns or issues have been raised in the annual audit of one of the public bodies for which he is responsible. This is done under Section 22(3) of the Public Finance and Accountability (Scotland) Act 2000.

43. On 28 April the Auditor General, Audit Scotland Interim Director of PABV, Antony Clark and Audit Director Angela Canning gave [evidence](#) on the report [New vessels for the Clyde and Hebrides](#). This was followed by the Auditor General and Senior Manager Leigh Johnston and Partner of Grant Thornton UK LLP Joanne Brown giving evidence on the Section 22 report [the 2020/21 audit of NHS Highland](#).

Local Government, Housing and Planning Committee

44. During April the Committee took evidence on and [considered](#): An Allotments inquiry, Non-domestic rates (Coronavirus) (Scotland) Bill, the Coronavirus (Recovery and Reform) (Scotland) Bill, the Annual Report of the Scottish Public Sector Ombudsman, the National Planning Framework 4, subordinate legislation and the work programme.

Finance and Public Administration Committee

45. During April the Committee took evidence on and [considered](#): the Scottish Government's continuous improvement programme, Skills Development Scotland: the trends behind the income tax forecasts and its work programme.

Health, Social Care and Sport Committee

46. During April the Committee took evidence on and [considered](#): The NHS in Scotland 2021, Health and Care Bill (UK Parliament Legislation), health inequalities, health and wellbeing of Children and Young People and subordinate legislation.

Covid-19 Recovery Committee

47. During April the Committee took evidence on and [considered](#): the Excess Deaths in Scotland since the start of the pandemic, the Covid-19 update, the Coronavirus acts: two -monthly reports and subordinate legislation, communication of public health information and the Coronavirus (Recovery and Reform) (Scotland) Bill.

Social Justice and Social Security Committee

48. During April, the Committee took evidence on and [considered](#): the inquiry into low income and debt problems, the Scottish Government's Child poverty delivery plan 2022-26, the Case Transfer, Kinship Care, and the work programme.
49. On 25 April the Committee [wrote](#) to Lady Poole, chair of the independent Covid inquiry, and John Swinney to set out the evidence provided to it about the impact of the pandemic regarding violence against women and girls, including disabled women and girls and those from black and ethnic minority backgrounds.

Net Zero Energy & Transport Committee.

50. On 6 April the Committee [launched](#) a snapshot inquiry into rising energy prices. The inquiry will focus on short- and medium-term solutions to high energy prices as well as longer-term structural solutions. The Committee will hold evidence sessions during April and May, hearing from a wide range of stakeholders including academics, consumer representatives, energy companies and government officials.
51. On 7 April the Improvement Service [published](#) its response to the Committee's inquiry into the role of local government and its partners in financing and delivering a Net Zero Scotland. The Commission has liaised with the Committee on the inquiry.

Education, Children and Young People Committee

52. During April the Committee took evidence on and [considered](#): the Scottish Attainment

Challenge Inquiry, British Sign Language Bill, subordinate legislation and the work programme.

53. On the 30 March, the Minister for children and young people, Clare Haughey [wrote](#) to the Education, Children and Young People and Criminal Justice Committees to notify them of the Scottish Government's [consultation](#) on the policy proposals and potential legislative reforms to promote and advance the rights of children in the care and justice systems. Due to the practical aspect of the consultation in the delivery of the legislative reforms, it is proposed the commission will not respond.
54. On 1 April, the Committee [wrote](#) to the Cabinet Secretary for Education and Skills Shirley-Anne Somerville, to request information on the timescales for education reform. The Cabinet Secretary for Education and Skills [responded](#) setting out timetables for education reform. She also confirmed operating models for new education bodies will be developed by winter 2022, with a period of shadow operation before they become operational later in 2024.

Local government news

55. On 31 March the Scottish Government [published](#) the City Centre Recovery Task Force's report co-produced with the Scottish Cities Alliance. This report sets out the specific impact of the Covid-19 pandemic on city centres and identifies the immediate priorities to support city centre recovery.
56. On 10 April the Scotsman [published](#) details of analysis showing real-terms cumulative cuts to library services over the last 10 years. Using figures from the local government benchmarking framework, Scottish Labour highlighted there had been real-terms cumulative cuts of more than £18.6 million since the last local government election in 2017, and annual spending in 2020/21 equated to 36 per cent lower than it was in 2010/11. Scottish Labour's local government spokesperson said, "Year after year of brutal cuts have left a black hole in libraries funding – and this is the case for so many local services."

COSLA

57. On 4 April COSLA [published](#) its response to the Scottish Government's spending review framework. One of the key messages made was the need to focus on prevention and drive investment upstream to reduce demand on health and social care services. In addition, the submission stated that local government has borne the brunt of funding pressures for more than a decade and the gap cannot continue to be met through further efficiencies. In addition, there are clear signs health inequalities are worsening and need to be addressed and local government funding needs to be sustainable.
58. On 11 April COSLA [published](#) an annual report setting out how local government have worked to keep The Promise and highlighting some of the work undertaken by councils alongside care experienced communities. The report highlights examples of coproduction work with care experienced communities, ways in which families have been supported to stay together, nurturing love and overcoming difficulties, making houses homes, and youth work approaches.

Improvement Service

59. On 31 March the Improvement Service [published](#) an interactive collection of local government climate change case studies showing how councils are tackling climate change. Case studies from across Scotland are given under the following nine themes; Energy and Heat, Planning and Build Environment, Nature, Nature, Climate Adaptation and Biodiversity, Waste, Recycling and Circular Economy, Transport, Children and

Youth, Community Engagement, Economy, Business and Employability and Just Transition to Net Zero.

60. On 12 April the Improvement Service [published](#) an article about how working patterns are changing and considers the opportunities and challenges hybrid working creates for those working in local government.
61. On 27 April the Improvement Service published plans about the following projects/programmes.
- A new project to coordinate a [Safe & Together Implementation Forum](#). This will bring together and support local authorities that are using the Safe & Together Framework to develop domestic-abuse informed systems, services and workforces.
 - a new project to support the implementation of the United Nations Convention on the [Rights of the Child \(UNCRC\)](#). The project's aim is to support public bodies to prepare for the incorporation of the UNCRC and to understand their duties and how best to meet these.
 - An IS Recovery and Delivery programme to support the ongoing early learning and childcare expansion work and the new Covid Recovery Strategy workstream.
 - Following the publication of the [Delivery Progress Report](#). Part of the role of the Improvement Service is to learn about and analyse the ELC workforce landscape in Scotland to provide an understanding of the challenges and priorities for service delivery and also feed into benchmarking and individual council workforce planning and development.
 - Following the publication of the Scottish Government's [Covid Recovery Strategy](#), the Improvement Service is to work with the Scottish Government's team to support the delivery of all workstreams; Evidence, Change and Assure (further details are available on the dedicated Covid Recovery Strategy [webpage](#)).

Other scrutiny bodies

Standards Commission

62. On 1 April the Standards Commission published a [blog](#) about avoiding the pitfalls of social media, following an increase in complaints about the conduct of councillors on social media. The blog also provides links to existing [advice notes](#) available.

Scottish Public Sector Ombudsman (SPSO)

63. On 20 April the SPSO published their [April](#) newsletter, outlining statistics on complaints and the publication of two cases that highlight the importance of carrying out full clinical assessments. It also includes statistics on Scottish Welfare Fund reviews, case studies and that there is a backlog in allocating complaints due to the organisation recovering from the pandemic. There is also information about updated online whistleblowing training programmes.

Scottish Housing Regulator

64. On 20 April the Scottish Housing Regulator published three updated factsheets for tenants and social landlords about complaints and significant performance failures;
- [Complaints about a regulated body](#)

- [Significant performance failures: information for tenants of social landlords](#)
- [Significant performance failures: information for social landlords](#)

Care Inspectorate

65. On 14 April the Care Inspectorate [published](#) details of its national inquiry into unpaid carers experiences of social work and social care. The Care Inspectorate is looking to understand carers' experiences of adult social work and social care services and is open until 3 June 2022.

HM Inspectorate of Constabulary Scotland

66. On 12 April, HM Inspectorate of Constabulary Scotland [published](#) their first three-year Scrutiny Plan for 2022-25 following consultation with partners and stakeholders. The plan includes scrutiny and review work relating to domestic abuse, online fraud, missing persons, legitimacy and organisational culture, as well as probationer training, strategic workforce planning, healthcare in custody and forensic services.

HM Fire Service Inspectorate in Scotland

67. On 14 April the HM Fire Service Inspectorate in Scotland [published](#) the Chief Inspector's plan for 2022-2025, following consultation with key stakeholders. The plan sets out a new inspections process considering performance across the three service delivery areas and across each Local Senior officer within the SDA against four themes; Prevention, Response, People and Partnership. In addition thematic inspections will take place and during 2022-23 will cover the operational focus of Health, Safety and Welfare in the Scottish Fire and Rescue Service, firefighting in high rise buildings, mental health and well-being and the operational impact of climate change. Potential future thematic activity includes planning and preparation for a terrorist act, the provision of specialist resources, organisational learning, national resilience assets, fire cover, HR/Workforce planning, operations control and the Retained or volunteer duty system.

Scottish public policy news

68. On 1 April the Fraser of Allander Institute [published](#) a report on trends in economic activity. Increased levels of economic inactivity were seen during the pandemic, partly due to the number of people in full-time education and early retirement among degree educated professionals. Over 20,000 more people are economically inactive due to long-term sickness.
69. On 2 April, Reform Scotland [published](#) a briefing on Scotland's education statistics urging the Scottish Government to establish an independent body, similar to the Office for National Statistics, to oversee the collection and analysis of education data in Scotland. The think tank's Commission on School Reform suggested a review of assessment and certification at secondary level will only be effective if data collection and analysis is undertaken.
70. On 8 April the Royal Bank of Scotland [published](#) findings which show there has been an increase in permanent placements and temporary billings in Scotland. Survey data from March indicates a growing imbalance between demand for staff and supply of labour resulting in a marked increase in starting salaries.
71. On 25 April the Children and Young People's Commissioner Scotland [published](#) a statement expressing concern about a lack of urgency on the incorporation of the United Nations Convention on the Rights of the Child (UNCRC) into law.

Other UK audit bodies

72. During March Audit Wales [published](#) a follow-up review report considering the shared resource service (SRS) collaboration between four councils and the Police and Crime Commissioner for Gwent and Chief Constable of Gwent Police. The SRS is a collaboration of technology provision to deliver shared Information Technology services between five partners. The review found that SRS partners consider collaboration has delivered effectively during the pandemic and would benefit from improved communication, more effective sharing of digital aspirations and learning, addressing workforce challenges and be able to demonstrate value for money.
73. On 6 April Audit Wales [published](#) a report on Direct Payments for Adult Social Care. The report found Direct Payments were highly valued but that managing and supporting people to use them varies widely, meaning service users and carers receive different standards of service. Ten recommendations to the Welsh Government and local authorities are made in the report.

UK Government

74. On 30 March the UK Parliament's Joint Human Rights Committee published a [report](#) on UK Government proposals to reform the Human Rights Act. It warns proposals to replace the act with a "British" Bill of Rights would cause confusion and result in more cases being sent to the European Court of Human Rights, cautioning attempts to strengthen freedom of speech could undermine other rights.
75. On 13 April the UK Government [published](#) details of £2.6 billion of funding to be allocated across the UK from the Shared Prosperity Fund between 2022-25. £1.58bn is being made available to communities in England, with Scotland, Wales and Northern Ireland to receive £212m, £585m, and £127m respectively. It is claimed the fund will be more flexible, locally led and will be the same in real terms to the EU structural funds it replaces. The Scottish Government [argued](#) funding allocated to Scotland for 2022-23 falls £151m short of the £183m it estimates to be an appropriate replacement for EU funds.
76. On 25 April the UK Government [published](#) its plans to resume moving benefit claimants to Universal Credit by the end of 2024 from 9 May. The initial transition was paused due to the pandemic and subsequent influx of new claimants.

UK public policy news

77. On 29 March, the Equality and Human Rights Commission [published](#) its strategic plan for 2022-25, setting out six priority areas to improve equality and human rights as the country emerges from the pandemic. It is centred on the changing workplace, experience of children and young people, health and social care provision, digital services, strengthening legal frameworks and promoting respect between groups.
78. On 1 April the Resolution Foundation [published](#) a briefing warning of increased fuel stress among poorer households, and arguing the UK Government's planned 'British Energy Security Strategy' should focus on reducing demand-side pressures in light of poorly insulated homes and growing regional inequalities.
79. On 5 April the Institute for Public Policy Research (IPPR) [published](#) findings which suggest work coach discretion for Universal Credit claimants are insufficient with a need for the DWP to explore how best to limit conditionality in a post-pandemic environment. A number of recommendations are made including extending flexibility and offering an advance where claimants hold no savings.
80. On 13 April the Office for National Statistics (ONS) [published](#) figures showing

consumer inflation rose by 7% in the 12 months to March 2022, up from 6.2% in February. This has largely been driven by increases in average diesel and petrol prices.

81. On 21 April the ONS [published](#) figures which show in early April over a quarter of businesses reported their production and/or suppliers had been affected by rising energy prices, up from 25% in the previous month.
82. On 25 April the ONS [published](#) figures showing around nine in 10 adults reported an increase in their cost of living during March, compared with six in 10 in November 2021. Nearly a quarter of adults reported difficulty paying their usual household bills in the period, with 30% reporting it was very or somewhat difficult to afford housing costs.
83. On 25 April the ONS [published](#) figures showing the disability pay gap decreased slightly from 14.1% in 2019 to 13.8% in 2021 in the UK. However, Scotland had the widest disability pay gap at 18.5%.
84. During April Deloitte [published](#) its State of the State report for 2021-22 recording public attitudes across the four nations through the pandemic and beyond. In Scotland, it has observed a growing divergence to Westminster on matters such as social mobility alongside Wales and Northern Ireland. The report also highlights the Scottish public's support for a higher tax and spend environment but that the growing cost of living has shifted perceptions broadly in line with the rest of the UK. Trust in the Scottish and Welsh governments is more buoyant than for the UK Government.
85. On 25 April the Institute for Fiscal Studies [published](#) a briefing note suggesting Covid has not fundamentally reshaped the labour market, with change in the occupational mix of vacancies no greater than would have been expected over a "normal two-year period". It has observed a shift towards vacancies in lower-paid occupations, with higher vacancies in some occupations not appearing to have pushed up wages.
86. On 28 April the Financial Times [published](#) an article about the UK Government dropping of a draft bill on the reform of audit and corporate governance from the Queen's speech which will outline the UK government's legislative programme for 2022-23. Reform had been identified as a priority following a number of corporate scandals including BHS in 2016, Carillion in 2018 and Patisserie Valerie in 2019. A number of accounting and investor groups have expressed concern at the prospect of no draft bill being included in the legislative programme.

Conclusion

87. The Commission is invited to:
 - a) Agree that it does not respond to the consultations highlighted at paragraphs 20, 53.
 - b) Note this report.

Paul Reilly
Secretary to the Commission
4 May 2022

Appendix 1 Commission reports/blogs in past 12 months: Downloads and views

Report / blog	Date	Downloads/ blog views
The 2020/21 audit of Orkney and Shetland Valuation Joint Board	22 Mar 22	268
Blog: Councils face complex and urgent challenges	21 Mar 22	202
Scotland's economy: Supporting businesses through the Covid-19 pandemic	17 Mar 22	545
Local government in Scotland: financial overview 2020/21	10 Mar 22	770
Drug and alcohol services update	8 Mar 22	855
Best Value Assurance Report progress report: Moray Council	3 Mar 22	304
Blog: The value of independence & scrutiny across local gov't	24 Feb 22	301 (+265)
Social care briefing	27 Jan 22	2,278 (+424)
Best Value Assurance Report: Falkirk Council	13 Jan 22	911 (+140)
Blog: Public performance reporting – why it matters	21 Dec 21	304 (+37)
Blog: Assurance & scrutiny on Scotland's housing benefit services	25 Nov 21	249 (*)
Community empowerment: Covid-19 update	28 Oct 21	2,517 (+154)
Best Value Assurance Report: South Ayrshire Council	27 Oct 21	673 (+52)
Auditing climate change: An update	21 Oct 21	756 (+104)
The role of sponsors in our reporting work	14 Oct 21	204 (*)
The impact of Covid-19 on Scottish Councils' benefit services	7 Oct 21	379 (*)
Blog: Christie – it really is now or never	4 Oct 21	708 (*)
Best Value Assurance Report: East Dunbartonshire Council	29 Sept 21	590 (+86)
Accounts Commission Strategy 2021-26	23 Sept 21	722 (+44)
Blog: Digital exclusion	16 Sept 21	1,104 (+131)
Blog: Child and Adolescent Mental Health Services	31 Aug 21	1,280 (+72)
Blog: Public Services & Scotland's Vol Sector during Covid-19	25 Jun 21	588 (+39)
Best Value Assurance Report: Aberdeen City Council	24 Jun 21	1,106 (+100)
Social Care: social care reform questions remain	3 Jun 21	1,955 (+64)
Accounts Commission annual report 2020/21	3 Jun 21	471 (*)
Local government in Scotland Overview 2021	27 May 21	3,749 (+240)

Note: Figures are reported as at the end of March 2022.

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	No. of publications
Apr 22	841 (+10)	2,009	0	16	3	2	0	0
Mar 22	831 (+23)	33,100	2,800	118	77	61	12	5
Feb 22	807 (+2)	8,000	1,100	60	34	32	1	1
Jan 22	805 (+13)	12,600	839	103	27	38	6	2
Dec 21	792 (+4)	6,500	108	48	20	25	2	0
Nov 21	788 (+10)	6,600	499	32	29	35	0	1
Oct 21	778 (+13)	22,500	316	93	47	97	6	6
Sep 21	765 (+8)	13,600	584	43	35	39	0	3
Aug 21	757 (-1)	11,200	339	48	3	13	0	0
Jul 21	758 (+18)	7,700	24	5	16	26	0	0
Jun 21	740 (+14)	56,900	513	348	113	174	8	1
May 21	726 (+22)	46,300	836	122	95	148	9	1
Apr 21	704 (+3)	3,300	n/a	1	1	0	0	0
Mar 21	701 (+15)	36,100	2,100	76	66	138	10	1

Figures as of 29 April 2022.

Change on previous month shown in brackets.

MEETING: 12 MAY 2022

REPORT BY: CHAIR OF ACCOUNTS COMMISSION

CHAIR'S UPDATE REPORT

Purpose

1. This report provides an update on the engagements and work of the Chair of the Accounts Commission.

Engagement and Audit Scotland business

2. The engagements and work in the period of 1 to 30 April have been as follows:

Audit Scotland Board and Committee meetings

- 5 April – Audit Scotland Board. The main items of substance covered were our Strategic Improvement Programme update, 2022/23 Operational budget, Quarter Three Financial performance report, Quarter Three Corporate performance report, Best Companies survey results, Annual policy review of Freedom of Information and Environmental Information Requests and Data protection policy, Scheme of Delegation and Management Team responsibilities, New audit appointments – lessons learned, Audit Scotland Annual Report and Accounts and Internal audit procurement. Copies of the key papers have been loaded onto the Commission's SharePoint site and brought to members' attention.
- 5 April – Audit Scotland Board development session with Judith Strange, external consultant.

Audit Scotland engagement

- 20 April – Monthly catch up with Stephen Boyle, Auditor General for Scotland and Accountable Officer, Audit Scotland.
- 20 April – Recruitment meeting to discuss Audit Scotland Executive Director of Audit Services interviews.
- 21 April – Monthly catch up with Antony Clark, Interim Controller of Audit and Director of Performance Audit and Best Value, and Paul Reilly, Secretary to the Commission.
- 27 April – Audit Scotland's Leadership Group meeting to provide an update on Commission priorities.
- 28 April – Regular catch up with Alan Alexander, Audit Scotland Board Chair.

External engagement

- 13 April – Meeting with Councillor Andrew Drever, Convener, and Karen Greaves, Clerk, Orkney and Shetland Valuation Joint Board with Paul Reilly to discuss recent statutory report.

- 20 April – Introductory meeting with Arianne Burgess, Convener, Local Government, Housing and Planning Committee, accompanied by Paul Reilly.

3. Commission business has been as follows:

- Regular catch ups with Paul Reilly and Jillian Elgin, Executive Assistant to the Commission.
- 7 April – Accounts Commission meeting.
- 7 April – Communications catch up with Joanna Mansell and Elizabeth Sargeant, Communications Advisers, to discuss Accounts Commission communications, engagement and public profile.
- 14 April – Best Value Working Group meeting. Updates are shared with Commission members at each monthly Commission meeting as a standing item on our agenda.
- 14 April – Catch up with Tim McKay, Interim Deputy Chair.
- 21 April – Local Government Overview sponsor catch up with Tim McKay, Antony Clark and Local Government Overview team to discuss the approach, timing and emerging messages for the Local Government Overview due for publication in May.
- 28 April – Forward planning meeting with Tim McKay, Paul Reilly and Jillian Elgin to discuss up and coming Commission business.

4. Other areas of work have included the Commission Change Programme.

Forthcoming activities

5. My forthcoming engagement activities include:

- 4 May – Audit Scotland Executive Director interviews.
- 12 May – Accounts Commission meeting.
- 17 May – Audit Scotland Board.

Conclusion

6. 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.

William Moyes
Chair
30 April 2022

MEETING: 12 MAY 2022

REPORT BY: INTERIM CONTROLLER OF AUDIT

INTERIM CONTROLLER OF AUDIT UPDATE REPORT

Purpose

1. This report provides an update on my engagement activity during April 2022.

Engagement

2. Please note below my engagements in April:
 - **1 April** – Quarterly engagement meeting with Steve Grimmond, outgoing Society of Local Authority Chief Executives (SOLACE) Chair.
 - **4 April** – Falkirk Best Value Assurance Report (BVAR) post project review with the team.
 - **4 April** – Monthly engagement meeting with Paul Reilly, Secretary to the Commission.
 - **4 April** – Attended the ‘Developing Hybrid Working’ drop in session hosted by Martin Walker, Acting Director, Corporate Services Group, for Management Team to hear staff views on how we shape our future working arrangements and develop our approach to hybrid working.
 - **5 April** – Bi-monthly engagement meeting with Tim McKay as Chair, Financial Audit and Assurance Committee (FAAC).
 - **6 April** – Meeting with Scottish Government (Laura Turney, Head of Public Service Reform Team, and David Milne, Public Bodies and Public Service Reform Division) as follow up to initial discussion on 28 March 2022 with the Auditor General for Scotland (AGS) and Accounts Commission Chair to discuss public sector reform.
 - **6 April** – Scottish Leaders Forum (SLF) Accountability and Incentives Action Group meeting.
 - **7 April** – Accounts Commission meeting.
 - **7 April** – Meeting with Audit Quality and Appointments (Elaine Boyd, Associate Director, and Kathrine Sibbald, Senior Manager) with AGS to discuss new audit appointments feedback.
 - **8 April** – Justice, Education and Lifelong Learning (JELL) Cluster update meeting with AGS and team.
 - **11 April** – Meeting with third sector organisations (The Hunter Foundation, The Robertson Trust and Wellbeing Economy Alliance Scotland (WEAll Scotland)) to discuss collaboration on Scottish Government funding streams, new models of governance and accountability and innovative local public service delivery.

- **13 April** – Scotland’s financial response to Covid-19 – additional meeting with sponsors.
- **14 April** – Best Value (BV) Working Group.
- **20 April** – Monthly catch up with the Correspondence team.
- **21 April** – Ferries briefing session at the Public Audit Committee with AGS, Angela Canning (Audit Director, Performance Audit and Best Value (PABV)) and Gill Miller (Audit Manager, PABV).
- **21 April** – Local Government Overview (LGO) sponsor meeting with team.
- **21 April** – Monthly catch up with Bill Moyes, Chair of the Commission, and Paul Reilly.
- **22 April** – Quarterly engagement meeting with Sean Neill, Director, Local Government and Communities, Scottish Government.
- **25 April** – Local Government Sector forum – additional meeting to discuss the Best Value thematic work for the 2021/22 audit year.
- **27 April** – Regular catch up meeting with Audit Scotland colleagues leading on the BV approach to councils and Integration Joint Boards (IJBs) (Fiona Mitchell-Knight, Audit Director, Audit Services Group (ASG), Carol Calder, Audit Director, PABV, and Leigh Johnston, Senior Manager, PABV).
- **28 April** – Additional Ferries briefing session at the Public Audit Committee with AGS and Angela Canning – as follow up from 21 April 2022 session.
- **28 April** – Follow up meeting with the Funders Forum to discuss charity reserves (convened by Lynn Hendry, The Hunter Foundation).

Forthcoming activities

3. My upcoming engagements in May include:

- **2 May** – Quarterly engagement meeting with Andrew Kerr, Chair, SOLACE.
- **3 May** – Scottish Government Executive team meeting with AGS and Michael Oliphant (Audit Director, ASG).
- **4 May** – Quarterly engagement meeting with Sally Loudon, Chief Executive, Convention of Scottish Local Authorities (COSLA).
- **5 May** – Shetland BVAR emerging messages discussion with the team.
- **6 May** – Monthly engagement meeting with Paul Reilly.
- **6 May** – Bi-monthly engagement meeting with Communications Advisor and Policy Manager to the Commission.
- **10 May** – Angus BVAR final report meeting with the team.
- **12 May** – Accounts Commission meeting.

- **12 May** – Northern Ireland Audit Office (NIAO) extraordinary audit of Causeway Coast and Glens Borough Council. Virtual attendance at an update meeting following previous meetings to discuss the draft audit report.
- **16 May** – Scotland’s financial response to Covid-19 post clearance meeting with AGS and sponsors.
- **16 May** – Quarterly United Kingdom and Ireland (UK&I) Public Audit Forum meeting, topics for discussion were user voice and user/client/citizen in audit work and levelling up funds.
- **17 May** – Regular six monthly engagement meeting with Catriona MacLean, Deputy Director, Public Service Reform, Scottish Government.
- **18 May** – Monthly catch up with the Correspondence team.
- **19 May** – Ferries evidence session with Accountable Officers at the Public Audit Committee with AGS and Gill Miller (Audit Manager, PABV).
- **19 May** – Best Value Working Group meeting.
- **20 May** – Regular engagement with Scottish Government (Laura Turney and David Milne).
- **23 May** – Child poverty draft output discussion with AGS and sponsors.
- **24 May** – Comhairle nan Eilean Siar (CnES) BVAR emerging messages discussion with the team.
- **25 May** – Joint Performance Audit Committee (PAC)/Financial Audit and Assurance Committee (FAAC) pre meeting.
- **25 May** – Moray BVAR post project review meeting.
- **26 May** – PAC/FAAC meetings.
- **26 May** – Sistema Scotland Evaluation Advisory Board meeting – first meeting with newly formed Advisory Board.

Antony Clark
Interim Controller of Audit
2 May 2022