

Jane Williams
Senior Assistant Clerk
Scottish Commission for Public Audit
The Scottish Parliament
Edinburgh
EH99 1SP

21 December 2018

Dear Jane

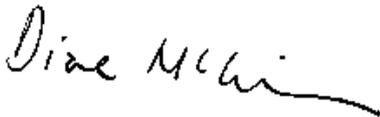
Thank you for your recent contact following on from our session with the SCPA on 12 December 2018.

I understand that the Commission would welcome some additional information on the development of the audit of social security. Our budget proposals are underpinned by an assessment of the audit inputs we expect will be required. For initial planning and budgeting purposes, this reflects our best understanding of how and when the Scottish Government will implement the benefits being devolved from the UK. We use standard grade mix and productivity assumptions in planning all new work, and refine and revise these on the basis of actual experience. We review the inputs to social security auditing as the Government takes decisions about implementation and timing, and as we complete detailed annual audit planning. Given the complex and significant nature of the new social security arrangements, this iterative process will continue for some time. At this stage we know only the detailed transition timetable for the first three benefits to be devolved, and we have therefore assumed that remaining requirements will build up evenly throughout the period to 2021/22. There will remain significant uncertainty about detailed resource requirements until the timetable for the remaining benefit transfers is set but we need to plan and build capacity.

I hope this further explanation is of assistance. As I said in the meeting, I would be very happy to discuss with SCPA members any further information needs that they have in fulfilling their roles. In the meantime, our quarterly financial and performance reports to the Audit Scotland Board is available on our website.

May I wish you all the very best for Christmas and the new year.

Kind regards.



Diane McGiffen
Chief Operating Officer

Follow up information to letter of 21 December 2018

Many of the principles we apply in costing are set out in our Fee strategy, which was previously circulated to the Commission.

Similar to other organisations, Audit Scotland has operational systems that collect key performance data to enable us to deliver a high quality service and manage/operate an effective and efficient business. Audit time recording data is collected for each audited body in detail and summarised into the sub-headings listed below:

- Planning
- Controls
- Governance
- Performance
- Best Value
- Financial Statements
- Grant Claims and Returns
- Correspondence
- Information and Communication Technology
- Shared Risk Assessment
- Completion

The Board and Audit Committee of Audit Scotland are responsible for the approval and monitoring of the Corporate Plan and Annual Budget. The Board and Audit Committee receive quarterly reports to enable them to challenge and measure business performance against plan and budget, in line with their corporate governance role. Summary time recording data drives the recognition of fee income within the financial accounts and is included in the finance reports presented to Audit Scotland's Audit Committee and Board on a quarterly basis. Summarised time recording data is also used to provide key performance measure information.

Effectively these quarterly reports are used to monitor Audit Scotland's performance in delivering the key strategic objectives:

- Delivering World Class Audit
- Making a Difference
- Building a Better Organisation.

This link to the papers for the Board meeting of 28th November 2019 provides an example of the quarterly financial and performance monitoring reports the Board receive http://www.audit-scotland.gov.uk/uploads/docs/minute/board/2018/bd_181128_papers.pdf. Board papers are published on our website for each meeting.

All of this data then builds to the annual report and accounts, which are reviewed by the Audit Committee and independently audited by the external auditors appointed by the SCPA. Those audited accounts are then laid in the Parliament annually and form the basis of our June meeting with the SCPA.