

Audit Scotland's annual statement on sustainable economic growth for 2012/13

The Public Services Reform (Scotland) Act 2010, section 32(1)(a) requires listed public bodies to publish a statement on sustainable economic growth as soon as possible after the end of the financial year.

The following statement sets out the steps that Audit Scotland has taken in 2012/13 to promote and increase sustainable growth through the exercise of its functions. Further information on this and our audit work is contained in our annual report and annual review 2012/13 which is on our website at www.audit-scotland.gov.uk

Introduction

Audit Scotland is a statutory body that supports the Auditor General and the Accounts Commission in making sure public money in Scotland is used properly, efficiently and effectively by undertaking audits and investigations of Scottish public bodies. To ensure objectivity in our work, Audit Scotland is independent of the Scottish Government and ministers.

Sustainable economic growth and contribution to the Scottish Government's National Performance Framework

Audit Scotland contributes to sustainable economic growth in Scotland by holding public bodies to account and helping them to improve. This is achieved by carrying out performance, Best Value and financial audits of public bodies to provide assurance that money and resources are being used properly, efficiently and effectively and to highlight areas for improvement.

We audit public bodies, with a total spend of about £45 billion a year. In 2012/13, we carried out 214 financial audits and 26 performance and Best Value audits.

Our annual financial audit reports cover the full range of audit work done in the year, providing the audited bodies and stakeholders with a comprehensive and independent view of financial management, governance and performance in public bodies. Auditors review the financial position and sustainability of public bodies and promote good financial management and planning.

We carry out performance audits across the public sector to help public bodies improve the quality of their services, do more with their money, and find more efficient and effective ways of working to the same or better standards. Our audit reports carry recommendations for public bodies to help them improve, and we publish good practice checklists and case studies. They also identify potential savings for example our NHS management of GP prescribing highlighted that further improvements had the potential to save up to £26 million a year without affecting patient care.

Examples of how, through the exercise of our audit function, we help sustainable economic growth include:

- By reviewing the performance of economic development partnerships and reporting our findings. In our audit report, *Improving community planning in Scotland* we highlight that Community Planning Partnerships (CPPs) have not met the ambitious goals set for them but with the right leadership and support could make big inroads to achieving them in the future. There have been many examples of partners working together and delivering good results at local level but these have been largely based on one-off project funding, rather than from involvement of CPPs. Overall, however,

partnerships have not been able to show that they have had a significant impact on delivering improved outcomes across Scotland. The report says community planning is now at a cross roads and a fresh drive is needed to realise its full potential, particularly in the light of severe budget pressures on all public services.

- Audit Scotland found significant weaknesses in the management of three public sector information and communication technology (ICT) programmes costing a combined £133 million so far. Our report *Managing ICT contracts: An audit of three public sector programmes* found significant weaknesses in how they were planned, managed and overseen. Some of this arose from a lack of specialist skills, but there were also flaws in areas of basic project management that apply to capital works of all types. We said the Scottish Government needs to address these weaknesses and strengthen its strategic oversight of ICT investment to ensure the public sector delivers programmes that improve public services and provide value for money.
- Audit Scotland manages the National Fraud Initiative (NFI) in Scotland, which brings together auditors and public bodies to identify public sector fraud and error. We compare information from public sector in areas such as housing benefits, payrolls, pensions, disabled parking permits and council tax records. Since the NFI started in 1996, this has helped bodies identify overpayments made through fraud and error worth £85 million in Scotland and £1 billion across the UK. Effective fraud arrangements can also act as a deterrent.

All our reports are published on our website at www.audit-scotland.gov.uk

Audit Scotland also contributes to sustainable economic growth and the Scottish Governments National Performance Framework as an employer. For example:

- This year staff received an average of 7.81 days training and personal development to increase knowledge, skills, efficiency and effectiveness. We also have 27 trainees and staff working towards professional qualifications thereby increasing the skills base of Audit Scotland, and Scotland in general.
- We continued to focus management and professional medical support to staff well-being and attendance. In 2012/13, our sickness absence was on average 5.95 days per employee which was slightly up on 2011/12 but well under the public sector average of 9 days.

In addition to the above we have implemented a wide range of measures to reduce our impact on the environment. We aimed to reduce our carbon footprint by 20 per cent, or 107 tonnes of CO₂, by 2014. In 2012/13, we reduced CO₂ emissions by 73 tonnes, which represents a 15 per cent decrease during the year. Over the last two years alone, we have reduced our CO₂ emissions by 131 tonnes. We have reduced our energy use through rationalising our offices and the impact of our car travel through lower mileage and a greener fleet. Audit Scotland also introduced an emissions cap for new leased cars as part of its commitment to improving environmental performance. In 2013/14 we will develop a new and ambitious carbon management plan from 2014 onwards.

Not all of the work that we do is carried out by Audit Scotland staff. We contribute to economic activity by appointing firms of accountants to carry out audits on behalf of the Auditor General and the Accounts Commission and specialists to contribute to performance audits. This amounts to about £5 million a year.