

## News release

### For immediate use

## Report on Scottish Public Pensions Agency

**The Auditor General has submitted a report to the Scottish Parliament relating to the 2017/18 accounts of the Scottish Public Pensions Agency (SPPA).**

It concerns a £5.6m million contract awarded by the SPPA in 2015, as part of a business transformation programme, to Capita Employee Solutions to develop an integrated administration and payment system.

The contract was cancelled in 2018. As a result of this, the report notes, the SPPA will require additional revenue and capital budget allocations from the Scottish Government over the next five years.

Discussions are currently under way between Capita and the SPPA over legal responsibility for the failed contract and any potential financial penalty. The Auditor General intends to prepare a more detailed report in 2019 once any legal process has concluded.

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### Notes to editors

1. This is a section 22 report which allows the Auditor General to bring attention to Parliament and the public matters of wider interest arising from the annual accounts of public bodies.
2. It is based on the SPPA's 2017/18 annual accounts. The independent audit opinion on these accounts is unqualified. This means that they show a true and fair picture, follow accounting standards and the income and expenditure for the year is lawful.
3. The SPPA is an executive agency of the Scottish Government. It administers and pays pensions for more than 500,000 members, deferred members and pensioners of the NHS, teachers', police and firefighters' pension schemes. It also provides policy support for the Scottish Government and local government pension schemes.
4. Audit Scotland has prepared this report for the Auditor General for Scotland. All Audit Scotland reports published since 2000 are available at [www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk)
  - The Auditor General appoints auditors to Scotland's central government and NHS bodies; examines how public bodies spend public money; helps them to manage their finances to the highest standards; and checks whether they achieve value for money. The Auditor General is independent and is not subject to the control of the Scottish Government or the Scottish Parliament
  - Audit Scotland is a statutory body set up in April 2000, under the Public Finance and Accountability (Scotland) Act, 2000. It provides services to the Auditor General for Scotland and the Accounts Commission for Scotland.