



The Scottish Parliament  
Pàrlamaid na h-Alba

Stephen Boyle  
Auditor General for Scotland

**Public Audit Committee**  
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1 June 2023

Dear Auditor General

### **Draft work programme**

The Public Audit Committee welcomes the opportunity to provide feedback on your draft work programme.

Following its evidence session with you on [30 March 2023](#), the [Committee wrote to other Parliamentary committees](#) drawing their attention to your draft work programme and inviting them to identify specific themes or areas they would welcome further examination by yourself and Audit Scotland. I attach the responses received by the Committee as an annexe to this letter for your consideration.

The Committee wishes to indicate its general support for the areas set out in your draft work programme. The Committee agrees that the delivery of public services have become even more challenging as a result of the Covid-19 pandemic and the current cost-of-living crisis. The Committee therefore welcomes your draft work programme which affords you the flexibility to respond quickly to the emerging issues, risks and challenges faced by the public sector.

The Committee also notes the pilot work that Audit Scotland has been undertaking in relation to monitoring the implementation and impact of the recommendations made in its reports. This issue was raised by our predecessor Committee, the Public Audit

and Post-legislative Scrutiny Committee, in the last session of Parliament. The Committee looks forward to considering the outcome of this work in due course.

The Committee also highlights below a number of specific areas for your consideration.

### **Scottish Government Business Investment Framework**

The Committee's recent consideration of your reports on [New vessels for the Clyde and Hebrides](#), [The 2021/22 audit for Ferguson Marine Port Glasgow \(Holdings\) Limited](#) and [The 2021/22 audit of the Scottish Government Consolidated Accounts](#) make it abundantly clear that the Scottish Government's Business Investment Framework requires to be sufficiently robust to strengthen financial control over private sector interventions. The Committee also shares your view that the Framework must be transparent to provide assurance to the public and the Parliament that the Scottish Government is getting the best possible value from any private sector investment that it makes.

In its letter, the Finance and Public Administration (FPA) Committee also expresses an ongoing interest in enhancing financial transparency and effectiveness of how the Scottish Government operates. The Public Audit Committee welcomes your commitment to continue monitoring this issue through your annual audit of the Scottish Government's Consolidated Accounts.

### **Ferguson Marine Port Glasgow (Ltd)**

The Committee also welcomes your [recent commitment](#) to continue to monitor the cost of vessels 801 and 802 over the lifetime of the project and to prepare a further report examining the full cost of the project once the vessels have been completed.

The Committee notes that you will monitor the KC independent investigation commissioned by Caledonian Maritime Assets Limited into the procurement process for the vessels so as to determine any future audit work that may be required by Audit Scotland. We would welcome an update as soon as possible on potential and statutory reporting routes that would enable you to undertake a forensic analysis of FMEL's records to identify how it spent significant sums of public money.

### **Equalities**

We note the significant pressures on Scotland's public sector finances, which continue to grow, and have real-life implications for the people of Scotland. The Committee therefore welcomes your commitment to continue to prioritise equalities in your work and to reflect the lived experiences of people who use and rely on public services.

Given the Committee's recent scrutiny of [The 2021/22 audit of National Records of Scotland](#), and the possible impact of digital exclusion on the delivery of the recent Census Programme, we welcome your plans to undertake audit work on how the public sector is addressing digital exclusion. In particular, we suggest that the impact of the Covid-19 pandemic on digital exclusion is considered as part of this work. We

also share your view that the impacts of the Covid-19 pandemic and the current cost of living crisis risk increasing existing inequalities even further in Scotland. We welcome your planned work on homelessness and child poverty, as well as the imminent findings of an audit of early learning and childcare, which includes a focus on care-experienced people.

### **Public sector finances, reform, estates and workforce**

The Committee further welcomes your intention to investigate the Scottish Government's reform agenda and the use of the public sector estate, recognising the need to deliver more joined up services in a sustainable way, along with your commitment to undertake specific audit work on the public sector workforce.

Collectively, these issues will be critical in addressing the current pressures on Scotland's public finances and as such, are of particular interest to the work of the FPA Committee. In its letter, the FPA Committee states that there are clear links between your proposed work in these areas and its scrutiny of the Scottish Budget, the Scottish Government's Medium-Term Financial Strategy, the Scottish Fiscal Commission's first Fiscal Sustainability Report, as well as its inquiry into the Scottish Government's public service reform programme, and examination of the finances arising from the National Care Service Bill.

The Public Audit Committee also agrees that the need for comprehensive information on what the public sector owns and its respective liabilities in relation to the public sector estate, makes the publication of whole-of-Scotland public sector accounts all the more pressing. The Committee will continue to pursue this issue with the Scottish Government as part of its scrutiny of the Scottish Government Consolidated Accounts.

### **Climate change**

The Committee welcomes your commitment that auditing climate changes continues to be a key priority. At the Committee meeting on 18 May 2023 [Link], when the Committee considered your report on [How the Scottish Government is set up to deliver climate change goals](#) you confirmed that you would be undertaking work on heating homes. The Committee also notes that your draft work programme states that you are currently considering options for audit work in key risk areas for the delivery of Net Zero and adaptation outcomes. The Committee asks if, as part of this work, you would give consideration to the performance, value for money and progress of current policies that are in place to tackle climate change.

### **City region and growth deals**

The Committee notes the work that is planned in relation to assessing the progress against the recommendations made in our 2020 report on City Region and Growth Deals. The response from the Economy and Fair Work Committee welcomes this particular piece of work and highlights that some of these deals are now older and may not be reflective of more recent ambitions around net zero targets. Both Committees await with interest the findings of this work.

## **Parliamentary supported officeholders**

The Committee is aware that when giving evidence to the FPA Committee on its budget for 2023-24, the Scottish Parliamentary Corporate Body (SPCB) raised concerns regarding the potential implications of proposals to increase the number of Parliamentary supported officeholders. Links to correspondence between the FPA Committee and the SPCB can be found in the footnotes <sup>1,2</sup>. In light of the proposals to increase the number of Parliamentary supported officeholders through various forthcoming pieces of legislation and given the current pressures on public sector spending, the Committee asks you to consider undertaking audit work on the role of Parliamentary supported officeholders as a whole, to determine if value for money is being achieved.

Finally, the response from the Constitution, Europe, External Affairs and Culture Committee highlights its current Culture in Communities inquiry and suggests that you may wish to consider the outcomes of the inquiry as part of your future work programme, once its report is published later in the year.

Yours sincerely

**Richard Leonard MSP,  
Convener**

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<sup>1</sup> [FPA Committee letter to SCPB, 29 March 2023](#)

<sup>2</sup> [SPCB letter to FPA Committee, 24 April 2023](#)



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25 May 2023

Dear Richard

### **Auditor General for Scotland's draft work programme**

Thank you for your letter of 3 April.

Linked to the overarching themes of empowering people and communities, partnership working, and preventative spending (as set out on page 4 of the Auditor General for Scotland's draft work programme) we wish to highlight our current [Culture in Communities](#) inquiry.

This piece of work is ongoing, with our members visiting relevant groups and initiatives in Edinburgh, Dumfries and Galloway, and Orkney during the course of next month.

We have already carried out a call for views to which we received [57 responses](#) and taken formal evidence in Committee from local authority culture services and arms-length culture trusts, a panel of academics, the national performing companies, organisations working in communities (and involved in projects of the [Culture Collective](#)), organisations with a focus on volunteers and grassroots participatory activities, and those focused on regeneration and planning.

Through this inquiry, we are aiming to arrive at a better understanding of—

- How national and local layers of government, along with the third sector, complement each other to ensure that communities have opportunities to take part in cultural activities
- How unmet cultural need is determined and who decides this
- What good 'place-based' cultural policy look like in practice

The Auditor General may wish to consider the outcomes of our inquiry as part of his draft work programme, especially in relation to the themes noted above. We plan to publish our report prior to the Parliament's October recess.

Kind regards

Clare Adamson MSP, Convener of the Constitution, Europe, External Affairs and Culture Committee

## Annexe



The Scottish Parliament  
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### **Economy and Fair Work Committee**

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12 May 2023

Dear Richard

#### **Auditor General for Scotland's draft work programme**

Thank you for your letter of 3 April enclosing the Auditor General's draft work programme which was read with interest and discussed by the Committee at its meeting on 3 May.

The only matter that the Committee wished to highlight was that in welcoming the city region and growth deals briefing, it was noted that some of these are now older and may not be reflective of more recent ambitions around net zero.

Kind regards

**Claire Baker MSP**  
Convener



The Scottish Parliament  
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**Finance and Public Administration Committee**

Richard Leonard MSP  
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Public Audit Committee

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27 April 2023

Dear Richard

Thank you for your letter of 3 April 2023 advising that the Auditor General for Scotland (AGS) is formally seeking feedback on the content of his future work programme up until March 2025. The Finance and Public Administration Committee (FPAC) notes that the Public Audit Committee (PAC) took evidence from the AGS on this work programme on 30 March and that it is collating responses from committees by 16 May.

The FPAC considered the AGS' work programme on 25 April and agreed to draw his attention to the following areas of proposed audit work, which are of particular interest to the Committee's remit:

- **Public finances:** proposed work during 2023-24 to investigate the reform agenda, including tracking progress on reform, defining reform, and considering the implications for value for money, pace and scale, with audit products proposed on “the sustainability of public finances, including consideration of pace of reform, public sector efficiency and financial management”.
- **Estates management:** plans to explore “the need to rationalise the public sector estate and making better use of its assets to deliver more joined up services in a sustainable way” in a high-level briefing on the challenges facing the Scottish Government's capital investment plans.



- **Workforce:** proposals to develop options for specific audit work around the public sector workforce to look at how the Scottish Government and public bodies are managing the challenges of increasing workforce shortages and delivery of a sustainable future workforce.
- **National Care Service (NCS):** plans to monitor progress on development of the NCS (Scotland) Bill and potential audit work on the Scottish Government's planning for the creation of the NCS.
- **Supporting economic development and growth:** audit work on City Region and Growth Deals, and early analysis of the Scottish Government's National Strategy for Economic Transformation.

There are clear links between these areas of work and the Committee's scrutiny of the Scottish Budget, the Scottish Government's Medium-Term Financial Strategy, the Scottish Fiscal Commission's first Fiscal Sustainability Report, as well as our inquiry into the Scottish Government's public service reform programme, and examination of the finances arising from the NCS Bill. The Committee therefore asks that we are kept informed of progress, including on the scope, nature and timeframes, as these areas of work develop. The Committee also has an ongoing interest in enhancing financial transparency and the effectiveness of how government operates and we therefore seek further information on any future work planned in these areas.

We look forward to receiving this further information from the AGS in due course. In the meantime, thank you for co-ordinating the feedback from committees.

Yours sincerely

**Kenneth Gibson MSP**  
**Convener**  
**Finance and Public Administration Committee**