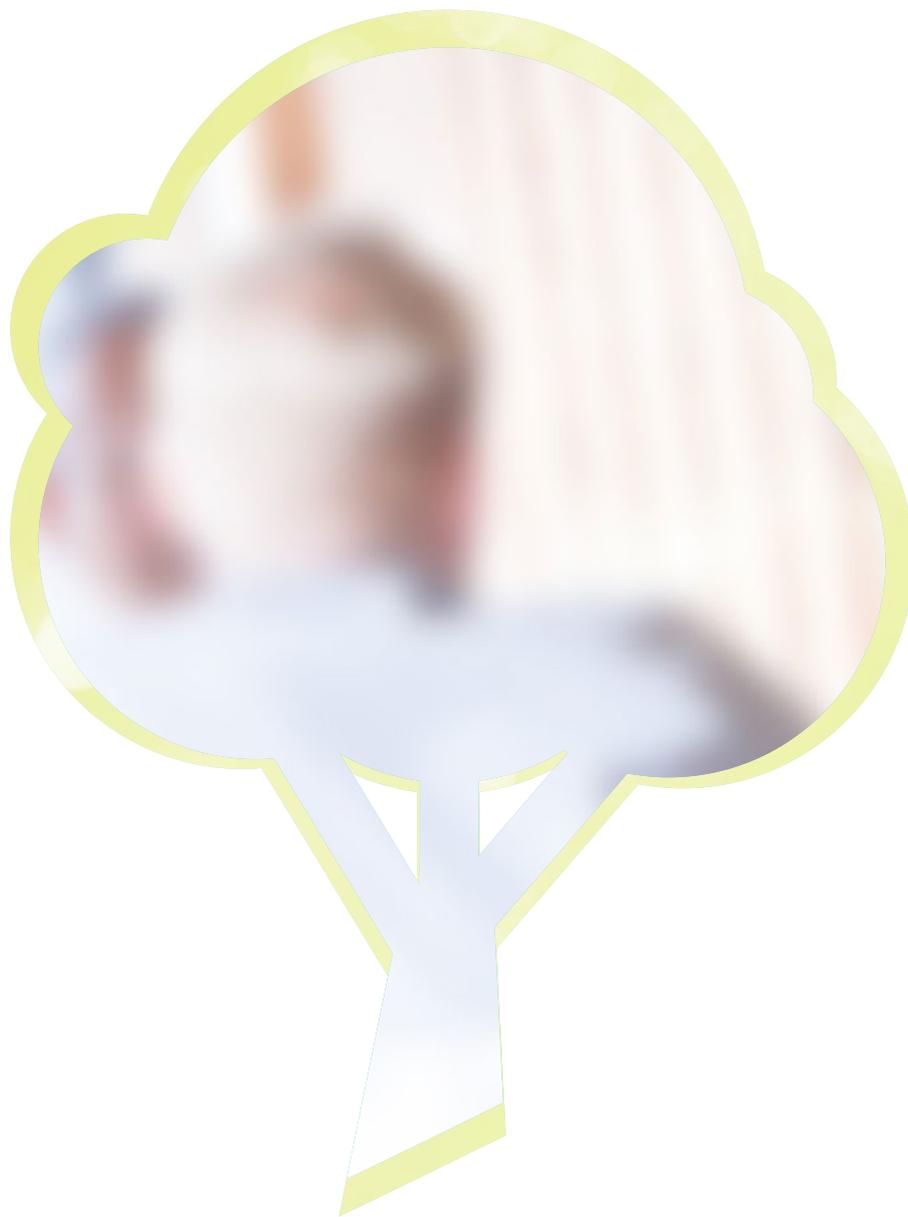


Carbon Scrutiny Board

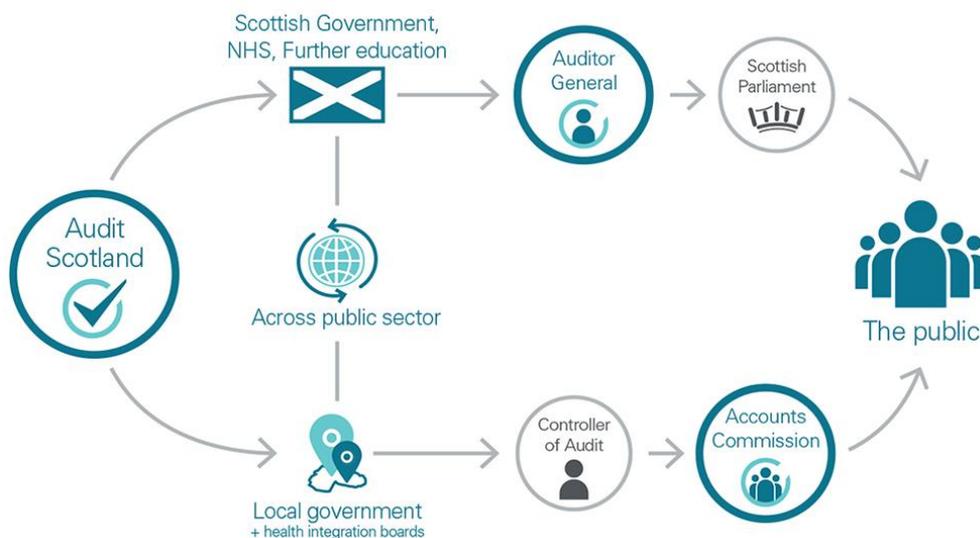
Annual Report 2016/17



Who we are

The Auditor General, the Accounts Commission and Audit Scotland work together to deliver public audit in Scotland:

- The Auditor General is an independent crown appointment, made on the recommendation of the Scottish Parliament, to audit the Scottish Government, NHS and other bodies and report to Parliament on their financial health and performance.
- The Accounts Commission is an independent public body appointed by Scottish ministers to hold local government to account. The Controller of Audit is an independent post established by statute, with powers to report directly to the Commission on the audit of local government.
- Audit Scotland is governed by a board, consisting of the Auditor General, the chair of the Accounts Commission, a non-executive board chair, and two non-executive members appointed by the Scottish Commission for Public Audit, a commission of the Scottish Parliament.



About us

Our vision is to be a world class audit organisation that improves the use of public money.

Through our work for the Auditor General and the Accounts Commission, we provide independent assurance to the people of Scotland that public money is spent properly and provides value. We aim to achieve this by:

- carrying out relevant and timely audits of the way the public sector manages and spends money
- reporting our findings and conclusions in public
- identifying risks, making clear and relevant recommendations.

Contents

Who we are.....	2
About us.....	2
Summary.....	4
Background.....	5
Reporting our climate change performance.....	6
Looking ahead.....	13
Appendix 1. Governance.....	15
Appendix 2. The carbon saving projects 2016/17 to 2019/20	17
Appendix 3. Emissions and costs breakdown of the 2016/17 carbon footprint.....	18

Summary

Key messages

1. Improving our environmental performance is an important aspect of our world-class audit ambitions and providing effective leadership in this area is an important part of our 'making a difference' agenda. In 2016/17,
2. Audit Scotland reduced carbon emissions by 21 per cent (71 tCO₂e) compared to the baseline year(2014/15), as shown in [Exhibit 1](#).
3. Audit Scotland employed an average 271 whole-time equivalent people and managed a budget of £25.4 million in 2016/17. Our teams work mainly from three modern office buildings with a total floor space of 1,889 (m²). Each property has multiple occupants and we have our own electricity meters but gas is apportioned by floor size.
4. Our teams may also work from offices provided by the bodies we audit and work from home. Offices of other bodies and home working are designated outwith our scope and the public bodies concerned are responsible for carbon reporting for their own offices.
5. Reducing carbon emissions is integral to our overall organisational performance and ambitions; therefore we do not have dedicated funding for specific projects. If we identify projects that require additional funding as part of reviewing our Climate Change Plan, we consider these as part of our annual budget-setting exercise.

Exhibit 1 – 2016-17 Headline figures

Total carbon emissions					
2014/15 Baseline		2016/17 Actual		2019/20 Target	
343 (tCO ₂ e)		272 (tCO ₂ e)		292 (tCO ₂ e)	
Employee data		Turnover		Estate data	
271 whole time equivalent		£25.4 million		3 offices 1889 m ² floor space	
1.00 tCO ₂ e per WTE	£804 carbon spend per WTE			0.14 tCO ₂ e per m ²	£115 carbon spend per m ²



Source: Audit Scotland

Background

- Scotland has ambitious targets to reduce greenhouse gas emissions and, along with other public sector bodies, Audit Scotland has a key role in taking forward this agenda.
- This report has been prepared on the basis that it will satisfy our reporting requirements under the Climate Change (Duties of Public Bodies: Reporting Requirements) (Scotland) Order 2015.

-
8. As a listed body under Schedule 1 of the Climate Change (Scotland) Act 2009, we are required to report on specific aspects of their climate change performance and this report covers all these areas:
- Organisation profile
 - Governance and management
 - Corporate emissions
 - Adaptation
 - Procurement
 - Validation.

Reporting our climate change performance

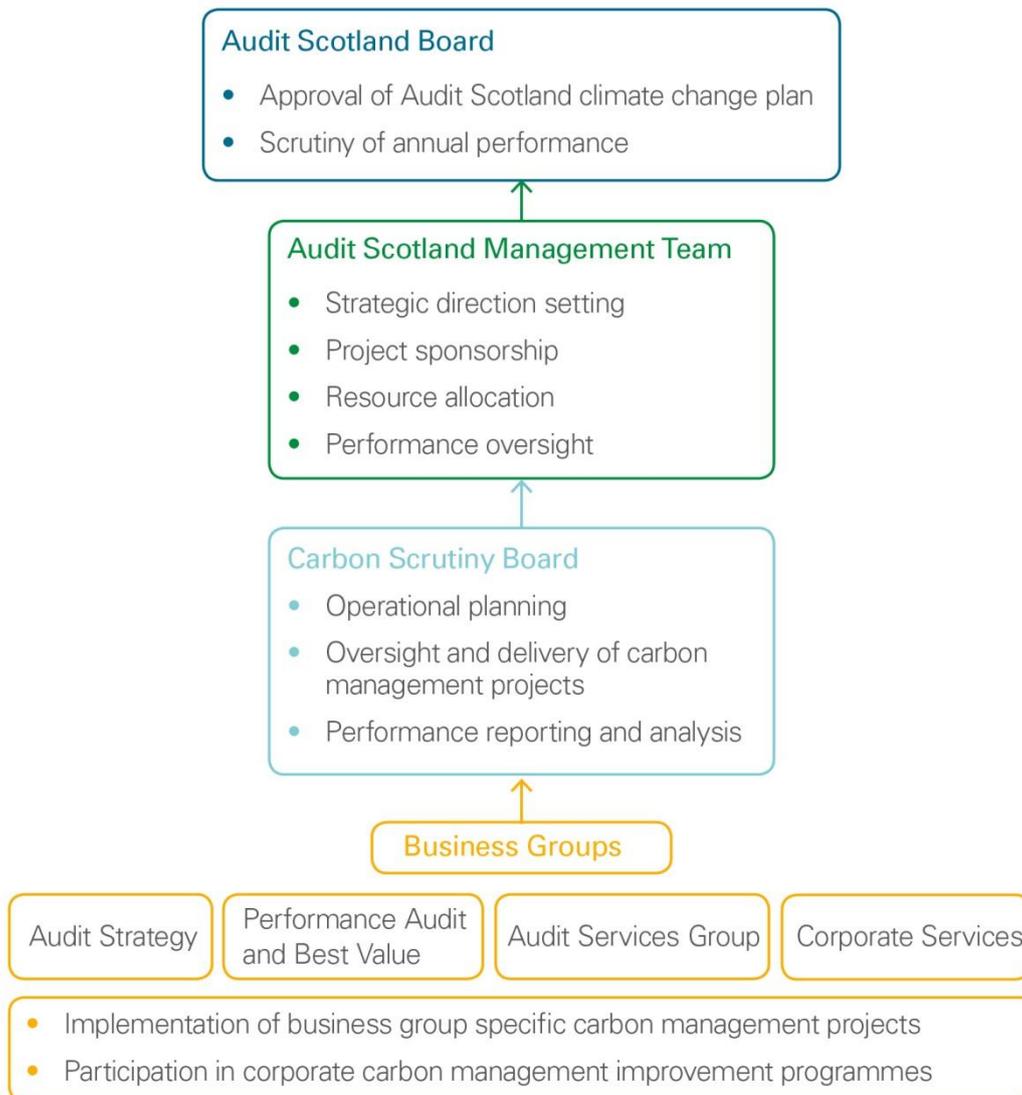
Leadership, governance and accountability for carbon management in Audit Scotland

9. Our vision is to be a world-class audit organisation that improves the use of public money. Through our work for the Auditor General and the Accounts Commission, we provide independent assurance to the people of Scotland that public money is spent properly and provides value.
10. We have a clear structure for managing climate change activity within Audit Scotland as shown in [Exhibit 2](#). Effective leadership and oversight are through a corporate Carbon Scrutiny Board which reports annually to Audit Scotland's Management Team and Board.
11. The particular roles and responsibilities of the main groups involved in leading, managing and holding us to account for our carbon management performance are set out in Appendix 1.

Exhibit 2 – Climate change governance

Resourcing and ownership

Audit Scotland climate change governance and delivery structure



Source: Audit Scotland

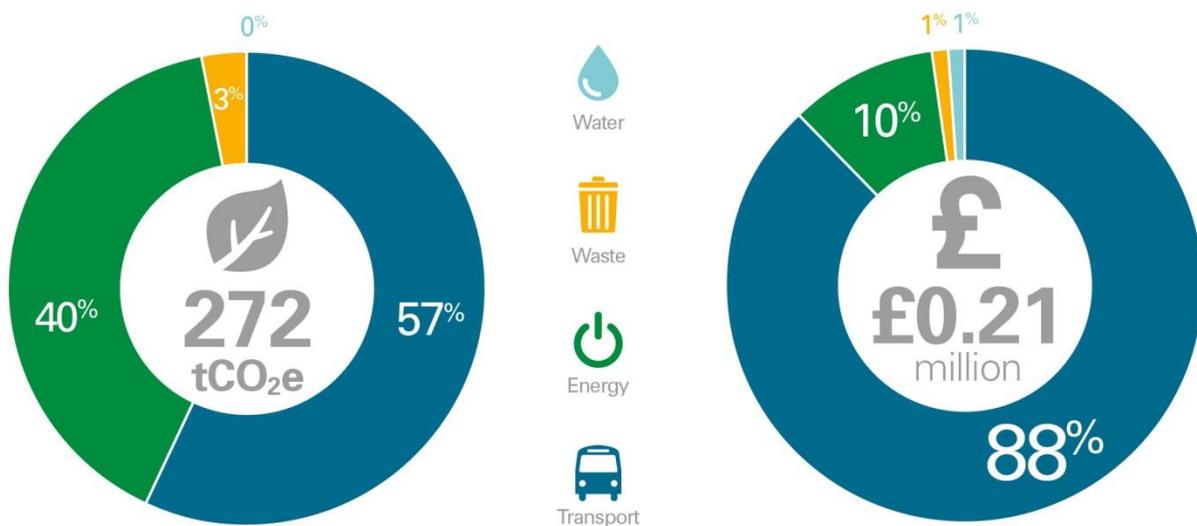
12. The Audit Scotland Board, following consideration by Audit Scotland's Management Team, approves our Climate Change Plan and carbon saving targets. This approach provides clear

leadership at the highest level of the organisation. The Carbon Scrutiny Board will continue to provide long-term organisational momentum for embedding the Climate Change Plan and carbon savings across the organisation.

Emissions and Targets 2016/17

- 13. Audit Scotland's overall carbon footprint for 2016/17 has been estimated at 272 (tCO₂e) at a cost of £205,445. Exhibit 3 shows the breakdown by emissions and cost, with transport the largest contributor to both emissions (57 per cent) and cost (88 per cent).

Exhibit 3 - Carbon footprint split by source and by cost



Source: Audit Scotland

- 14. We reduced our total emissions by 21 per cent, equivalent to 71 (tCO₂e) compared to the baseline year. We performed better than our 2016/17 target and are on target to perform better than our target for 2019/20 (Exhibit 4).

Exhibit 4 - Carbon emissions (tCO₂e)

	2014/15	2015/16	2016/17	Target 2019/20
 Transport	199	172	154	183
 Energy	125	167	110	99
 Waste	17	17	7	9
 Water	2	2	1	1
 Total	343	358	272	292

Source: Audit Scotland

15. In our Climate Change Plan we identified an increase in our emissions in 2015/16 due to the completion of our office rationalisation programme. During that year we moved from two Edinburgh offices to one, but for part of the year we operated three offices in Edinburgh. The office rationalisation programme completed in 2016/17 and this aided the drop in energy emissions.

2016/17 performance by emission category

16. **Transport** emissions were 154 (tCO₂e) which is 16 (tCO₂e) lower than our target for 2016/17 and is below our 2020 target. Audit Scotland operates a policy of rotating our audits over a five-year period and as 2017/18 is the first year of the new rotation, we anticipate an increase in travel as auditors will spend more time with their clients, building relationships at the beginning of the audit cycle. We expect transport emissions to fluctuate over the years.
17. Transport includes car, air, rail, taxi and bus travel and the increase or decrease in one mode of transport may have an impact on another. The reduction in air miles is in part the cause of an increase in train mileage as shown in [Exhibit 5](#).

-
18. Examples of where we have been able to reduce our emissions include the use of teleconferencing; for example, two colleagues presented to a conference in Canada by teleconferencing in and as a result saved the emissions involved in flights. We also use video conferencing for meetings, but do not have data to estimate the number of journeys we have saved.
 19. We have seen a two per cent decrease in the number of flights, which resulted in a decrease of almost 61,000 km. The reduction in air travel has seen a corresponding rise in train travel with an increase of almost 112,000 km.
 20. We have reduced the maximum g/km in our lease fleet of 108 cars that average less than 110 g/km. We reduced the total car travel by 37,334 km. This is a seven per cent reduction.
 21. The introduction of our new 'Time Place Travel' policy, in late 2016, allows people greater flexibility in where and when they work. It is too early to see the impact, but we anticipate this may reduce our travel emissions in the future.
 22. Total (tCO₂e) emissions for all forms of transport ([Exhibit 5](#)) have decreased on the previous year. The exception to this is rail travel which is increasing in part as a consequence of our commitment to reduce car travel and flights wherever possible and instead use greener forms of transport such as trains.

Exhibit 5 - Breakdown of transport emissions (tCO₂e)

	2014/15	2015/16	2016/17	Target 2019/20
 Car travel	90	87	81	87
 Flights	95	69	52	82
 Rail	12	12	19	12
 Other travel (bus, taxi)	2	4	2	2
 Total	199	172	154	183

Source: Audit Scotland

23. **Energy** emissions were 110 (tCO₂e) which is 49 (tCO₂e) lower than our target for 2016/17 and on course to meet our 2020 target. Office rationalisation and improvements made in IT infrastructure account for our reduction in energy emissions. We reduced from four offices with floor space of 2,369 m² to three offices with 1,889 m² in 2016/17. We also reduced the number of workstations from 217 to 187.
24. **Waste** emissions were 7 (tCO₂e) which is 9 (tCO₂e) lower than our target for 2016/17 and is below our 2020 target. The reduction from two Edinburgh offices that covered ten floors to one office on one floor has seen some significant reductions. For example we reduced from 21 printers to four and this has had a knock-on affect on the associated amount of cartridges, paper and energy used. The reduction in printer numbers also means we stock considerably less paper.
25. We also changed the way we use our printers. Documents are sent to print in the usual way but will only print once a colleague has swiped their ID card at the printer. Documents that are not printed by the end of the day are removed from the print queue. We saved up to 15,500 pages in documents that were sent to print but not actually printed.

-
26. **Water** emissions were 1 (tCO₂e) which is 1 (tCO₂e) lower than our target for 2016/17 and on course to meet our 2020 target. Emissions were lower because we reduced the number of workstations from 217 to 187. Our three offices are in multi-tenanted buildings in which the landlord controls the water supply.
 27. Audit Scotland has little control over the total amount of water used in the buildings. We calculate our water usage based on the number of workstations we have. We operate with fewer workstations than we have whole-time equivalent employees because we operate flexible working patterns. People are able to work from home, if and when required, and some teams work in offices supplied by the clients we audit.
 28. Our current Climate Change Plan identified a range of projects and includes anticipated savings for energy, travel and waste. The project list is summarised at Appendix 2.

Adaptation

29. As a listed body under Schedule 1 of the Climate Change (Scotland) Act 2009, Audit Scotland is required to report on climate adaptation. Adaptation is the adjustments we make in response to actual or anticipated climate change.
30. Future climate change projections indicate that Scotland will experience:
 - higher temperatures
 - increased, and more intense, rainfall
 - more frequent flooding and landslides.
31. We have reviewed and assessed the risks that a greater frequency of adverse weather events could have on our activities. We have determined that we require no additional specific actions to reduce the potential impact of climate change-related weather events. Audit Scotland has well-established business continuity planning arrangements.
32. In the event of a major incident, all employees are able to access their business information and work from home or alternative sites. A survey showed that 89 per cent of employees can work from home or another location for more than two days and 56 per cent for more than a month.
33. As we approach the mid-point of our Climate Change Plan, in 2018 we will review the scale of the climate change risks facing Audit Scotland and its activities. The review will determine the need for further mitigating actions and any changes required for our management arrangements in this area.

Understanding climate change

34. In September 2014, Audit Scotland assessed itself using Resource Efficient Scotland's Climate Change Assessment Tool (CCAT). This is a self-evaluation tool to evaluate our performance under the public sector duties of the Climate Change (Scotland) Act 2009.
35. The focus of our carbon work prior to 2014 was on reducing our carbon emissions and this meant we scored higher for governance (55 per cent) and mitigation (60 per cent). However, scores for adaptation (five per cent) and behaviour change (ten per cent) were lower.
36. The CCAT scores identified adaptation and behaviour change as an area that Audit Scotland needs to develop. This has also been recognised by colleagues as part of our annual survey, where they have identified improving our environmental performance as an area where they think we could do more. We plan to focus on this in future.

Procurement

37. The nature of our business is such that it would be disproportionate for us to apply the Flexible Assessment Tool that the UK Sustainable Procurement Task Force developed. Instead, we have focused on embedding sustainability into the procurement of private sector audit firms that provide audit services to the Auditor General and the Accounts Commission for Scotland and we include sustainability clauses in our procurement standard terms and conditions.

Validation

38. Audit Scotland's Corporate Performance Officer reviews the data contained within this report. It has not been subject to peer review or external validation. Going forward we will look to explore options for validating our data.

Looking ahead

39. Between 2008 and 2017 we have achieved significant reductions (49 per cent), in our carbon footprint from 533 to 272 (tCO₂e). A large part of this reduction has been due to the significant efforts we have put into our office rationalisation programme. This programme is now complete and while we do not expect to see the same level of reductions, we will continue to identify where we can make savings, especially in our transport and energy emissions.
40. In 2016, a new policy 'Time, Place, Travel' was introduced. The aim is to provide greater flexibility for people in the way that they work. This provides greater choice for individuals to consider the best times and places to work so that the job can be done well and quickly. The aim is to improve productivity and increase the impact in audit work, while improving the

balance of work and personal lives. We anticipate this may have a positive impact on the amount of travel incurred by our employees.

41. We aim to deliver further and sustained improvements in our environmental performance and climate change activity. In addition, our focus over the next year will be on behavioural change, mainstreaming environmental performance management and changes to our working practices and behaviours.
42. In 2018, we will use Resource Efficient Scotland's CCAT to reassess our progress and to identify areas where we can do more. Also in 2018, we will review and refresh our approach to our Climate Change Plan. We will continue to ensure that the actions contained in the plan are evidence-based and well targeted.

Appendix 1. Governance

Board

44. *Membership:* The members of Audit Scotland Board are the Auditor General, the Chair of the Accounts Commission and three other members appointed by the Scottish Commission for Public Audit (SCPA). The SCPA also appoints one of the members of Audit Scotland which it has appointed to preside at the meetings of the Board.
45. *Role:* Audit Scotland's Board is responsible for the exercise of all functions of Audit Scotland. It exercises its powers and authorities through a Scheme of Delegation, which it determines and approves.
46. One of the actions that remains reserved to the Board under the Scheme of Delegation is approval of strategic policies relating to the governance of Audit Scotland. Audit Scotland's Climate Change Plan is one of these documents. The Board therefore formally approves Audit Scotland's Climate Change Plan. It also receives annual updates on performance against the targets and objectives set out in the plan, thereby holding Audit Scotland employees to account for their performance in relation to this important strategic area.

Management Team

47. *Membership:* The members of Audit Scotland's Management Team are: the Auditor General for Scotland, Audit Scotland's Chief Operating Officer, the Assistant Auditor General for Scotland/Director of Audit Strategy, the Director of Audit Services, and the Controller of Audit/Director of Performance Audit and Best Value. The Chief Operating Officer is secretary to the Audit Scotland Board and chairs the Management Team. She is also the project sponsor for Audit Scotland's Climate Change Plan. She is a member of the Public Sector Climate Leaders Forum (PSCLF), an important strategic leadership group with responsibility for supporting climate change adaptation and improvements in environmental performance across the public sector. This has helped Audit Scotland engage strategically with key public sector partners on this issue and has helped embed climate change leadership as an important element of the way in which Audit Scotland manages its business.
48. *Role:* Audit Scotland's Management Team is responsible for strategic direction-setting for carbon management (including project sponsorship), resource allocation and oversight and scrutiny of implementation of Audit Scotland's Climate Change Plan.

Carbon Scrutiny Board

- 49. *Membership:* An associate director chairs the group and is responsible for leading and driving improved carbon management in Audit Scotland. Representatives from across Audit Scotland's business groups make up the group.
- 50. *Role:* This group is the key forum for the operational planning and delivery of climate change activity and improving environmental performance within Audit Scotland. Its role includes oversight of delivery of carbon management projects, data collection and management (including benchmarking and the identification of best practice); communication and training. It acts as a bridge between Management Team and individual business groups and has a key leadership role through its cross-departmental membership.

Business groups (Audit Services, Performance Audit and Best Value, Audit Strategy, Corporate Services)

- 51. Audit Scotland's four main business groups are pivotal in ensuring that Audit Scotland meets its climate change obligations and continuously improves its environmental performance. It is through the actions of all employees that we can make the greatest difference in this area.

Appendix 2. The carbon saving projects 2016/17 to 2019/20

Project	Actual 2016/17 (tCO ₂ e)	Target by 2019/20 (tCO ₂ e)
Energy		
<ul style="list-style-type: none"> Property rationalisation including ICT projects 	110	103
Transport		
<ul style="list-style-type: none"> Domestic flights reduced by 5% 	50	68
<ul style="list-style-type: none"> Business car travel 	81	90
Waste		
<ul style="list-style-type: none"> Improved levels of recycling 	3.3	5
<ul style="list-style-type: none"> Paper use 	3.4	6

Appendix 3. Emissions and costs breakdown of the 2016/17 carbon footprint

Category	Carbon footprint (tCO ₂ e)	Cost (£)
Grid electricity	72.9	15,566
Natural gas	36.8	5,806
Water - supply	0.4	362
Water - treatment	0.8	803
Refuse municipal to landfill	3.1	854
Waste ¹	3.6	1,523
Flights - domestic	50.2	50,153
Flights - short haul	1.5	2,464
Flights - long haul	0	0
Rail	18.7	70,979
Car - diesel	47.6	27,513
Car - petrol	8.6	5,004
Car - hybrid	4	2,259
Bus	0.01	93
Taxi	2.5	11,514
Average car	21	10,554
Total	272	205,445

¹ Includes recycling of paper, board, glass, plastics, metal cans and paper manufacture.

Carbon Scrutiny Board

Annual Report 2016/17

This report is available in PDF and RTF formats,
along with a podcast summary at:

www.audit-scotland.gov.uk 

If you require this publication in an alternative
format and/or language, please contact us to
discuss your needs: 0131 625 1500
or info@audit-scotland.gov.uk 

For the latest news, reports
and updates, follow us on:



Audit Scotland, 4th Floor, 102 West Port, Edinburgh EH3 9DN

T: 0131 625 1500 E: info@audit-scotland.gov.uk 

www.audit-scotland.gov.uk 

ISBN 978 1 911494 44 7