

**SCOTTISH PARLIAMENT PUBLIC AUDIT AND POST-LEGISLATIVE SCRUTINY COMMITTEE**

**THURSDAY 7 FEBRUARY 2019**

**REPORT BY THE AUDITOR GENERAL FOR SCOTLAND**

**THE 2017/18 AUDIT OF SCOTTISH SOCIAL SERVICES COUNCIL**

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1. The Auditor General has prepared a report on the 2017/18 accounts of the Scottish Social Services Council (SSSC). This report is made under Section 22 of the Public Finance and Accountability (Scotland) Act 2000 and is based on the annual audit report for the SSSC. The auditors gave an unqualified opinion on the accounts of the SSSC.
2. Key messages from the report are:
  - The SSSC has fallen short of the expected standards of governance and transparency in its decision to withdraw from a shared services agreement with the Care Inspectorate, in how it implemented a digital transformation strategy, and managed the project. The SSSC failed to fulfil its important scrutiny role
  - The Scottish Government has provided around £3.1m of funding to the project within its budget allocation to the SSSC. But the lack of a proper business case and fully-costed budget means the SSSC cannot demonstrate that the project - which is expected to cost at least £4.1m - has delivered value for money.
  - In implementing its ICT strategy, the SSSC did not:
    - clearly articulate the intended benefits of the project at the outset, including details of the budget and anticipated cost savings
    - provide clarity around roles and responsibilities for overseeing the project, delegated authorities and lines of accountability
    - undertake sufficient reporting and monitoring of the project as its scope and costs increased
    - effectively identify or manage all the risks related to the project, including those posed by ending ICT services shared with the Care Inspectorate.
3. All public bodies must demonstrate clear and effective governance and make key decisions in an open and transparent way. There should be sufficient information provided at the right levels of governance to allow effective scrutiny and challenge and decision-making that makes the best use of public money. The auditor has identified a risk that council members' discussions at

policy forum meetings may replace formal business at council meetings. This could have implications for the governance and transparency of the SSSC as meetings are held in private and no formal record is taken.

4. It is important that formal governance arrangements are in place for shared services, along with good working relationships and a focus on providing efficient high-quality services. The SSSC has indicated that it will review the arrangements in place for all shared services to assess whether they continue to meet the organisation's needs. This should also include an assessment of best value.
5. Audit Scotland has published a range of material to support public bodies to have effective arrangements in place and deliver value for money. This includes highlighting good practice in managing projects and providing guidance on ICT projects. Various reports have also set out the importance of clear lines of accountability, effective governance arrangements, strong leadership, and scrutiny of performance, financial management and risk management.