



OFFICIAL REPORT  
AITHISG OIFIGEIL

# Public Audit and Post-legislative Scrutiny Committee

Tuesday 5 May 2020

Session 5



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Pàrlamaid na h-Alba

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**PUBLIC AUDIT AND POST-LEGISLATIVE SCRUTINY COMMITTEE**  
**10<sup>th</sup> Meeting 2020, Session 5**

**CONVENER**

Jenny Marra (North East Scotland) (Lab)  
\*Anas Sarwar (Glasgow) (Lab) (Acting Convener)

**DEPUTY CONVENER**

\*Liam Kerr (North East Scotland) (Con)

**COMMITTEE MEMBERS**

\*Colin Beattie (Midlothian North and Musselburgh) (SNP)  
\*Neil Bibby (West Scotland) (Lab)  
\*Bill Bowman (North East Scotland) (Con)  
\*Willie Coffey (Kilmarnock and Irvine Valley) (SNP)  
\*Alex Neil (Airdrie and Shotts) (SNP)

\*attended

**THE FOLLOWING ALSO PARTICIPATED:**

Caroline Gardner (Auditor General for Scotland)  
Fraser McKinlay (Audit Scotland)

**CLERK TO THE COMMITTEE**

Lucy Scharbert

**LOCATION**

Committee Room 5



# Scottish Parliament

## Public Audit and Post-legislative Scrutiny Committee

*Tuesday 5 May 2020*

*[The Acting Convener opened the meeting at 10:00]*

### Interests

**The Acting Convener (Anas Sarwar):** Good morning and welcome to the Public Audit and Post-legislative Scrutiny Committee's 10th meeting in 2020—our first virtual meeting.

I welcome Neil Bibby to the committee, and ask him to declare any relevant interests.

**Neil Bibby (West Scotland) (Lab):** Good morning. I am pleased to join the committee. I am a member of the GMB and Unite trade unions, which may be relevant to the committee's work.

### Decision on Taking Business in Private

10:01

**The Acting Convener:** Agenda item 2 is a decision on whether to take item 4 in private. Given the complexities of group discussion over videoconference, I will assume that each member is content, unless they object by raising their hand. No member has objected, so that is agreed to.

## Covid-19 (Impact on Audit Scotland)

10:01

**The Acting Convener:** I welcome Caroline Gardner, Auditor General for Scotland, and Fraser McKinlay, controller of audit and director of performance audit and best value at Audit Scotland. I hope that they and their entire team, and their families, are well and keeping safe.

Auditor General, as you know, the remit and work of the committee are intrinsically linked to your work and that of Audit Scotland. The committee recognises the challenging times in which we are living and the significant pressures on many of the public bodies that you audit, whose audit reports often come before the committee. We pay tribute to all those bodies at this challenging time. Nevertheless, as you noted when you came before the committee in March, strong financial management and good governance still matter in these difficult times—perhaps they matter even more than they did before. Therefore, the committee would like an update on the impact of Covid-19 on your work, which will help inform the committee's own work and next steps. I invite you to make a short opening statement.

**Caroline Gardner (Auditor General for Scotland):** Thank you, convener. I pay tribute to all the public servants who are working to save lives, support communities and protect jobs at this time.

These are exceptional times and, at Audit Scotland, we are committed to helping Parliament to scrutinise the response to the national emergency. We are engaging with the bodies that we audit to understand the challenges that they face, and we will be pragmatic, flexible and consistent in our approach. Although we do not want audits to get in the way of all that vital work, reporting on the use of public money is as important as ever.

We are in close touch with the Scottish Government and the other bodies that we audit to understand the implications of the pandemic for the production of their annual accounts. We will carry out that work in line with auditing and ethical standards and will keep the committee informed about any potential delays. We are updating our performance audit programme to ensure that it adds value and supports parliamentary scrutiny in the radically changed circumstances that we all face.

Understanding the impact of Covid-19 on Scotland's public finances and public services,

supporting good governance, following the public pound and delivering world-class audits will be critical for Audit Scotland over the weeks and months ahead, and the situation will be fluid for some time.

Fraser McKinlay and I will do our best to answer the committee's questions. As I said, we are committed to supporting your work as normal.

**The Acting Convener:** Thank you.

I will bring in questioners in turn. If any member wishes to ask a supplementary question, they should raise their hand, and I will try to bring them in. I will kick off.

My first question is about how, in general, you are finding yourselves able to carry on Audit Scotland's work in these challenging times. What has that meant for Audit Scotland's own restructuring, how it performs its audits and its access to public bodies in performing the audits that it needs to do?

**Caroline Gardner:** I pay tribute to all my colleagues in Audit Scotland and in the firms that we work with. They have been magnificent in responding to the radically changed circumstances that we are working in. We managed to move to home working very quickly; the investment that we have made in digital working has stood us in good stead. Of course, everybody is working out how to do that for the first time.

So far, we have concentrated on staying in touch with our staff, prioritising their health and wellbeing, and making sure that everybody is able to work and to carry out all their other responsibilities.

We have now moved to a phase of engaging with all the bodies that we audit. We want to get a real sense of the circumstances that they are facing and of how well they have been able to move to remote working, to adapt the services that they provide to the public and to think about the changes that they will be dealing with not only in the short term but in the longer term.

When I spoke to you in March, that was all still very fresh. Things are a bit clearer now, and we have a clearer indication of what is likely to happen to audit timescales over the rest of this audit year, up to December. We have started the slightly longer-term work of revising the programme of planned work that we carry out, in order to make sure that we understand not only what can and should go ahead but what we should postpone or drop so that we can make space to look at the response to Covid-19 and to think about how our work can add value to public services and can support parliamentary scrutiny.

**The Acting Convener:** The committee regularly discusses management structures and

governance issues in almost all the reports that it considers. Has Audit Scotland, and have you, as Auditor General, had a chance to consider some of the management structures that have been put in place to respond to the crisis? Have you looked at governance issues to trace how those structures are performing?

**Caroline Gardner:** Our first priority was to get a good feel for how the Scottish Government is responding to the situation, given that the Government is at the heart of the response by all Scotland's public services.

We have engaged well with the permanent secretary and her team and with the Scottish Government's audit and assurance committee. They have put revised governance arrangements in place, with the intention of ensuring that they can respond quickly and effectively across the country. The intention is also to ensure that the essentials of good governance are in place in looking at how money is spent, procurement and how records are kept of some of the difficult decisions that need to be taken. We are staying in close touch with all that.

The auditors who are appointed by me and by the Accounts Commission to every public body across Scotland have been spending time talking to their public bodies. That will provide a sense of how those bodies are responding and how they can be flexible and agile in responding as required, to ensure that public money is protected and that the transparency and accountability that the committee would expect can be fulfilled.

As you would expect, the picture looks different in different places. Public bodies do different things in different circumstances, but that is what we are focusing on at the moment. We will be able to give the committee evidence about that as the pandemic unfolds, so that you can carry out your responsibility to scrutinise how public money is spent.

**The Acting Convener:** I will come back to procurement; I will focus first on governance and management structures.

Do we have standard management systems in place at the Scottish Government level? Is there a back-up or contingency plan for management structures and governance in a national emergency? If there is a plan, how is it being implemented? If there is no plan, what lessons can we learn for future decisions, should we ever be in a similar situation? When will you be able to report your findings on those structures and how things are playing out?

**Caroline Gardner:** All public bodies have some contingency planning in place. We expect them to do such planning; auditors look at that from time to time. Last year's experience of working towards

Brexit placed an additional focus on contingency plans. The preparations that we made in Audit Scotland in the run-up to 31 December, in the event of a possible no-deal Brexit, have ironically stood us in good stead for the move to remote working and for the lockdown in the middle of March due to the pandemic.

We know that the Scottish Government had its own contingency plans in place and was working in a very focused way last year on a possible no-deal Brexit. We know that those plans were being adapted during February and March in the run-up to the lockdown, which meant that the Government was able to pivot its governance arrangements quickly when the emergency that we were all facing became clear.

The permanent secretary, her directors general and the Scottish Government's audit and assurance committee have been very open with us about the arrangements that they have put in place. At this stage, the arrangements look to us to be sensible, but it is clear that they are being tested in ways that none of us has been tested in our working lives up to now.

The Scottish Government audit team that I appoint will look at the effectiveness of those arrangements, how well they have worked in practice and what, if any, lessons we can learn as part of this year's Scottish Government annual audit. I expect that my successor, Stephen Boyle, will report to the committee on that towards the back end of 2020. We might talk about timescales and deadlines a bit later on in the meeting, but that work is under way and we expect to be able to report to the committee in the usual way on the back of the annual audit of the Scottish Government and, where appropriate, other public body audits.

**The Acting Convener:** There are some specific questions around that, but one of my colleagues will pick them up later.

I imagine that Audit Scotland is the prime example of an organisation that has good management systems and contingency plans in place. What best practice have you shared with the Government? What analysis is Audit Scotland doing of the Government's management system? When will you be able to report back on how that is playing out and the impact that it is having?

**Caroline Gardner:** We recognise that Audit Scotland is smaller and less complex than many public bodies. We do not provide public-facing and front-line services, and I do not want to suggest that the fact that our move to remote working has been smooth sets any expectations for other public bodies. We recognise that we are not a front-line service and therefore do not face the

same challenges that many public bodies are facing at the moment.

That said, our auditors are able to ask the questions that I hope will help public bodies to think about their own responses and where they might need to focus more attention, or reprioritise to focus on the most important things. That will certainly be part of the work of all the auditors whom the Accounts Commission and I appoint during the summer when the annual audit work is to be completed. We expect to be able to report on that work in various ways around the end of the year and thereafter.

In the usual way, we will have the annual audit reports, where appropriate. There will also be section 22 reports on individual bodies, and we will be flexing the overview reports on sectors such as the national health service and local government to give the committee a picture of what they look like. We are also reshaping our performance audits—our planned work programme of audits—and I would be surprised if there were not some strands in there that we could look at specifically for the lessons that we can learn from the way in which public bodies have pivoted their governance arrangements to focus on the national emergency, making sure that they are doing the right things while protecting public money and managing the risks that are involved.

The timescales will probably be a little bit later than they would be in a normal year, but we are working towards delivering as much as we can by the target dates that have been set out by the Government for the six to nine months ahead.

**The Acting Convener:** As always, I am struck by your modesty about such a well-functioning body.

Two recurring themes have come up as a result of the Covid-19 emergency; the first has been an issue since the start of the outbreak; and the second arose in the past week or so. The issue that keeps coming up is that of public procurement and the distribution of personal protective equipment. Is any audit being done of that? Is there any engagement with the Government about procurement processes—the acquisition, storage, management and distribution of PPE? Has there been an audit of the process, from procurement to delivery? If not, do you intend to look at that in future?

**Caroline Gardner:** At the moment, we are focusing on understanding the wide range of risk that public bodies are facing. PPE is clearly a big issue for Government, for health boards, for integration joint boards and, in relation to social care, for local authorities. It is one of the issues that we will consider as we look at the planned work programme in which we pick up particular

themes. However, I stress that we at Audit Scotland must focus on where we can add the most value, and it may be that there are others who are better placed to look at the clinical response to the pandemic. We will make sure that our work provides the assurance that Parliament needs, but we will stick with our primary focus, which is on good governance, good risk management and—

10:15

**The Acting Convener:** I am sorry to interrupt, but I would like to clarify that my question was less about the health or clinical benefits of PPE and more about the process of procuring and distributing PPE.

**Caroline Gardner:** We will look at preparedness in general—to go back to your question about contingency planning—but I do not want to make a commitment now that involves overstating the importance of procuring PPE. Clearly, at the moment, it is a very live issue, but we will have to consider where Audit Scotland can add most value and how our work can sit alongside the other parts of scrutiny that will be carried out. We would like to carry on having that conversation with the committee in the weeks ahead.

**The Acting Convener:** Further to that, an issue that has been raised this week is that of council budgets and the transfer of money from the United Kingdom Treasury to the Scottish Government and down to local authorities. There has been some controversy, to put it mildly, about whether councils are being asked to draw down their reserves before they can access additional budgets. Are you looking at that issue, or will you look at it in the future?

**Caroline Gardner:** I will bring in Fraser McKinlay in a moment. As the Auditor General, I—and Stephen Boyle, my successor—will certainly look at the how the Government has used all the funding streams that are available to it to support public bodies, businesses and individuals through the pandemic. Transparency is an important part of that. As always, it is not our job to specify the policy approach that the Government should take; instead, we must make sure that there is transparency and good evidence around that.

Fraser, would you like to say a bit more about the council dimension of the overall public service response?

**Fraser McKinlay (Audit Scotland):** Thank you, Caroline. Good morning.

Yes, we are monitoring that very closely, as the committee can imagine. Last week, Convention of Scottish Local Authorities leaders made clear their

expectation of what will happen to any Barnett consequentials that come through to councils, and we will monitor that very carefully. It is obviously not for us to comment on what should happen with that money, but every year we produce for the Accounts Commission a local government financial overview report that sets out all the money that councils get from the Government and through council tax, fees and charges. It is clear that, almost regardless of what happens with the Barnett consequentials money, the financial position for councils will be really tough in the coming year.

The issue that the convener raises will form part of our reporting later in 2020.

**The Acting Convener:** Thank you.

I have a final question before I hand over to Colin Beattie. Auditor General, you rightly talk about the important role of scrutiny and the importance of sound financial management and good governance. What advice do you have for us, as a committee that is driven by your work, about how we should perform our role in the coming weeks while being sensitive to the current situation?

**Caroline Gardner:** The first thing that we can offer is very clear and continuing engagement with the committee on when our work is likely to come through. I think that that will happen a little bit later than normal this year, given the challenges that we are all facing, but we are working very hard to make sure that it is not much delayed and that it comes through in a stream that enables the committee to carry out its role almost as normal in these very abnormal times.

On top of that, the committee might want to consider taking some early assurance on the arrangements that the Scottish Government has put in place. As I said, the Scottish Government has been very open with us about those arrangements. We think that, so far, it has been able to respond very quickly by putting in place arrangements that support ministers and that are aligned with the priority risks that it is having to manage. I am sure that it would be productive for the committee to gain an understanding of that and to think about the issues on which it would want to receive further information and assurance.

Thirdly, we at Audit Scotland would very much welcome the committee's involvement in helping us to understand its priorities as we shape the forward programme of work and to think about the sorts of issues that would support its scrutiny, alongside that which is carried out by other committees of the Parliament, so that we learn all the lessons of the current situation without getting in the way of the work that people need to do right



now to save lives and to manage the economy and people's livelihoods through the crisis.

**The Acting Convener:** Thank you for that. I hand over to Colin Beattie.

**Colin Beattie (Midlothian North and Musselburgh) (SNP):** Auditor General, when the committee last heard from you, we discussed the assurance framework that needed to be in place to govern decisions about the distribution of additional funding. It is clearly important that the Scottish Government's and the broader public sector's response is made within an appropriate framework involving clear lines of accountability, robust and transparent governance and decision-making processes, audit trails and so forth.

How is Audit Scotland working with the audited bodies, including the Scottish Government, on their decision-making and governance processes in respect of Covid-19?

**Caroline Gardner:** I will do my best to explain, Mr Beattie. The obvious caveat is that these are early days and we are all working our way through this.

So far, my primary focus has been on the Scottish Government. I have been working with the responsible audit director to engage with the permanent secretary and her senior team, as well as the Scottish Government's audit and assurance committee, about the approach that they are taking.

The Scottish Government was very quick to pivot its governance arrangements to reflect the new world that we are having to work in—it did so at great pace. The arrangements that have been put in place seem to focus on the correct issues and recognise the complex interrelationship between the different funding streams, services and considerations that need to be taken into account. That was a good, early start.

We know that the Government has provided additional guidance to accountable officers about the sort of governance that is expected to be in place to balance those two things. That includes good risk management and flexible, agile and quick responses where they are needed. It has focused on the internal controls that should be in place, such as recording difficult decisions that are being taken or decisions that are slightly out of the ordinary. In procurement, the guidance covers helping to sustain suppliers in very unusual circumstances. We know that that is happening.

The auditors that I and the Accounts Commission appoint to bodies around the country are looking at the same issues. In all of the 200 or so bodies, we are getting a sense of the pressures that they face and the ways in which they are responding. We recognise that the purposes,

functions and ways that those bodies are operating are all very different, and there are differences between those that operate on a local level and those that operate on a national level. We are getting a sense of all of that now, and we will report it back through the annual report for each body. We also will pick things up in the overview reports for the big sectors such as the NHS and local government.

We will look at whether there are thematic pieces of work that we want to add to the work programme, which will then play back into the Public Audit and Post-legislative Scrutiny Committee's future work. However, for now, the focus is on intelligence gathering and sharing, as well as on looking at good practice and identifying particular issues that need an immediate response.

**Colin Beattie:** I understand that these are early days and that the processes are still under development. However, you are clearly also in discussion with the various audited bodies. Given the stage that this whole unprecedented operation is at, do you consider that the frameworks that are in place for governing decision making in relation to Covid-19, including on the distribution of funding, are adequate at this time?

**Caroline Gardner:** I would have to say that they are still evolving. For example, the packages of funding that are available from the UK Government are developing week by week. Some of those funds are available directly to businesses in Scotland, whereas some come to Scotland in the form of Barnett consequential and the Scottish Government has to decide how best to use them. The Government is also using its own flexibilities to focus on the particular concerns that it has for Scotland and on particular problems that apply to Scotland because of the nature of our country and society.

Based on the focus that we have placed on the Scottish Government's frameworks, I think that its response has been quick and agile and has focused on the key issues. I have no doubt that it will have to continue to evolve. We are looking at individual bodies through the networks of auditors that I have described, and those networks are meeting virtually on a regular basis to share information.

However, it is too soon to be able to give members the assurance that Mr Beattie seeks. The assurance that I can give members is that that is what we are working on at the moment, and we will play that into the reporting back to Parliament, to the committee and to the bodies themselves so that we have proper accountability when that is appropriate and lessons are learned at the right time.

**Colin Beattie:** Taking into account the fact that we are still in the early stages, have you identified any particular or generic circumstances, issues or risks in respect of the audited bodies?

**Caroline Gardner:** Obviously, there are some general risks that relate to the extent to which everybody is now working remotely. The usual internal control frameworks do not apply or have to be adapted, and new streams of quite significant amounts of money are being spent at pace for very good reasons, in response to the pandemic.

Our auditors are talking to the bodies that they audit about the internal controls that are in place and how they need to flex. They are talking about what particular fraud risks bodies might be facing and about the risks of not getting the money out there quickly so that it can be spent for the purposes for which it is intended—whether that is to support jobs, communities or individual vulnerable people and families.

We are looking at those sorts of issues, but they play out in very different ways, whether we are talking about a health board that is focusing on getting vital PPE not just to its own staff but to other local health and care settings—which the convener referred to—or those who are focusing on getting money to families in lieu of school meals or to people who are very vulnerable for other reasons. Those sorts of risks look very different, and we are focused on understanding them and asking the right questions to help bodies to think about the risks that they face and ensure that they are flexing their controls to get absolutely the right balance between looking after public money and getting the support where it is needed when it is needed.

**Colin Beattie:** I am very glad that you mentioned internal control, as it is one of my favourite issues. You seem to be indicating that internal control is being enhanced or is changing in response to the challenge. I am aware that internal control is frequently provided by a third party. What about the contractual arrangements with the internal control bodies? Have they proven to be an insurmountable obstacle in finding the new fashion of internal control? Am I being too optimistic in thinking that internal control is changing that much?

**Caroline Gardner:** There is no doubt that internal controls are having to flex in every public body across the country. I think that you are focusing on internal audit, in particular, and Fraser McKinlay might want to add intelligence that he is aware of from his engagement with our audit staff.

What I can tell the committee is that, in the Scottish Government's immediate response to the pandemic, in putting out its revised governance arrangements, the role of internal audit was front

and centre in a way that I think you would have been pleased to see. Obviously, the Scottish Government has its own internal audit function, but it has repurposed and refocused that very quickly on providing advice on its internal control arrangements; identifying where there are risks and whether the new controls are adequate and appropriate; providing direct support to areas in which there are particular risks, to ensure that the processes are robust and appropriate—that involves focusing specifically on things such as new funding streams that have to be distributed very quickly and ensuring that the checks and balances there are appropriate; and providing advice on areas in which the risks may be higher and therefore the controls need to be stronger, to mitigate the risks of fraud or other misuse of public money.

I think that the Scottish Government has done that well so far. Obviously, however, things are very variable across other public bodies.

Would you like to add anything to that, Fraser?

**Fraser McKinlay:** We all hope that internal audit and internal controls are front and centre in public bodies' responses to this situation. As Caroline Gardner just described, our sense is that, in the Scottish Government, they are. I see that across public services—in councils, health boards, colleges and other places. The internal audit plans that were discussed at audit committees at the start of this year needed to be completely revamped, and they are all being pretty agile in doing that, so existing resources will be refocused. That is important, and it is critical that internal audit looks at Covid-19-related issues.

It is also really important that we do not take our eye off the ball on some of the basic internal controls that are essential year in, year out. We are asking internal controls and internal audit functions to continue to focus on the basics as well as on some of the new stuff that has come in over the past few months.

10:30

**Colin Beattie:** I have a few questions to wrap up. The intergovernmental discussions that take place primarily between the Scottish Government and the UK Government are a difficult area for the Parliament to scrutinise. They are extremely important during this particular period and impact on everything that is happening in the country. Do you have a feel as to how those intergovernmental discussions and decision-making processes are being recorded and minuted, or is that completely opaque to you?

**Caroline Gardner:** That is an excellent question, Mr Beattie. You are right—the interaction between the UK and Scottish Governments and

between the Scottish Government and the other devolved Governments has been critical over the past six weeks as they have responded to the pandemic.

At this stage, we have not sought to look at the sorts of records and minutes that you refer to. We are focusing on two things. First, we are making sure that we understand the new funds and, in some cases, new powers that are coming to Scotland through the UK Treasury funding and the coronavirus legislation in both Parliaments. We are mapping that and identifying where we might add value by auditing and providing transparency and evidence of what is going on. Secondly, we are in close contact with the other UK audit agencies, particularly the National Audit Office, to make sure that we are sharing intelligence as well as aligning our work and making best use of the resources that we bring in here.

There is no doubt that understanding those sets of relationships, flows of funding and communication about how powers are being used will be critical to understanding the Scottish Government's response to the pandemic and to providing Parliament with evidence of how the money has been spent and the impact that that spending has had on public services, communities and the economy. That is very much part of our focus and something that we are working on closely with our colleagues across the rest of the UK.

There will also be an impact on the areas where we already work closely with the NAO, Her Majesty's Revenue and Customs and the Department for Work and Pensions on taxation and benefits. We are engaging with them closely on what new risks this situation may throw up and what additional work we or they—or both—may need to do in responding to it.

**Colin Beattie:** I have one final question. I frequently hear about lessons learned but, all too often, lessons are not learned. Given the speed with which decisions are being made at the moment, do you agree that good practice in the handling of funding packages and putting processes in place is bound to come out of this situation? We hope that we will never be in this position again, but who is best placed to look at the lessons learned and at good practice—Audit Scotland or the Government? How will it work and how do we secure that learning for the future?

**Caroline Gardner:** We are very focused on that at the moment in Audit Scotland. There is no one place where good practice should be shared from but, obviously, sharing it and making sure that people are learning from it quickly has to be a priority at the moment.

We do not have time to waste on reinventing the wheel or making the same mistakes, so getting on good practice is part of what we are doing throughout our intelligence gathering and information sharing work, and we are happy to share that with the committee as the weeks roll on. The Government is also seeking to do the same thing, so we are engaging with it and looking at how we can complement each other in doing that.

The Government's "COVID-19—A Framework for Decision Making", which is about moving on from the lockdown that we are all currently living with, has got a clear and strong chapter at the end about the future of Scotland and learning lessons in a wider sense—that is, not just learning from the immediate crisis response but learning what that tells us about the resilience of public services, their role and how we can best support communities and the economy. As we refresh our work programme, one thing that we are looking to do is to ensure that the performance audit performance work in particular is aligned with that and is helping to support the Government's intentions of learning the bigger lessons that go beyond today's response to what Scotland will look like as we emerge from the pandemic.

As you said, we hope not to be in this situation again, but we will certainly face future crises, and we should not lose the opportunity to think about what we are learning about Scotland as a society and an economy as we move into that next phase, as the Government has already set out.

**Liam Kerr (North East Scotland) (Con):** I would like to explore a couple of the issues that you mentioned in your opening statement and the convener asked about. During the previous evidence session, you were asked about reports that Audit Scotland planned to publish. You indicated that the reports that had been

"through the clearance process"

would be published

"as normal, although probably with less publicity, for obvious reasons."—[*Official Report, Public Audit and Post-legislative Scrutiny Committee*, 19 March 2020; c 5.]

Will you update us on your approach to those reports, including the discussions that you are having with the relevant bodies about them?

**Caroline Gardner:** Since we last met in March, we have published two reports, which were almost ready to go at that time: "Affordable housing: The Scottish Government's affordable housing supply target", and "The 2018/19 audit of City of Glasgow College: Report on the investigation of an alleged fraud", which is a section 22 report.

We are expecting to publish, more or less as planned, the section 23 report on Highlands and Islands Enterprise's management of the

Cairngorm funicular. That is in the final stages of clearance. HIE and the Scottish Government have agreed that they are able to engage with us and that we would all prefer to close that down and publish the report. The report is due to be published before the end of this parliamentary session.

We have stepped back and looked at the remainder of the programme as a whole. The next report that was due to come out was the work on educational outcomes. Given the pressures on schools, local authority education services and the Government, we have decided to press pause on that work and think about how we can use the work that we have done in a constructive and useful way once we are through the immediate phase of the pandemic.

Beyond that, we have put the rest of the programme on hold for the moment while we look closely at where we can best add value in relation to the immediate response to the pandemic; the impact on key public services and sectors, such as the national health service, local government and the economic support bodies; and, as I said in response to Mr Beattie's question, the longer-term impact of the pandemic on public services and finances, which we will need to align our work to.

That work is still in progress. We will be very happy to talk again to the committee and hear your views about it over the weeks and months ahead. However, for now, it feels to us as though this is such a significant set of events that our focus should first of all be on getting the audits of individual public bodies up to and including the Government carried out and reported on, so that you have that information available, and then stepping back and revisiting the planned work programme to make sure that it is adding the maximum value possible through the learning that we have been discussing.

**Liam Kerr:** This will probably be my final question at this stage. You talked about pressing pause on a report, the implication of which is that that report will now be delayed. Presumably, several such reports could be delayed, perhaps due to their being finalised or due to Audit Scotland's capacity or that of the body in question. Are there reports that will never be published at all, because they will lose their currency if they are subject to delay? If so, what will happen to all the good reporting work that we need to know about?

**Caroline Gardner:** That is exactly the work that we are going through at the moment. Some pieces of work cannot be completed because the audited bodies that are affected do not have the resources at the moment to engage with us on, for example, the clearance process, which we go through for factual accuracy.

A good example is the schools work. It would be entirely wrong for us to take up the time of council education managers and people in the Government who are focused on trying to protect the most vulnerable children across Scotland and on keeping educational activities going for children who are being cared for at home, as we all stay home under the current restrictions.

When we are through this period, we will look again at the work that has been carried out and at what we can reshape and repurpose in order to make that work available to Parliament and public services. We will also look at where we might need to do additional work to bring Parliament and public services up to speed or to reflect our circumstances.

Each of the pieces of work that we had on the stocks is subject to a similar process. I will ask Fraser McKinlay to bring you up to speed on the details in a moment. At the same time, we are conscious that the pandemic has changed many things for all of us. We do not want to plough on with a programme that predates the pandemic, even though it was agreed only in March. We want to ensure that we use our resources to add the maximum value to public services and to Parliament so that they can carry out their important scrutiny role.

**Fraser McKinlay:** We at Audit Scotland have come up with a new phrase to reflect that process: we say that we are putting some of those reports in "warm storage", which ensures that the work is not wasted. We recognise that, although it might not be appropriate to put some of those reports out at the moment or in the next couple of months, it would be a shame to see all that good work go to waste.

We are looking at several options. We could publish reports in full at a later date—using parts of the reports and publishing them in different ways and outputs. As an absolute minimum, the work that we have done on those reports will contribute to our programme development and our forward work planning. As Caroline Gardner has said, we are looking at that programme at the moment. Some of the audits that were scheduled for the 2020-21 financial year are still on important issues but will need to look a bit different in scope and focus.

We had a report on the sustainability of social care on the stocks, and reports were due to start on waste management and on children with additional support needs. Those are all still important topics, but we will need to revisit the focus and scope of those reports in the light of the current situation. I assure the committee that we will not be wasting any of the work and that we will be keen to speak to members over the summer as we refresh the work programme, which we hope to

have ready for sharing in September. We will be keen to engage with the committee over the summer on the matter.

**Willie Coffey (Kilmarnock and Irvine Valley) (SNP):** The Auditor General has discussed a longer-term approach that would involve exploring what auditors and public bodies can realistically do. What discussions is she able to have with her staff and her successor about the approach that she might be able to take in the planning of Audit Scotland's future reports?

**Caroline Gardner:** One of our audit directors, Antony Clark, is working across the organisation to understand where the pieces of work are, what the responses are of the audited bodies that are affected by those pieces of work and what the thinking is about how affected they are, along the lines that Fraser McKinlay has been describing.

10:45

As I have said, our priority now is to get the annual audit work under way in ways that none of us has had to do it before. We want to make sure that we are able to report to Parliament on both individual bodies and key sectors, such as the NHS and local government, about what we are seeing, how people are responding and what pressures, risks and, in some cases, opportunities are coming out of that work.

We are then looking at what that means for the overview reports of key sectors that you see every year. We will have the a chance to pull together what is happening above the level of individual bodies and then to pull out key scenes that we might want to report on, using section 23 powers.

We have already touched on some of those examples. Another obvious one that I know the committee will be interested in is how well individual public bodies have been able to use digital technology to shift to working online and to working in new, more flexible and innovative ways; whether bodies have struggled with doing that; and which ones are finding it much harder to make that transition.

In the medium term, the pieces of work that are picking up steam are from right across public bodies. All of that thinking is being fed by our staff who work in the individual bodies as well as staff in our policy clusters, who look at things such as health and care, education, justice, lifelong learning and the other services that the bodies that we audit are responsible for. We are now working towards that medium-term response.

As for the longer term, our thinking is aligned to that of the Government about the future of Scotland. We are thinking about what all that means for the work programme that we should be

putting in place for the period after the end of 2020, in order for us to support parliamentary scrutiny, by this committee and potentially others. We are also thinking about the questions, risks and opportunities that we have learned about through the experience of the pandemic and the ways in which public services and the Government are responding to them.

**Willie Coffey:** With regard to work that is in progress, what can we reasonably expect from our public bodies at the moment? They might be in the middle of their own work programmes or doing work as a result of recommendations from previous Audit Scotland reports. What can we expect to be achieved?

**Caroline Gardner:** We expect all public bodies to be focusing on what their priorities should be right now. The intention of your question is absolutely right—those priorities almost certainly will have changed.

Some public bodies will have had no choice about that. Health bodies, councils and other bodies that are focused on dealing with the immediate issues that the pandemic throws up will have had to turn on a sixpence to be able to respond to those issues. They will have had to redirect their people, the public money that they spend, and the buildings and additional technology that they have available to do something quite different, and to do that at absolute pace and speed to get it working. We would not expect those bodies to focus on more than the essentials in terms of governance, internal controls and responding to formal audit recommendations. They should be responding to those priorities, but, in their case, it has to be about reprioritisation.

Other bodies will be in a different situation. They might be turning their attention to longer-term changes that they will want to make on the back of the pressures on public services and public finances that we know are coming as a result of the pandemic. Lots of the work that we have done in the past should help them with that—for example, work on planning for outcomes, using digital well to transform public services and the principles of good governance. I hope that our work in those areas is of value to the public bodies that are in that phase.

However, it will take a little while for everybody else to be there. Our priority is to ensure that we understand the circumstances for each body, their responses, and how we can best come in behind that. We also need to ensure that our audit work is happening across the next six to nine months, so that we are able to report to those bodies and to the committee, to give you an evidence base so that you can ask the right questions and follow up on the issues that are your priorities.

**Willie Coffey:** Finally, are you able to get progress updates on any of the work that comes under your gaze? I am thinking of some of the information technology development work, which the committee is very interested in. Some of that work could be probably be done from home using the digital technology that you mentioned a moment ago.

**Caroline Gardner:** We are focusing on that area in the medium-term package of work to which I referred. Immediately, all of us have had no choice but to put as much of our work as possible online. Some public bodies have achieved that much more rapidly and fully than others. We hear, anecdotally, that some public bodies are struggling. We are gathering information, through our audit teams across the country, about how that is going, ensuring that we understand it and playing it back to the bodies themselves, where there is good practice from which they can learn. It is likely to be one of those medium-term pieces of feedback—I would not put it as formally as a report—to the committee that we hope that it can use to build on the excellent scrutiny that it has done already. That is a lesson that we can all learn very quickly.

For several years I have talked about the opportunity cost of not investing in digital services, which can be more flexible for members of the public and users of services. We are now seeing the absolute cost of not being able to offer that where alternatives are not possible. Fraser McKinlay might have more to say about the detail of the work that he is seeing in public bodies across the country.

**Fraser McKinlay:** I will be brief. I can never miss an opportunity, Mr Coffey, to mention our ISO 27001 accreditation—we have been re-accredited for that. To be less flippant, such things come home to roost at times like this. That accreditation gives us absolute reassurance that our information continues to be secure, even though everyone is working from their bedrooms and kitchens across the board. In no way do we want to be out there telling people, “We told you so”, but if anything, this experience reaffirms the importance of having good digital infrastructure and looking after information security. We will continue to bang that drum as we come out of the lockdown period.

**The Acting Convener:** We will take questions from Bill Bowman and then come to Neil Bibby.

**Bill Bowman (North East Scotland) (Con):** Auditor General, when you last appeared before the committee, you spoke about the possibility of extending the accounting period. Provision has been made for that in the Coronavirus (Scotland) Act 2020. Have you had any discussions on the

topic with public bodies and are any of them thinking of doing that?

**Caroline Gardner:** We have been heavily involved in discussions with the Scottish Government, the local government directors of finance and the relevant standard setters for the public bodies that we work with; for the NHS and central Government, that is the financial reporting advisory board, sponsored by the Treasury, and for local government it is CIPFA/LASAAC—the Chartered Institute of Public Finance and Accountancy and Local Authority (Scotland) Accounts Advisory Committee local authority code board—that sets the accounting framework and the timescales within it.

More clarity is emerging than there was when I met the committee back in March. The overall picture is that the timescales for financial reporting and audit are likely to be extended, but the accounting period will remain April to March 2020. In some ways, that gives us all more clarity and structure within which to work. Financial reporting itself will not change and will cover the same areas, to the same financial reporting standards. However, public bodies will have the option to streamline some of the narrative parts of their reporting. In particular, the performance report can be streamlined to focus on the headline financial results for the year, the financial position and the risks ahead. They will obviously focus heavily on Covid-19.

There will be some changes to the deadlines for financial reporting and therefore for audit. Those are quite small and I would be happy to elaborate on them if it would be useful. That is the broad approach that is being developed.

**Bill Bowman:** I have a question about your audit work. I know that some public bodies in Tayside and Dundee had problems with governance, accounting errors and fraud in what were considered to be normal times. Comes a crisis, comes an opportunity for perpetrators of fraud and error. Are you having to increase your work because of that? Can you carry out such work remotely or from home to a satisfactory extent?

**Caroline Gardner:** You asked two questions there. I will give an initial answer, and then Fraser McKinlay may want to come in on the back of that.

The first thing to say is that, in the same way that the coronavirus brings new risks to bodies, it also does very little to help with the pre-existing risks that we have seen across the country and reported to the committee previously. Auditors are very aware of that and are looking closely at the impact of the pressures that bodies are under, the ways in which they are having to adapt their ways of working, which are increasing risks, and the

measures that are being put in place to mitigate that. That is at the heart of auditors' work, as you know.

On the question of what audit work we can do remotely, we are still working our way through that. We are moving into the next phase as some final accounts are arriving for us to audit, but we know that different public bodies are in different circumstances. Some expect to report to the normal timescales—by the end of June, for example, for health boards—while some expect to delay by a little bit and some expect to use the full proposed flexibility to extend their reporting deadlines by three months.

We are having to adapt our audit plans to reflect individual bodies' circumstances. A shift in one place will create a knock-on effect elsewhere, and we are having to work with our staff to make sure that we can be as flexible as possible while not putting unreasonable demands on people—we have to protect their wellbeing as well.

We are, I think, working at the boundaries of what it is possible to do remotely. We are obviously heavily reliant on digital, and the quality of the digital systems that the bodies that we audit have in place has an impact. We have to work our way through some uncertainties around issues that would normally require a physical visit, such as significant levels of inventory that we would want to verify. Equally important, where there are significant valuations of assets, there could well be material uncertainty in the current circumstances, and we will almost certainly be reliant on third parties to provide those valuations.

We are working our way through all that. We are doing our best to complete all our work by the new timescales that are being agreed, but with the caveat that we cannot guarantee that we will be able to do it. Audit quality has to come first. We will keep the committee up to date as this unfolds.

**Bill Bowman:** Do you expect that your reports will contain references to material uncertainties or limitations of scope because you cannot get information or you do not have time to work through something for the current financial year?

**Caroline Gardner:** To be frank, I would be surprised if at least some of them did not. Again, it will vary from body to body, but we have to stick to the auditing and ethical standards that apply to our work. There are bound to be some limitations in the audit evidence that bodies can provide, either because of the impact of the pressures that they are working under just now or because it is simply not possible to come up with a valuation, for example, for an asset in an economy and a market where everything is uncertain.

However, we have said to all the bodies that we audit that we will aim to work on a no-surprises

basis and that, where it is necessary to provide a modified opinion or another emphasis of matter, we will do that with as much contextual information as we can, and as much clarity as we can about what it means. We are trying to reassure people that they should not be concerned about that form of audit reporting in itself; it may simply be a reflection of the world that we are all living in just now. They should be focusing on the things that they can and should be managing in order to ensure that public money is safeguarded and there is the best possible outcome for the people of Scotland.

**Neil Bibby:** Good morning, Auditor General. Audit Scotland recently consulted on a draft code of audit practice. Has the finalisation of the code been affected by Covid-19? If so, in what way? Will there still be an opportunity for the committee to feed in its views?

**Caroline Gardner:** That feels to us very much like a second-order question at present, but it will obviously be important, and I am grateful to you for raising it, Mr Bibby.

We had two significant pieces of work under way this year over and above our audit work, the first of which was the new code of audit practice. On the back of that, in the summer we were due to start the process of going out to tender for audit firms to take part in the audit appointments that the Accounts Commission and I make for the next five-year set of appointments. We are, I think, about to take the decision in principle to delay finalising the code of audit practice. We have consulted on the code and have received some supportive responses to the consultation. However, the Parliament is not the only body or organisation that has, understandably, had its attention moved on to other things over the past eight weeks. The code is nearly there, but we are likely to pause that process at the moment and extend the current code for a year, with a short final consultation during 2021 before the code is finally approved by the then Auditor General and the Accounts Commission.

11:00

We are also considering the option of extending the existing audit appointments by a year, on the basis that now is not a good time to carry out such a major procurement exercise when we have the option to extend the current appointments and the world will, I hope, look slightly more certain in 12 months than it does now.

We can put all that work to one side for now and pick it up again at the appropriate point, so we will have lost nothing. We are simply looking to avoid making those big commitments at a time of

maximum uncertainty. We will come back to them a bit later on in the year.

**Neil Bibby:** In the evidence session on 19 March, you referred to your role as

“the comptroller in authorising the draw-down of funds to Government from the consolidated fund.”

You suggested that, given the current exceptional circumstances, it was possible that the Scottish Government might want to

“break the limits of the budget”.—[*Official Report, Public Audit and Post-legislative Scrutiny Committee*, 19 March 2020; c 4.]

Will you update the committee on your expectations in that respect? You touched on that earlier, but will you expand on what kind of monitoring Audit Scotland is undertaking of the new funding packages that the Scottish Government has put in place?

**Caroline Gardner:** Certainly. As the committee knows, as Auditor General, I act as the comptroller, which means that I authorise the Scottish Government in drawing down from the consolidated fund the money that it intends to spend. That happens on a routine basis year round, and simply involves checking that the Government is not drawing down more than has been authorised by Parliament, on a cumulative basis. When I spoke to the committee towards the end of March, I was mindful that we were in exceptional circumstances. At that point, the Government thought that it would not need to go past the budget limit, and indeed it did not request funding that went past that, so there was no issue for 2019-20—I can provide the committee with that straightforward assurance.

As we head into 2020-21, obviously, the budget is looking very fluid, with significant amounts of new money coming in as a result of the UK Treasury’s interventions in response to the pandemic, as well as significant drops in taxation through income tax, land and buildings transaction tax and rates, through the rates reliefs that have been put in place. We are monitoring closely what the Scottish Government’s budget looks like in-year, and we are working closely with the Government on the controls that it is putting in place to monitor what it is receiving and, just as important, the funding that is going out to businesses, public bodies and others to respond to these emergency times.

The situation will continue to evolve. New announcements are still being made by the Treasury and by the Scottish Government. However, we are staying close to the process, making sure that we understand it, and, where appropriate, providing feedback on what we think of the arrangements that are being put in place as they are developed. We will be able to report back

on that to the committee as part of the annual audit work on the Scottish Government and public bodies such as Revenue Scotland. As the committee knows, we have also had a stream of work on the fiscal framework and the Scottish Government’s exchequer. We might be able to provide additional reporting from that work to provide transparency and give you an evidence base from which to carry out your work.

**Alex Neil (Airdrie and Shotts) (SNP):** I want to pick up from where you left off in answering Neil Bibby.

It appears that the current crisis has called into question the robustness of the fiscal framework. If we look ahead at the implications for the finances of the Scottish Government in terms of how the fiscal framework operates at the moment, we can see that we potentially face a very serious situation in the next two years. Do you think that there is a case for looking at [*Temporary loss of sound.*] and to renegotiate the fiscal framework anyway?

**Caroline Gardner:** As you would expect, I need to be slightly cautious in relation to the broader question that you are asking. The fiscal framework is due to be reviewed in 2021 anyway, so the Government would have been preparing for that review in normal circumstances.

However, you are right that the current circumstances are testing the fiscal framework in ways that none of us could have expected, in the run-up to the review. We are looking carefully at how the framework works and at what flexibilities are available. As I have said to the committee before, the flexibilities that are available to the Scottish Government are quite limited; it has limited borrowing powers for capital, and can in very limited circumstances borrow for revenue, for smoothing volatility from one year to another. It is not at all controversial to say that the fiscal framework was not designed for the scale of the challenges that we are facing, and that the borrowing that is needed for the proposed Government interventions will have to be at UK Government level, not at Scottish Government level.

The Fraser of Allander institute, as it always does, produced helpful commentary last week about the potential impacts on the Scottish Government’s finances of the fiscal framework. It is not possible to be clear what those impacts will be yet because they will depend not just on what happens in Scotland but on what happens in Scotland with the rest of the UK, and on the different impacts on funding streams and tax streams. We will continue to monitor that.

The Fraser of Allander institute made the important point, with which I fully agree, that the



situation highlights the importance of transparency by the Scottish Government about what its finances look like, about how funding streams are spent, and about what that spending is intended to achieve. That will allow us and the committee to examine how well it has done, what lessons there are to learn and what changes might be needed for the future. It is still very much a work in progress, but there is no doubt that the current circumstances are putting the fiscal framework under unexpected and unprecedented pressure.

**Alex Neil:** When you—or your successor—come to do the major audit on the pandemic, will the fragility of the fiscal framework feature?

**Caroline Gardner:** The extent to which the fiscal framework has been able to respond to pressures on the current scale is certainly something that Stephen Boyle, the new Auditor General, will want to look at.

We already have a programme of reporting, which the committee has seen, on how the new financial powers are being implemented, and the risks and opportunities that they bring. The current situation is a much larger example of those risks and opportunities; I have no doubt that Audit Scotland will report on them to the committee and more widely. I do not think that that is a substitute for the Government itself reporting more about how it is using its powers and how its finances are being affected.

**Alex Neil:** On what you will cover in your audit of the pandemic, it appears that the initial strategy and plan for dealing with the pandemic across the UK were very much dictated and driven by modelling that was done by Imperial College London. [*Temporary loss of sound.*] We are now six or seven weeks—[*Temporary loss of sound.*]—country.

Also, modelling was done not just for the UK but for other countries. In the forecasts on deaths, we started off with a forecast of half a million deaths, under certain conditions. I think that the last forecast was 5,000 deaths at UK level, but we are already at nearly 30,000 deaths, and counting. The Imperial College London calculations on the infection rate—the reproduction number—for the UK and Sweden do not appear to be very robust. Will you look at the robustness of the modelling and the assumptions that were made? If we are to learn lessons for the future, the first thing that we will need to do is get better and more accurate basic assumptions and modelling, so that we know better what to do and when to do it.

**Caroline Gardner:** That is a really good example of the sort of question that Stephen Boyle, as Auditor General, and Audit Scotland will need to consider. In response to a question from the convener, I said that Audit Scotland has to

focus on where it can best add value: it is clear that we are not epidemiologists and public health specialists.

The longer-term work to which I referred is unlikely to be a single audit, but will, rather, look at a number of aspects of the Scottish Government's and other public bodies' preparedness for and responses to the pandemic. It is unlikely that the work will challenge the modelling quite as Alex Neil suggests, but it might well look at the broader contingency planning that was put in place, as the convener suggested. It is likely that it will look at how health boards, councils and integration authorities, for example, worked together to understand best the range of scenarios that they have faced, and to consider how best to put in place the required immediate acute care and services for frailer older people and people who have required elective healthcare or urgent non-Covid-related healthcare.

Those are the sorts of thing that we are trying to think about just now. We are thinking about what is important to Parliament and where we can add value; we have to stick to that.

**Alex Neil:** It is clearly important to look at the assumptions on which a lot of the initial policy was based at United Kingdom level, and which affected all four nations of the UK.

**Caroline Gardner:** As I have observed what has been happening, it has struck me that there has been a lot of joint working between the Governments of the United Kingdom, in ways that feel, to me, quite different from the experience in the run-up to the UK's withdrawal from the European Union. We will look at that from the Scottish Government end, and we will work with our colleagues in the other UK audit agencies to see what we can learn and what value we can add in our reporting.

If the pandemic has taught us anything, it is how interconnected we all are—locally, nationally and globally. We have to think about what that means for how public services are organised and how public money is spent, and we have to learn lessons not just about responding to a pandemic, but about dealing with the other challenges that we face, in the contexts of climate change, having an ageing population, and automation in and changes to the world of work. The Government is thinking about such things as part of its strand of work on the future of Scotland; I think that the new Auditor General will want to think about what that means for the work programme, as I have described.

**Alex Neil:** Four years ago, scientific advisers to the UK Government produced a major report on planning for a pandemic. There has been a lot of debate about how that report appears to have

been pretty well ignored in Whitehall. Another question is whether that preparedness report was robust enough. One thing that we will need as a result of the pandemic is a completely new plan for the next pandemic, as Bill Gates has described it. It appears that we had never envisaged anything on such a scale and were therefore not well prepared. I am talking globally, by the way; that is not just a UK phenomenon. Do you agree that there will need to be a completely rewritten plan for the next pandemic?

**Caroline Gardner:** It is unarguable that there are lessons to be learned in Scotland, UK-wide and globally, as you said. The questions that we are asking ourselves in Audit Scotland are about the role that we can play in helping with that. We are not epidemiologists or public health specialists, so I do not think that we will look directly at the quality of the contingency plan; we will, instead, consider what broader lessons can be learned, and how we can add value through the process.

Fraser McKinlay might want to add something, based on the detailed work that he has been doing with colleagues across Audit Scotland.

**Fraser McKinlay:** The key question for us is whether we are best placed to pursue all the important questions that have just been raised. That will be an important discussion for us in the context of lots of other reviews and, potentially, public inquiries that might well come down the road.

We will continue to work very closely with our colleagues in the service inspectorates for education, care and other areas, in order to ensure that when we all look at the lessons that are to be learned from the pandemic, we do so such that we do not fall over each other, and such that we all bring our specialisms and expertise to that work.

11:15

**Alex Neil:** I have a final question that is probably for Fraser McKinlay, rather than for the Auditor General, about the performance of local authorities. My experience is that the local authority in my area has very much risen to the occasion generally, with one or two exceptions, but there are clearly big variations in performance among local authorities and within local authorities in terms of how different aspects of the crisis have been handled.

Within your remit, will assessment of local authorities be done council by council, or will it be done across the board for local government generally? Have you given any thought to how you will measure their performance? It is very clear that local government has, as the third sector has,

played a major role in providing education, dishing out help to people who are in need, allocating business grants and all the rest of it. Local authorities' performance is critical to the success of the overall strategy for dealing with the crisis.

**Fraser McKinlay:** As you said, our local authority colleagues do absolutely vital work throughout the country. The short answer to the question is that we will be looking locally and nationally. As you know, I produce a series of best-value audit reports on all councils in the land. We had to pause that programme, as we had to pause performance audit, but it is now up and running. I have a best-value report on Argyll and Bute Council going to the Accounts Commission on Thursday.

For the remaining reports, we will certainly want to include councils' responses to the pandemic as part of the scope of that local work. We will also want to factor in the responses of local government in our national work. That will be done through the local government overview reports that we publish every year, and through the report on digital services in local government, for example, which we are halfway through. We had started that work previously, but we now have the opportunity to rescope and refocus it and to include the extent to which digital services have supported councils' responses.

My sense is very similar to Alex Neil's; I think that councils really have stepped up to the mark, as we would expect, given that they are closest to the communities that they serve. I also agree absolutely that there will be lessons to be learned. The Improvement Service is working hard on that. I am sure that between us we will be able to give good assurance locally and nationally about how councils have responded to the pandemic.

**The Acting Convener:** Before I close the session, do you want to bring any final points to the committee's attention, Auditor General?

**Caroline Gardner:** I will just reiterate how completely unprecedented the circumstances are in any of our lifetimes. We are working very hard to make sure that the assurance that the committee needs will come through the round of annual audits that are just getting under way. We are doing that in ways that we have never had to do it before, as are the bodies that we audit. We will do our best to get the audits to the committee on the new timescale, which we can write to you about after the meeting, if that would be helpful. There are the usual range of reports for us to do: annual audit reports, section 22 reports, overview reports, and thematic reports on particular areas such as digital and responses to specific issues.

We are keen to hear the committee's views, and are grateful for having had the chance to engage with you this morning.

**The Acting Convener:** I thank the Auditor General and Fraser McKinlay for attending this virtual meeting. I wish you, your team and your families well. I also record our thanks to the broadcasting and business information technology teams for helping to put the meeting together.

11:19

*Meeting continued in private until 11:55.*



This is the final edition of the *Official Report* of this meeting. It is part of the Scottish Parliament *Official Report* archive and has been sent for legal deposit.

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