



The Scottish Parliament
Pàrlamaid na h-Alba

Public Audit Committee

David Satti
Interim Chief Executive
Water Industry Commission for Scotland

15 November 2024

Dear Mr Satti

The 2022/23 audit of the Water Industry Commission for Scotland

At its meeting of 14 November 2024, the Public Audit Committee considered correspondence¹ received in relation to its scrutiny of the above section 22 report by the Auditor General for Scotland (AGS). The Committee was also sighted on the recent reviews of Water Industry Commission for Scotland (WICS) published by the Scottish Government on 7 November 2024.

The Committee agreed to write to you to seek further information relating to the international work carried out by WICS to support the Scottish Government's Hydro Nation strategy.

The Committee notes confirmation by the AGS in his section 22 report that in 2022/23 WICS generated an income of "£1.185 million from international work related to the Scottish Government's Hydro Nation strategy".

At the Committee's [meeting on 19 March 2024](#) it heard from the then Chair of WICS that WICS has a positive reputation in relation to its international work. He stated—

"I can tell you that WICS enjoys an excellent reputation. We are continually asked to host visiting delegations from other countries to see how we do it. I am proud to say that Scotland's water and the way in which it is regulated have an excellent reputation. That is what people come to see, and then they often ask us to take part in consultancy."

During its [evidence session on 19 September 2024](#), the Committee also heard from the Chair of WICS's Audit and Risk Committee that—

¹ [Submission from Alan Sutherland](#), 4 November 2024, [Submission from Scottish Government](#), 6 November 2024 and [Submission from WICS](#), 6 November 2024.

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Email: publicaudit.committee@parliament.scot. We welcome calls through Relay UK and in BSL through Contact Scotland BSL.

“The Barbados tour was a visiting group of dignitaries from Barbados, who were interested in replicating Scotland’s water system and wanted to come to learn from us, primarily because we have a very good reputation around the world and represent Scotland, externally at least, in a very strong light as part of our hydro nation strategy.”

The Committee notes confirmation from the Interim Director-General Net Zero, during the evidence session on 19 September, that—

“The hydro nation work is currently paused. Over the coming months, we will take a view on whether that work will proceed and, if so, how it will be best delivered. That will be considered in the round alongside all the other activity that is being undertaken. However, as I said, at present, our firm priority is stabilising the organisation and bringing the best-value approach to the stewardship of public funds”.

The Committee further notes that KP9 in [WICS’s Corporate Plan 2021-27](#)² identifies the following as a key risk—

“If our international activities are not properly appraised, well managed and resourced then this could have a negative impact on our other core functions”.

Given the focus of evidence received and the recent reviews on expenditure incurred relating to the international work carried out by WICS, the Committee seeks information on how WICS has measured the effectiveness of, and outcomes arising from, its international activities. In particular, the Committee seeks details of any formal feedback WICS has gathered from its international clients in respect of—

- **The level of support and expertise provided by WICS.**
- **The impact of the support provided by WICS, including any long-term benefits that may have arisen.**
- **Any improvements that could be made in how WICS provides support to its international partners.**
- **Overall satisfaction and value for money.**
- **Whether they would recommend WICS to other partners and / or would work with them again in the future.**

The Committee also requests information on how WICS has responded to and acted upon any feedback it has received from its international partners.

The Committee requests a response by 13 December 2024. For information, the Committee is writing on similar terms to the Scottish Government.

² KPI 9 We will support the Scottish Government’s Hydro Nation initiative by delivering projects and assistance, providing a minimum annual net contribution to our income from this work of £300,000.

Yours sincerely,

Richard Leonard

**Richard Leonard MSP
Convener**