

# **MEETING OF THE COMMISSION**

Thursday 7 August 2014

Session 4

© Parliamentary copyright. Scottish Parliamentary Corporate Body

Information on the Scottish Parliament's copyright policy can be found on the website - [www.scottish.parliament.uk](http://www.scottish.parliament.uk) or by contacting Public Information on 0131 348 5000

---

**Thursday 7 August 2014**

**CONTENTS**

<b>DECISION ON TAKING BUSINESS IN PRIVATE .....</b>	<b>Col.</b>
<b>199</b>	
<b>AUDIT SCOTLAND ANNUAL REPORT AND ACCOUNTS AND AUDITOR'S REPORT ON THE ACCOUNTS .....</b>	<b>200</b>

---

**SCOTTISH COMMISSION FOR PUBLIC AUDIT**  
**1<sup>st</sup> Meeting 2014, Session 4**

**CONVENER**

\*Colin Beattie (Midlothian North and Musselburgh) (SNP)

**DEPUTY CONVENER**

John Pentland (Motherwell and Wishaw) (Lab)

**COMMISSION MEMBERS**

\*Hugh Henry (Renfrewshire South) (Lab)

\*Alex Johnstone (North East Scotland) (Con)

\*Angus MacDonald (Falkirk East) (SNP)

\*attended

**THE FOLLOWING ALSO PARTICIPATED:**

Ronnie Cleland (Audit Scotland)

Russell Frith (Audit Scotland)

Caroline Gardner (Auditor General for Scotland)

Andrew McBean (Alexander Sloan)

Diane McGiffen (Audit Scotland)

**SECRETARY TO THE COMMISSION**

Catherine Fergusson

**LOCATION**

The Adam Smith Room (CR5)



## Scottish Commission for Public Audit

### Meeting of the Commission

*Thursday 7 August 2014*

[The Convener *opened the meeting at 09:31*]

### Decision on Taking Business in Private

**The Convener (Colin Beattie):** Good morning, everybody, and welcome to the first meeting in 2014 of the Scottish Commission for Public Audit. It seems odd that we are in August and this is the commission's first meeting of the year.

I remind everybody to ensure that their mobile phones and other electronic devices are switched off. We have apologies from John Pentland.

Our first item of business is to decide whether to take in private agenda items 3, 4 and 5. Are members content to do so?

**Members** *indicated agreement.*

## Audit Scotland Annual Report and Accounts and Auditor's Report on the Accounts

09:31

**The Convener:** Our next item of business is to consider Audit Scotland's annual report and accounts for 2013-14.

I welcome the Auditor General for Scotland, Caroline Gardner; the chair of Audit Scotland, Ronnie Cleland; the assistant Auditor General, Russell Frith; and the chief operating officer of Audit Scotland, Diane McGiffen.

I invite Caroline Gardner or Ronnie Cleland to make opening remarks.

**Ronnie Cleland (Audit Scotland):** I will take that responsibility, if I may, convener. Thank you for the opportunity to give a brief statement.

As members know, our board sets and monitors the strategic direction of Audit Scotland, oversees its work and strives for excellent governance and management. This year, the board's focus has been on ensuring that we use the resources that we have to maximize the quality and impact of our work while identifying and preparing for the challenges of the future.

We have done much over recent years to reduce our costs and become a more efficient and streamlined organisation. I am pleased that, throughout this year, we have maintained a high level of performance and audit service.

In addition to considering reports on streamlining the business and on expectations of audit, both of which will help Audit Scotland to prepare for the future, the board has discussed the implications for Audit Scotland of the Scotland Act 2012 and other constitutional change.

The year has been one of change for the board itself. I thank John Baillie, who served for nine years, including three as chair, and Katharine Bryan, who completed a three-year term with us. My thanks go to both of them for their very significant and distinctive contributions.

I am pleased to welcome two new faces to the board: Douglas Sinclair, who, as chair of the Accounts Commission, replaces John Baillie; and Ian Leitch, who recently joined us as a new independent non-executive member. As members will be aware, there will be further changes to the board when Heather Logan joins us in October.

On the topic of board change, this is my last annual report as chair of Audit Scotland's board. During my time in the post, I have been struck by the enthusiasm, dedication and commitment to

quality of Audit Scotland's staff. I put on record my appreciation of their work and thank them and my fellow board members for their support over 2013-14 and the preceding years.

I will now hand over, if I may, to the Auditor General to give her opening statement on the annual report.

**Caroline Gardner (Auditor General for Scotland):** Thank you.

I am pleased to be able to tell members that the VAT issue that we raised with the SCPA last September has now been fully resolved. Members will recall that we were dealing with Her Majesty's Revenue and Customs on two separate issues at that point: the registration date for income earned from our business activities, such as secondments, and the recovery of input VAT on local authority audit work that has been conducted on behalf of the Accounts Commission for Scotland.

When we met you last October we had agreed with HMRC a registration date of 1 March 2003 for income earned from business activities such as secondments, but we still had to finalise the VAT payment due and any penalties that might be levied. Following a recalculation of the VAT due and an appeal against the amount of interest and penalties, we received a repayment of slightly more than £217,000, which is included in our 2013-14 accounts.

On the second issue, the recovery of input VAT, HM Revenue and Customs confirmed in April that it was content to allow Audit Scotland to reclaim input VAT on behalf of the Accounts Commission, under section 33 of the Value Added Tax Act 1994. As you will know, that confirmed the agreement that was reached in 2006 with HMRC.

You will be interested to know that, each year, we reclaim approximately £500,000 of input VAT on behalf of the Accounts Commission. We use that sum to offset the fees for audit work that are paid by local authorities. If we had not successfully resolved those issues, Audit Scotland would have had to make some difficult choices regarding our resources and work programme, so we are, obviously, pleased to have a positive result to report today.

Turning to the work of Audit Scotland, I am pleased to be able to report that we delivered 208 annual audits of public bodies during the last financial year. We also produced 20 performance and best-value audit reports. Sixteen of those were performance reports, which is higher than our target and higher than in the previous two years; and four were best-value audits.

Twelve of our performance audit reports were laid in Parliament and presented to the Public

Audit Committee, and you will be aware of many of them. They covered a wide variety of topics of national importance including apprenticeships, care for older people, police reform, renewable energy, colleges, housing and transport.

We gave evidence to the Public Audit Committee on audit arrangements for the Scottish rate of income tax, which is due for introduction soon. We also gave evidence to other committees, including the Finance Committee and the Local Government and Regeneration Committee, on a range of issues.

We carried out further audits of community planning partnerships, and we are planning five individual CPP reports this year, together with a national overview report during 2014-15.

Audit fees for the 2013-14 audit year will reduce on average by 2 per cent in real terms. The 2013-14 audit year is the final year of our four-year cost reduction plan, which was introduced in autumn 2010. Over that period, audit fees have reduced by 23.5 per cent in real terms since the base year of 2009-10.

We are currently preparing our 2015-16 budget proposals, which will be with the commission by your deadline next month.

As Ronnie Cleland said, this year we have been focusing on getting the most from our resources. To enable us to make the reductions in spend that we have achieved we have, as you know, reduced the size of our management team and changed our grade mix across the organisation. To ensure that we can do that while maintaining the quality and impact of our audit work, we need to ensure that our staff are trained to the highest professional standards. As part of that approach, we are continuing to invest in high-quality professional and other training.

We also continue to invest in training the auditors and financial managers of the future through our professional trainee scheme. We believe that that is a cost-effective means of providing the high-quality staff we need to deliver top-quality audit work.

I hope that this year's annual report helps to demonstrate our continuing commitment to delivering the best audit service possible, while demonstrating our commitment to live up to the standards that we expect of others in terms of governance, good financial management and value for money.

As always we are happy to answer any questions you may have.

**The Convener:** Thank you. I think that there are a few questions.

Page 9 of the report states that, in the coming year, Audit Scotland will audit a number of local government charities for the first time. In its evidence in October 2013, Audit Scotland advised the commission that the actual number of charitable bodies that will be subject to audit by Audit Scotland was uncertain and that discussions with individual local authorities were on-going to confirm the number of charitable bodies requiring audit. Has there been any progress on finalising the number of local government charitable bodies that will be audited by Audit Scotland?

**Caroline Gardner:** There has been significant progress on that. Russell Frith will pick up that point.

**Russell Frith (Audit Scotland):** When we first realised that we would have to do the audits of the charities that are operated by local government, there were about 1,200 of them in Scotland. Many of them have now been amalgamated by councils, who have worked with the Office of the Scottish Charity Regulator to reduce the number. The number that we will finalise the audits of over the next couple of months is now down to between 200 and 300, and the figure is still moving, as the amalgamation schemes are still going through the approval processes. The number has reduced considerably and we expect it to reduce further next year.

**The Convener:** What criterion do you use? Is it the fact that the charities exist, or is it size or something else?

**Russell Frith:** In 2005 or 2006, a new piece of charities legislation in Scotland formed OSCR and the Scottish charities register. England had had a register since about 1960, but there had never been anything similar in Scotland. All that a body in Scotland had to do to be treated as a charity was to write to the Inland Revenue and convince it that its objectives were charitable. Consequently, the on-going cost of registration as a charity in Scotland was low and, accordingly, far more charities were created here than in England. Over many years, when Scottish local authorities received bequests or donations, they tended to set up individual charities rather than put the money into an existing charity. However, with the advent of regulation, that is no longer the most efficient approach.

OSCR allowed local authorities a considerable period of five years in which to get their house in order before fully enforcing the accounts and audit regulations, and we are at the end of that five-year period. Scottish local authority charities now have to behave in exactly the same way as any other charity in Scotland, which means preparing accounts and having them audited. Because of the interaction of local government legislation with charity legislation, all the local authority charities

have to have a full audit rather than an independent examination, which is available to small charities that are not local authority charities. We have to apply a slightly higher auditing standard to the small local authority charities but, for the larger ones, the process is exactly the same as for private sector charities.

**The Convener:** That leads me into a slightly different area that we have discussed in the Public Audit Committee, which is the auditing of arm's-length external organisations—ALEOs—many of which are charities. A lot of public money goes into ALEOs, and concerns have been expressed about whether that public money is being properly audited. Will you now be looking at the ALEOs?

**Caroline Gardner:** The situation is slightly different in practice in that case, because most local authority charities are very much part of the local authority and administered by it in a closer way, and because the arrangements that the Accounts Commission has approved for their audit mean that, in almost all cases, the auditor of the charity is also the auditor of the local authority. That brings economies of scale, in terms of the cost of the audit. There is much closer join-up between the activities of the charity and those of the local authority. There is still the issue of principle about the different set-up arrangements that keep some funds slightly at arm's length, but I think that they are less at arm's length than in some of the cases that the Public Audit Committee has shown an interest in over the year.

I ask Russell Frith whether he wishes to add to that.

**Russell Frith:** As the Auditor General says, the Accounts Commission will appoint the auditors for charitable bodies. We have discussed with the Accounts Commission how to ensure that we can follow the public pound into the ALEOs that are, say, limited companies rather than charities. For the moment, we believe that the Accounts Commission's powers to look at the way in which the councils monitor, regulate and control the activities of the ALEOs gives us enough to provide assurance on the way in which the money is being spent. We need to push those powers and ensure that we use them to the full before we consider whether any further powers might be needed.

09:45

**The Convener:** In my experience of council charities I have found that many are relatively small when compared with ALEOs, which are usually much bigger organisations. Is it a good use of resources to focus on the small charities run by councils, as opposed to ALEOs, which have a great deal of public money?

**Russell Frith:** All the ALEOs will be subject to audit.

**The Convener:** By Audit Scotland?

**Russell Frith:** They will not necessarily be audited by Audit Scotland, but they will be subject to audit by private sector auditors. Many ALEOs, particularly the biggest ones, come into the group accounts of the council concerned and therefore are subject to some degree of audit involvement by Audit Scotland, as the group auditor.

**The Convener:** There still seems to be a bit of a gap there. A great deal of money is going into those organisations, yet Audit Scotland, as the public sector auditor, does not seem to have the same grip on them.

**Caroline Gardner:** It is certainly at further arm's length than the very direct audit oversight that Audit Scotland has over local authorities through the Accounts Commission, and other public bodies through my own responsibilities. That throws up some questions, particularly about transparency, which we have discussed with the Public Audit Committee on several occasions. As we have discussed in those meetings, there are good reasons for ALEOs and charities being set up in some instances, but there are questions as to whether that balance is right and whether there is enough transparency for people to have confidence in the way in which public money is being used.

The Accounts Commission and I will continue to keep the issue under review. It may become increasingly important in the years ahead as public money becomes tighter. I am sure that we will continue to discuss the matter with the Scottish Commission for Public Audit.

**The Convener:** I am sure that the issue will be back in front of us at some point.

**Hugh Henry (Renfrewshire South) (Lab):** I want to follow up on a couple of those points before we move on. I share the convener's concern about ALEOs. At some point the Scottish Government may have to consider the relationship of ALEOs to Audit Scotland because there is a gap. Mr Frith, what is your definition of large and small in relation to charities? Will Audit Scotland directly audit the 200 to 300 charities that it will have responsibility for or will private companies do those audits?

**Russell Frith:** I will respond to the second point first. The Accounts Commission appointed the auditor of a council to be the auditor of that council's charities. So, for the 20 or so councils where Audit Scotland is the auditor, Audit Scotland will audit the charities; for the remainder, where the Accounts Commission has appointed private

firms as the auditors, those firms will do the charity audits as well.

**Hugh Henry:** How significant will the workload be in auditing those relatively small bodies?

**Russell Frith:** The workload varies according to the way in which the council concerned has restructured so far. Some councils have reduced the number of charities from more than 100 down to three. Clearly those take considerably less effort to audit than those councils where there are still 30, 40 or 50 charities. We hope that over the next year those councils will get through the reorganisation so that all councils have only a small number of charities, which reduces the burden considerably.

In relation to the question on size, for charities that are not council controlled, the charities accounts regulations specify the size above which a full audit is required. At the moment that is an income of—I think—more than £250,000 a year.

**The Convener:** Let us move on. Page 15 of the report states that Audit Scotland has started a "healthy working lives initiative" for staff. We are aware that other public bodies previously provided such schemes for staff that were withdrawn because of budget pressures. Can you provide more information on the initiative and any indicative costs?

**Caroline Gardner:** I will kick off and then ask Diane McGiffen to give you more detail about the costs in the schemes.

The background is that we are conscious that we have reduced our costs during the past four years by more than 20 per cent at the same time as the volume of work that we are doing and the expectations of that work continue to rise. We know that we cannot achieve those two things by simply expecting our staff to carry on doing what they have always done. At the same time, we are conscious that the significant constraints on pay and other conditions for staff across the public sector apply to us as well. We have looked at how we work across the organisation through the project that we have done on streamlining the audit approach and we have tried to get more flexibility into how we put teams together for the work. We have continued the best companies survey, which gives us good information about how staff across the organisation feel about their working lives, and we have looked at how we can better spend money that we already have in the budget for things such as the occupational health scheme so that we get more benefits for the amount of investment that we are making. That is part of a planned strategy to be able to reduce costs in a sustainable way.

Diane, could you give a bit more detail about the content of that work?



**Diane McGiffen (Audit Scotland):** Certainly. We started with a survey that the healthy working lives organisation manages and delivers for us, and we surveyed staff in October to find out what they felt would help to promote health and wellbeing in the workplace and where some of the stresses and strains occur. We developed a programme of training and development following that. The cost of those things was met by refocusing some of our investment in learning and development. We have delivered training on personal resilience and working smarter and looked at ways to manage time and pressures. We have rolled out to all colleagues a taster session on thinking about the ways in which we can all make sure that we are paying attention to the flags that signal that we are under stress and being less effective than we might be. We completed a couple of those sessions yesterday in Perth with about 60 of our colleagues.

We have also looked at getting better value out of other strands of work that we do. We have a health and safety committee that contains representatives from across the business and our recognised trade union. Through the work that we have done there, we have been making sure that our work spaces are pleasant and that they support staff. We have been looking at the data that we have on sickness absence and any other similar information that we have. Through our existing work programmes, we have looked to provide more tailored support and responses to health and wellbeing. We took part in the cycle-to-work scheme this year, so we have been promoting cycling to work as a health benefit, and there has been quite a healthy uptake of that scheme. We have also invested in some of the usual things that you might see under these programmes such as first aid training. We have put defibrillators in our offices and supported training and awareness raising of some of the symptoms and signals of ill health across the piece.

There has been a refocusing of activity. We have had excellent support from the healthy working lives initiative and we have good levels of staff involvement in the programme.

**The Convener:** What about the indicative costs? There must be some projections of that.

**Caroline Gardner:** As Diane McGiffen said, what we have done so far has involved refocusing spend that we already had in the training budget, the occupational health budget and our health and safety work. We had a sense that good work had been done in all those areas but it was not adding as much value as it could for safeguarding people's health and helping them to deal with the new reality of the size of our organisation and the expectations of us. If the committee would like

more of a breakdown of that, we can certainly follow up with the detail after today.

**The Convener:** I think that the important thing is that no additional costs are being incurred in rolling those activities out. The concern is that money will be pulled elsewhere because of costs.

**Caroline Gardner:** As I said in my opening statement, we are very conscious that we need to demonstrate the same standards of governance and value for money as other organisations do, and that this activity has to be sustainable. We are looking at people and the organisation making sustainable changes to how they work and that has to be within the budgets that we already spend. We are redirecting that spend effectively and we can certainly follow up with more information if that would help.

**Angus MacDonald (Falkirk East) (SNP):** Page 17 of the annual report states that Audit Scotland

"received 267 items of correspondence raising concerns",

which is a significant increase on the figure for 2012-13, which was 177. Are there any clear and/or recurring reasons for or trends in the increase in the number of concerns raised?

**Caroline Gardner:** It is fair to say that it is always very difficult to see any clear trends coming through. First, the numbers tend to go up and down from year to year anyway, depending on the particular issues that people are concerned about, which are often in their local area.

It is also true that we will receive a significant number of items of correspondence on individual issues either because there is widespread concern about them or because there is an organised campaign in which people are encouraged to write to us. We welcome all those, because they are ways for us to be aware of what issues are out there that may raise audit issues and because we can then provide a service to the public in following up issues of public concern where it is appropriate for us to do that.

I suspect that it is also true that Audit Scotland's profile over the past couple of years in looking at issues that have been of public concern has made us more visible on people's radars when they have been thinking about what avenues may be open to them.

There is no obvious underlying theme or set of issues leading to that increase in items of correspondence that suggests that it is a trend that we would expect to see in the future.

**Angus MacDonald:** Okay. Can the increase be attributed to organised campaigns, for example?

**Caroline Gardner:** In some instances, certainly. We have examples of concerns about redevelopments of particular sites in particular

areas that relate to either the process or the proposed use of the land. Because of the nature of the letters—people use common wording—it is very clear that there is a campaign. We think that that is entirely appropriate. People are entitled to raise their concerns in that way.

In other instances, there will be an individual issue. Somebody will feel that something has not been handled properly. In some cases, they may not have been through the proper complaints process, and we will encourage them to go through it. In other cases, they may have been through the process and felt that their concern has not been properly investigated. Again, we can provide a bit of a safety valve as long as we are sure that the issue is an audit issue and that our involvement is proportionate and appropriate.

**Angus MacDonald:** Has Audit Scotland experienced any budgetary pressures as a result of that increase in correspondence?

**Caroline Gardner:** It is obviously fair to say that, if there is a peak over a year or in a short period of time, resourcing that becomes more difficult. That is one of the things that we have to play into our resource planning every year. It is clear that we do not seek to come back to the commission to ask for additional fees at that level of detail, but that is one of the pressures that we take into account in our budget planning. We are currently looking at how we can use our resources better to manage the peaks and troughs in that work and ensure that it is better connected into the foreseeable and predictable work that we do in ways that help us to manage the pressures. However, you are quite right: they can be tricky to manage in the short term.

**Angus MacDonald:** I want to go back to the number of concerns that were raised. How many were raised internally by whistleblowers in your organisation over the past year?

**Caroline Gardner:** I ask Diane McGiffen to pick up that question, as she oversees the process for us.

**Diane McGiffen:** We have a whistleblowing policy and there is an annual report on whistleblowing to Audit Scotland's audit committee. The audit committee considers that annually. This year, no complaints fell into the category of whistleblowing, although we considered some concerns raised by staff that did not quite fall into that category.

**Angus MacDonald:** Would you contend that your internal investigation procedure for following up issues from whistleblowers is fit for purpose?

**Diane McGiffen:** Definitely. We have worked with Public Concern at Work, reviewed our whistleblowing policies, had discussions with our

audit committee, and developed our policy in line with best practice. We are a designated body under the whistleblowing legislation to receive complaints from external parties, and we apply the same principles internally.

**Alex Johnstone (North East Scotland) (Con):**

To stick with page 17 of the report, sometimes the words that are used in a report seem to throw up a question. Page 17 of the report states:

"Most internal audits in 2013/14 achieved 'substantial assurance', the highest standard available".

That throws up the question of which audits did not achieve substantial assurance. Which level of assurance did they achieve?

10:00

**Caroline Gardner:** Our internal auditors have used a process that gives three categories: substantial, moderate and limited assurance. I will ask Diane McGiffen to talk the committee through where we sat within each of those bands.

**Diane McGiffen:** In all the auditing that we did, two audits received reasonable assurance. That is the middle band, which means that there are satisfactory processes in place but some areas for improvement. One of those audits was on data security, and the improvement areas were tweaks that we could make to how we test the resilience of our systems and so on, and better documentation of reviews of user access, which is when you have file structures and people have access to different things. There were recommendations for ways in which we could improve, which included introducing tweaks to the processes that we have in place. We are very pleased to have internal audit come with a fresh pair of eyes and help us to look for those areas.

The other audit that received reasonable assurance—which, again, means that there are sound systems and processes in place but some areas for improvement—was on information technology procurement, where it was recommended that we could make some improvements to supplier management and our processes for documenting purchasing online and so on. We have implemented all the recommendations.

**Alex Johnstone:** Staying on the subject of internal audits, the report notes that a procurement process to appoint an internal auditor for the three-year period 2014 to 2017 has commenced. Is there any specific reason for making a relatively short appointment of three years rather than a five-year appointment, which might have been expected?

**Diane McGiffen:** The audit committee of Audit Scotland has considered the timing and alignment

of the rotation of internal and external auditors and there is scope to extend the three-year appointment, should the audit committee wish to do so. With three years, we have the ability for internal auditors to come in and develop a plan. There is flexibility about timing, reappointment or extension, depending on where the SCPA would be with its consideration of the external audit appointment and so on.

**Alex Johnstone:** On that subject, has there been any progress in the appointment process since the report was published?

**Diane McGiffen:** Yes. The procurement is complete. TIAA has been appointed as the internal auditor and it has already begun working with us for this year.

**Hugh Henry:** On page 20, the report states that £1.6 million of efficiency savings has been delivered, although the target was only £0.8 million. That is commendable and I think that the commission would want to recognise the effort that has been made by Audit Scotland in generating and achieving those efficiencies. We understand that it cannot have been easy. Can you confirm that the efficiency savings of £1.6 million will be recurring savings? Will they be factored into your future budget bids?

**Caroline Gardner:** The amount that we had in the budget is certainly recurring. Some of the other savings are one-offs. The best example for that is in relation to staffing costs. Within our overall target, £409,000 was budgeted staff efficiencies, which we have achieved. In addition, our staffing costs were under budget by £314,000 as a net figure because of vacancies that occurred during the year and because of staff being appointed at a lower cost than staff who had left, for example. We have counted them as an efficiency saving because we delivered all our planned work within the costs for the year. However, they are timing differences that will be made up in future years.

In relation to property, the budgeted savings were £91,000. We made savings of very close to £91,000, and that will be recurring. However, the full amount of £1.6 million is not recurring, because there are some timing differences that have given us a one-off boost in that year.

**Hugh Henry:** If I can be clear, then, the £800,000 will be recurring, but the remainder will not necessarily be recurring.

**Caroline Gardner:** That is exactly right. Some of it will be, and we will continue to keep pressure on our costs where we can. However, some of it is one-off efficiencies that simply occurred during the year. We were able to deliver our work within those, but we do not expect to be able to maintain those savings for the longer term.

**Hugh Henry:** Page 21 shows that fee income across all public bodies—including fees paid by the Scottish Government and sponsored bodies—increased between 2012-13 and 2013-14 by roughly 10 per cent. However, page 7 says that the costs of audit to public bodies decreased in real terms by 2 per cent over the same period. The fees that public bodies pay are increasing, but the costs of audit are reducing. What is the reason for the increase in fees?

**Caroline Gardner:** This is one of the areas that are difficult to explain. I ask Russell Frith to explain it on my behalf.

**Russell Frith:** Thank you, Auditor General. The fee income that is recognised in our accounts is based on the activity that is undertaken in the financial year, which is 1 April to 31 March, whereas our fee-setting process and the 2 per cent decrease to which you referred relate to audit years, which broadly run to the end of October. For the audit year 2013-14, we reduced the fees that bodies pay. However, the accounts recognise the activity level in the financial year.

If we go back a further year, we see that the total fee income was £18.064 million. That went down to £17.2 million in 2012-13 and went back up to £18 million. The reason for that is the amount of work that auditors do in the financial year. If they did more work towards the start of the audits for 2013-14 before 31 March, we recognise more fee income. The balance will then be picked up in the subsequent year. The two sets of figures are based on different timings.

**Hugh Henry:** You contend that any increase reflects additional work. Will you assure us that, if the costs to public bodies are decreasing, the fees that are charged will reflect that reduction?

**Russell Frith:** Yes—absolutely.

**Angus MacDonald:** Page 22 says that two new additional staff members contributed to the increase in staff costs from 2012-13. Are those posts new? What are their respective roles and responsibilities?

**Caroline Gardner:** The posts are not straightforwardly new. In reducing our overall costs and particularly our staff costs, we have focused on reducing the cost rather than the number of staff. In the main body of staff, we have reduced management costs and invested in the staff who carry out audit work. The grade mix has changed. The number of staff has increased slightly, but we have not added two separate posts—there is a shift across the levels of the organisation.

Alongside that, we have focused on reducing the size of our management team. Members will see that one member of that team left last year

and that we have reduced the team by a further post this year. That will ensure that we get the right balance between the management that we need to run the business and investing in the staff who deliver audit work on behalf of me and the Accounts Commission.

**Angus MacDonald:** Page 22 further notes that cost reductions of £73,000 have been recorded for buildings, rent and depreciation, but note 4 on page 50 shows that rent and rates have increased by £69,000 at a time when you have been rationalising your overall accommodation. That has included closing one office in the west end of Edinburgh, which I think you reported to us last year as being planned. Given that Audit Scotland is occupying fewer premises, will you explain the increase in rent and rates?

**Caroline Gardner:** As it involves another accounting adjustment, that question is headed for Russell Frith again.

**Russell Frith:** The figures for 2013 include the release of a provision for rent increases in the building that we vacated, which was no longer required as the landlord did not pursue an increase in rent. That provision was released in 2013, which means that the 2013 figures are low in terms of the overall trend.

**Alex Johnstone:** I want to recapitulate a few things that I would like you to clarify. The recruitment costs for 2013-14 were £148,000. Page 15 of the report states that you “targeted recruitment” to achieve a more effective balance of skills and capacity and

“recruited 10 new graduate trainees”,

while page 22 appears to state that two additional members of staff were recruited. I am not entirely sure whether, in your answer to Angus MacDonald’s question a moment ago, you were referring to new members who were recruited. Can you confirm how many staff members were recruited during the year through the £148,000 expenditure on recruitment?

**Caroline Gardner:** I think that Diane McGiffen will be able to give you that figure.

To clarify what is happening with regard to movement, I should point out that the two additional staff to which Mr MacDonald’s question referred is a net figure. We are continuing to end our recruitment freeze, which resulted in a number of vacancies that enabled us to reshape the workforce and reduce our staff costs. We also experienced normal turnover in which staff left to go to other public bodies or jobs across the economy, and we have our annual recruitment scheme for professional trainees. All of that gives rise to the need to recruit staff even though the net change in numbers is very small.

I am not sure whether Diane McGiffen can pull the figure in question out at this moment, but if not, we can certainly provide it later.

**Diane McGiffen:** In total we filled just under 50 vacancies—

**Hugh Henry:** Fifty?

**Diane McGiffen:** Yes. Some of those were internal promotions. For example, some of our graduate trainees will qualify for vacancies following a competitive process.

We ran 23 campaigns, but there is a lot going on in the recruitment mix, which is why tracking the figures is not straightforward. We had approximately 13 maternity absences during the year, and we have had to recruit to fill those positions. Some have been filled internally; some have involved staff temporarily acting up; and some have involved people on external fixed-term contracts coming in to help us.

The recruitment budget covers a lot of internal movement, including the opportunity for promotion, some restructuring as a result of voluntary early release arrangements—or VERA—and the routine turnover that businesses experience as well as things such as maternity cover. We have also had three people go out on secondment, which has created internal vacancies for temporary promotions, and we have had four colleagues come into the organisation on secondment. There is a lot going on. Overall, we ran 50 recruitment campaigns.

**Alex Johnstone:** So the numbers that I mentioned are simply the top line of a substantially more active churn in the organisation.

**Diane McGiffen:** Yes. We have had a lot more recruitment activity this year because in reducing staff numbers we have recognised that we will put too great a strain on the business if we are not sharper at filling vacancies.

We have been very proactive about recruiting. Our objective was to recruit up to establishment level, which is very difficult for organisations because there will always be some form of turnover. However, we have been good at that and have got very close to establishment level—indeed, much closer than we got last year and in previous years—because of the volume of activity, which covers a range of things.

**Angus MacDonald:** Can you provide a breakdown of the recruitment costs internally compared with the costs of recruitment activity outside the organisation?

**Diane McGiffen:** In 2013, we spent just under £80,000 on selection costs for assessment centre-type activity to give us information about the strengths of different candidates. That related to

both internal and external recruitment. I am not sure whether I can break down those costs internally and externally as we run single centres for internal and external applicants, but I can look at what we can do.

Over the year, we spent £50,000 on advertising costs, using job boards, LinkedIn and more conventional print and press recruitment; £16,000 on systems maintenance and development—there is a lot of backroom work on our portals where interested candidates apply—and around £4,000 on other expenses, such as candidate expenses for getting people to and from interviews and so on.

10:15

**The Convener:** I want to clear up an anomaly that I have been thinking about. Audit Scotland's gross administration costs in 2013-14 were around £24 million and note 4 on page 50 of the report states that its own external audit fee was £25,000. However, the external audit fee that Audit Scotland charged the Scottish Public Services Ombudsman was £19,500 against the SPSO's budget of around £3 million for the same period. All audits will have an element of fixed costs and I know that various things such as complexity, the volume of transactions and other issues will come into it, but that particular audit cost seems to be relatively high compared with that paid by Audit Scotland for having an external audit carried out on itself. What is the logic behind that?

**Caroline Gardner:** I will ask Russell Frith to respond in a moment, but I want to step back and give you the picture of how our audit fees are set and what they cover.

As you will know, our own external audit fee is set as a result of the process that this commission goes through every year to appoint our external auditor. That fee generally covers a straightforward financial statements audit and a look at governance, with a report back to you under the terms that have been set.

The audit fees that are set and charged for the work that is done by Audit Scotland on behalf of the Accounts Commission and me cover three quarters of Audit Scotland's costs in the broad sense. The fees cover the 208 audits that are carried out annually and which are analogous to what Alexander Sloan does to us on your behalf; it also covers other performance reports, best value audits, community planning partnership audits, support to Parliament and investigation of the correspondence and complaints that come through. As a result, a wider cost base is being recovered through the audit fee. As you have said, how that is converted into audit fees for individual bodies will take account of a wide range of factors

that reflect the characteristics of the individual body.

Russell, do you want to add anything?

**Russell Frith:** That was a fair summary. I simply add that we run the competitiveness process for the firms that are appointed and the fees charged by an in-house team will be in line with the results of that process. The SCPA runs a separate exercise, and it would be difficult to comment on the relative outcomes of those exercises.

**The Convener:** I see that other members have no more questions, but I have one or two left. In the "Welcome" section of the annual report and accounts, the third paragraph of the accountable officer's report on page 5 talks about

"the lack of a complete picture of the public sector's assets and liabilities."

Will you expand a little bit on that?

**Caroline Gardner:** Certainly, convener. You might recall that around 12 months ago we published a report called "Developing financial reporting in Scotland", which looked ahead at the implications of the changes that are coming through the Scotland Act 2012 as it is implemented over the next couple of years and potential further financial devolution, whatever the outcome of the referendum in six weeks' time. The report recognises that those changes mean that, for the first time, significant tax-raising powers and greater borrowing powers will come through this Parliament to the Scottish Government, and there is a general need to manage the greater variability that that will bring. It also recognises that looking at the public sector's finances will be more complex.

We also drew attention to the fact that, although there are whole-of-Government accounts for the United Kingdom, which pull all the public bodies together into one place to give a picture of what the public sector owns, what it owes, what it spends and what it raises, we do not have a comparable picture for Scotland. Although there is a Scottish consolidated account, it excludes quite large parts of the public sector.

In the report, we developed the argument that, with Scotland managing greater financial autonomy and variability, the need for such a picture to make good decisions about the public finances, to ensure greater transparency about the long-term commitments associated with the revenue streams and to help build confidence on the bond markets and other lenders became more compelling. That is what the reference that you have cited refers to.

**The Convener:** So assets that are basically UK assets do not tend to be captured in the same way in Scottish Government accounts.

**Caroline Gardner:** They do not and, at this stage, I would not expect them to be. The argument is really that even the things that are clearly within the Scottish boundary as it stands are not captured in a single set of accounts in that way. The Scottish consolidated accounts include, for example, the health service assets and liabilities, but not the assets and liabilities of local government or some other fairly significant bodies.

The case that I was making in the report was that, as the Scottish Government and the Scottish Parliament are forecasting and raising taxes and having increasing borrowing powers, it will be increasingly important for them to have that picture so that the Parliament can understand the impact of the financial decisions that it is making, both for transparency for taxpayers and citizens and for building confidence among those who might lend money to the Government in future.

**The Convener:** I am looking at page 7 of the report and the table entitled "Objectives". Best-value audits have dropped from 12 to eight to four. In my experience, best-value audits are valuable tools, especially for local government. Why has there been such a drop?

**Caroline Gardner:** The Accounts Commission has been focusing on its approach to its best-value responsibilities during the past couple of years, and the table shows the impact of its much more risk-based approach. That is partly historical. Best-value audits were introduced approximately 10 years ago, and at that stage the approach that was taken was a rolling cycle of audits that covered all councils at least once and possibly twice during a five or six-year period.

It became clear to the Accounts Commission at that stage that to keep rolling out the audits on that basis was not going to have the biggest impact on local government, so it asked Audit Scotland—as part of the shared risk assessment process that happens with the other inspectorates and scrutiny bodies—to use the information and knowledge that auditors have to identify the councils where the need was greatest. You will see, therefore, that some of the best-value audits, such as those that have taken place in South Ayrshire Council, Argyll and Bute Council and Aberdeen City Council, have focused on councils in which the evidence from the auditors and inspectors suggested that there were particular issues so they would benefit from a tailored audit.

The Accounts Commission is reviewing whether that is still the best approach, so the number that you are looking at might rise again in response to circumstances in individual councils, but what that

table shows is the result of a deliberate attempt to make the work more risk based.

It is also fair to say that that risk-based approach has released some resource that has enabled the Accounts Commission to make its contribution to the audits of community planning partnerships without increasing the overall resources that are required.

Both of those things are on-going. The commission and I published three audits of community planning partnerships in the past year and five are being done this year. There is a shift there from best value to community planning that might or might not be a permanent feature of the way in which we organise the work.

**The Convener:** I hope that that will be kept under review, because I certainly value the best-value reviews.

The final sentence on page 8 of the report says:

"one qualification was issued on the Scottish Consolidated Fund Account."

I had heard that, but I cannot remember what it was.

**Caroline Gardner:** It was brought to the SCPA's attention early in the year. It was a small-scale technical issue. Russell Frith can talk you through it.

**Russell Frith:** Audit Scotland operates the controller function under which we are required to approve drawdowns from the Scottish consolidated fund by the Scottish Government or other public bodies. The amounts that we can approve are based on what is in the budget acts and subsequent budget revisions. Towards the end of the year, Parliament passes the spring budget revision, which comes into force on a given date.

Unfortunately, for 2013-14, the spring budget revision did not come into force until 31 March, which also happened to be Easter Sunday, which is a non-working day. Therefore, the amount that one of the bodies—from memory, it was the Forestry Commission—wanted to draw down, which had been approved by the spring budget revision, could not legally be approved within the same financial year. It was an oversight in the drafting of the statutory instrument. If it had come into force a few days earlier, everything would have been fine. I think that the sum involved was around £150,000. It was not a significant amount.

**The Convener:** That is very much a technical issue.

Page 9 of the report says:

"Most accounts are prepared under International Financial Reporting Standards".

Which ones are not?

**Russell Frith:** The accounts of further education colleges are prepared under UK generally accepted accounting practice and the statement of recommended practice for those accounts. The new SORP, which will come into effect in 2015, is much more heavily based around international financial reporting standards and new financial reporting standards in the UK.

**The Convener:** The fourth paragraph on page 9 says that auditors are preparing

“a significant extension in the scope of our work on European agricultural funds”.

What does that imply, in terms of resources?

**Caroline Gardner:** There is a new approach right across the European Union to agricultural funds that are disbursed from Europe, and the Scottish Government is working hard to ensure that it is ready to implement those changes. The amounts of money that are involved are significant and, obviously, the number of farmers and other landowners who are affected is also significant. We are reviewing the resource requirements that might come from that.

Russell Frith might be able to give you a bit more detail on the sums that are involved, but it is worth saying that we expect the continuing costs of the audit work to be recovered through audit fees, as they are at the moment, but that there might be some transitional costs that we will bring to you in the autumn as part of our budget submission for 2015-16.

**Russell Frith:** As the Auditor General says, the issue concerns the work that we do on the European agricultural funds, which is required by Europe. The UK audit agencies work as a consortium to do that work across the UK. The EU has extended the requirements to require a great deal more actual testing on farms and agricultural premises, and that will significantly increase the work that is involved. We are still working through the exact resources, but we are looking at several hundred thousand pounds in additional costs.

**The Convener:** Can that be absorbed within the existing budget?

**Russell Frith:** No. We will be charging additional fees to the UK co-ordinating body.

**The Convener:** So, it is recoverable?

**Russell Frith:** Yes.

**The Convener:** It is not going to come back as a charge to the Scottish Government at any point.

**Caroline Gardner:** As Russell Frith said, it is recoverable from the UK administering body. However, as I said, it is possible that we might come to you to ask for some funding for the

transitional costs, as we are double-running the existing audit on the old agricultural funding arrangements and the new development work for the new arrangements. We do not expect that to be significant, but I wanted to flag up the possibility to you.

We are planning for the work that will be required. As Russell Frith said, because of the EU requirements, extremely detailed audit work will have to be done on farms and parcels of land across Scotland—we are referring to it as the welly boot audit. We are mapping out what will be required and we will talk to you about that further in the autumn.

**The Convener:** On page 10, there is a chart entitled

“Performance and Best Value reports”.

I see that, over the three years, the number of reports goes down from 27 to 26 and then 20. Is that due to resource issues?

**Caroline Gardner:** No, it is really just a question of complexity. To a great extent, our planning is resource led. We start off with the resources that we expect to put into performance audit and best-value audit, and then the commission and I agree a programme of work that comes from that. In some years, a number of smaller pieces of work may be done more quickly and with fewer resources. In other years, the work can involve big and complex issues of great public interest, like the work that we did last year on reshaping care for older people. The amount of work routinely goes up and down. It is more about the scale and complexity of the work than about resources.

**The Convener:** I want to ask about the second paragraph on page 15—I am sparing you one or two points. You have been successful at reducing the fees in the past few years. Obviously, there will come a point at which that cannot continue. Are we now at that point?

10:30

**Caroline Gardner:** I think so. As we flagged up to you before, we had a four-year plan, which we have achieved; we have succeeded in reducing both costs and audit fees. We believe that it is not possible to take that further without compromising the quality of the work that is done, and the Accounts Commission and I are simply not prepared to do that. We need to meet the international standards on auditing, and we ourselves set high standards for it.

We will continue to look for efficiencies wherever we can, but we think that we are at the stage at which we have taken out what is possible for now. We will be regrouping and looking at the

likely future demands on us as a result of the changes that you are focusing on now, such as those that relate to the Scotland Act 2012 and to potential further devolution, to see how we can best respond to those changes as the next step of our strategic planning.

**The Convener:** Under the heading “Internal audit and risk management” on page 17, you state that you co-opted

“a new member, for a term of one year.”

One year seems quite a short time—I do not know whether that is normal—and I presume that there is a cost to that.

**Caroline Gardner:** I think that the chair of the board may want to respond to that one.

**Ronnie Cleland:** You will perhaps recall, convener, that the composition of the board changed quite rapidly, as I mentioned in my opening remarks, with the retirement of John Baillie and Katharine Bryan. We felt that, to allow the committee system to have a consistent approach over the period, we would make a co-option. We have done that and I am happy to say that it has worked successfully.

On the one-year term, we anticipated that that was all that we would require at this particular time to overcome the problem of needing a consistent performance over that period. The co-option will, of course, end at the end of September, as Heather Logan will join us in October, which will bring the complement of board members up to speed.

The cost is fairly minimal, because it relates only to the fee payable to a non-executive member, and that has been budgeted for and absorbed within the organisation’s costs.

**Hugh Henry:** Sorry, convener, but can I ask a question?

**The Convener:** Yes.

**Hugh Henry:** Who approves co-options such as the one described? Does the board have unfettered discretion to make such decisions?

**Ronnie Cleland:** Strictly speaking, the answer is yes; it is a board responsibility. However, we took the course of action of discussing the issue with the SCPA, as it was planned, and keeping it advised of our intentions and the reasons for them all through the process.

**Hugh Henry:** I appreciate that, but can the board co-opt as many members as it thinks fit?

**Ronnie Cleland:** Under the legislation, there is a facility to exercise co-option, which is written in a way that enables us to have some freedom in how many co-opted members we want. In practical terms, we have the numbers that are required at

the moment, but in an ideal world—this takes us into another discussion—perhaps the shape of the board would be more easily managed if there was another additional non-executive member. However, we are perfectly content to live within the rules as they exist at the moment.

**Caroline Gardner:** It is perhaps worth clarifying that the board can co-opt members only to the board’s committees and that the membership of the board is a matter for this commission, so there is a separation there.

**Ronnie Cleland:** Yes, indeed.

**The Convener:** Page 27 of the report has a chart on remuneration. I understand that the figures for the Auditor General are a wee bit out of kilter because of the 2012 start date. Unless I am reading the chart wrongly, it seems that there has been a substantial salary increase for Fraser McKinlay.

**Caroline Gardner:** Yes. There are differences in the way in which the salaries in the table are agreed. My salary is set by the Parliament. As you said, it is affected by the fact that I was in post for part of the 2012-13 year. The salaries for other members of the management team are approved by the board’s human resources and remuneration committee in line with the public sector pay policy. As you highlighted, there were very significant changes to the role for one individual, which had an impact on that person’s salary.

For most management team members the only progression available has been in the uplift to the salary scale, which matches the public sector pay policy and has been minimal, plus progression towards the target rate for the role, which depends on performance. Outside that, there may be changes to individuals’ roles that have an impact, and you are seeing the impact of that for one individual.

**The Convener:** On page 28, the pension increase for the Auditor General seems to be more than the increase for others.

**Caroline Gardner:** It is. In a moment, I will ask Russell Frith to talk you through the way in which that figure is calculated. The variability that you see in the table is down to membership of different pension schemes. We have two broad schemes: the local government scheme and the principal civil service pension scheme, and within the civil service pension scheme there are two different variants that apply to its members. Beyond that, the increase in pension value relates to a person’s length of service and the value of that service, all of which plays into differences in the figures. Russell may want to clarify that for you, because it is another complex area.



**Russell Frith:** Which table are you referring to, convener? Is it the second table that—

**The Convener:** I am referring to the table headed “Pensions” on page 28.

**Russell Frith:** As you rightly say, the figure for the Auditor General shows a significant increase during 2013-14, which is entirely down to the Auditor General having transferred service from previous schemes into the principal civil service scheme.

**The Convener:** It is as simple as that. Do members have any points that they would like to raise?

**Members:** No.

**The Convener:** As Ronnie Cleland has already stated, he is coming to the end of his tenure as chair of Audit Scotland. The commission would like to thank him and commend him for his work during his time in office. We wish him well for the future and in his endeavours to come.

**Ronnie Cleland:** Thank you, convener. That is much appreciated.

10:37

*Meeting suspended.*

10:38

*On resuming—*

**The Convener:** I welcome to the meeting the representatives of Alexander Sloan, the external auditors of Audit Scotland: Andrew McBean, senior partner, and Steven Cunningham, partner.

I ask Andrew McBean to confirm that Alexander Sloan has received all the necessary information and explanations to inform its opinion on the accounts, and to provide an overview of the work and any observations arising from that.

**Andrew McBean (Alexander Sloan):** I am happy to confirm that we have received all necessary information and explanations to allow us to undertake our audit for the year ended 31 March 2014. I would like to give an overview of our work.

The firm of Alexander Sloan has been appointed by the SCPA to carry out an external audit of the accounts of Audit Scotland. We are required to provide an audit opinion on whether the accounts give a true and fair view, whether they have been prepared in accordance with international financial reporting standards as interpreted and adapted by the financial reporting manual, and to confirm that they have been properly prepared in accordance with the Public Finance and Accountability

(Scotland) Act 2000 and directions by Scottish ministers.

We carried out an interim audit in February this year and our final work was carried out in May and finished off in early June. Our audit was carried out in accordance with international standards on auditing. As I mentioned, we received all the information and explanations that were required to carry out our work and the audit was completed without any problems. As mentioned earlier, VAT matters were resolved with HMRC during the year and the final VAT position is fully reflected in the accounts. We signed our audit report on 10 June 2014.

Our audit report is unmodified—that is, the accounts give a true and fair view—and there are no significant matters that require to be brought to the attention of the SCPA or other readers of the accounts.

We are also required to prepare a report to management. The purpose of that letter or report is to summarise the key issues arising from our audit, including following up on the main audit risks identified at the planning stage, and to report any weaknesses in the accounting systems and internal controls that have come to our attention during the audit. I am pleased to report that, in the course of our audit work this year, we did not find any weaknesses in the accounting and internal controls.

Finally, I record my firm’s thanks to the staff at Audit Scotland and the support staff at the SCPA for their assistance during our audit this year.

**The Convener:** Thank you. The commission notes that Alexander Sloan has issued a true and fair audit opinion following its work on Audit Scotland’s annual report and accounts. Can you confirm that you received all the necessary information and explanations required by you to form your opinion on the financial statements?

**Andrew McBean:** We received all the information that we required. We identify areas at the beginning of the audit, and from our review of management accounts, minutes and other information we identify audit areas of risk in which we want to focus our work. We did our planning and identified those areas and, yes, in the course of our work we received all the information and explanations that were required.

**Alex Johnstone:** Many people around the table and who have been here this morning have done a lot of hard work and endured a lot of sleepless nights over the VAT problem, which has been dragging on for a while. We have now received good news and assurances. Your report states that you have considered Audit Scotland’s treatment of VAT on behalf of the Accounts Commission. Can you confirm that you have

received sufficient assurance that this matter is now resolved to the satisfaction of HM Revenue and Customs?

**Andrew McBean:** Yes, I can confirm that that is the case. A considerable amount of work has been done and we have had a considerable amount of correspondence, which involved Audit Scotland, the agents who were brought in to deal with VAT matters and HMRC. We have reviewed all the correspondence. We looked at the matters that HMRC raised in its letter and we are satisfied that everything has been properly dealt with. In a sense, that has been matched by the fact that there was a debtor in the accounts: money was to be returned from HMRC. That money was returned shortly after the year end.

That was one of the prime areas of our audit work, basically because of the significance of the matter not just in previous years but in the course of the past year. We put a considerable amount of resources into that area and we are completely satisfied that the matter has been resolved to HMRC's satisfaction.

**Angus MacDonald:** It is always nice to hear of folk getting money back from HMRC.

You may have covered this in your introductory remarks, but I have to ask about it. In your report to those who are charged with governance and in your report to the audit committee of Audit Scotland, did you raise any matters that the commission should be aware of?

**Andrew McBean:** No, there were no specific matters. The management letter that we have presented goes through a number of areas. It identifies responsibilities that we have as auditors—there is a lot of detail in there. It also identifies some of the key areas that we focused on in the course of the audit; VAT was the primary matter. A lot of that is information to show the completeness of the audit process.

In terms of any significant problems with internal controls and systems, I confirm that there is nothing that I need to bring to your attention, either in the letter or today.

**The Convener:** No other members have questions that they would like to ask, so I thank you for your attendance.

**Andrew McBean:** Thank you very much.

**The Convener:** That concludes the public part of proceedings and we move into private session.

10:45

*Meeting continued in private until 10:56.*

Members who would like a printed copy of the *Official Report* to be forwarded to them should give notice to SPICe.

Members who wish to suggest corrections for the revised e-format edition should e-mail them to [official.report@scottish.parliament.uk](mailto:official.report@scottish.parliament.uk) or send a marked-up printout to the Official Report, Room T2.20.

The deadline for corrections to this edition is:

**Monday 18 August 2014**

---

Published in Edinburgh by APS Group Scotland

All documents are available on  
the Scottish Parliament website at:

[www.scottish.parliament.uk](http://www.scottish.parliament.uk)

For details of documents available to  
order in hard copy format, please contact:  
APS Scottish Parliament Publications on 0131 629 9941.

For information on the Scottish Parliament contact  
Public Information on:

Telephone: 0131 348 5000  
Textphone: 0800 092 7100  
Email: [sp.info@scottish.parliament.uk](mailto:sp.info@scottish.parliament.uk)

e-format available  
ISBN 978-1-78457-810-7

---

Printed in Scotland by APS Group Scotland