

## **Audit Scotland's annual statement on sustainable economic growth for 2021/22**

1. 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.
2. This statement sets out the steps that Audit Scotland has taken in 2021/22 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 Accounts 2021/22. This is available on our [website](#).

### **Introduction**

3. 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.
4. To ensure objectivity in our work, Audit Scotland is independent of the Scottish Government and Scottish ministers. The independence, quality and timeliness of audit are essential to the public interest.
5. Maintaining our independence from those we audit limits our ability to share services. However, where sharing is possible, we have done so

### **COVID-19 statement**

6. The continued impact of the Covid-19 pandemic led to significant organisational, audit and financial implications in 2021/22. Audit Scotland adopted a safety-first approach, prioritising the health, safety and wellbeing of our colleagues and the quality of the audit.

### **Sustainable economic growth and contribution to the National Performance Framework**

7. Audit Scotland contributes to sustainable economic growth and the National Performance Framework as an employer. For example:
  - Our professional trainee programme is one of Scotland's largest public sector accountancy training schemes targeted at 16–24-year-olds. We have 51 graduate and school-leaver trainees and staff working towards professional qualifications thereby increasing the skills base of Audit Scotland, and Scotland in general.
  - Our workforce is 57 per cent female and 43 per cent male. Seven per cent of Audit Scotland's colleagues are from minority ethnic groups compared with five per cent of the Scottish population.
  - During most of 2021-22 all our workforce worked from home and nearly 25 per cent have a non-standard work pattern, this supports a diverse range of needs and assists in the balance of personal and working lives.

- This year colleagues received an average of 8.4 days training and personal development to increase knowledge, skills, efficiency and effectiveness. The number of days was down from 12.5 last year.
- We continued to focus management and professional support to staff well-being. In 2021/22, our sickness absence remained low compared to the public sector average. Our sickness absence was on average 5.75 days which was a small decrease on previous year figure of 5.82 days per employee.
- Not all the work 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 amounted to approximately £5 million during 2021/22.

**8.** Audit Scotland has an interest in 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.

**9.** We audit 222 bodies, with a total spend of about £58 billion a year and in 2021/22, we audited 226 sets of accounts and completed five performance and Best Value audits, we published ten statutory reports and 29 other reports and outputs.

**10.** We are committed to supporting the Scottish Parliament and the public to understand how devolution is changing the landscape for public finances, and how well public bodies are taking on the significant responsibility of managing Scotland's increasing financial powers. Public audit plays a key role in helping the Scottish Parliament and policymakers understand the key issues facing the public sector and how public money is spent.

**11.** We met with, and gave oral and written evidence to, a wide range of parliamentary committees and briefings to MSPs, with a total of 40 parliamentary engagements over the year. Alongside that formal reporting, we have responded to consultations and calls for evidence by parliamentary committees, and provided a range of informal briefings to committees, clerking teams and Scottish Parliament Information Centre (SPICe).

**12.** Strong and effective public services play an important part in ensuring sustainable economic growth. Public audit provides assurance that public money is well managed and that governance arrangements for public services are sound. This helps create a strong and effective system of accountability and transparency which supports the best use of public money in the public interest.

**13.** 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.

**14.** During 2021/22 we published four [Best Value Assurance reports](#) and one progress report on behalf of the Accounts Commission.

**15.** During 2021/22 we consulted with key stakeholders on the refreshed programme which takes a more flexible approach in order to both consider public bodies' capacity and to enable us to react to fast-changing circumstances.

**16.** We published 35 reports on behalf of the Auditor General and the Accounts Commission.

**17.** We published a review of how the Scottish Government and NHS managed the procurement and distribution of [personal protective equipment](#) (Jun 2021), or PPE, stating that a longer-term approach was needed. This was followed with an update on the [impact of Covid-19 on Scotland's public finances](#) (Sep 2021) and a briefing that found that [Scotland's vaccination programme](#) (Sept 2021) was making excellent progress.

**18.** In October, we looked at the impact of Covid on [community empowerment](#) (Oct 2021), and in March we updated on how public money had been used to [support businesses during the pandemic](#), including finding that £4 billion of funding was not being monitored.

**19.** In February 2022, our [NHS overview](#) said reforming health and social care services was key to address growing costs and recovery from the pandemic.

**20.** The two overviews of local government reviewed how councils are responding and the key issues they were facing. The [performance overview](#) (May 2021) said councils and communities were working well together but that Covid-19 was exacerbating inequalities and other existing issues.

**21.** Later in 2021/22, [the financial overview](#) (March 2021) found councils faced a financially uncertain future, with our performance audits also looked at the [planning for Scotland's workforce skills](#) (January 2022) and the commissioning of [two new ferries](#) (March 2022) for island communities. The former found that urgent action needs to be taken, while the second prompted significant public and political debate about how decisions were made in a project running several years late and millions of pounds over-budget.

**22.** We provided updates on subjects we have previously reported on or intend exploring further in our audit work in our shorter [briefing reports](#) and [blogs](#).

## Countering fraud

**23.** Audit plays a role in deterring and detecting fraud in public bodies, and in helping organisations prevent the loss of public money through mistakes. Audit Scotland coordinates the National Fraud Initiative, an exercise that matches datasets across the public sector to identify potential fraud and errors such as overpayments. In August 2022, we publish our biennial report, The National Fraud Initiative in Scotland 2020/21.

**24.** We also published our annual [Fraud and irregularity](#) update in July 2021 on cases auditors identified during 2020/21.

### **Covid-19 briefings and impact reports**

**25.** We produced eight briefings to help people understand changes and developing issues in the public sector. These are available in the [Covid-19 e-hub](#) section of our website.