

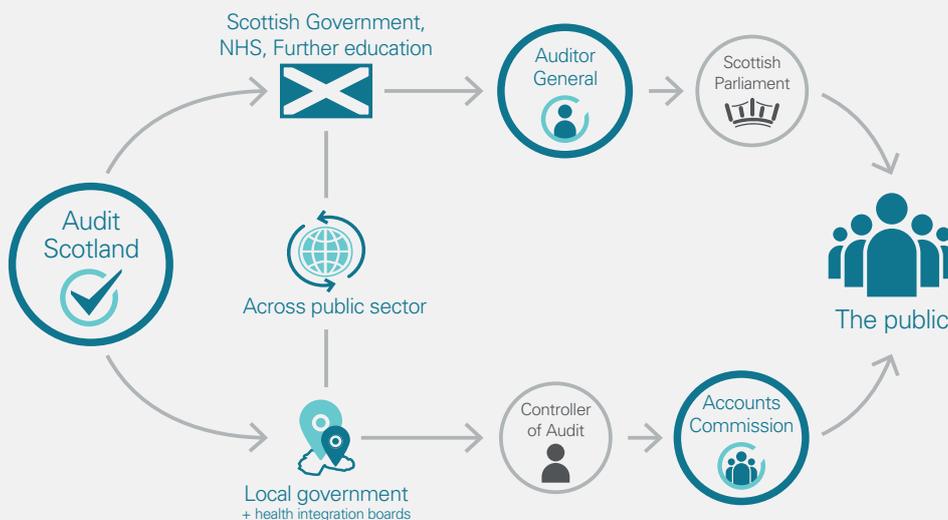
# International work

2017/18

# Who we are

The Auditor General, the Accounts Commission and Audit Scotland work together to deliver public audit in Scotland:

- **Audit Scotland** is governed by a board, consisting of the Auditor General, the chair of the Accounts Commission, a non-executive board chair, and two non-executive members appointed by the Scottish Commission for Public Audit, a commission of the Scottish Parliament.
- The **Auditor General** is an independent crown appointment, made on the recommendation of the Scottish Parliament, to audit the Scottish Government, NHS and other bodies and report to Parliament on their financial health and performance.
- The **Accounts Commission** is an independent public body appointed by Scottish ministers to hold local government to account. The Controller of Audit is an independent post established by statute, with powers to report directly to the Commission on the audit of local government.



## About us

Our vision is to be a world-class audit organisation that improves the use of public money.

Through our work for the Auditor General and the Accounts Commission, we provide independent assurance to the people of Scotland that public money is spent properly and provides value. We aim to achieve this by:

- carrying out relevant and timely audits of the way the public sector manages and spends money
- reporting our findings and conclusions in public
- identifying risks, making clear and relevant recommendations.

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# Welcome

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My second year heading up Audit Scotland's international work has been an exciting and inspiring one. Some of my personal highlights have included representing Audit Scotland at the inaugural meeting of the OECD Auditor Alliance in March and meeting colleagues from across the globe including France, Japan, and Indonesia.

To meet our aspirations of becoming world class, it is important that we look, learn and understand what is happening beyond Scotland. This has been at the forefront of our approach to international work this year, where we have been focussing on what we can learn from audit work in other countries and considering how this can be incorporated into our own work.

To support us in this mission we have gained access to an International Performance Audit Database developed by the Canadian Audit and Accountability Foundation, and sought selected opportunities to attend international conferences and events that allow us to share knowledge and learning, identify good practice and build our network of international contacts. Social media also continues to be an important part of how we share our own work, and enables us to connect and communicate with colleagues overseas.

We work in an ever-changing environment and the last two years have seen unprecedented change in both Scotland and the United Kingdom. With less than a year to go until the UK formally leaves the EU and the continuing pressures on public services this brings, it is clear there is more change and uncertainty ahead. Our international work has never been more important and we must continue to learn from what works well elsewhere and challenge our own thinking.

We look forward to continuing to connect, engage, share and learn from our overseas colleagues in the year ahead.



**Antony Clark**  
Chair, International Steering Group



**Antony Clark**  
Chair, International  
Steering Group

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# Highlights of the year



## Visits by international delegations

We hosted delegates from seven audit institutions and public bodies spanning the globe including Indonesia, Japan, China and the Cayman Islands. There remains strong interest in our approach to financial, performance and best value audits and our engagement with the Scottish Parliament. Presenting to delegates allows our colleagues to share their technical knowledge and professional expertise.



## International Performance Audit Database

We obtained access to an International Performance Audit Database that has been designed by audit colleagues in Canada. It holds a wide range of information about published and planned audit reports, good practice and guidance from audit institutions spanning the globe. The information contained within it is invaluable for shaping our future work programme, providing examples of good practice and training material for upskilling our own colleagues.



## Organisation for Economic Co-operation and Development

This year we joined the [OECD Auditors Alliance](#), designed to bring auditors from across the world together to share best practice, facilitate shared learning and support improved financial and performance auditing. It provides a source of good practice for Audit Scotland, as well as a forum where we can share our innovations and audits with peers from across the globe. We look forward to helping shape its direction into 2018/19.



## Learning from out with Scotland

We were invited to speak at the IMPACT Conference in Australia held in March. This provided an important opportunity to learn more about the work of overseas audit institutions. A wealth of knowledge has been shared with colleagues from this event and we have developed a network of new contacts for further exchanges of information.



## Social media and communications

We developed a dedicated international web page on the Audit Scotland website and built on our use of technology such as video-conferencing to present at conferences and engage with audit colleagues overseas.



## Digital auditing

Digital auditing is an area where we have been able to deploy an international dimension to our work. For example, our [Principles for a digital future](#) report in May 2017 drew on case studies and international audit work and in October, we presented our work at a EURORAI digital conference in Spain attended by 140 auditors from across Europe.

# Our priorities

## Becoming world class

Our approach to international work is set out in our [International Strategy for 2017-20](#) and closely aligns and complements Audit Scotland's over-arching [Corporate plan 2018-21](#) and other key strategic documents. The international strategy also remains firmly grounded in our Becoming World Class improvement programme. This programme has three main objectives:



International  
Strategy for  
2017-2020   
June 2017



Corporate plan  
2018-21   
June 2018

## Our approach and priorities

During 2017/18, our international work has been contributing to the three core components of the Becoming World Class improvement programme as follows:

### Delivering world class audit

- Participating in selected international conferences and seminars and running searches through the international performance audit database. All these activities focus on what we can learn from audit work in other countries including good practice that we can incorporate in our work.

### Making a difference

- Hosting visits to share our professional, technical and audit related expertise with overseas audit institutions and public sector bodies. Such events also provide opportunities to build networks internationally and exchange information.

### Being a better organisation

- Sharing the knowledge and learning that we gather from international work with our own colleagues through information exchanges, team meetings, briefings and seminars.

## Developing our connections

Social media, such as [Twitter](#), [LinkedIn](#) and [Facebook](#), is a hugely important part of how Audit Scotland communicates with the world outside of our offices. It also enables us to build our network of international contacts, engage with them and share good practice. 2017/18 also saw us develop our use of the internal social media channel Yammer, allowing colleagues to report back to the office live from international events and conferences, sharing new knowledge in real-time.



Throughout 2017/18, we continued to develop our use of technology, including presenting at a Canadian National Performance Audit Symposium via video conference. We continue to build on our **#GoingGlobal** social media and web campaign to advertise our international work, allowing audit institutions overseas to connect with us. During 2017/18, more than 10,000 people saw our [#GoingGlobal tweets](#).



Going global  
webpage 

Another significant development for us over the last year has been the launch of a dedicated international page on our Audit Scotland website. Since its launch in June 2017, the web page has been viewed by people from 162 countries and contains a wealth of information about recent visits and exchanges. Our most recent annual report and strategy are also available for visitors to download. The map below illustrates the countries (other than the UK) who have most regularly visited our international web page over the last year.



# 2017/18 in review

## Spotlight on Digital Auditing and EURORAI

More and more public bodies are looking to digital to help transform service delivery. We audit digital programmes to ensure they deliver value for money, but also, to share lessons across the public sector. We need to keep up to speed with developments, so this is one area where we have brought an international dimension to our work.

In May 2017, we published *Principles for a digital future*, which looks at common issues and themes across failing ICT projects and programmes. We wanted to examine lessons learnt from out with Scotland and the report includes case studies from projects in Australia, New Zealand and the Netherlands. These brought an international perspective on how other organisations have dealt with ICT issues, which Scottish public sector organisations can learn from when managing their own digital programmes.

Following publication of this report, Gemma Diamond, Senior Audit Manager was invited to speak at the EURORAI digital conference in Spain in October 2017. The conference was the largest EURORAI has ever held, reflecting the importance of digital in audit, bringing together about 140 auditors from across Europe. During the conference, Gemma heard how Moscow has become a Smart City, which has been helpful in shaping our thinking around how technology fits with the City Deals and economic growth agenda. The conference also provided an opportunity for us to build a network of contacts in this important area.

“It was great to see that we are well placed on digital audit, but good to get insight on different approaches in other countries”.

**Gemma Diamond**  
reflecting on her  
experience at  
**EURORAI**



### Benefits to Audit Scotland:

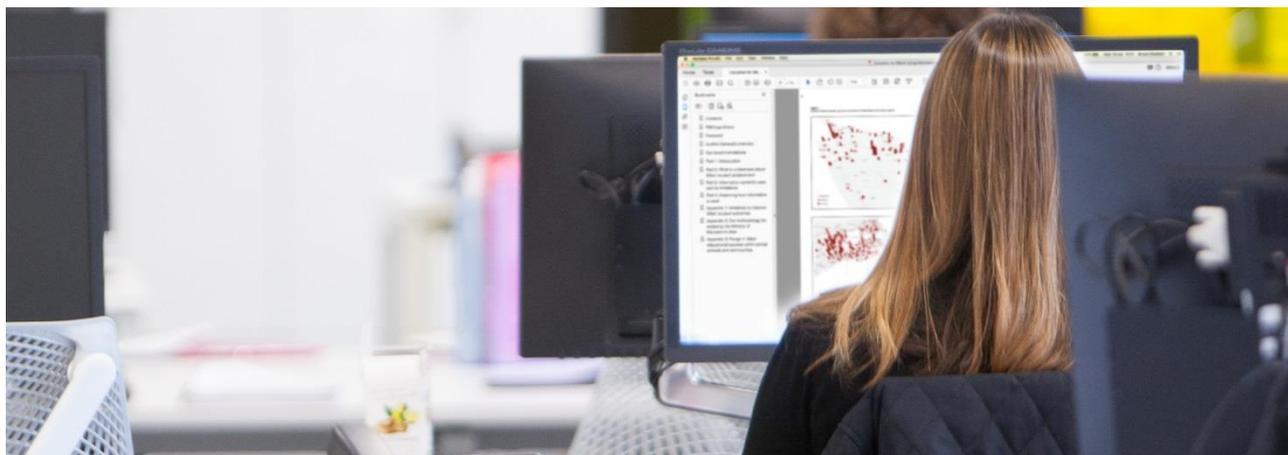
- Intelligence from overseas colleagues assists us in developing digital risks affecting the public sector and audited bodies, and the wider external environment.
- Promoting Audit Scotland's work and raising our own international profile.
- Upskilling audit teams to ask questions about and make judgements on digital risks, and identifying future challenges at an early stage.

### Want to find out more:

[Principles for a digital future](#)   
**May 2017**

[Digital Audit Strategy 2017](#)   
**October 2017**

## Spotlight on the International Performance Audit Database



Since December 2017, our work has benefitted from having access to an international performance audit database. This holds a wide range of information about published and planned performance audit reports, as well as audit practice and guidance, covering audit institutions from across the globe including Australia, Canada, New Zealand and Botswana. We have recently completed an extensive search of the database, to assess where Performance Audits have been published, that are relevant to our forward work programme.

As part of our future work programme, we are planning to commence performance audits on Housing Stock in Scotland and Educational Attainment. Our search of the database identified international audit reports (see table below) that we will consider as part of our own scoping process. This will help identify any examples of good practice from these reports that we might want to highlight in our own work.

### Housing Stock



#### [Provision of Social Housing](#)

Tasmanian Audit Office,  
February 2016



#### [Managing Victoria's Public Housing](#)

Victorian Auditor General Office,  
Australia, June 2017



#### [Social and Affordable Housing](#)

Office of the Auditor General of  
Ontario, Canada,  
December 2017

### Educational Attainment



#### [Improving Educational Outcomes for Kindergarten to Grade 12](#)

Office of the Auditor General of  
Manitoba, Canada, January 2016



#### [Using information to improve Maori educational success](#)

Controller and Auditor General of  
New Zealand, June 2016



#### [Monitoring the impact of Australian Government School Funding](#)

Australian National Audit Office,  
December 2017

In addition to the published and planned performance audit reports, the site hosting the database also holds a wealth of helpful training material relating to Performance Audit. We are currently assessing this material and considering how we can best use it to further develop skills amongst our staff.

#### Benefits to Audit Scotland:

- Opportunity to inform the scope of future audits.
- Provides examples of audit work from outwith Scotland that will help strengthen our own audit reports.
- Potential to benchmark public sector performance in Scotland with public bodies in other countries.

## Spotlight on learning from overseas

During 2017/18, a very small number of colleagues travelled abroad to attend international conferences or seminars either as speakers or to learn from practice elsewhere that fits with our vision of securing world-class audit.

### OECD Auditors Alliance

In January, we were delighted to be invited to join the [Organisation for Economic Co-operation and Development \(OECD\)](#) Auditors Alliance – a new development designed to bring together auditors from across the world to share best practice, facilitate shared learning and support improved financial and performance auditing.

Antony Clark and Gillian Woolman attended the inaugural meeting of the Alliance in Paris in March. Over 300 auditors attended from 53 countries and six continents. From presentations and discussion on the day, we are confident that Audit Scotland's current practices and approach stand up well when benchmarked against others. The event helped us to identify areas we wish to learn more about including Austria's strategic approach to anti-corruption, and Finland and Canada's innovative approach to using large data sets to audit complex performance areas.



“The Auditors Alliance has the potential to be an important source of good practice for Audit Scotland, as well as a forum where we can share our innovations and audit with peers from across the globe. We are looking forward to help shape its direction into 2018/19.

**Antony reflecting on his experience**

### European Court of Auditors

In December 2017, Alasdair Craik, Senior Manager attended a seminar in London organised by the [European Court of Auditors](#) who are best described as the guardians of EU finance. The event focussed on their audit of the European Union financial accounts for 2016. The presentation highlighted the work done to ensure the legality and regularity of the EU's revenue and expenditure and to help improve performance in the utilisation of EU funds.



“It was a very useful and thought-provoking overview of the ECA's work. The ECA's findings in these areas provided valuable context for our own work on the European Agricultural Funds which, in the UK, are the primary areas of expenditure”

**Alasdair reflecting on his experience**

## Performance Audit Symposium Australia

In March, we were invited to speak at the IMPACT (International Meeting of Performance Audit Critical Thinkers) Conference. This is Australia's largest annual performance audit conference and across two days, delegates shared their insights on a range of topics including challenges facing the public sector, citizen-centred auditing and cybersecurity threats. Fraser McKinlay, the Director of Performance Audit and Best Value attended the conference on behalf of Audit Scotland. The topic of his presentation was the "Future of Performance Audit".



The conference was an important opportunity to network with colleagues from audit institutions with a similar approach to Audit Scotland. We have identified two areas of good practice we want to explore further during 2018 with a view to improving our own approach to audit work: auditors in New Zealand's approach to using large data sets to audit mental health services, and the approach of auditors in the Philippines to engage citizens in their audit work.

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**"The IMPACT Conference was a fantastic experience. I was able to share our experience with colleagues from around the world, and there was real interest in our story about the development of public audit in Scotland since devolution. In turn, I learned a lot from colleagues from Australia, New Zealand and Canada and I have made several useful contacts which will stand us in good stead as we continue to deliver on our ambition to be genuinely world class"**

**Fraser reflecting on his experience**

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### Benefits to Audit Scotland

- Learning about overseas audit institutions approach to specific areas of work relevant to us and sharing this learning among colleagues to drive improvements.
  - Identifying challenges we have in common with overseas audit institutions and exploring ways to address these.
  - Establishing a network of new audit contacts to exchange ideas and share information.
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# Our people

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In 2017/18, more than 100 colleagues from across the organisation had the opportunity to be involved in some aspect of international work. These opportunities spanned a range of activities including:

## Hosting Visits

This allowed our colleagues to share their knowledge and expertise whilst developing their presentation skills. We also benefit more widely through the application of newly acquired skills and experience.



### Seminars and workshops

We ran several seminars on international related work. One of the most popular sessions was run by one of our own colleagues, Angela Cullen, who is currently on secondment to the Office of the Auditor General in the Cayman Islands as the Director of Performance Audit. Angela provided a fascinating insight into how she is building capacity and knowledge within the audit team on the island.



### Presenting at conferences

Several colleagues had the opportunity to present at international conferences and seminars throughout the year. As a result of video conferencing technology, two colleagues from our Performance Audit and Best Value team could present at a Canadian National Performance Audit Symposium and demonstrate how we are using Tableau software to bring the data from our reports to life. We are using video conferencing to provide new opportunities for us to be involved in international events, reduce our carbon footprint and make best use of staff time.



Tableau  
visualisations 



# International work 2017/18

This report is available in PDF and RTF formats,  
along with a podcast summary at:  
[www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk) 

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