

Scottish Parliamentary Corporate Body

2021/22 Annual Audit Report



 AUDIT SCOTLAND

Prepared for the Scottish Parliamentary Corporate Body and the Auditor General for
Scotland

September 2022

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Key messages

2021/22 annual report and accounts

- 1 Our audit opinions on the annual accounts are unmodified.
- 2 The audited part of the remuneration and staff report, performance report and governance statement were all consistent with the financial statements and properly prepared in accordance with the relevant legislation and directions made by Scottish Ministers.
- 3 Material adjustments were made to the accounts in relation to indexation applied to land, buildings, and fixed plant. The total adjustments were £20.6 million and have resulted in a decrease of £0.1 million to net operating expenditure and an increase of £13.4 million in comprehensive net expenditure.

Financial management

- 4 The SPCB had appropriate and effective financial management in place and operated within its revised budget, reporting an underspend of £3.9 million.
- 5 Controls within the main financial systems were designed and implemented effectively while arrangements for the prevention and detection of fraud remain appropriate.

Financial sustainability

- 6 An operating budget of £128 million has been agreed for 2022/23 and an indicative budget of £132.9 million in 2023/24.
- 7 In 2021/22 the SPCB created a Strategic Plan for session 6 which is supported by an annual Delivery Plan. The SPCB has financial plans in place to support the objectives set out in the strategic documents.

Governance and transparency

- 8 The governance arrangements introduced in response to the pandemic are appropriate and operated effectively. There is effective scrutiny, challenge and informed decision making.

Introduction

1. This report summarises the findings from our 2021/22 audit of the Scottish Parliamentary Corporate Body (the SPCB).
2. The scope of our audit was set out in our Annual Audit Plan presented to the March 2022 meeting of the Advisory Audit Board. This report comprises the findings from:
 - an audit of the SPCB's annual report and accounts
 - consideration of the four audit dimensions that frame the wider scope of public audit set out in the [Code of Audit Practice 2016](#) with the exception of value for money which is excluded from the scope of our audit of the SPCB.
3. The main elements of our audit work in 2021/22 have been:
 - an audit of the SPCB's 2021/22 annual report and accounts including the issue of an independent auditor's report setting out our opinions
 - a review of the SPCB's key financial systems
 - consideration of financial management, financial sustainability and governance and transparency.
4. During 2021/22 the SPCB continued to manage the operational and financial impact of the coronavirus pandemic. Risks related to the pandemic were included in our Annual Audit Plan.

Adding value through the audit

5. We add value to the SPCB through the audit by:
 - identifying and providing insight on significant risks, and making clear and relevant recommendations
 - providing clear and focused conclusions on the appropriateness, effectiveness and impact of corporate governance, financial management arrangements and financial sustainability
 - sharing intelligence and good practice through our national reports ([Appendix 2](#)) and good practice guides.

Responsibilities and reporting

6. The SPCB has primary responsibility for ensuring the proper financial stewardship of public funds. This includes preparing an annual report and

accounts that are in accordance with the account's direction from the Scottish Ministers.

7. The SPCB is also responsible for establishing appropriate and effective arrangements for governance, propriety, and regularity.

8. Our responsibilities as independent auditor are established by the Public Finance and Accountability (Scotland) Act 2000 and the [Code of Audit Practice 2016](#), and supplementary guidance and International Standards on Auditing in the UK. As public sector auditors we give independent opinions on the annual report and accounts. Additionally, we conclude on the suitability and effectiveness of corporate governance arrangements, the financial position, and arrangements for securing financial sustainability. Further details of the respective responsibilities of management and the auditor can be found in the [Code of Audit Practice 2016](#).

9. This report raises matters from our audit. Weaknesses or risks identified are only those which have come to our attention during our normal audit work and may not be all that exist. Communicating these does not absolve management from its responsibility to address the issues we raise and to maintain adequate systems of control.

10. Our annual audit report contains an agreed action plan at [Appendix 1](#). It sets out specific recommendations, the responsible officers, and dates for implementation. It also includes any outstanding actions from last year and progress against these.

Auditor Independence

11. When auditing the financial statements auditors must comply with professional standards issued by the Financial Reporting Council and those of the professional accountancy bodies. Auditors must also comply with the Code of Audit Practice and relevant supporting guidance.

12. We can confirm that we comply with the Financial Reporting Council's Ethical Standard. We can also confirm that we have not undertaken any non-audit related services and the 2021/22 notional audit fee of £76,380 as set out in our 2021/22 Annual Audit Plan remains unchanged. We are not aware of any relationships that could compromise our objectivity and independence.

13. This report is addressed to both the SPCB and the Auditor General for Scotland and will be published on Audit Scotland's website www.audit-scotland.gov.uk in due course.

Audit appointment from 2022/23

14. The Auditor General for Scotland is responsible for the appointment of external auditors to central government bodies. External auditors are usually appointed for a five-year term either from Audit Scotland's Audit Services Group or a private firm of accountants. The current appointment round was due to end in 2020/21 but this was extended for a year so that 2021/22 is the last year of the current appointment round.

15. The procurement process for the new round of audit appointments was completed in May 2022. From financial year 2022/23 the Auditor General for Scotland will continue to be the appointed auditor for SPCB.

16. Although the Auditor General for Scotland remains the SPCB's appointed auditor, to maintain the independence and objectivity of the audit team, the Audit Director and other staff working on the audit may be changed for the 2022/23 audit. The outgoing audit team will work with officers and the new audit team to ensure a smooth transition.

17. A new [Code of Audit Practice](#) applies to public sector audits for financial years starting on or after 1 April 2022. It replaces the Code issued in May 2016.

Acknowledgements

18. We would like to thank SPCB members, Advisory Audit Board members, senior management, and other staff, particularly those in finance for their co-operation and assistance over the last six years.

1. Audit of 2021/22 annual report and accounts

The principal means of accounting for the stewardship of resources and performance

Main judgements

Our audit opinions on the annual accounts are unmodified.

The audited part of the remuneration and staff report, performance report and governance statement were all consistent with the financial statements and properly prepared in accordance with the relevant legislation and directions made by Scottish Ministers.

Material adjustments were made to the accounts in relation to indexation applied to land, buildings, and fixed plant. The total adjustments were £20.6 million and have resulted in a decrease of £0.1 million to net operating expenditure and an increase of £13.4 million in comprehensive net expenditure.

Our audit opinions on the annual report and accounts are unmodified

19. The annual report and accounts for the year ended 31 March 2022 were approved by the SPCB on 29 September 2022. As reported in the independent auditor's report:

- the financial statements give a true and fair view and were properly prepared in accordance with the financial reporting framework
- expenditure and income were regular and in accordance with applicable enactments and guidance
- the audited part of the remuneration and staff report, performance report and governance statement were all consistent with the financial statements and properly prepared in accordance with the relevant legislation and directions made by Scottish Ministers.

The Covid-19 pandemic had a limited impact on our audit work

20. The unaudited annual report and accounts were received in line with our agreed audit timetable on 11 July 2022.

21. The completeness and accuracy of accounting records and the extent of information and explanations that we required for our audit were not affected by the Covid-19 outbreak.

22. The working papers provided to support the accounts were of a good standard and the audit team received support from finance staff which helped ensure the final accounts audit process ran smoothly. We were able to obtain sufficient and appropriate audit evidence to support our audit opinions.

Overall materiality is £1.2 million

23. We apply the concept of materiality in both planning and performing the audit. The determination of materiality is based on professional judgement and is informed by our understanding of the entity and what users are likely to be most concerned about in the annual accounts.

24. We identify a benchmark on which to base overall materiality, such as gross expenditure, and apply what we judge to be the most appropriate percentage level for calculating materiality values. In assessing performance materiality, we have considered factors such as our findings from previous audits, any changes in business processes and the entity's control environment including fraud risks.

25. We use materiality to evaluate the effect of identified misstatements and uncorrected misstatements on the audit and financial statements and when forming the opinion in the auditor's report.

26. Our initial assessment of materiality was carried out during the planning phase of the audit. This was reviewed and revised on receipt of the unaudited annual report and accounts and is summarised in [Exhibit 1](#).

27. The revised materiality levels did not require a change in our audit approach as it did not change the assessment of material account areas.

Exhibit 1 Materiality values

Materiality level	Amount
Overall materiality	£1.2 million
Performance materiality	£0.9 million
Reporting threshold	£60 thousand

Source: Audit Scotland

Significant findings from the audit of the annual report and accounts

28. We have obtained audit assurances over the identified significant risks of material misstatement to the financial statements. We identified one issue from

our work on the valuation of land and buildings and the findings are summarised in [Exhibit 2](#).

29. Our audit also identified other minor presentation and disclosure issues which were discussed with management and adjusted appropriately.

30. [Exhibit 2](#) sets out the significant risks of material misstatement to the financial statements we identified in our 2021/22 Annual Audit Plan. It summarises the further audit procedures we performed during the year to obtain assurances over these risks and the conclusions from the work completed.

Exhibit 2

Significant risks of material misstatement in the financial statements

Audit risk	Assurance procedure	Results and conclusions
<p>1. Management override of controls</p> <p>As stated in International Standard on Auditing 240, management is in a unique position to perpetrate fraud because of management's ability to override controls that otherwise appear to be operating effectively.</p>	<ul style="list-style-type: none"> • Assess the design and implementation of controls over journal entry processing. • Make inquiries of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries and other adjustments. • Test journals at the year-end and post-closing entries and focus on significant risk areas. • Evaluate significant transactions outside the normal course of business. • Assess the adequacy of controls in place for identifying and disclosing related party relationship and transactions in the financial statements. • Substantive testing of income and expenditure transactions around the year-end to confirm they are accounted for in the correct financial year. • Focussed testing of accounting accruals and prepayments. 	<p>We have not identified any indication of management override in the year leading to material misstatement or significant concern.</p> <p>We have reviewed the board's accounting records and obtained evidence to ensure that transactions outside normal processes were accounted for correctly.</p> <p>We have also reviewed management estimates and the journal entries posted in the period and around the year end. We did not identify any areas of bias in key judgements made by management.</p>

Audit risk	Assurance procedure	Results and conclusions
<p>2. Estimation in the valuation of land and buildings</p> <p>Land and buildings are revalued on a five-year rolling basis and an indexation exercise undertaken in the intervening years.</p> <p>There is a significant degree of subjectivity in the valuation of land and buildings. Indices are based on specialist assumptions and changes in these or errors in their application can result in material misstatements.</p> <p>Values may also change between full valuations; it is important that the financial statements accurately reflect the value of the land and buildings.</p>	<ul style="list-style-type: none"> • Completion of 'review of the work of an expert' for the professional valuer. • Review the indices rates provided to SPCB to assess for appropriateness. • Review the calculations for the indexations to ensure the correct indices are used and that they are appropriately applied to land and buildings. • Critically assess the approach SPCB has adopted to assess the risk that assets not subject to indexation are held at the appropriate value within the asset register. 	<p>The SPCB conducted an indexation exercise in year. This resulted in a net upward movement of £38.2 million in the accounts presented for audit.</p> <p>The indices used were taken from the BCIS monthly indices using a historic recommendation from the external valuer.</p> <p>In view of the prevailing market and economic uncertainty, we challenged the selection of the indices in year and how they had been applied. We noted that the indices used were significantly higher than those applied by comparable bodies in 2021/22.</p> <p>The SPCB engaged their external valuer to conduct a review of the indexation calculations, based on the valuer's assessment of market and economic conditions. The indexation applied was amended based on the outcome of this review. This resulted in a revised figure of £25 million for the gain on revaluation. The adjustments are set out in paragraph 36. below.</p> <p>In line with ISA 500 we have reviewed the competence, capability, and objectivity of the valuer. We are satisfied the nature and scope of their work is appropriate. We are content the revised value of assets in the financial statements is reasonable, and in line with comparable bodies.</p>

Other areas of audit focus

31. We identified in our 2021/22 Annual Audit Plan areas where we considered there to be other risks of material misstatement to the financial statements. Based on our assessment of the likelihood and magnitude of the risk, we did not consider these to represent significant risks. The areas of specific audit focus were:

- Estimation in the valuation of pensions. There is a degree of subjectivity in the measurement and valuation of the material account area of pensions. The subjectivity in the measurement and valuation represents an increased risk of material misstatement in the financial statements.

32. We are satisfied that the retirement benefit obligation is correctly recognised on the balance sheet at 31 March 2022 and has been accounted for and disclosed correctly in line with International Accounting Standard (IAS) 19 Retirement benefits.

33. We use an auditor's expert to inform our review of the assumptions used in calculating this estimate and management's judgements. We concluded the assumptions are appropriate and within a range which we consider to be acceptable.

34. We also tested the appropriateness of the controls in place over the provision of information to the actuary and seek assurances from the auditor of the Scottish Parliamentary Pension Scheme (SPPS) accounts over the accuracy of data passed to the actuary in year.

35. During the course of our audit a misstatement in the SPPS accounts was identified in the SPPS audit in relation to the benefits paid and expenses which were overstated by £0.2 million. This figure impacts the actuarial calculations used to inform the pension liability in the SPCB accounts and the actuary were made aware of the change. The movement in the benefits paid and expenses resulted in an increase of £0.2 million to the pensions liability.

Identified misstatements of £20.6 million were adjusted in the accounts

36. Total misstatements identified were £20.6 million and related to indexation of assets, adjustments to the pension liability as outlined above and a further adjustment of £0.1 million relating to understated prepayments.

37. Adjustments made in the audited accounts increased net expenditure in the Statement of Comprehensive Net Expenditure by £13.3 million and decreased net assets in the Statement of Financial Position by £13.3 million.

38. We are satisfied the adjustments have been appropriately processed in the revised financial statements and we have concluded that the misstatements arose from issues that have been isolated and identified in their entirety and do not indicate further systematic error.

39. It is our responsibility to request that all misstatements, other than those below the reporting threshold, are corrected, although the final decision on

making the correction lies with those charged with governance considering advice from senior officers and materiality.

40. Management have adjusted all identified misstatements above our reporting threshold and there are no unadjusted errors to report.

Good progress was made on prior year recommendations

41. The SPCB has made some progress in implementing our prior year audit recommendations. For actions not complete, revised responses and timescales have been agreed with management and are set out in [Appendix 1](#).

2. Financial management

Financial management is about financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively.

Main judgements

The SPCB had appropriate and effective financial management in place and operated within its revised budget, reporting an underspend of £3.9 million.

Controls within the main financial systems were designed and implemented effectively while arrangements for the prevention and detection of fraud remain appropriate.

The SPCB operated within its revised budget in 2021/22

42. The SPCB is funded directly from the Scottish Consolidated Fund and netted off against the Scottish Block grant. The budget is approved by the Scottish Parliament and is included in the annual budget act.

43. The main financial objective for the SPCB is to ensure that the financial outturn for the year is within resource and cash budgets. The financial performance against budget is shown in [Exhibit 5](#).

Exhibit 5

Performance against fiscal resource in 2021/22

Performance	Initial budget £m	Final budget £m	Outturn £m	Over/(under) spend £m
Resource budget	123.5	126.2	120.4	(5.8)
Capital budget	1.0	1.5	3.4	1.9
Total budget	124.5	127.7	123.8	(3.9)
Cash budget	110.6	110.3	104.7	(5.6)

Source: 2021/22 Budget Bill, 2021/22 Spring Budget Revision, 2021/ 22 Annual report and accounts

44. The SPCB's 2021/22 budget was approved by the Finance and Constitution Committee in January 2021 and was subject to review across the autumn and spring budget updates. The Spring Budget Revision allocated additional funding of £3.2 million, the majority of which related to non-cash items such as a movement in actuarial assumptions.

45. The SPCB forecast an underspend position consistently across the financial year and had a target underspend of 2.5 per cent. The SPCB exceeded the target underspend and reported expenditure 3.0 per cent below the revised budget.

46. Covid-19 continued to impact on the operations of the SPCB and contractor shortages and supply chain issues resulted in slipping in key projects contributing to the £3.8 million underspend. Members costs were also below the budget levels as a result of delays in recruiting staff following the May 2021 elections.

47. An element of the underspend on revenue was utilised on capital projects. The SPCB were able to bring forward planned capital expenditure which resulted in an overspend against the 2021/22 capital budget.

48. In 2021/22 the SPCB drew down £104.7 million against the cash budget of £110.3 million to meet expenditure as it became due. The £5.6 million underspend against the cash budget reflects the impact of expenditure incurred near the year-end which was accrued in 2021/22.

Budget processes were appropriate

49. We reviewed the SPCB's budget setting and monitoring arrangements in 2021/22 and observed that senior management and those charged with governance receive regular and accurate financial information.

50. The budget monitoring reports presented to committees clearly show the cost pressures facing the SPCB and the content and format of the reports allow members to perform their scrutiny role.

51. We have concluded that the SPCB has appropriate budget monitoring arrangements in place.

Financial systems of internal control are operating effectively

52. As part of our audit we identify and inspect key internal controls in those accounting systems which we regard as significant to produce the financial statements. Our objective is to gain assurance that the SPCB has sound systems of recording and processing transactions which provide a sound basis for the preparation of the financial statements.

53. Our 2021/22 work covered a high level review of key financial systems including payroll, members expenses, other expenditure, non-current assets, and the general ledger.

54. We conduct a wholly substantive approach to the audit of the SPCB and therefore we have not conducted detailed tests of controls, our conclusions

relate solely to the design of the system of controls and not whether they are operating effectively.

55. No significant internal control weaknesses were identified which could affect the SPCB's ability to record, process, summarise and report financial information.

Internal audit

56. The SPCB's internal audit function is carried out by the SPCB Internal Audit team. The Public Sector Internal Audit Standards (PSIAS) require the chief internal auditor to provide an annual internal audit opinion and report that can be used to inform the annual governance statement.

57. Internal audit has concluded their 2021/22 audit work and presented their audit opinion to the September Advisory Audit Board. There were no issues arising which would require disclosure within the governance statement.

58. We reviewed the SPCB's internal audit function in terms of International Standard on Auditing (UK) 610 (Using the Work of Internal Auditors) to determine the extent to which we could use the work of internal audit. We have placed reliance on the work of internal audit on MSPs' expenses for our 2021/22 financial statements audit responsibilities.

Standards of conduct and arrangements for the prevention and detection of fraud and error are appropriate

59. The SPCB is responsible for establishing arrangements for the prevention and detection of fraud, error and irregularities, bribery, and corruption. Furthermore, the SPCB is responsible for ensuring that its affairs are managed in accordance with proper standards of conduct by putting effective arrangements in place.

60. We have reviewed the arrangements in place to maintain standards of conduct including staff and MSPs' Codes of Conduct insofar as these relate to the responsibilities of the SPCB. There are established procedures for preventing and detecting any breaches of these standards including any instances of corruption.

61. Appropriate arrangements are in place for the prevention and detection of fraud, error and irregularities, bribery and corruption.

The SPCB engaged positively with the National Fraud Initiative

62. The National Fraud Initiative (NFI) in Scotland is a counter-fraud exercise coordinated by Audit Scotland which aims to prevent and detect fraud. It uses computerised techniques to compare information about individuals held by different public bodies, and on different financial systems, to identify 'matches' that might suggest the existence of fraud or irregularity.

63. The NFI investigation did not identify any frauds, errors or other such observations. Based on our review we are satisfied the SPCB appropriately prioritised matches for further investigation and reported progress to the Advisory Audit Board throughout the exercise.

3. Financial sustainability

Financial Sustainability looks forward to the medium and long term to consider whether a body is planning effectively to continue to deliver its services

Main judgements

An operating budget of £128 million has been agreed for 2022/23 and an indicative budget of £132.9 million in 2023/24.

In 2021/22 the SPCB created a Strategic Plan for session 6 which is supported by an annual Delivery Plan. The SPCB has financial plans in place to support the objectives set out in the strategic documents.

We have obtained assurance over the audit risk relating to Financial Sustainability

64. [Exhibit 8](#) sets out the audit dimension risks relating to Financial Sustainability which we identified in our 2021/22 annual audit plan. It summarises the audit procedures we performed during the year to obtain assurances over these risks and the conclusions from the work completed.

Exhibit 8

Risks identified from the auditor's wider responsibility under the Code of Audit Practice

Audit risk	Assurance procedure	Results and conclusions
<p>Financial sustainability</p> <p>The SPCB aligns its medium-term financial strategy to the parliamentary sessions.</p> <p>The Session 6 Strategic Plan was developed in 2021/22. A financial strategy is required to support the delivery of strategic objectives.</p> <p>There is a risk that increasing cost pressures limit the ability of the SPCB to deliver the medium-term strategic objectives.</p>	<ul style="list-style-type: none"> Continue to monitor the financial position throughout the year. Review of the medium-term strategy, including the assumptions used, to inform our ongoing assessment of the SPCB's medium-term financial sustainability. 	<p>We considered how the SPCB balances the management of its short term financial position with demand and performance targets.</p> <p>We considered the SPCB's approach to developing a medium term strategy and supporting financial plans</p> <p>Our detailed findings on the SPCB's framework for achieving financial sustainability over the medium term is set out below.</p>

Short term financial planning

65. The Finance and Public Administration Committee approved the SPCB 2022/23 budget in December 2021. The total budget requirement including capital charges and non-cash items amounted to £128 million (£124.5 million in 2021/22).

66. The increase in budget reflects the challenges faced by the SPCB in relation to inflationary pressures and the requirement to enhance members' personal security.

67. The budget also builds in resource to increase the staffing baseline across the new parliamentary session. There is a recognition that in order to deliver against strategic objectives and its statutory functions, the SPCB needs to operate a sustainable staffing model.

68. The staffing budget has increased by 10.3 per cent to £34.9 million reflecting the SPCB's commitment to create additional capacity.

The SPCB has appropriate financial plans in place to support the Session 6 strategy

69. Following the election in May 2021 the SPCB embarked on developing a strategic plan covering the sixth parliamentary session. The Strategic Plan was approved in September 2021 and is supported by a Delivery Plan which sets out the key actions required to deliver the strategic objectives.

70. A key priority for the SPCB was the development of the key strategic documents supported by a reliable short term financial plan.

71. The approved 2022/23 budget included indicative net expenditure of £132.9 million for 2023/24, a £4.9 million increase compared to the 2022/23 budget. The most significant element of the increase relates to staff costs reflecting the SPCB's ongoing commitment to building capacity.

72. As part of developing the 2022/23 budget the SPCB considered the resource need over the medium term and conducted a strategic resource review, which created a baseline of staffing for the rest of the session. The staffing baseline along with the uplift to the Staff Cost Provision form the basis of the medium term financial planning at the SPCB.

73. The SPCB has committed to operate within the baseline amounts, adjusted for inflation, for staffing, MSP's expenses and projects over the course of the parliamentary session. There is ongoing work over Members Security which may result in an additional resource need and will be factored in to future budget submissions.

4. Governance and transparency

The effectiveness of scrutiny and oversight, and transparent reporting of information

Main judgements

The governance arrangements introduced in response to the pandemic are appropriate and operated effectively. There is effective scrutiny, challenge and informed decision making.

New members of the SPCB have received an induction

74. The SPCB was established in May 1999 under The Scotland Act 1998. The SPCB comprises the Presiding Officer, and five other members of the Scottish Parliament elected by the Parliament. It is primarily concerned with ensuring that the Parliament is provided, with the property, staff and services required to fulfil its purposes.

75. The election in May 2021 has resulted in a change to members of the SPCB including the Presiding Officer and Deputy Presiding Officers. All new members attended introductory meetings which included an overview of operations and comprehensive induction materials.

76. We are satisfied that the SPCB has made arrangements to provide new members with the knowledge and understanding to enable them to provide effective challenge and scrutiny.

The SPCB's governance and transparency arrangements are appropriate

77. The SPCB and the Principal Accountable Officer are supported in their role by the Advisory Audit Board and the Leadership Group.

78. In common with all other public bodies in Scotland the SPCB moved to revised governance arrangements at the beginning of the UK lockdown. All governance committees met virtually throughout 2021/22 and following the easing of restrictions the SPCB is exploring hybrid arrangements in 2022/23.

79. We are satisfied that the SPCB maintained its schedule of business throughout the financial year.

80. We have reviewed the SPCB and Advisory Audit Board minutes and papers as part of our audit work. Papers are published on the SPCB's website where the nature of the information is not sensitive or confidential. We are satisfied

that papers are sufficiently detailed to allow for effective decision making and scrutiny of performance.

81. We attended the Advisory Audit Board throughout 2021/22 and we observed and concluded that members are engaged during meetings and provide effective scrutiny and challenge.

The performance report was of a good standard

82. In addition to the opinion on the performance report covered in Part 1 of our Annual Audit Report, we also consider the qualitative aspects of the performance report.

83. The purpose of the performance report is to provide users of the accounts with sufficient information to understand the SPCB, its purpose, its objectives, the impact and management of its key risks, and a detailed view of its performance over the previous 12 months. It is required to be fair, balanced, understandable, and comprehensive but concise.

84. As part of our review of the performance report we also considered the adequacy of the financial overview in the report to ensure this provided users of the accounts with a clear picture of the financial performance of the SPCB.

85. We concluded that the SPCB's performance report provided a fair, balanced, and reasonable analysis of the organisation's performance for the year and is in line with the requirements of the FReM.

The SPCB has appropriate arrangements for monitoring progress against the delivery plan

86. Monitoring and reporting of performance measurement of the aims set out in the Delivery Plan is by a quarterly reporting mechanism, the Scottish Parliament Performance Report.

87. The report measures performance against the SPCB's Aims and Priorities for Change using a red, amber, green (RAG) status and comprises of high-level strategic performance indicators to improve accountability and performance. The performance reports are issued quarterly to the Leadership Group and the SPCB (as part of the Chief Executive's report). The reports provide clear information on performance against targets, which supports effective scrutiny and challenge.

88. In addition, regular finance reports are provided to Leadership Group and the SPCB (as part of the Chief Executive's report) to support effective scrutiny and challenge of the organisation's financial management.

89. We concluded that the SPCB had appropriate mechanisms in place to monitor financial and operational performance in 2021/22.

Appendix 1. Action plan 2021/22

Follow-up of prior year recommendations

Issue/risk	Recommendation	Agreed management action/timing
<p>1. Register of interests</p> <p>Registers of interest maintained by the SPCB do not include the interests of close family members as required by IAS 24.</p> <p>Risk –The SPCB do not have a complete record of members interest and is therefore unable to identify any potential related parties.</p>	<p>The SPCB should update guidance to require close family members interests to be disclosed</p>	<p>Complete</p>
<p>2. Equality and Diversity</p> <p>The SPCB comply with the 2011 and 2017 Regulations in relation to the Equality Act 2010. The website contains a good range of information but could be improved by publishing Equality Impact Assessments (EIAs) where possible.</p> <p>Risk - The SPCB may not be seen to be giving due attention to equality and diversity.</p>	<p>The SPCB should consider publishing EIAs on its website to improve transparency and ensure Equality and Diversity issues are covered in staff training programmes outwith the induction.</p>	<p>In Progress</p> <p>We note that the EIA are intended to be attached to the Leadership Group papers on website, however, to date the papers available to the public do not include EIAs.</p> <p>EQIAs are included in Leadership paper guidance and templates. Papers are published on the website in line with the Publication Scheme. The Diversity and Inclusion Adviser and Secretary to the SPCB will continue to work together to ensure that completed EQIAs that do not contain sensitive information are included in papers suitable for publication.</p>

Appendix 2. Summary of 2021/22 national performance reports and briefing papers

May

[Local government in Scotland Overview 2021](#)

June

[Covid 19: Personal protective equipment](#)

July

[Community justice: Sustainable alternatives to custody](#)

September

[Covid 19: Vaccination programme](#)

January

[Planning for skills](#)

[Social care briefing](#)

February

[NHS in Scotland 2021](#)

March

[Local government in Scotland: Financial Overview 20/21](#)

[Drug and alcohol: An update](#)

[Scotland's economy: Supporting businesses through the Covid 19 pandemic](#)

Scottish Parliamentary Corporate Body

2021/22 Annual Audit Report

Audit Scotland's published material is available for download on the website in a number of formats. For information on our accessibility principles, please visit:

www.audit-scotland.gov.uk/accessibility



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