



OFFICIAL REPORT
AITHISG OIFIGEIL

Public Audit Committee

Thursday 2 February 2023

Session 6



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PUBLIC AUDIT COMMITTEE

4th Meeting 2023, Session 6

CONVENER

*Richard Leonard (Central Scotland) (Lab)

DEPUTY CONVENER

*Sharon Dowey (South Scotland) (Con)

COMMITTEE MEMBERS

*Colin Beattie (Midlothian North and Musselburgh) (SNP)

*Willie Coffey (Kilmarnock and Irvine Valley) (SNP)

*Craig Hoy (South Scotland) (Con)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Stephen Boyle (Auditor General for Scotland)

Pat Kenny (Deloitte LLP)

Kirsty Ridd (Audit Scotland)

CLERK TO THE COMMITTEE

Lynn Russell

LOCATION

The James Clerk Maxwell Room (CR4)

Scottish Parliament

Public Audit Committee

Thursday 2 February 2023

[The Convener opened the meeting at 09:00]

Decision on Taking Business in Private

The Convener (Richard Leonard): Good morning, and welcome to the Public Audit Committee's fourth meeting in 2023.

The first item is consideration of whether to take agenda item 3 in private. Do members agree to take item 3 in private?

Members *indicated agreement.*

Section 22 Report: "The 2021/22 audit of the Crofting Commission"

09:00

The Convener: The principal item on our agenda is consideration of the 2021-22 audit of the Crofting Commission, which has been laid before Parliament and about which we have an evidence session. I welcome our three witnesses: Stephen Boyle, the Auditor General for Scotland; Pat Kenny, a director for audit and assurance at Deloitte LLP; and Kirsty Ridd, an audit manager at Audit Scotland.

We have some questions to put to the witnesses, but before we get into those I ask the Auditor General to make a short opening statement.

Stephen Boyle (Auditor General for Scotland): I have prepared this report under section 22 of the Public Finance and Accountability (Scotland) Act 2000. The report brings to the committee's attention the progress made by the Crofting Commission during 2021-22, following significant weaknesses identified in the previous year.

In October 2021, I reported to the committee on those issues. My report noted that the auditor, Deloitte, had identified significant issues of governance, leadership and business planning. The committee subsequently undertook its own inquiry into those findings.

I am pleased to report that the Crofting Commission has worked quickly to address and implement all the recommendations made in the auditor's 2020-21 audit report. Governance arrangements have been revised, roles and responsibilities are now more clearly defined, leadership and relationships have improved and medium-term financial planning has been strengthened.

I welcome that early progress. The actions taken will take time to bed in and it is important that the commission's board and chief executive, and their sponsor team, continue working effectively together to ensure that those improvements are sustained.

I will continue to monitor the Crofting Commission's progress and will report further in public as required. I am joined by Pat Kenny from Deloitte and Kirsty Ridd from our performance audit and best value team. We look forward to answering your questions.

The Convener: We will move straight to questions. I invite our deputy convener, Sharon Dowey, to ask the first question.

Sharon Dowey (South Scotland) (Con): Your report states that the auditor has assessed all 41 recommendations that were made in the 2020-21 audit report as being “fully implemented” by the commission. Of those recommendations, 34 were in relation to significant weaknesses in leadership and governance arrangements, as identified in last year’s audit. That is a lot of recommendations. Are you content that those significant issues have been adequately addressed in what seems to be quite a short period?

Stephen Boyle: I can cover a number of those points and will turn to Pat Kenny to say a bit more about what he and his colleagues from Deloitte found.

It is absolutely true that having 41 recommendations means that no small amount of effort will be required to address the scale of the challenge, which the committee heard about when it took evidence last year and which is set out in the audit report.

The scale of progress is significant. Pat Kenny’s annual audit report, which he prepared at the conclusion of his audit, maps all those recommendations, looking at progress, the management actions taken and the judgments that Deloitte has reached about the progress. We can go into more detail on various themes if you wish.

As I said in my introductory remarks, we are 12 months on. We have seen evidence of progress, such as better relationships and better documentation. There is more clarity about roles and responsibilities and there is stronger business planning. I could go on about those topics, but the point that we wish to emphasise today is that this is not a terribly long period of time in which to say that all the issues—you heard about the scale of those issues last year—are resolved and that there will be no repeat. However, there is a strong basis for optimism about the progress that we have seen on the recommendations.

I will pause. Pat Kenny will certainly want to comment on the range of the recommendations and the progress therein.

Pat Kenny (Deloitte LLP): As the Auditor General mentioned, the sustainability of the recommendations will be key. I was impressed by the commission’s desire to get things right. It really rolled up its sleeves. I detected a strong commitment to addressing the weaknesses, and I was satisfied that I had the audit evidence to confirm that all the recommendations had been implemented. However, it will be key for the auditor to continue to keep an eye on it, to ensure

that the sustainability is fully delivered. That will be a key imperative.

Sharon Dowey: Some of my colleagues have questions on sustainability and keeping up the momentum.

There are an awful lot of recommendations over a short timescale. If, as we hope, things are successful, are there lessons to be learned and good practice that could be shared with others?

Stephen Boyle: Pat Kenny may want to comment as well.

I have never before seen the delivery of such a volume of recommendations for improvement from an auditor—41—together with the evidence for that. Pat has made an important point: there has been a real willingness to accept the recommendations, rather than the defensiveness that we occasionally see on the back of audit reports.

As to whether that translates into good practice, we would want to see sustained evidence of progress before we reach a judgment that the commission can act as a template for other public bodies. Some bits will be very successful, but we will probably want to be a little cautious for a period of time yet, before we advocate that as the model that should be applied elsewhere.

I am sure that Pat will have a perspective.

Pat Kenny: I absolutely agree with that. I was very impressed by the total lack of defensiveness over the recommendations, and the acceptance that the commission had to put things right.

I have now handed over the audit role to a new set of auditors, but I have emphasised to them that they have to keep an eye on that dimension of sustainability. It is far too early to say that we are completely satisfied and that matters have been completely put to bed. That on-going momentum and sustainability are absolutely essential, and it is important that the auditor keeps a close eye on that.

The Convener: It strikes me that a lot of the six-page report reflects on the recommendations and lessons that were put at the point of the previous section 22 report on the Crofting Commission and, indeed, on this committee’s conclusions. I just wonder whether it would not have served transparency a little better if you had listed the 41 recommendations and given some kind of tracking of how they had been progressed, so that we had a sense of that. I do not know whether you alluded to that as being part of the internal audit but, as far as the published document that is before us is concerned, that is not captured. I wonder whether you would consider that.

Stephen Boyle: Absolutely, convener. Apologies if that is not before the committee. The annual audit report that accompanies the conclusion of the audit, which is the document that is prepared for public sector audit by all auditors who are appointed by the Auditor General and the Accounts Commission, sets out in detail the recommendations, so we chose not to replicate that in our section 22 report. However, they are in the annual audit report, for transparency purposes. That is a published document and is available on Audit Scotland's website. It maps the recommendations that were already in the public domain, together with the auditor's judgment on the management action that has been taken.

The Convener: Okay. Maybe it is just me, but I thought that, for completeness, given the scale and breadth of the recommendations—seven on financial sustainability and the other 34 on governance and transparency—it might have been useful to capture those details in the document that is before us, but I hear what you say.

Craig Hoy has some questions.

Craig Hoy (South Scotland) (Con): Good morning, Mr Boyle. Obviously, the report is optimistic and reflects a significant amount of work that has been done by the Crofting Commission. Looking forward, my concern is how that can be sustained. Paragraph 20 of your report says:

"The progress made by the Commission over the last year is welcome. The activity and actions taken will require time to bed-in and this must remain an area of focus for the Commission to ensure that the improvement is sustained. I will continue to monitor the Commission's progress and consider further reporting in public as necessary."

With regard to the use of the term "bed-in", in practical terms, what do you still need to see happening before you have surety that there has been a turnaround rather than just a good plan that could subsequently be badly executed?

Stephen Boyle: That has already been part of the conversations. We set out in our report that the Crofting Commission has made very significant process in a short period, and it is because that period has been short that we are not necessarily able to give absolute assurance today that all the issues that were identified have been tackled and will not recur.

Committee members will recall that your predecessor committee took evidence on the Crofting Commission in respect of concerns in 2016. I am not drawing an alignment between what we have before us today and history, but it perhaps illustrates that events can recur. The Crofting Commission, along with its sponsor team, the non-executives and the executive team, will have to work very hard to make sure that there is

no repeat of the issues that featured in the report last year.

We can say a bit more about some of the steps that have been taken, which give better cause for hope around progress. Last year's report and the committee's report rightly featured the lack of clarity on roles and responsibilities and how that was affecting relationships between the commissioners and the executive and the dynamic with the sponsor team. The new framework agreement and code of governance that are in place give greater clarity and allow for the sustained progress that we expect and hope to see, along with some of the other steps that the commission is taking on matters such as workforce planning and financial management.

All those things point in the right direction, but it will take a bit more time, which is why I am allowing for further public reporting. Given the committee's interest in the matter and the scale of the issues, that is something that I want to see, and I will take a view over the course of this year's audit.

Craig Hoy: My concern is that, while the focus of Audit Scotland, the press and the public is on the organisation, there could be a process of quite effective window dressing. How long do you think that that quite intense process of scrutiny will last for? How long do you want to remain on the commission's back, to make sure that it does not fall back into bad habits?

Stephen Boyle: As you would expect me to say, every audit of a public body is designed to be effective and robust, so we will always bring to the committee's attention matters of public interest through our audit work. However, as Pat Kenny rightly mentioned, there is a change of auditor this year. In the public audit model in Scotland, typically, we rotate every five years and, this year, it will be after six years, to allow for an extension as a result of the pandemic. New auditors will always come in with a fresh perspective—by auditing standards, they are required to reset their expectations of management quality and so forth every year.

The incoming audit team, facilitated by the very thorough handover that it has had from Pat Kenny and his colleagues at Deloitte, will do that work. It is central to the code of audit practice in Scotland that external auditors are required to take a view on governance, leadership and financial sustainability—the issues at the very heart of the matters that the committee has considered over the past 12 months. At the conclusion of the audit, I will take a view as to whether that progress is being sustained and, if necessary, I will report further.

Craig Hoy: Thank you.

The Convener: Willie Coffey has some questions.

Willie Coffey (Kilmarnock and Irvine Valley) (SNP): Stephen, could you say a bit more about the impact of all of that on the crofting community? Clearly, the commission has had to carry out a heck of an amount of work, including putting in place procedures and the code of corporate governance that you referred to, but what about the impact on crofting services as a whole? Have you any sense of the response of the crofting community to all of that and how its members feel about it?

09:15

Stephen Boyle: Good morning, Mr Coffey. That is a really important point, actually, and sometimes, as we look at leadership and governance matters, we can forget—or risk forgetting, I should say—that, actually, this is a public body that is set up to provide a service to Scotland's crofters and crofting communities. It has a very important role. I will bring in Pat Kenny in a moment to say something about the performance of the organisation that might touch on the heart of that question. I recall that, in our evidence on the issue last year, we said that, in spite of some of the issues, the Crofting Commission's performance had not been noticeably impacted by the events that had unfolded. It had still performed largely as expected, allowing for Covid.

This year's report sets out in a bit more detail the organisation's performance, and Pat Kenny can speak to that as he wishes. However, fundamentally, at the heart of it, there was always a huge risk of distraction from the organisation's effectiveness, because of the issues at play, so there is variation in performance levels. In some areas, the commission is meeting its performance targets but in other areas it is not.

Before I hand over to Pat, I will say that a positive feature of the Crofting Commission's annual report and accounts is that they show alignment to the national outcomes in the national performance framework. We have not seen that everywhere. Therefore, again, there are signs of progress in the overall arrangements of the organisation.

I will pause there and Pat might want to come in on the detail of the organisation's performance.

Pat Kenny: The business case that went to the Scottish Government for enhanced staffing of the Crofting Commission in 2022-23 accepted that there was a need for improved action and improved outcomes by the commission in five key areas. Those included regulation in terms of regulatory processing, enforcing of duties and

crofting development. Therefore, I think that there is recognition that there was a need for improved outcomes, and that additional funding of about £550,000 was approved to allow more focus on those key outcomes.

With regard to the auditor, going forward, the key objective will be to provide assurance that the additional funding has delivered the improved outcomes that the business case was based upon.

Willie Coffey: Has the crofting community itself been part of the process? Has that been shared and has there been some kind of engagement with the recommendations? Has it expressed a view in whatever forum it is able to about how successful it thinks that the changes, revisions and new code of governance are in order to deliver the services that it requires? I am always keen to hear the views of the community in such processes.

Stephen Boyle: We will share what we know about that. Pat Kenny might know a bit more about the extent of organisational engagement. The one event that I would point to is the elections for new commissioners this year. That is an opportunity for the crofting community to formally engage and bring forward its plans and agenda for the role that crofters will play in the running and management of the Crofting Commission. That forms an important part of its governance arrangements.

On that point—not to digress too far, I hope—the committee will recall that there was some concern about a blurring of boundaries between the role of commissioners and the operational management of the commission. We have seen revised training arrangements and induction plans for new commissioners so that those are clear. However, you make a vital point, Mr Coffey, that the community that the Crofting Commission serves should be able to use its voice on the role, success and outputs of the commission.

Pat might know more on that than I do but, if we do not have any more detail to hand, we can come back with further information.

Pat Kenny: I do not have much more detail on that, but I know that that is very much on the commission's agenda and that there was going to be another engagement campaign following the elections. I think that the new auditors will follow that up in the next audit cycle. However, we could probably come back with more detail on the issue.

Willie Coffey: Okay. Stephen Boyle touched on my other question, which is about the code of corporate guidance and so on, which seems to be saying the right things and clarifying roles and responsibilities. Is it a little early to form a view about its effectiveness? Is that what we mean by bedding-in time in order to have a look at it? Will someone have a wee look at it subsequently to make sure that it is working?

Stephen Boyle: We absolutely will. As Pat Kenny mentioned, the auditors will do that as part of their consideration of the effectiveness of the governance of the commission over the next 12 months.

I think that there has been welcome progress on governance. At the heart of many organisations' challenges tends to be a lack of clarity around governance and a lack of skills or effectiveness. All those factors have been considered by the Crofting Commission through not only the code but also the new framework agreement, which sets out roles and responsibilities with far greater clarity than previously existed.

We know from the committee's own evidence taking and from the judgments that we made in the audit that—although I have forgotten the precise words that we used—the relationship of primacy or most importance was previously thought to be between the sponsor team and the chief executive, but there is now a much more rounded set of arrangements with the convener and the commission through the sponsor team. There is also transparency around that. Engagement with the sponsor team is now communicated at every board meeting in relation to the role of the board and the sponsor team and the overarching code of corporate governance and the framework agreement, which gives them a better platform to progress.

It is not an entirely clean bill of health, Mr Coffey. That is the point that we are looking to make this morning. They have put in a great deal of effort. As time elapses, and if there is a challenging management decision or governance event, that is where the framework will be tested. We are not quite at that place yet. We plan to keep a close eye on that over the course of the audit years ahead.

The Convener: I re-emphasise the point that it would be useful for us to see what interaction there has been between the commission and the crofting communities. Although many of us would welcome the arrangement of direct elections, it has to be more than that and an on-going relationship. It may be that we need to speak to the Crofting Commission itself about that, but any perspective that you could give would be very helpful.

Colin Beattie (Midlothian North and Musselburgh) (SNP): Before I ask the questions that I am thinking of, what is the process of election for the elected members of the commission?

Stephen Boyle: I will bring in Kirsty Ridd, as she has looked into that in a bit more detail than I have at my fingertips. Before passing over to her, I note that the make-up of the board of the

commission has changed. The committee may recall that it is comprised of commissioners who are directly elected and also those who are appointed by the cabinet secretary. There is a combination of both those factors. Kirsty may know more about the timing and frequency of elections, and the arrangements for them. If we do not have that information at our disposal today, we will come back to the committee.

Colin Beattie: In responding, could you touch on how the elections are held and whether they have a large participation? Are there competitions for the positions? I am just curious.

Kirsty Ridd (Audit Scotland): Elections to the commission are held every five years. They are done by a postal ballot that goes out to all registered crofters or owner-occupier crofters. As is mentioned in the report, there are six regional constituencies. At the elections at the start of 2022, all six constituencies were contested—there was a contest in every one of them. All crofters and owner-occupier crofters are eligible to stand for election if they are over the age of 16, and all registered crofters are eligible to vote in those elections.

Colin Beattie: Are the elected commissioners all crofters?

Kirsty Ridd: By and large, yes. Someone has to be a crofter or an owner-occupier crofter to stand for election. There is provision for a crofter to nominate someone who is not a crofter to stand for them and that nomination has to be set out in the election paperwork to show that they are a nominated person. As far as I am aware, all the members elected last year were registered crofters.

Colin Beattie: Okay. That is interesting.

I turn to the questions that I have here on sponsorship. As you know, sponsorship has been a big issue with the Scottish Government and its fairly recent report on sponsorship indicated a large number of weaknesses. How strong is the sponsorship support that the Crofting Commission is getting? Do you consider it to be adequate or strong?

Stephen Boyle: I would say that it is more effective than it was last year. The committee took evidence about the sponsorship arrangements from the sponsor team and two directors general from the Scottish Government.

There are two components to this answer. One is about the interaction between the Crofting Commission's and the sponsor team. Those roles and responsibilities are much clearer than they were 12 months ago and prior to that. They were set by the new framework document and the code of governance and it means that what we would

see as normal effective sponsorship arrangements are happening between the Crofting Commission, its executive and non-executive levels, and that has been set out transparently for the board. The relationship of consequence—I think that that is the phrase—is no longer directly with the chief executive. It is broader. Everything that we have seen and that Pat Kenny and his team saw during the audit indicates that that relationship is operating effectively.

I caveat my response somewhat, Mr Beattie, because of the effectiveness of sponsorship arrangements that the Scottish Government deploys for its sponsored bodies. The report that the Scottish Government produced made many recommendations and, as I noted in my section 22 report on the Scottish Government, I still have some reservations about how effective all those recommendations will be or whether the Government has the skills and capacity to deliver on all those recommendations, given the volume of change of personnel and the scale of the recommendations. Although we are noting progress and a framework platform within the Crofting Commission, there is still work to do on sponsorship across the Scottish Government and its bodies.

Colin Beattie: Will you revisit that yourself?

Stephen Boyle: Yes, we are keeping a close eye on it. I am mindful of the recommendation that the committee made in its report on the Crofting Commission and your interest in me undertaking further work on sponsorship across the piece. I am taking that into consideration as we go through the next stage of our forward work programme. I will consult colleagues and engage further with the committee on whether we dedicate a specific piece of work to sponsorship or continue to report largely through the audit of the Scottish Government.

Colin Beattie: Coming back to the Crofting Commission and its engagement with sponsorship, are you satisfied that the changes that have been made within the Crofting Commission adequately reflect the proper relationship that it should have with the sponsorship unit?

Stephen Boyle: Yes. That is what we are seeing so far. Pat Kenny can comment on that because he is closer to the relationship and can see how it is working through the right governance documents and the transparency of the interaction that the sponsored bodies have with the Scottish Government. As Pat Kenny mentioned, the proper process is business cases that have been prepared for future funding arrangements. All are progressing on a sponsorship dynamic that we would expect to see and one that is operating

effectively. Again, Pat Kenny can comment on that in more detail.

09:30

Pat Kenny: Mr Beattie, it is fair to say that, in the past, there were clear and obvious tensions, and the initial report that I published identified several examples of the relationship not working as it should have done, in terms of respective roles and blurring of roles. When I signed off the audit for my final year, it was clear that those tensions were no longer there and that the relationship was on a level that we would expect for an organisation of that type. However, again, it is key that that situation is sustained going forward. As the Auditor General mentioned, there is a risk—if a difficult decision has to be made or conflict arises, that will be the key litmus test as to whether the new governance arrangements are fully operational. It is too early to say that the problems are totally fixed, but the tensions that were there in the past are not there now.

Colin Beattie: I fully take on board the caveats about the sustainability of the progress that has been made. The progress is excellent and very welcome, but sustainability is an issue, as it is with any sweeping changes such as those that the commission has brought in over a short period.

Are you aware of whether the Scottish Government's public bodies unit has been involved in any of that work?

Stephen Boyle: We certainly know that the sponsor team has been actively involved and, a few minutes ago, I mentioned that training is a significant part of the revised arrangements to support the effectiveness of the induction of new commission and public board members, but I do not know whether the public bodies unit has been directly involved with the Crofting Commission. Given the prominence with which training and induction feature, I think that it is safe to assume that the Scottish Government has brought wider expertise and resource into that. If that is not the case, I will come back to clarify that to the committee.

Colin Beattie: I will make one last point on the sponsorship side. Can you remind me who the sponsoring body is?

Stephen Boyle: The agriculture and rural economy directorate is the sponsor team that oversees the Crofting Commission.

Colin Beattie: Okay—thank you.

The Convener: Sharon Dowe has another question to put to you.

Sharon Dowey: The committee's report on the 2020-21 audit of the Crofting Commission recommended that

"the Crofting Commission and the Scottish Government put plans in place to regularly review the revised framework document to ensure it remains fit for purpose."

Do you know what plans—if any—are in place?

Stephen Boyle: I would need to check the timescale for the review of the framework agreement. All framework agreements are subject to review, and the timescale for that varies, so I will need to check our records and come back to you. My colleagues are in agreement that we will need to come back to the committee to clarify the exact timeframe.

The Convener: Although it is not in the written report, the £550,000 increase in grant aid to the Crofting Commission, which has been provided for by the Scottish Government, was alluded to earlier on, and Pat Kenny said that it was, in part, to address an enhancement of staffing capacity.

I have two lines of questioning. First, could you describe in more detail what those job roles are and whether the enhancement was about filling vacancies or increasing capacity? Have there been particular logjams, where the commission has not dealt with things as speedily as it might have? Is the enhancement of staffing capacity an attempt to address that?

Secondly, are other, non-staffing costs being met through that increased level of grant aid that has been provided for?

Stephen Boyle: I am happy to start on that, convener, and I will bring in Kirsty Ridd and Pat Kenny if they wish to add anything.

We have the figure of £700,000 as the increase in the Crofting Commission's budget for the current financial year—2022-23. That takes its budget from £3.3 million to a shade under £4 million for the year. Of that, £140,000 was identified to address inflation and wage pressures. The figure of £560,000 has been used to support workforce changes. Pat Kenny can comment about the business case for that.

There is an increase in staff for the Crofting Commission. Some of that is for supporting its regulatory effectiveness; some of it is for back-office functions; and there has been a restructuring of its senior management arrangements over the course of the year.

Pat and, I think, Kirsty, might want to say a bit more. The important thing is that any significant budget changes—in the context of the Crofting Commission, those are big changes—are supported by a business case. We are aware that

there was a business case to support that scale of change.

Pat Kenny: As the auditor general mentioned, £140K of the total £700K was for covering core inflation, and the balance was for staff enhancement. The major components of the figure for staff enhancement were eight additional front-line staff for regulation and registration, and two senior posts to form a new senior management team.

There was a reconfiguration of the senior management team. I do not know whether you recall that, when I published the initial report, I suggested that the previous senior management team was too large for the size of the organisation. From memory, it had nine roles. That has been streamlined, so that there are now four senior management positions. In addition, there were changes to the level below that, so there is a much better strategic and operational split in the staffing structure.

The two new senior management positions are a director of crofting regulation and a director of corporate services. Those two roles, with the chief executive officer and solicitor, now form the senior management team. Such a structure is much more in line with what would be expected for the size and scale of the organisation, and is comparable to similar types of organisation in the public sector.

The Convener: I hear that but, just from my simple perspective, are you saying that there has been a reduction in the size of the senior management team but that it is costing more money?

Pat Kenny: There has been a reconfiguration, overall. Although there were nine in the previous senior management team, that included more junior members of personnel: B3 was the typical grade. Now, the team has been consolidated—but, yes, there was additional funding for those two new senior positions.

The Convener: But—sorry, Auditor General, I will bring you in in a moment—is that a net increase in the budget, to pay for senior management, or is it just a rebalancing of the existing budget?

Pat Kenny: The overall impact, per the business case, as I mentioned, was an increase of £560K for staffing. However, as I mentioned earlier, a lot of that was to improve the five priority outcomes that had been identified, for which improvements were required.

The answer is yes: overall, there was additional funding for staffing.

Stephen Boyle: To give a bit more detail, we have not audited that yet, and neither has Pat; it will be subject to the 2022-23 audit. Overall, when

it comes to the business case, there is £560,000 to increase the workforce. Rightly, Pat has mentioned that the majority of that is for an increase in regulatory posts; however, there are 14 new posts in total across the organisation.

One aspect of the change is to restructure the senior management team. However, it is not the case, I think, that the increase in funding primarily supports senior management staff and salary changes; the majority of it is about investment in the regulatory team.

All of that is caveated, convener, because we have not audited it yet; it is just something about which information has been provided to us. It will absolutely be part of our audit for the year ahead.

The Convener: Yes, that is quite reassuring. For the purposes of today, you said that you did not think that the majority of it had gone on to the senior management team. In rough terms—or exact terms, if you have that information—what is the division of additional resource that is going into those front-line posts versus that which is going into the senior management team?

Stephen Boyle: As I mentioned, our understanding is that there are 14 new posts. We do not know how far along they are with recruiting to those posts. The division also relates to eight new regulatory posts together with a streamlining of the senior management team within the organisation.

I emphasise Pat Kenny's point that the Crofting Commission is a small organisation. The senior managers' names, job titles and salaries are set out in the Crofting Commission's annual report and accounts, and they are not large salaries for senior managers. In other parts of the Scottish Government, they would be considered to be relatively junior grades, but because it is a small organisation and they have a span of responsibilities, they are identified as senior managers. It is reasonable that the Crofting Commission has taken steps to better align the size of its senior management team with the scale of the organisation. We will look into all that further during this year's audit.

The Convener: Thank you. There will be public interest in the proportionate increases in the salary levels from the regulatory team that is, I presume, working on the front line and those who are in strategic senior management positions. There will also be an interest in the net outcome from the new structure compared to what it was under the previous structure.

My final point is to pick up on something that you spoke about earlier. Some of the new commissioners were elected and some were appointed. I am interested in understanding what training and development they have been given. In

answer to Colin Beattie's earlier questions, you talked about the role of the public bodies unit and there is an expectation that training will be provided. In our report, we identified that we would want to understand what quality of training is being provided to a new cohort of commissioners.

Stephen Boyle: I will happily start on that one, and then Pat and Kirsty can come in as they see fit.

One of the first things that the training did was to clarify roles and responsibilities, together with giving a clearer understanding of the framework agreement and the code of corporate governance and the wider support that the Scottish Government provides: Mr Beattie mentioned the public bodies unit. The Government has been working on a programme of learning, development and training. Its governance hub for new public board members takes them through a range of scenarios, including accountability arrangements. It informs them about the role of this committee and so forth. That package is available across the piece, and I understand that there is also a dedicated training plan specifically for Crofting Commission members so that they can understand more clearly the roles of commissioners and staff that were features of previous reports.

All the building blocks are in place so that new commissioners, together with existing commissioners, have a clearer understanding of who is responsible for what, so that they can avoid some of the pitfalls that brought us to having to prepare the report together with previous recommendations.

I will stop there in case colleagues want to come in with any detail that supports what I have said.

Kirsty Ridd: I do not have any more detail to add.

Pat Kenny: That covered it all, Auditor General.

The Convener: Thanks very much. As none of the committee members has any more questions, I am going to draw this meeting to a close. I thank Pat Kenny, Stephen Boyle and Kirsty Ridd. We appreciate your input this morning. There are some things that we might want to follow up with you and the Crofting Commission.

I now close the public part of this morning's meeting.

09:44

Meeting continued in private until 10:58.

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