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## News release

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### Auditor General's report on Scottish Government's 2014/15 accounts

**The Auditor General for Scotland, Caroline Gardner, has prepared a report to support the Scottish Parliament's scrutiny of the Scottish Government's 2014/15 accounts.**

New responsibilities for taxes, welfare and borrowing - arising from the Scotland Act 2012 and proposals for further financial devolution in the Scotland Bill 2015 - mean that the time is right to strengthen the Parliament's scrutiny of the Scottish Government's annual consolidated accounts. The Auditor General has provided this new report to support that process.

The Auditor General carries out an independent audit of the Scottish Government's consolidated accounts and her opinion on the 2014/15 accounts is unqualified.

The Scottish Government has a good record of financial management and reporting, and its overarching governance arrangements are generally effective. The Auditor General report also identifies matters arising from the audit and areas for improvement.

The Auditor General says there is a growing need for more information on the financial position of the devolved Scottish public sector as a whole. This additional information would give a fuller picture of how public money is spent and provide insight into the longer-term implications for public finances.

The Scottish Government should set out clear plans and timescales on how it plans to further improve its financial reporting, which will help to enhance proper scrutiny of its spending.

Other significant matters highlighted in the Auditor General's report include:

- The continuing risk to successful delivery of the Scottish Government's Futures programme, established to implement Common Agricultural Policy reforms. The programme has experienced lengthy delays and rising costs.
- The suspension of European Structural Funds (ESF) programmes, which provide financial support for improving transport and internet links, business growth, the environment, and education and skills. This follows concerns identified by ESF auditors, including the robustness of information being retained by some grant recipients about how funds were being spent.
- The potential classification of Scottish Non Profit Distributing (NPD) projects by the Office for National Statistics to the public sector. NPD projects under review include the Aberdeen Western Peripheral Route, Dumfries and Galloway Royal Infirmary and the Edinburgh Royal Hospital for Sick Children.

The Auditor General's report is available to view [here](#).

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#### Notes to editors

1. The final budget for the expenditure in the 2014/15 accounts was £33,016 million. Total net expenditure was £32,669 million, £347 million below budget. The resource budget was underspent by

£207 million (0.7 %) and capital by £140 million (7.6 %). The accounts contain details about performance against budget.

2. The Auditor General reported in March 2015 on the importance of consolidated accounts for the whole of the Scottish public sector, in her [Update on developing financial reporting](#).

3. The Auditor General's report on the 2014/15 consolidated accounts was issued under Section 22 of the Public Finance and Accountability (Scotland) Act 2000. This allows the Auditor General to bring to the Parliament and the public's attention matters of public interest related to the financial statements of public bodies.

4. The Auditor General will present this report to the Scottish Parliament's [Public Audit Committee](#) at a later date. The committee will then decide what further it may wish to take.

5. 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.