

## **Audit Scotland's annual statement on sustainable economic growth for 2013/14**

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 2013/14 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 2013/14 which is on our website at [www.audit-scotland.gov.uk](http://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**

Strong and effective public services play an important part in ensuring sustainable economic growth. Public audit provides assurance to financial markets, investors and key decision makers that public money is well managed and that governance arrangements for public services are sound.

Audit Scotland is able to assess the extent to which the Scottish Government is making progress against the outcomes contained in the National Performance Framework. We do this by carrying out performance, Best Value and financial audits 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 £40 billion a year. In 2013/14, we carried out 208 financial audits and 20 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.

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

- Our reports on Renewable energy and Key transport infrastructure projects considered some of Scotland's biggest major capital investment plans. We found the Scottish Government had a clear strategy for renewables and had made steady progress. But achieving its overall goals would be challenging as it depended on

private sector investment, and the economy and changes in UK energy policy meant projects were progressing slower than expected.

Our review of Scotland's five major transport projects found they were mostly on time and on budget. But we highlighted the need for clearer public reporting on costs; the reported public cost of building them was £3.8 billion, but the actual total of public money committed is £7.5 billion over the next 30 years.

- There have been a number of large mergers and restructures in Scotland's public sector in recent years. The creation of a single Scottish police service was one of the biggest of these since devolution. We reported that the reform was achieved by the deadline of 1 April 2013 and front-line police services were kept running throughout. However, we found the process had been hampered by poor information, lack of clarity about roles, and difficult relationships. We also found it was unclear how £1.1 billion savings by 2026 would be achieved. We also called for clear monitoring and reporting on whether the reforms were achieving their aims and on police performance.
- 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 £94 million in Scotland and over £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](http://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 12.7 days training and personal development to increase knowledge, skills, efficiency and effectiveness. We run one of the largest public sector accountancy training schemes in Scotland. We have 35 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 2013/14, our sickness absence was on average 5.99 days per employee which is well under the public sector average of 9.1 days.
- We have offices in Edinburgh, Glasgow and Inverness and have many staff located in audit sites across the country, making a contribution to many local economies

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 CO<sub>2</sub>, by 2014. In 2013/14, we further reduced our CO<sub>2</sub> emissions by 8 tonnes. Over the last three years alone, we have reduced our CO<sub>2</sub> emissions by 210 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. This gives us a good platform upon which to build as we develop our next Carbon management Plan for 2015/20.

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.