

SAF-216 Payments Team – Summary of Activities to support and drive BPS, Greening & Young Farmer payments.

Brief:

Reporting into the Head of ISD, Agriculture & Rural Economy, a small team of expert resources with end to end understanding of the RP&S system have been pulled together to own and drive the pathway to making the bulk of SAF-2016 payments by 30th June 2017.

Approach:

Traditionally there are a number of key areas that impact SAF application going through the system work-flow (Submitted → Under Action → Waiting for Deadline/Inspection → Ready to Pay). These areas are not necessarily down to missing or incorrect functionality but a multitude of things that need careful management.

These high-level areas are:

1. In-Eligible Features
2. Land Changes
3. Regions
4. Field Families
5. Cross-Business – Land Validation
6. Common Grazings

After submission window for SAF-2016 applications closed on 15th May 2016, and subsequent to application processing functionality being delivered in February 2017, there were in the region of 50,000 errors across the c20,000 applications submitted.

These errors are triggered in two phases. The initial batch comprises of data quality errors, followed by application errors. However, till such time that data quality errors are not cleared, application errors are not triggered on the system.

Area Office staff can normally deal with most application errors, data quality errors are harder to deal with. However, as stated above, without dealing with data quality errors, area office staff cannot get to processing application errors.

Additionally, due to a few system issues and incorrect/delayed land and feature data coming through from BAU, there is also a proportion of application errors in the system that have erroneously fired and have to be dealt with through data fixes or code modifications.

The three key areas causing many of the issues related to the above stated “big ticket” items such as land change issues, in-eligible feature issues, field families issues, etc. are down to

1. The complex integration between the legacy BAU system and the newly developed RP&S system.
Owing to an incorrect decision, taken very early on in the programme lifecycle, of initiating the build of the platform without a robust and modernised LPIS (Land Parcel Identification System), we continue to manage land data across two platforms with complex integration.

Land changes continue to be recorded on the older system and data has to be translated into the new RP&S system where land parcel IDs, codes, effective dates and hierarchy is managed very differently to the legacy system.

The new LPIS project is now in flight and the new solution is under development and due to be implemented in 2018. However till such time that the new LPIS system is implemented, complex data integration is time-consuming and prone to errors

2. Missing/yet to be delivered functionality is another cause of some of the issues on the system. Not all functionality to process applications or deal with entitlements has been fully delivered. While this functionality is in the process of being delivered through upcoming release, the applications from 2016 have to be processed. Further details around this is outlined in the bullet points below
3. This is a complex and dynamic system that is continually trying to mimic the behaviour of farmers, producers and farm business. There are nearly 500,000 land parcels, covering 4 million hectares of land, and there are a myriad of scenarios that can occur from parcel splits, merges, sales, transfers, growth options, growth compatibility, shared parcels, greening, tenancy etc. While the system has been designed to cater to all possible options, sometimes obscure scenarios may not have been initially thought through in detail. Code fixes are required to deal with these

Impact Areas of Payments Team Activity:

A brief description of some of the areas that the Payments Team is working on to help move cases and support area office staff is outlined below, and aligns to the “big ticket” items.

- Claims made on historic parcels, that have expired a while ago, have to be traced through to current active parcels (after traversing child/grand-child/great-grand-child version) before being validated to ensure they meet processing and validation rules. Information about the current and historic parcels comes from the legacy system to allow RP&S to auto-build the field families. This data is not always available or does not come through in a timely manner. The RP&S system will throw up field family errors and manual intervention is required to identify missing links in the families and rebuild them to allow the system to then proceed with the work-flow.
- Land parcels are constantly changing in boundary, the bulk of these were regionalised in 2015. However split, merge or boundary change of land parcels results in marginally increased or decreased parcel sizes. While a decrease in size does not have a direct impact to application processing, an increase would result in errors firing due to missing region information, on small parcels of land. This could hold up the entire application as an application cannot be paid unless all parcels have been fully regionalised. This has multiple issues and the system is not always able to deal with them on its own, unless detailed analysis is done and managed code or data fixes are implemented to deal with complex scenarios.

- Handling of Cross-Business errors is time consuming and overall cross-business is an extremely complex areas with multiple error types linked to it. This is where either claims are made on the same land by multiple SAFs or claims are made on land parcels that have subsequently changed within the year (end dated). This means that the active land parcel is no longer the parcel claimed on the application. The system rules to handle cross-business are not fully functional and based on detailed analysis, code fixes are applied to cater to some scenarios where there system may not be accurately working. Additionally if a producer has inadvertently not selected LLO (Land Let Out) thus throwing validation errors. Investigations by Area Office staff to analyse and adjust declarations or suppress errors can be time consuming and data fixes can be developed to tactically support this activity.
- The legacy land system (BAU) does not have the ability to track parcel dates accurately. A parcel is only deemed active in the scheme year (and hence considered eligible to claim) if it was active on 15th May of that scheme year. However without incoming dates it is very difficult for the system to auto-calculate and “parcel end dated” or other related errors fire on the application that the area office staff cannot clear. Manual intervention is required to get the correct dates and move the applications through the workflow.
- Once a claim has been made, parcels are sometimes deemed as fully ineligible and thus get “white-spaced”. This results in over-claim errors on applications and investigation, multiple contacts with producer and functionality fixes to deal with this is complex and time consuming. Payments team provide tactical support.
- Constant Land Changes potentially change parcels outlines, causing areas to change and errors to be generated on applications after submission. Additionally, the complex process of change to land and its associated attributes (e.g. classifications, ineligible features, regions) have to process through multiple systems before reflecting in the Futures payments engine.
- PCC (Private Contract Clause) and Entitlement transfer is a complex process and the functionality does not exist to deal with these in RP&S as yet. Careful handling, calculation, 100% checks by payments teams and fixes to ensure correct payments and entitlements transfers.
- Business roll-ups and splits require AO staff to be provided with data and code support to ensure correct land and entitlement position post the split/merge and a fresh application needs to be created against these. These can be extensively time consuming.
- Validation rules are complex, especially those for Cross Businesses, Assessments, Greening, Contracts & Compatibility across schemes. While the Futures functionality currently deals with these, there are scenarios that are not handled and have to be dealt with externally through data and supporting code fixes to ensure accurate validations and safe-guard payments

- Due to the dynamic nature of the system, application can back from Ready to Pay state to Waiting for Deadline/inspection or Under Action stage as a result of retrospective information becoming available. When a case reverses from Ready to Pay state then the entitlements go back from “Actual” to “Illustrative”.
While this may normally not be a problem, if a SAF-2015 case reverses state, the impact is that the business has no entitlements, as 2015 was the year when entitlements were allocated for the next 5 years. This results in application being stuck and no payments issued.
Detailed analysis and manual handling of the SAF-2015 application is required in order to allow the 2016 application to progress
- Claims made using only O/S Grid Reference have to be traced through to current active parcels (after traversing child/grand-child/great-grand-child version) before being validated to ensure they meet processing and validation rules. Manual intervention or data fixes help to proceed this activity.
- Common Grazing Special Arrangements is a complex process and the functionality does not exist to deal with these in RP&S as yet. Careful handling, calculation, 100% checks by payments teams and fixes to ensure correct payments and entitlements transfers.

Audit Scotland – draft report – SG comments

General comments and information

Technical Assurance Review

Eddie Turnbull provided a copy of the Fujitsu Technical Assurance Review report for the purposes of this audit and is to be returned on completion of your report.

Quality- improved payments

Information on comparative defects -

- Drop 6, SAF 2017 and Release 9 all delivered to revised and agreed timescales
- Release quality showing improving trend:
- Drop 6 – went live with 46 high defects
- SAF 2017 – went live with 17 high defects
- Release 9 - went live with 13 high defects
- UAT pass rate demonstrably improved in Release 8 in particular (UAT pass rate > 80%; Regression testing pass rate > 95%)
- Revised Hypercare approach adopted for Release 9 delivered closure on all remaining pre go-live defects within 2 weeks of go-live (1 exception agreed to be managed by ISD)

Futures Programme costs as of 31 March 2017

[EMBEDDED DOC003]

Additional info on Payment Team Activities on SAF 2016

[EMBEDDED DOC001]

Revisions and corrections

Summary - Key Message 2 - *The programme closed at the end of March 2017 but parts of the IT system continue to be developed by the Agriculture and Rural Economy (ARE) directorate. It expects to deliver the minimum scope of a system that complies with CAP regulations within the £178 million budget, but the Scottish Government will need to incur additional costs relating to the system*

The use of the word “*minimum*” is unnecessary as the scope of the system is exactly what is described.

The Scottish Government will incur additional costs relating to the system in order to deliver the functionality and flexibility aspired to at the start of the Programme in 2012” – point being that the fundamental requirement is to deliver a CAP compliant system. That is where the core value of the system is.

“Two contracts, worth a further £33 million, with existing suppliers have been extended to further develop the Futures IT system and maintain existing systems. A disaster recovery solution covering all IT systems has not yet been developed and tested”.

However, the new elements delivered by the Futures Programme to date have built in disaster recovery. It is the legacy systems that carry the greatest risk. The remaining two key legacy systems on which the new IT system depends are being replaced by SACAMS and LPIS, scheduled and budgeted for in this financial year.

“To date, the programme has not delivered value for money or the planned benefits”.

The IT system at this point in time has not delivered all the benefits envisaged at the outset of the programme.” – The measure of value needs to be assessed as part of the standards post programme activity which is scheduled for late summer when the June payments have been made (or not) – something a Gateway Review would be assessing. This should look at Value For Money against a number of yardsticks (examples below).

- The benefits of the new CAP (with the Scottish chosen complexities) and the IT System needs to be assess through a value chain to the farmers and crofters who are receiving more targeted payments that would otherwise have been the case.
- The cost of the Futures system in relation to the payments that it will administer (£4.45 billion) is 4%
- The total Futures cost of £178m for a bespoke IT platform compares favourably against DEFRA costs £215m who modernised their existing systems.
- Payments were made for 2015 amounting to £474m in respect of Pillar 1 and Pillar 2 schemes.
- SAF 2015, SAF 2016 and SAF 2017 claims have all been successfully submitted on-line.
- A significant proportion of SAF 2016 claims have now been processed and payments made, and the target is to make the vast majority of SAF 2016 payments by the end of June 2017, in line with CAP regulations.
- To date there have been 5 audits during FY 16/17. Indicative disallowance for this period is at worst £10m - £15m. This compares favourably against the cost avoidance benefit profile of £55.m for the same year.
- Whilst some of the Programme benefits will not be realised as a result of changes to scope the overall investment case remains sound. Anticipated cost avoidance in relation to disallowance, currently reported at £275m, against Programme costs of £178m.
- It is not strictly accurate to say that the Programme has not delivered its planned benefits. Whilst some of the original benefits will not be realised, the realisation window for others (particularly disallowance) is not yet due and there is no evidence at present to suggest that these benefits will not realise.

Para 3 - The recovery of £100m in loans did not stop other monies being spent by SG, it's all part of a balanced budget.

Recommendations – page 5

It is worth noting that recent discussions highlighted that progress had been made and consideration would be given to reflecting this more in the commentary.

Part 1 progress update – Also in recent discussions it was noted that our changed approach, which resulted in a late start to payments, was to ensure releases were fit for purpose, so whilst this is presented as a negative, there is a potentially more positive aspect to this. Thereafter we made over £100m worth of payments quickly to ensure loan recovery.

“Develop a framework to prioritise future investment in the system, this should balance:”

We already have that framework in place and have put it at the heart of our governance structures that deliberately bridge IT, policy implementation and policy deliver.

Para 7 - The statement requires to be qualified or amended. The UK Government had guaranteed to fully fund payments for Pillar 1 schemes to 2020 and only (the EU element) Pillar 2 schemes for those which were commitments had been entered into by 31 March 2019.

Para 10 - Ditto observations in relation to Para 7 above. The original guarantee for Pillar 2 schemes was for any loss of EU income for commitments up to 2020 entered into before the Autumn 2016 statement. However, this was subsequently upgraded to any commitments in place by 31 March 2019.

Para 17 – Information on when paper forms were issued -

The IACS packs 2017 (which included SAF 2017) were posted out on 5 & 6 April. They weren't late as there is no date in statute for posting them out only a statutory date for receipt of the completed forms. However, our aim is usually to post out on or around 15 March each year (but we didn't achieve this in 2016 either).

The reason why they went out after the 15th March was issues with common grazing data that required for the turnaround process to replace data with asterisks so as not to facilitate incorrect claims. As a result of generating amended turnaround files we missed our printing slot and had to wait for another one.

Para 18 – EU regulations requires us to make 95.24% not 95.25% of payments.

Para 20 - The issue preventing concurrent BPS 2015 and BPS 2016 grant payments is related to the recovery of loan payments (not the processing of loan payments).

The latest position regarding 2015 BPS payments is 12 cases are outstanding and not yet at ready for payment status. Value is approximately €40K. These are still being worked and are just a normal tail and normal business practice.

13 cases are now at ready for payment status with an approximate value of €91k. These should be picked up in the next 2015 pay run, subject to the usual validation checks and any debts/loans to be recovered.

The system can process applications and payments across multiple schemes and scheme years. The reason 2015 and 2016 payment runs cannot be run together is due to the rules around offsetting of the National Basic Payment Support Scheme (NBPSS) 2016 loans. One of the terms attached to the loan offers is the date on which the right for Ministers to recoup the loan arises. The loan letters state that the loan is due on the earlier of the 7th day following the date of notification that the final BPS payment has been made and the 15 October 2017. It is only once that date arises that the right for Ministers to recoup the NBPSS 2016 loan materialises. For this reason, the decision was taken to manage the offsetting of the loan values against payment years and schemes. For example, in order to make Direct Payments (DP) 2016 the NBPSS 2016 loan values were captured as a debt for offset

against the DP 2016 payment. To transition to DP 2015 payments, the NBPSS 2016 loan values have to be removed from the offset functionality. After 15 October 2017 the NBPSS 2016 loan values can be recouped and therefore can be offset against any payment pending. This means that any 2015, 2016 and/or 2017 payments due after this date can be processed with the same offset data in place and therefore no requirement for a delay to manage the offset values.

Para 23 – contains factual inaccuracies.

“The first payments were made on 27 March 2017. The system required significant development to be able to make SAF 2016 payments. This was due to a number of factors, including:

□ In the rush to develop the system to make SAF 2015 payments, not enough attention was paid to how the system would be able to make SAF 2016 payments.”

This is incorrect, significant update to RP&S systems was always planned. In 2015 we established fundamental building blocks of a CAP compliant system, 2016 we had refine these processes to allow for ongoing maintenance but in addition we had to enhance the processes to incorporate new functionality for example AECS/FGS annual recurrent claim processing, and regulatory update to penalties ‘yellow card provision’ from EU, MVP just increased the burden.

“□ Errors in the system were fixed with short-term measures rather than changes that fixed the underlying issues. The system therefore required significant changes this year to fix these issues.”

The system required significant update regardless, MVP made that bigger but failing to enable KT has exacerbated this in terms of delivery time and quality.

“□ The addition of functionality for parts of the system that required manual interventions to make SAF 2015 payments”.

It would be helpful to have details as to what this refers to. The manual process was managed and understood and it is understood satisfied audit in 2015 verification.

In summary:

- In 2015, within the context of CAP we had to put a number of the basic fundamental building blocks for the new Pillar 1 and some of the land based Pillar 2 schemes in place. Due to the circumstances of the Futures Programme (well publicised difficulties and challenges) these were delivered with only 2015 scheme year in consideration MVP (Minimum Viable Product) . In Scotland we were also embarking on our transition to flat rate payments for Pillar 1 unlike fellow administrations within the member state. Many of these activities were 2015 activities only, for example we had to assess and allocate a ‘payment region’ to over 400,000 land parcels, we had to create an entitlement register and create 400,000 payment entitlements, we had open a multi-faceted National Reserve Scheme to address any Producers adversely affected by the previous CAP or new to Agriculture, we had to design and construct control processes for the Single Application Form. We had significant basis from where to start due to the previous CAP but we also had significant complexity due to the Scottish decisions adopted.

We once again required significant change in 2016 because we moved from initiation into maintenance for the areas mentioned above, so for Entitlements we needed to build the

Maintenance Programmes to capture Entitlement Transfers c.500 received for 2016, we had address usage rules for entitlements, payment Region Allocation becomes payment Region Maintenance etc. However we also had significant change still to develop and deliver within the SAF context for example we needed an annual recurrent claims process for AECS and FGS (these must be on the SAF 2016 and globally validated to ensure our compliance with Key Controls. In addition we had to address clear weaknesses in the 2015 SAF application to payment due to adoption of MVP , this was to ensure from 2016 forward we have a sustainable and compliant product – RP&S. As explained due to the MVP focus in 2015 to get the basic CAP compliant system significant development work has been needed in 2016, current payment performance is slower than expected, some of the areas causing the delay are:

- System handling of ‘effective date of change’ and family history for all updates to the Land Parcel Identification System
- Handling on going Region maintenance and allocation

Where possible we have ensured that developments can ‘roll-over’ year on year when no change is necessary – so for example Voluntary Coupled Support Schemes needed no additional development activity between closing of 2015 scheme and opening of 2016 (in 2016 over 93% of SSBSS animals claimed passed automated validation). SAF, AECS, FGS would also ‘roll-over’ but unfortunately we are subject to year on year change due to a number of reasons – Audit feedback, Policy Change such as greening changes, technology updates – which mean this is not possible.

For 2017 we have actively pushed back where possible on changes to the IT system firstly to try control development activity but also because we have a number of strategic deliverables, budgeted within the Futures Programme £178m , due in late 2017 for implementation and integration into Futures – these are the new Land Parcel Identification System (LPIS) and the Scheme and Customer Accounting Management System (SACAMs). Pillar 2 capital Claims to Payment functionality (C2P). In addition we have undelivered scope (as previously publicised) which we need to develop and deploy in order to maintain our accreditation position – Pillar 2 AECS & FGS Annual Recurrent Payment Functionality, Variation and Succession Functionality etc, while also delivering the remaining annual system roll-over incorporating any approved change.

The 2019 year will be the first year where we return a normal cycle of activity.

Para 24 – This should refer to ‘complete’ payments – we can move to ‘final’ (i.e. balance) payments without this functionality but we cannot process inspection cases without it. The software was deployed on 18 May.

Para 25 – Last year the first (initial) payment was at 80% and this year it’s at 90%.

Para 43 - should read – correction of value:

The Scottish Government has also had to extend a contract with another supplier, worth £3.5 million. This is to ensure that its legacy systems, which are still operating and are essential for making CAP compliant payments, are still supported and can work with the rural payments system being developed. These systems have had to be used for longer than planned because the rural

payments system being developed is not currently able to provide all the functionality. The ARE directorate will need to cover this additional cost.

Para 45 – we should not release actual values as commercially sensitive but can include details of financial penalties and percentages under the contract agreement.

Under the terms of the new contract agreement (paragraph 2) the Scottish Government has withheld 2.5% of monthly development invoices against key business release which are only paid out upon successful delivery of release. CGI did not meet the first milestone and monies were therefore retained by Scottish Government. Through the contract negotiation with CGI, rates were renegotiated and CGI agreed to cover the additional cost of any contractor on rates above those agreed in the framework. Since 1 November 2016, CGI has incurred monthly costs of 2% of total invoice value for these above-framework rates.

Para 46 - minor changing in wording to:

The CGI contract was extended for 2 years with a forecasted value of £29m and was agreed on 15 September 2016 and included the following conditions:

- CGI invests in employing 38 permanent staff in Scotland
- Day rates were fixed and on or under contract rate card from 1st February 2017, with contractors above agreed rates replaced by permanent CGI staff or by CGI meeting the cost.
- CGI commits to reduction in contractor staff over time by replacing with CGI members or reducing headcount by 25 per cent by April 2017.
- The reintroduction of a financial penalties and reward scheme.

Para 54 - Our current assessment of late payment penalties remains approx £5m and had provided for £1m of these based on late payments incurred by 31 March 2017. The late issue of letters of entitlement are not relevant here.

Para 66 - Update the £368 million to read £370 million.

Para 67 - update the £240 million to read £239 million

Para 67 – change ‘Once 2015 BPS loans were recovered...’

To: The Scottish Government utilised recoveries from previous loans schemes to make 2016 loan payments, supplemented by....

Para 68 - should be changed as follows:

As per in-year financial reporting, the Scottish Government has managed loans funding within the overall financial position to minimise the risk of reduced carry forward to 17/18. The 2016/17 Scottish Government consolidated accounts...

Para 69 - should be removed from the audit report. While it is the case that financial transactions budget cover was identified from other portfolios, this did not require other programmes to be curtailed as underspend was already being projected in these areas.

Para 70 - we are updating our systems so details of recoveries on duplicate payments will follow separately.

Para 71 - We wish to highlight that we worked with Internal Audit immediately after the errors came to light to ensure that we improved our processes.

After Para 81 – it would be helpful to include a paragraph sets out that we have explicitly worked to improve how staff across RPID and particularly the Area Offices can take delivery of new functionality and significant IT improvements [i.e. fixing the defects]. We have built on existing and well planned business readiness activities to establish a network of SAF Co-ordinators across Area Offices. We have weekly network meetings (moving to daily when significant new functionality is being deployed) where we ensure that their concerns and issues are addressed and escalated to the right teams within ISD. In addition to ensuring that staff are up to speed with the new functionality and reduce the time taken to use it in earnest, it also has improved everyone’s understanding of the system and this has provided more resilience at a time when we are still working at speed.

Para - 86-88 – We have put in place new governance structures and these are kept constantly under review and with the new Director of the Paying Agency in place, we’ve further refined and improved our governance design to ensure collaboration and joint working and clarity of decision-making across the 3 Divisions that deliver CAP.

Programme Financials : FY16/17 Detail

Futures Programme Costs		Financial Year 16/17 - £M			
	Budget Bid FY16/17	Delegated Budget	Provisional Out-turn	Variance from Delegated Budget FY16/17	
Resource Expenditure					
SG Staff Costs	£2.5	£3.0	£2.8	£0.1	
Other External Staff	£8.0	£7.6	£6.5	£1.1	
Total Staff Costs	£10.6	£10.5	£9.3	£1.2	
Less Staff Capitalised	£-4.0	£-4.0	£-2.9	£-1.0	
Net Staff Costs	£6.6	£6.6	£6.4	£0.2	
Hardware & Software Run Costs	£0.0	£0.0	£0.0	£0.0	
Other Non-Staff Costs	£3.7	£6.1	£4.2	£1.9	
Total Resource Expenditure	£10.3	£12.7	£10.6	£2.1	
Capital Expenditure					
Software Development	£37.3	£29.2	£26.5	£2.8	
Staff Costs Capitalised	£4.0	£4.0	£2.9	£1.0	
Hardware / Software Licences	£0.0	£0.2	£0.0	£0.2	
Total Capital Expenditure	£41.3	£33.4	£29.4	£4.0	
Programme Expenditure (Resource + Capital)					
	£51.6	£46.1	£40.0	£6.1	
Optimism Bias	£0.0				
Grand Total	£51.6				

Totals:	£M
Forecast FY17/18	£11.6
Actual Spend	£166.4
Forecast Programme Cost	£178.0

	Actual Spend to date:				
	£M				
	FY12/13	FY13/14	FY14/15	FY15/16	FY 16/17
Total Programme Expenditure	£1.8	£26.0	£61.7	£36.9	£40.0

FY16/17 – Position as at Programme Closure.

- In year spend to the end of March 17 is £40.0 m
- Total Programme spend to the end of FY16/17 is £166.4m
- This leaves a balance of £11.6 m against the Programme expenditure ceiling of £178m
- Costs for Claims 2 Payments are not included in FY16/17 as this project has been deferred until the following year. Approved C2P budget for FY17/18 is currently £1m.
- A total of £4m in respect of LPIS has also been moved into FY17/18.
- Approved spend for FY17/18 for SACAMS is £500k however it is anticipated that cost will increase due to unbudgeted requirements resulting from a fuller understanding of the project scope. An unapproved provisional additional allowance of £2.1m has been set aside as provision for this .
- Anticipated expenditure for Drops 8 and 9 is £1.9m
- Reported underspend has increased by £1.7m from last month (£9.9m) as some anticipated spend did not materialise and a degree of correction to previously miscoded expenditure which was re-allocated outwith Futures cost centres.
- Unallocated expenditure of £2.1m exists against the Programme ceiling of £178m.
- Changes from the Spring Budget Revision increased the delegated budget for Futures during FY16/17 to £46m. There is an underspend of £6.1m against this.
- Comparative analysis is based on Futures Business Case Version 5.1 with a maximum spend of £178M.
- Minor variances exist on figures provided in attached slide because of rounding.
- The forecast is provisional subject to audit confirmation.

Exhibit 7

Basic Payment Scheme payments

Item lead-in

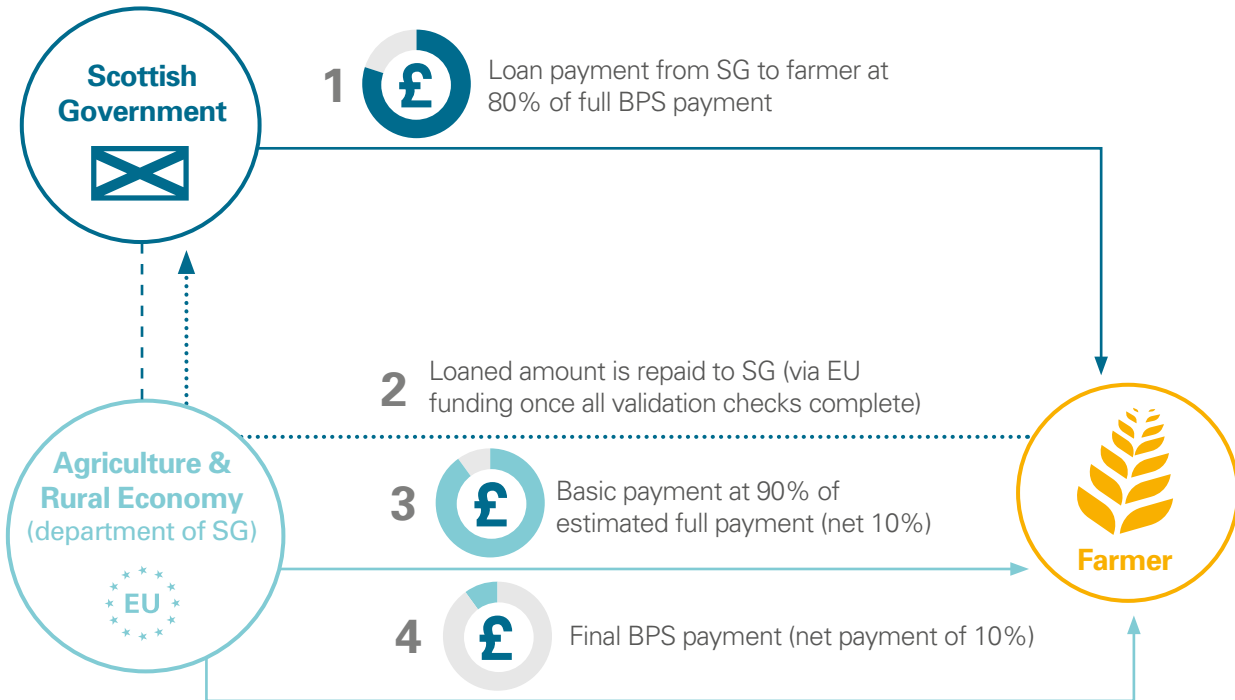
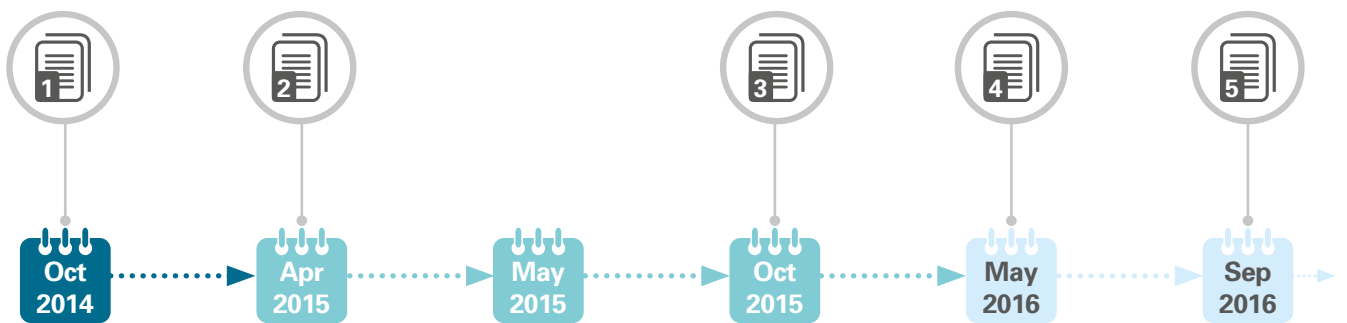


Exhibit 1 Timeline of our reports



Audit Scotland reports



The 2013/14 audit of the Scottish Government Consolidated Accounts: Common Agricultural Policy Futures programme



Written update to the Public Audit Committee on the CAP Futures Programme



The 2014/15 audit of the Scottish Government Consolidated Accounts



Common Agricultural Policy Futures programme: An update



The 2015/16 audit of the Scottish Government Consolidated Accounts

Source: Audit Scotland

Exhibit 3

Number of applications

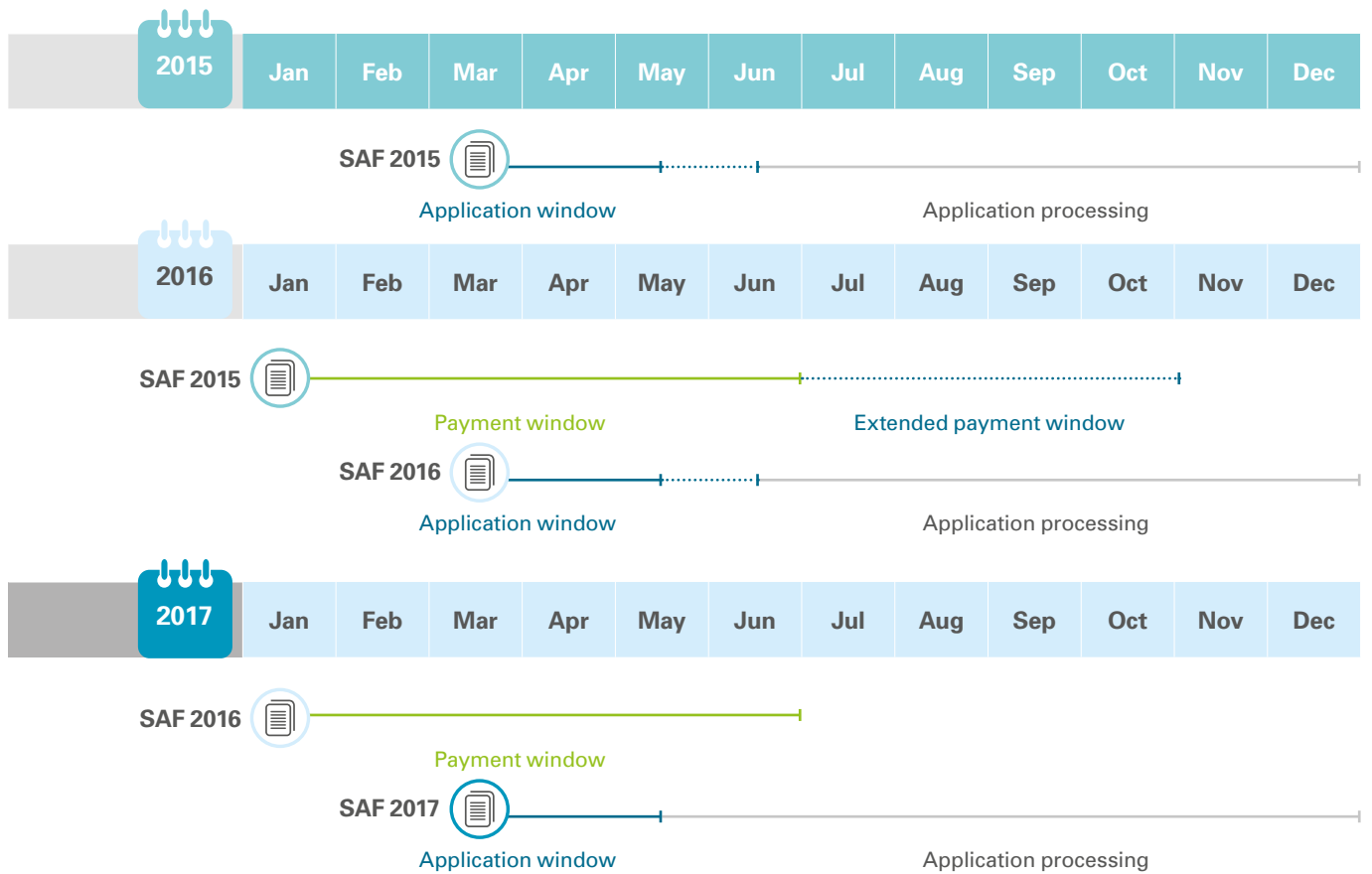
	SAF 2015	SAF 2016	SAF 2017
Applications received by deadline	19,000	16,629	13,348
Percentage online	65%	74%	83%


Source: Scottish Government

Exhibit 2

Annual timetable for basic payments for CAP 2014-2020

The overlap between CAP years has a knock-on impact on the next year.



 Single Application Form (SAF).

Application period Application period extended Payment window Application processing

Note: All checks and inspections (if required) on an applicant's claim must be completed before payment is made.

Source: Audit Scotland

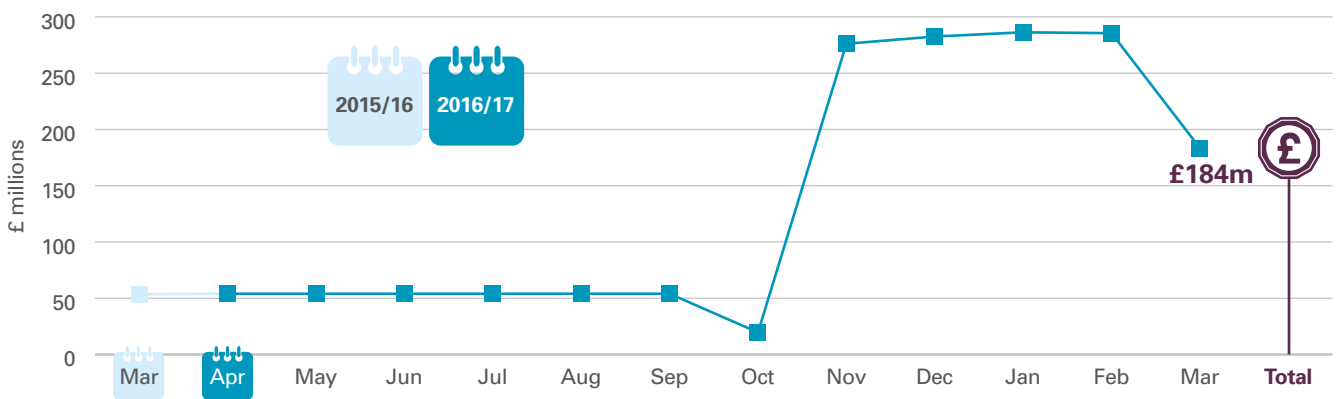
Exhibit 4

Loans paid and recovered up to April 2017

Loan schemes	Total	2015/16		2016/17												Outstanding		
		F	M	A	M	J	J	A	S	O	N	D	J	F	M			
Cashflow	15																	0
	£0.13m																	£0
2015 LFASS	11,056																	??
	£54m																	£11m
2015 BPS	5,286																	??
	£93m																	£0.29m
2016 BPS	13,246																	??
	£274m																	£173m
2016 LFASS	?																	??
	£????																	£????m

Insert key for purple and pink colours

Net cumulative loans position



Notes: 1. SAF 2015, loan scheme for BPS started in April 2016. 2. SAF 2016, loan scheme for BPS started in November 2016.

Source: Scottish Government

Exhibit 7

Remaining programme costs

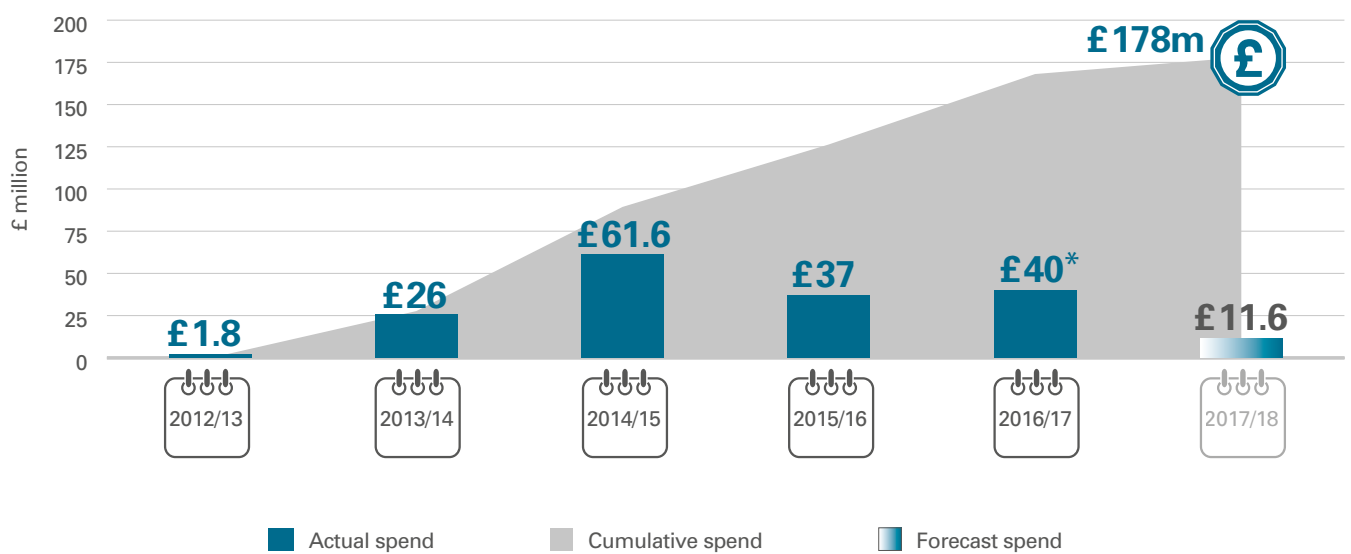
Forecast costs to 31 March 2017 and beyond	£166.4 m
1) Development of new customer management system (Scheme Accounting and Customer Account Management System- SACAMS)	£2.6 m
2) New land-mapping IT system (Land Parcel Information System - LPIS)	£4 m
3) Pillar 2 capital claims to payments functionality for agri-environment schemes and the forestry grant scheme	£1 m
Software releases for inspections selections and findings	£1.9 m
Resolution of defects	£2.1 m
Total budget	£178 m

Note: Figure subject to audit as part of the 2016/17 Scottish Government consolidated accounts.

Source: Scottish Government

Exhibit 5

Actual and forecast spending per year of the programme



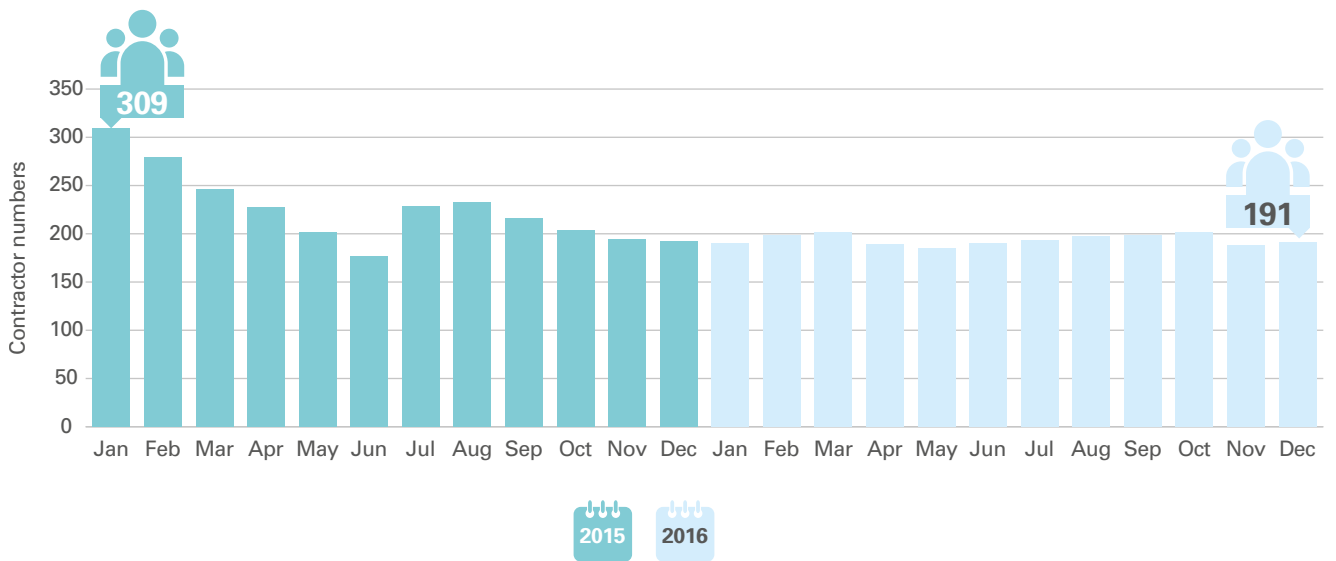
Notes: * Figure subject to audit as part of the 2016/17 Scottish Government consolidated accounts.

Source: Scottish Government

Exhibit 6

Contractor numbers

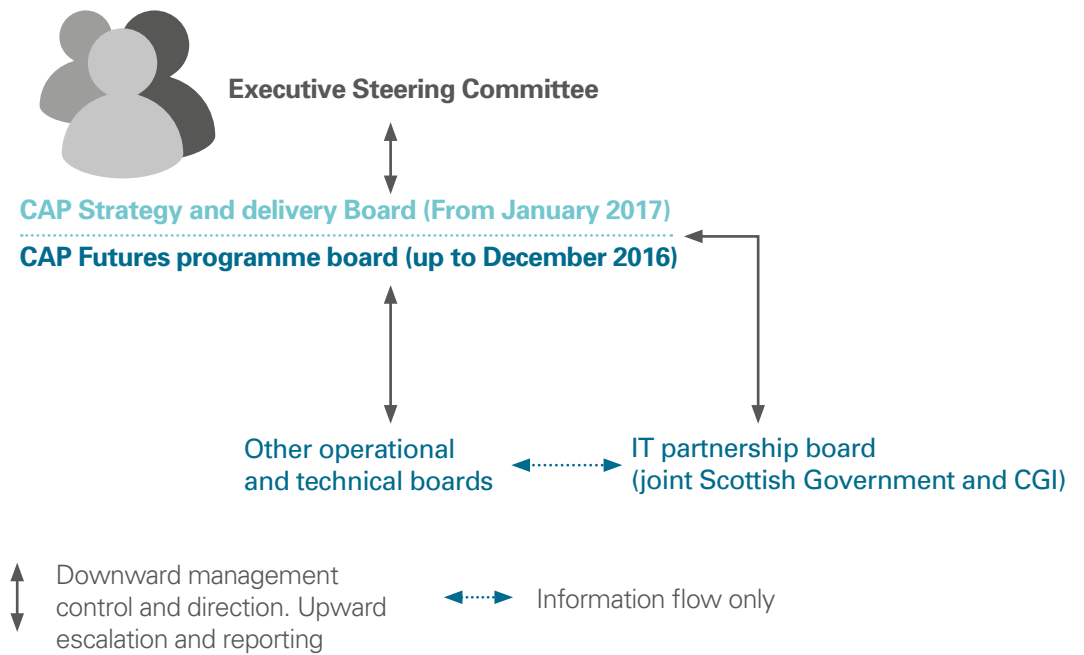
Total number of contractors working on the programme.



Source: Scottish Government





Exhibit 8

Agriculture and rural economy governance structure for delivering CAP



Source: Audit Scotland

Appendix 3

May 2016 Recommendation	June 2017 Assessment	
Complete a detailed assessment of the risk of financial penalties for all remaining elements of programme scope, to enable informed decisions on prioritisation if the remaining budget cannot cover all the elements required for CAP compliance.	 <p>Not complete Work in progress</p>	See paragraphs 64 to 65 Further recommendation at page 5
Ensure there are appropriate governance arrangements for all decisions made concerning the programme and payments to farmers.	 <p>Complete</p>	See paragraphs 84 to 88
Develop a clear plan for the transfer of knowledge and expertise from the programme staff to staff in the business.	 <p>Not completed. Knowledge transfer still significant risk</p>	See paragraphs 92 to 94 Further recommendation at page 5
Develop and test a disaster recovery solution covering the whole IT system	 <p>Not complete Work in progress</p>	See paragraphs 50 to 52 Further recommendation at page 5

Source: Audit Scotland