

Public Audit Committee

1st Meeting, 2022 (Session 6), Thursday, 13 January 2022

The 2020/21 audit of Bòrd na Gàidhlig

Introduction

1. The Public Audit Committee will take evidence today from the Auditor General for Scotland (AGS) on his report on [The 2020/21 audit of Bòrd na Gàidhlig](#), which was published on 9 December 2021. Members may wish to note that a [Gaelic version of the report](#) is also available.
2. The AGS has prepared a note on the key messages from the report, which, along with a copy of the briefing, can be found in the Annexe.

Clerks to the Committee
10 January 2022

Annexe

BRIEFING PAPER BY THE AUDITOR GENERAL FOR SCOTLAND

2020/21 AUDIT OF BÒRD NA GÀIDHLIG

1. The Auditor General has prepared a report under section 22 of the Public Finance and Accountability (Scotland) Act 2000 on the audit of the 2020/21 accounts for Bòrd na Gàidhlig (the Bòrd). The report was published on 9 December 2021.
2. The auditor gave an unqualified opinion on the Bòrd's annual report and accounts for 2020/21. The Auditor General prepared his report to provide an update to the Scottish Parliament on the Bòrd's progress in developing its leadership and

governance arrangements. This follows a report which the previous Auditor General prepared under section 22(3) of the Act on the Bòrd's 2018/19 accounts highlighting a number of areas for improvement.

3. The Bòrd was established under the Gaelic Language (Scotland) Act 2005 as an executive non-departmental public body. Its principal functions are promoting Gaelic development and providing advice to the Scottish Ministers on Gaelic issues. It consists of a Board comprising the Cathraiche (Chair) and between five and eleven non-executive members appointed by Scottish Ministers. The Bòrd's Ceannard (Chief Executive), as Accountable Officer for the organisation, is also personally accountable to the Scottish Parliament for ensuring its resources are used economically, efficiently and effectively. The Scottish Government's Learning Directorate sponsors the Bòrd.
4. During the 2018/19 audit of the Bòrd, the auditor raised several concerns relating to governance and transparency. The issues identified by the auditor included:
 - Concerns over the skills and effectiveness of the Leadership Team were contributing to a lack of cohesiveness in strategic decision-making.
 - Limited evidence of the Board providing effective scrutiny and challenge of decision-making or holding senior management to account.
 - Lack of clarity over the respective roles and responsibilities of the Leadership Team, Committees, the Scottish Government's sponsor team and the Board.
 - Decision-making was not open and transparent with all board and committee meetings being held in private.
 - No organisational workforce plan was in place and limited consideration was given to succession planning.
5. The Bòrd has responded well to previous concerns regarding its leadership and governance. The actions taken include:
 - Implementing changes to the structure of the Leadership Team and introducing a new layer of management to provide additional capacity and to

support succession planning. A Workforce Plan is now in place which is linked clearly to the Corporate Plan and identifies future workforce requirements.

- Reducing the number of non-executive Board members while addressing skills gaps through the recruitment of two new board members with recent and relevant financial experience.
 - Clarifying the roles of the Senior Management Team, Committees, Board and sponsors through additional training to Board members on their scrutiny and challenge function; embedding a programme of self-assessments of the effectiveness of its committees and the Board; commissioning an internal audit review of governance arrangements; and updating its [Framework Document](#) with the Scottish Government.
 - Significantly improving the Bòrd's openness and transparency. All Committee and Board meetings are now held in public with papers published in advance and meetings advertised through social media. There is also regular stakeholder engagement activities including meeting with other significant Gaelic organisations, and enhanced internal communication across the organisation.
6. The Bòrd of today is an improved organisation to the one subject to the 2018/19 audit report. The pace of improvement in overhauling the organisation's governance structure and Leadership Team and increasing significantly its openness and transparency is welcome. Given the long-term change required, it is likely that the full benefits of the improvements made will only emerge over time. It remains important for the Bòrd to monitor whether the changes are delivering long-term benefits with measurable impact and make appropriate adjustments where necessary.

The 2020/21 audit of Bòrd na Gàidhlig



AUDITOR GENERAL 

Prepared by Audit Scotland
December 2021

The 2020/21 audit of Bòrd na Gàidhlig

Introduction

1. I have received the audited annual report and accounts and the independent auditor's report for Bòrd na Gàidhlig (the Bòrd) for 2020/21. I am submitting these financial statements and the auditor's report under section 22(4) of the Public Finance and Accountability (Scotland) Act 2000, together with this report that I have prepared under section 22(3) of the Act.

2. The auditor issued an unqualified opinion on the Bòrd's financial statements for 2020/21. I have prepared this report to provide an update to the Scottish Parliament on the Bòrd's progress in developing its leadership and governance arrangements. This follows a [report](#) which the previous Auditor General prepared under section 22(3) of the Act on the Bòrd's 2018/19 accounts highlighting a number of areas for improvement. The Public Audit and Post Legislative Scrutiny Committee took [evidence](#) on the report between January 2020 and March 2021.

Key messages

3. The Bòrd has responded well to previous concerns regarding its leadership and governance. The actions taken include:

- Implementing changes to the structure of the Leadership Team and introducing a new layer of management to provide additional capacity and to support succession planning. A Workforce Plan is now in place which is linked clearly to the Corporate Plan and identifies future workforce requirements.
- Reducing the number of non-executive Board members while addressing skills gaps through the recruitment of two new board members with recent and relevant financial experience.
- Clarifying the roles of the Senior Management Team, Committees, Board and sponsors through additional training to Board members on their scrutiny and challenge function; embedding a programme of self-assessments of the effectiveness of its committees and the Board; commissioning an internal audit review of governance arrangements; and updating its [Framework Document](#) with the Scottish Government.
- Significantly improving the Bòrd's openness and transparency through holding all Committee and Board meetings in public with papers published in advance and meetings advertised through social media,

regular stakeholder engagement activities including meeting with other significant Gaelic organisations, and enhancing internal communication across the organisation.

4. The Bòrd of today is an improved organisation to the one subject to the 2018/19 audit report. The pace of improvement in overhauling the organisation's governance structure and Leadership Team and increasing significantly its openness and transparency is welcome. Given the long-term change required, it is likely that the full benefits of the improvements made will only emerge over time. It remains important for the Bòrd to monitor whether the changes are delivering long-term benefits with measurable impact and make appropriate adjustments where necessary.

Background

5. The Gaelic Language (Scotland) Act 2005 was passed with a view to securing both the status of the Gaelic language and meeting the aim of Gaelic becoming an official language. The Act also established the Bòrd as an executive non-departmental public body (NDPB). Its principal functions are promoting Gaelic development and providing advice to the Scottish Ministers on Gaelic issues.

6. The Bòrd consists of a Board comprising the Cathraiche (Chair) and between five and eleven non-executive members appointed by Scottish Ministers.¹ As such, it operates on a day-to-day basis independently from the Scottish Government, but for which Scottish Ministers are ultimately accountable to the Scottish Parliament. The Bòrd's Ceannard (Chief Executive), as Accountable Officer for the organisation, is also personally accountable to the Scottish Parliament for ensuring its resources are used economically, efficiently and effectively.

7. The Scottish Government's Learning Directorate sponsors the Bòrd and provides grant-in-aid, almost the Bòrd's sole source of funding. During 2020/21, the Bòrd employed an average of 21 whole time equivalent staff. Its net expenditure during the year amounted to £5.6 million of which £1.2 million was incurred on staff costs (21 per cent).

8. As an NDPB, the relationship between the Board, the Leadership Team and the Scottish Government sponsor division has a key role in contributing to the effectiveness of the Bòrd's governance arrangements. Various documents exist to provide guidance on what good governance looks like and the respective roles of those involved in it. These include the Bòrd's [Framework Document](#), governing the relationship between it and the Scottish Government; Scottish Government guidance such as [On Board: A Guide for Members of Statutory Boards](#), the [Scottish Public Finance Manual](#) and [Model Code of Conduct for](#)

¹ The Board currently consists of the Cathraiche and six non-executive members.

[Members of Devolved Public Bodies](#); and the Audit Scotland report [The role of boards](#).² Together, these set out that:

- The Board, under the leadership of the Cathraiche, is responsible for taking forward the strategic aims and objectives for the body, as agreed by the Scottish Ministers. The Board is also responsible for ensuring that effective arrangements are in place to provide assurance on the body's risk management, governance and internal control.
- The Ceannard and Leadership Team is responsible for providing operational leadership to the organisation. This includes ensuring that the Bòrd's aims and objectives are met; and that its functions are delivered, and targets met, through effective executive action. The Ceannard's general responsibilities also include the performance, management and staffing of the Bòrd.
- The Scottish Government sponsor division is expected to provide a link between the Bòrd and Scottish Ministers. The sponsor division is responsible for ensuring the board is adequately briefed about the Scottish Government's policies and priorities, and for monitoring its performance through receipt of board and other papers. While guidance says that sponsor teams do not normally attend board meetings, this is subject to agreement between the Scottish Government and the public body.³ In the Bòrd's case, the sponsor division does not attend Board meetings but receives all papers and an invitation to attend.

Weaknesses in leadership and governance previously identified

9. During the 2018/19 audit of the Bòrd, the auditor raised several concerns relating to governance and transparency. These covered a wide range of issues including ineffective leadership, a lack of clarity over roles and responsibilities, poor relationships and organisational culture and inadequate workforce planning. The issues identified by the auditor included:

- Concerns over the structure, capacity, skills and effectiveness of the Leadership Team. Poor relationships between members of the leadership team meant a lack of cohesiveness in strategic decision-making and a lack of confidence throughout the organisation.
- There was limited evidence of the Board providing effective scrutiny and challenge of decision-making or holding senior management to account. There was also a lack of consideration or evidence of whether grants

² The Bòrd's [Framework Document](#) sets out formally the relationship between itself and the Scottish Ministers and Scottish Government officials. Framework Documents are very similar for all public bodies but can vary in detail according to the functions, powers and finances of the public body.

³ [On Board: A Guide for Members of Statutory Boards, Scottish Government, March 2017](#)

given to organisations was contributing towards the Bòrd's strategic aims and thus achieving value for money.

- There was a lack of clarity over the respective roles and responsibilities of the Leadership Team, Committees, the Scottish Government's sponsor team and the Board. Board members were too involved in operational matters. The effectiveness of the Audit and Risk Management Committee was reviewed in February 2019 but no similar reviews took place of the Board or any of the other committees. The previous Chair did not carry out annual performance appraisals of board members. In May 2018, a review of the members' Code of Conduct was recommended by the board, but this did not take place.
- Decision-making was not open and transparent. All board and committee meetings were held in private. It could take several months for agendas and minutes of board meetings to appear on the Bòrd's website.
- No organisational workforce plan was in place and limited consideration was given to succession planning. The Bòrd faced challenges in recruiting to fill vacant posts.
- The Bòrd did not have a Head of Finance between January 2018 and March 2019. The Bòrd's in-house internal auditor was appointed Head of Finance on a part-time basis from April 2019. Delays in tendering for a new outsourced internal audit service meant there was no internal audit function in April and May 2019.

10. The audit identified significant issues relating to governance and transparency which required urgent action by the Bòrd, its management team and the Scottish Government sponsor team. In July 2019, the Bòrd agreed an improvement plan based on the issues and recommendations identified by the auditor. An Improvement Plan Steering Group was established to monitor the implementation of the plan and report progress to the Bòrd and the Audit and Risk Management Committee⁴.

Progress since the 2018/19 audit

11. The auditor identified 44 recommendations as part of the 2018/19 audit which the Improvement Plan translated into 72 actions. Of these, 71 have now been actioned. The only action that remains relates to consulting on the approach to delivering grant funding when preparing for the next set of multi-year agreements and is outstanding simply due to timing. The auditor found in 2020/21 that the Bòrd had identified a further 49 areas of improvement since the 2018/19 audit through internal and external reviews. These actions have all now been implemented. The auditor commended the progress made with appropriate reporting to the Board and independent assurance.

⁴ Subsequently renamed the Audit and Assurance Committee.

12. Since the 2018/19 audit, the actions the Bòrd has undertaken in response to the Improvement Plan include:

- Implementing changes to the structure of the Leadership Team. An external review of the Bòrd's Leadership Team structure in November 2019 identified similar issues to the findings of the 2018/19 audit, including inconsistencies in role profiles, lack of clarity on responsibilities, a flat structure, and difficulties posed by the requirement for fluency in both spoken and written Gaelic.

At the end of 2018, the Leadership Team consisted of the Ceannard, Director of Language Planning and Community Development and the Head of Corporate Services. The Director of Gaelic Education and Head of Communications and Promotions were vacant positions. The Leadership Team currently consists of the Ceannard, Director of Language Planning and Community Development, Director of Education, and Head of Finance and Corporate Affairs ([Exhibit 1, page 8](#)). Only the first two named remain in post from 2018.

An additional layer of management has also been created to help address the issues with the flat structure and to support succession planning. This includes an Education Manager and an Operations Manager. A Communications Officer has also been appointed to improve communication with staff and stakeholders. These developments have been supported by a programme of coaching and leadership development for senior staff, and the introduction of performance appraisals across the organisation.

The Bòrd has amended its policy regarding the recruitment of Gaelic speakers. A post will be advertised twice before the essential skill of Gaelic is reviewed. Any staff joining the organisation will be required, where they are not Gaelic speakers, to commit to learning the language.

- Reducing the number of non-executive Board members while addressing skills gaps. At the time of the 2018/19 audit, the Board consisted of 11 members. It now has seven members, of which five were in place at the time of the 2018/19 audit. The two new Board members appointed have recent and relevant financial experience, which addressed a key skills gap. Training continues to be provided to Board members.

Consideration of the capacity of Board members is an ongoing issue for the Bòrd, given the workload associated with the position. While the auditor did not identify any significant issues arising from lack of capacity in terms of the delivery or operation of governance in 2020/21, this is an area which the Board is actively monitoring.

- Clarifying the roles of the Senior Management Team, Committees, Board and sponsors. Action taken has included:

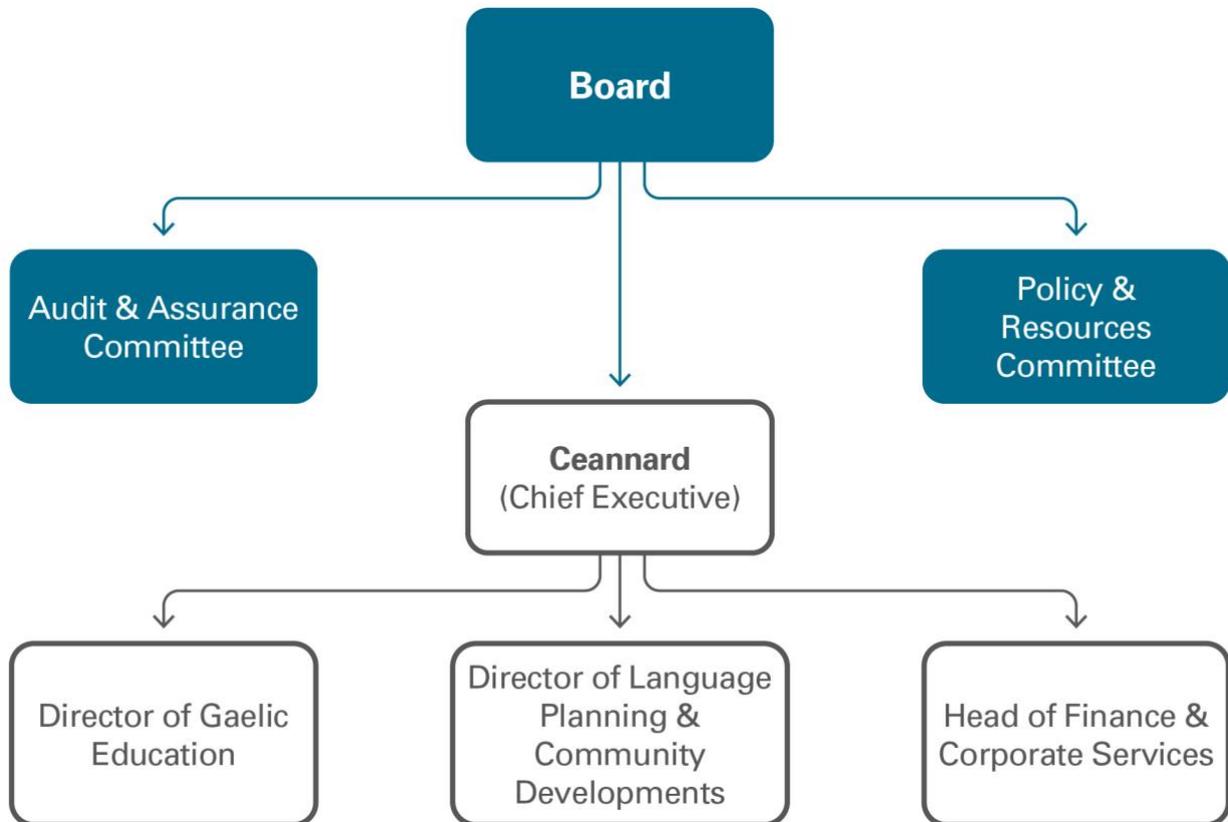
- Providing additional training to non-executive members on, for example, the role of the Board, how to provide effective governance and challenge and ensuring an effective Audit Committee.
- Rationalising the Board's Committee structure. The Audit and Assurance Committee and Policy and Resources Committee were established from the previous four Committees, with each having annually updated Terms of Reference. The Policy and Resources Committee undertakes an annual self-assessment. An externally led self-assessment of the Audit and Assurance Committee also takes place annually which identified no significant issues in 2020/21. A similar self-assessment of the Board's effectiveness was carried out in 2021/22 and an internal audit review of the effectiveness of the Board is in progress.
- Commissioning internal audit to carry out a review of the Bòrd's corporate governance arrangements in 2020/21. This concluded that the governance structure is streamlined and reflects the organisations strategic goals, with no significant issues arising.
- Updating in February 2021 the Bòrd's [Framework Document](#) to reflect the relationship between it and the Scottish Government. This is expected to help prevent the previous tendency of the sponsor division to become overly involved in operational decision-making.
- Significantly improving the Bòrd's openness and transparency. All Committee and Board meetings are now held in public. These are advertised on the Bòrd's website, with papers available in advance and through its social media channels. Throughout 2020/21, the Ceannard held monthly meetings with the Chief Executives of significant Gaelic organisations (including MG Alba and Sabhal Mòr Ostaig) to enhance collaboration and this practice continues. Additionally, consultations were carried out on strategic funding, on the draft National Gaelic Language Plan, and on young people's views on Gaelic.

The Ceannard and other staff have also worked to improve engagement with staff. This has included regular informal catch ups, fortnightly all-staff meetings, sharing weekly information on the work of the Bòrd, and including Trade Union representatives in discussions at Senior Management Team meetings. Overall, this has contributed to improved staff satisfaction survey scores, from an average of 70 per cent in 2018/19 to an average of 86 per cent in May 2021. In particular, there is strong identification with the Bòrd's organisational mission and values.

- Since February 2020, the Bòrd has had in place an annual Workforce Plan which is linked clearly to the Corporate Plan, identifies future workforce requirements and sets out how those positions may be filled. It also highlights risks with budget changes and succession planning. The Workforce Plan also sets out key workforce priorities for the Board and which actions will be completed over the next two years.

Exhibit 1**Bòrd na Gàidhlig Board and Senior Management Team structure as at March 2021**

Bòrd na Gàidhlig has made changes to its committee and senior management team structure since 2018/19.



Source: Bòrd na Gàidhlig

13. Overall, the auditor concluded that the actions taken by the Bòrd are sufficient and appropriate to address the issues previously identified. The Bòrd considers the Improvement Plan has been a useful document which has led to significant improvements, resulting in the Bòrd being more cohesive and streamlined, with transformational change across the organisation. The Leadership Team, along with all staff, review the Improvement Plan on a monthly basis, with updates provided to the Improvement Plan Steering Group and through them to the Audit and Assurance Committee and Board.

14. The Improvement Plan is now considered to be a product of its time, designed to move the Bòrd to consider improvement more holistically across the organisation. As it has demonstrated that ability, and there is now wider expertise within the organisation, the Bòrd has developed a more fluid Continuous Improvement Plan.

Conclusions

15. The Bòrd of today is an improved organisation to the one subject to the 2018/19 audit report. There has been a fundamental overhaul of the organisation's governance structure and Leadership Team, and a significant increase in its openness and transparency. Communication and longer-term planning are also better. The organisation actively seeks issues out while looking for ways to improve.

16. The scale of change reported should not be understated. The pace of improvement – with consequent impacts on staff and stakeholder perception, and the effectiveness of governance and leadership – is to be commended. The Bòrd also appointed an external Change Management expert in 2021/22 to embed its developing approach to continuous improvement and maintain the pace of change.

17. Given the long-term change required, it will take more time for the benefits of the improvements made to be fully evidenced. Outturn in 2020/21 against the organisation's KPIs has been impacted by Covid-19 and it is not immediately clear what impact the changes already implemented have had on the Bòrd's performance, outcomes and perceptions ([Appendix](#)). Going forward, it will be important for the Bòrd to monitor whether the changes are delivering long-term benefits with measurable impact, and to make appropriate adjustments where they are not.

Appendix.

Bòrd na Gàidhlig performance against its key performance indicators 2020/21

Performance Indicator	Target	Result
KPI 1: More opportunities for people to use their Gaelic skills	Greater understanding of the barriers that exist amongst fluent speakers in the use of Gaelic in the Outer Hebrides.	Not achieved – impacted by Covid Timescale extended as a result of Covid-19 during which interviews could not be undertaken. Also change in researcher due to project delays.
	Increased use of Gaelic in communities across Scotland.	Achieved <ul style="list-style-type: none"> • 337 projects funded • 67 public authorities working towards or on Gaelic Language programmes • #cleachdiaigantaigh delivered from May 2020 onwards.
KPI 2: More people agree with the statement “Gaelic makes a difference to my life”	Establish a baseline figure for the number of people reporting positive impacts as a result of using Gaelic.	Not achieved – impacted by Covid Information not available due to projects delayed as a result of Covid-19 with consequent delay in reports being submitted from funded projects.
	Evidence of more opportunities for young people to enter the labour market, where their Gaelic skills are used.	Achieved <ul style="list-style-type: none"> • Skills Development Scotland/Highlands & Islands Enterprise /Comhairle nan Eilean Siar (CnES) partnership for Gaelic apprenticeships. • Four young people participated in summer placements funded by the Bòrd.
KPI 3: More children participating in early years’ sessions	We will gather Plan B from each organisation which was funded through the Early Years Grants Scheme.	Achieved All (20) groups which received funding provided Plan Bs.
	Weekly programme of online activities delivered between January and March 2021.	Not achieved First video delivered Easter 2021. Seven others now delivered and two currently being delivered.
	Six online training opportunities during the year.	Achieved Six online training opportunities delivered.

Performance Indicator	Target	Result
	Positive evaluations of training sessions collated, reflected and acted upon.	Achieved One new resource developed as a result of evaluation.
KPI 4: More opportunities for people to enhance their Gaelic skills	Increase in the number of pupils in Gaelic Medium Education (GME) and Gaelic Learner Education (GLE).	Achieved Education data for 20/21 – total GME and GLE pupils 8,864 (2019/20 – 8,757).
	Increase in the number of adult learners.	Achieved <ul style="list-style-type: none"> • 55,185 unique visitors in 2020/21 (46,567 2019/20) – LearnGaelic • 475k Duolingo learners in the year to March 2021 (400k 2019/20).
	Expansion in the GME curriculum in the Secondary Phase.	Achieved 23 GME subjects provided in Secondary (2019/20: 22 GME subjects in Secondary).
	Every Secondary school delivering GME/GLE has a Gaelic plan in action.	Not achieved – impacted by Covid Delayed due to impact of Covid-19 on schools and local authorities.
KPI 5: More people agreeing with the statement “I have enhanced my Gaelic skills”	Increase in the range of statistical information to assess enhancement.	Achieved LearnGaelic statistics now used to monitor increase.
	80% of people agreeing with this statement.	Not achieved – impacted by Covid Statistics not yet available as a result of Covid-19 restrictions.
KPI 6: Ensuring that Gaelic has an increasing role in a diverse and open Scottish identity	Gaelic language and learning will be recognised/normalised in more situations across the whole country.	Achieved Significant increase in number of online learners.
	More regular dialogue, learning and partnerships with a broad range of bodies in Scotland.	Achieved Increased engagement with organisations in Scotland, eg CLS, Stonewall, new public authorities, Guth nan Siarach.
KPI 7: More people agreeing with the statement “Gaelic is important to Scotland”	Increased positive social attitudes towards Gaelic (more than 81% - Scottish Social Attitudes Survey).	Not achieved – impacted by Covid Survey not progressed during 20/21 due to Covid-19. Due to take place in 2022.
	New and existing resources are successfully adopted.	Achieved Social media campaigns run by the Bòrd. Further campaigns run by others, supported or promoted by the Bòrd.

Performance Indicator	Target	Result
	More political parties commit to supporting Gaelic language development	Achieved The main political parties made commitments in their manifestos, supported by information provided by the Bòrd.
KPI 8: More of our staff agreeing with the statement “My work at the Bòrd is fulfilling and makes a difference”	Our organisational values are embedded into how we work.	Achieved Values included in fortnightly Dè tha Dol meetings and each 6-8 weekly individual personal work plan meeting, plus one-off meetings.
	Staff are provided with the required training and support.	Achieved Personal Development Plans in place; annual staff conference agenda developed by staff; quarterly self-development time; training report to CPG and Board.
KPI 9: More of our stakeholders agreeing with the statement “The Bòrd is effective in its role and contributes to what we do”	Positive corporate reputation with stakeholders is ensured.	Achieved Board and committee meetings in public; external audit confirmed significant change taking place; participation in community meetings; positive feedback from Faster Rate of Progress meetings.
	Sound financial and risk management practices are maintained.	Achieved Annual programme of Internal Audits all at a good standard.
KPI 10: We will reduce our carbon emissions on an annual basis, reaching net-zero emissions asap and by 2045.	Carbon emissions baseline and reduction targets are in place and being met.	Not achieved – impacted by Covid Unable to create baseline due to information being in hardcopy in the office and access prevented due to Covid-19. Carbon emissions substantially reduced.
	The way we work as an organisation has changed in order to reach net-zero emissions as soon as possible.	Achieved Travel almost absent from 2020/21. Move to online meetings will be maintained to continue reduction in travel. Reduced use of paper/ink due to increase in digital usage.

Source: Bòrd na Gàidhlig Annual report and Accounts 2020/21

The 2020/21 audit of Bòrd na Gàidhlig

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