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Press release

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Commitment to efficient government but better measures needed

A report on the Efficient Government Initiative has found a commitment to improve efficiency, but says the Executive needs to do more to provide assurance on the levels of savings and their impact on service delivery.

Audit Scotland's report says that the public sector is generally responding well by embedding the initiative in day-to-day business.

Robert Black, Auditor General for Scotland, said: "It is important that public sector staff have an on-going concern for efficiency and seek to achieve efficiencies wherever possible. This involves creating the right culture in public bodies, and this is almost as important as precisely measuring what efficiencies are achieved."

Audit Scotland reviewed the arrangements relating to 12 projects, where the annual efficiency savings cover 86 per cent of the Executive's £442 million reported gains for 2005/06.

The report questions the way in which some of the efficiencies were calculated. An example is the local authority gains of £122 million, where the approach taken in calculating the savings is described as being insufficient to validate their accuracy.

Some of the sample projects had not set a baseline against which to measure progress. For example, information used to establish the baseline for reducing sickness absence in the NHS is poor, because some of the NHS boards were unable to provide accurate data on current levels of sickness absence.

The report also stresses the need to develop measures of quantity and quality to show that efficiency gains are not being developed at the expense of public services. If efficiencies are expected to arise from reducing costs, and quantity and quality measures are not in place, there is a risk that reported savings may lead to poorer services.

Mr Black said: "Our review shows there is a need for improvements in the way potential efficiencies are being set up and measured. Until this happens it will not be possible to validate completely the Executive's reported savings or to ensure that the reported efficiency gains are not being achieved at the expense of public service quality."

Ends

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Notes to Editors:

1. 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.
2. The Auditor General is responsible for securing the audit of the Scottish Executive and most other public bodies in Scotland, except local authorities. He investigates whether spending bodies achieve the best possible value for money and adhere to the highest standards of financial management. The Auditor General is independent and is not subject to the control of the Scottish Executive or the Scottish Parliament.
3. *The Efficient Government Initiative: a progress report* can be found on Audit Scotland's website – www.audit-scotland.gov.uk