

Carbon Scrutiny Board

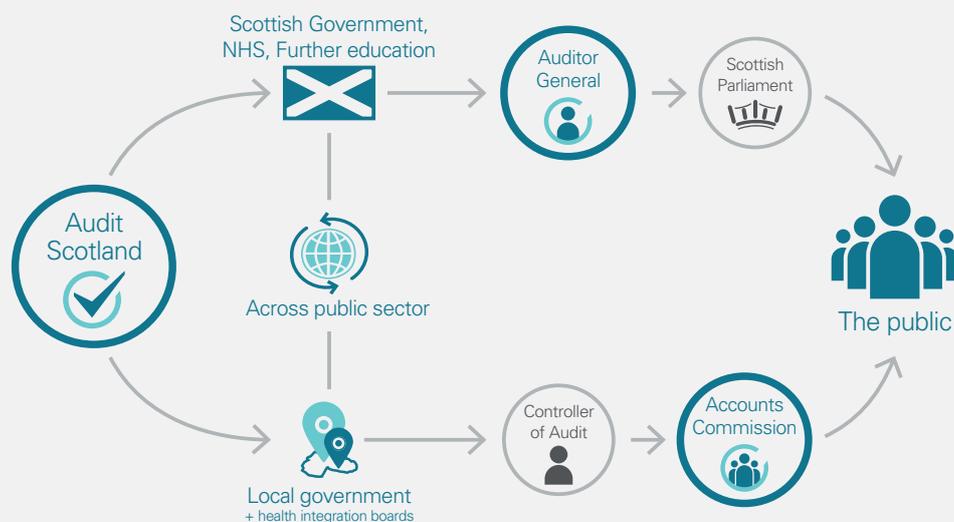
Annual report 2015/16



Who we are

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

- **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.
- 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.



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.

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Background

- 1.** Climate change represents a significant, long-term global challenge. Scotland has ambitious targets to reduce its greenhouse gas emissions and the public sector has a key leadership role in taking forward this agenda. Audit Scotland has a part to play in holding public sector organisations to account for their performance in this area. We are also committed to reducing the greenhouse gas emissions that are caused by our own operations.
- 2.** The Carbon Trust developed a Public Sector Carbon Management programme to assist organisations to save money on energy and put it to good use in other areas, while making a positive contribution to the environment by lowering their carbon emissions. In 2009, Audit Scotland participated in that programme. In partnership with the Carbon Trust, we developed a Climate Change Plan, which committed us to reducing our tonnes carbon dioxide equivalent (tCO₂e) by 20 per cent by 2014, relative to our 2008/09 baseline figure.
- 3.** Our Climate Change Plan was approved by Audit Scotland's Board in June 2010 and then revised in April 2011. The revision captured changes to our original projects and incorporated updated benchmark data. As part of our commitment to delivering the Climate Change Plan, a corporate Carbon Scrutiny Board was then established to monitor and report on progress against the Climate Change Plan and to identify and promote environmentally friendly activities and practices across the business.

Reporting our Climate Change performance

4. This report sets out our 2015/16 carbon emissions and associated costs with comparisons against our previous plan. The new baseline year of 2014/15 will be the year against which our future performance is assessed against.

5. Audit Scotland is a listed body under Schedule 1 of the Climate Change (Scotland) Act 2009. This report has been prepared on the basis that it will satisfy our Climate Change reporting requirements under the Climate Change (Duties of Public Bodies: Reporting Requirements) (Scotland) Order 2015.

6. Listed bodies are required to report on specific aspects of their climate change performance:

- Organisational profile
- Governance and management
- Corporate emissions
- Adaptation
- Procurement
- Validation

7. This report covers all these areas so that it can be used to meet our 2015/16 reporting obligations under this piece of legislation.

8. We are obliged to submit an annual report to the Scottish Sustainable Network (SSN) detailing our compliance with the climate change duties. SSN has developed a Public Bodies Climate Change Duties reporting platform. We will use this platform as the primary vehicle for reporting our Climate Change performance in future years.

9. To meet our reporting obligations for 2015/16 a copy of this annual report will be submitted to SSN once it has been approved by Audit Scotland's Management Team and Board.

Governance, management and strategy

Leadership, governance and accountability for carbon management in Audit Scotland

10. Effective and ongoing ownership of our approach to climate change and carbon management needs a well defined governance structure, supported by clear leadership throughout the organisation. Audit Scotland's arrangements for ensuring effective leadership, oversight and accountability and improvements in environmental performance are through a corporate Carbon Scrutiny Board which reports annually to Audit Scotland's Management Team and Board.

11. The main groups that are involved in leading, managing and holding us to account for our carbon management performance are: our board; our management team, the Carbon Scrutiny Board, and Audit Scotland's four business groups (Audit Services, Performance Audit and Best Value, Audit Strategy and Corporate Services). The particular roles and responsibilities of these groups are set out in Appendix A.

Resourcing and ownership

12. Our Climate Change Plan and carbon saving targets are approved by the board following consideration by Audit Scotland's Management Team. This approach provides endorsement and a clear leadership commitment at the highest level of the organisation (both executive (management team) and non-executive (board)) to embedding improved environmental performance across the whole organisation.

13. Our [Corporate plan 2015-18](#)  commits us to maximising the efficiency and effectiveness of all of our resources and ensuring that we offer the maximum benefit that our unique position of auditing across the public sector in Scotland offers in terms of providing insights into what works, foresight on future risks and opportunities and by supporting improvement. 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.

14. During 2014/15, we developed a new [Climate Change Plan 2015/16–2019/20](#)  (CCP) that supersedes our previous plan (2008/14). The specific objectives of the new plan will be cascaded through into individual business group plans.

15. Corporate and business group performance will be monitored on a quarterly basis by our corporate performance team as part of our routine performance management. The Carbon Scrutiny Board will continue to provide long-term organisational momentum for embedding the Climate Change Plan and carbon savings across the organisation.

Performance (2010/11–2015/16) Emissions, Targets and Projects

16. Our *Climate Change Plan 2008-14* set a target of reducing our carbon footprint by 20 per cent by 2014. That equated to a reduction of 107 (tCO₂e), we significantly exceeded that ambition and achieved a reduction of 190 (tCO₂e) or a 36¹ per cent reduction over our baseline figure.

1 Audit Scotland's annual report 2014/15 estimated a 41% reduction. This was based on the available data at the time of producing the report. Additional data has been reviewed and the figure has been revised to 36 per cent.

17. The major gains in reducing our carbon footprint came from our property rationalisation programme. In 2008 we had six offices and by March 2015 four offices. The final stage of the property rationalisation took place in 2015/16 when we reduced our two Edinburgh offices to a single office at 102 West Port, Edinburgh. [Exhibit 1](#) compares our 2015/16 performance against the five years of the previous CMP. Our energy consumption increased during 2015/16 owing to simultaneous operation of the two old Edinburgh offices and new office.

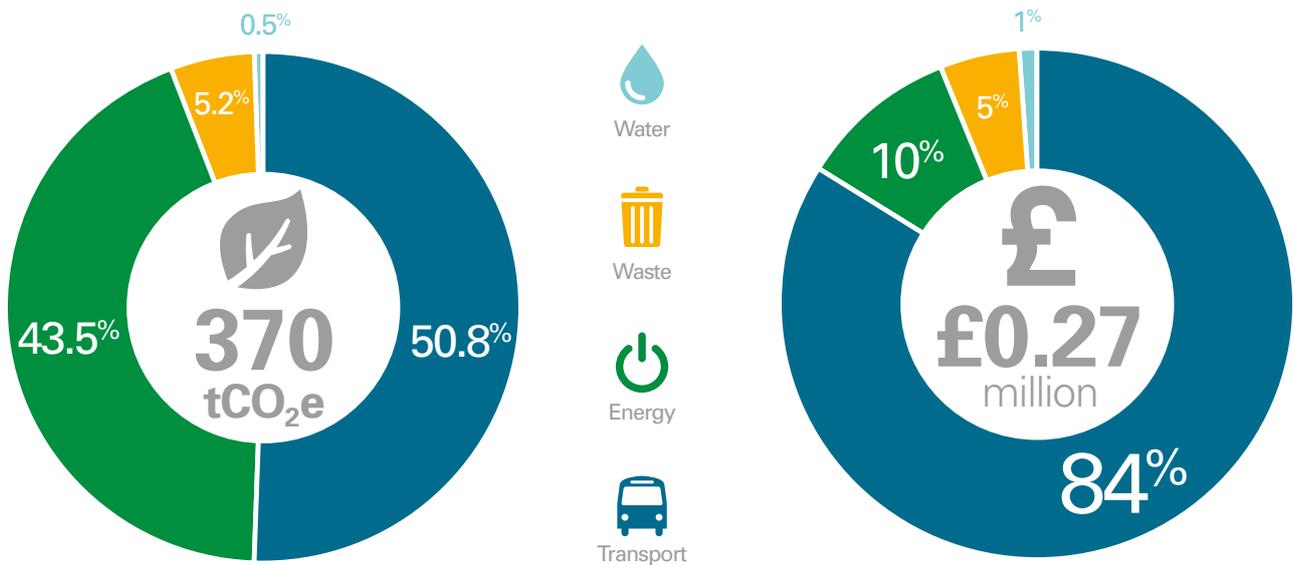
Exhibit 1. Carbon footprint 2010–16 (tCO₂e)

| | 2015/16 | 2014/15 | 2013/14 | 2012/13 | 2011/12 | 2010/11 |
|--|------------|------------|------------|------------|------------|------------|
|  Transport | 188 | 199 | 220 | 215 | 156 | 159 |
|  Energy | 161 | 125 | 115 | 172 | 323 | 351 |
|  Waste | 19 | 17 | 17 | 15 | - | - |
|  Water | 2 | 2 | 2 | 2 | - | - |
|  Total | 370 | 343 | 354 | 404 | 479 | 510 |

18. Audit Scotland’s overall carbon footprint for 2015/16 has been estimated at 370 (tCO₂e). [Exhibit 2](#) shows that transport (51 per cent) and energy (44 per cent) are the largest contributors to our carbon footprint.

19. The cost of our carbon footprint for 2015/16 has been estimated at £272,250. [Exhibit 2](#) reveals that travel (84 per cent) constitutes the largest cost with flights 26 per cent, car travel 34 per cent, rail 18 per cent, taxis four per cent and bus two per cent. Although energy represents 44 per cent of our carbon footprint, its impact on overall cost is smaller as shown in the Exhibit 2.

Exhibit 2. Carbon footprint 2015/16



20. We do not routinely monitor the financial savings associated with our reductions in carbon emissions. During the life of the plan we have changed the way we measure different aspects of our carbon footprint and this makes it difficult to estimate the total savings from the start of our CMP.

21. However, our analysis indicates that we have achieved significantly more than our original £35,900 target saving figure over the period of our initial Climate Change Plan.

22. We estimate that since 2010 we have saved:

- around £37,000 in travel and subsistence claims
- around £41,000 in reduced energy usage due to property rationalisation.

Performance against our projects in 2015/16

23. Our total carbon footprint increased in 2015/16 to 370 (tCO₂e). The increase was expected due to the running of three Edinburgh offices for part of the year. Therefore 2015/16 is expected to be a spike year and we anticipate that our planned projects will continue to reduce our overall carbon footprint in the coming years.

24. Our [Climate Change Plan 2015/16–2019/20](#) identified a range of projects and included anticipated (tCO₂e) savings for energy, travel and waste. The project list is summarised at [Appendix 2 \(page 17\)](#).

25. The key projects that we focused on during 2015/16 were those which relate to our two largest contributors to carbon emissions, ie:

- property rationalisation
- reducing the impact of our business travel.

26. Performance for energy consumption in 2015/16 increased on the previous year from 458,236 to 640,099 KWH (40%) due to the running of both George Street offices and West Port ([Exhibit 3](#)). However, energy consumption will decrease from 2016/17 due to the reduction to one Edinburgh office and to the better energy efficiency of the West Port building.

Exhibit 3. Energy consumption 2010/11–2015/16

| | 2015/16 KWH | 2014/15 KWH | 2013/14 KWH | 2012/13 KWH | 2011/12 KWH | 2010/11 KWH |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
|  Electricity | 155,929 | 136,412 | 149,110 | 205,655 | 273,979 | 234,905 |
|  Gas | 484,170 | 321,824 | 231,131 | 286,934 | 294,932 | 319,879 |
|  Total | 640,099 | 458,236 | 380,241 | 492,589 | 568,911 | 554,784 |

27. Our overall trend for business travel mileage shows a steady reduction, however in 2015/16 there has been a small increase on the previous year for total car miles as shown in [Exhibit 4](#).

Exhibit 4. Car travel data 2010/11–2015/16

| | 2015/16 miles | 2014/15 miles | 2013/14 miles | 2012/13 miles | 2011/12 miles | 2010/11 miles |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
|  Lease petrol ¹ | 53,384 | 26,976 | 63,305 | 85,821 | 321,864 | 306,655 |
|  Lease diesel | 201,605 | 202,347 | 221,227 | 219,015 | - | - |
|  Lease hybrid | 701 | 17,209 | 14,298 | - | - | - |
|  Non-lease | 62,236 | 58,408 | 63,309 | 74,539 | 101,554 | 97,910 |
|  Total | 317,926 | 304,940 | 362,139 | 379,375 | 423,418 | 404,565 |

Note: 1. For 2010/11 and 2011/12 we do not have the split for petrol and diesel.

28. Audit Scotland is continuing a downward trend in reducing the total (tCO₂e) emissions for all forms of business travel.

29. Total (tCO₂e) emissions for all forms of transport have decreased slightly on the previous year ([Exhibit 5](#)) and remain below the peak level of 2013/14. Rail travel is increasing in part as a consequence of our policy commitment to reduce car use and flights wherever possible and instead use greener forms of transport such as trains and buses.

Exhibit 5. Travel (tCO2e)

| | 2015/16 | 2014/15 | 2013/14 | 2012/13 | 2011/12 | 2010/11 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
|  Car travel | 95.65 | 89.76 | 107.79 | 114.78 | 91.5 | 96.3 |
|  Flights | 76.35 | 95.41 | 97.39 | 87.62 | 59.8 | 55.17 |
|  Rail | 13.28 | 12.35 | 12.08 | 9.73 | 3.14 | 5.45 |
|  Other travel (bus, taxi) | 2.90 | 1.04 | 1.55 | 1.68 | 1.83 | 1.99 |
|  Total | 188.18 | 198.56 | 218.81 | 213.81 | 156.27 | 158.91 |

Adaptation

30. As a listed body under Schedule 1 of the Climate Change (Scotland) Act 2009, Audit Scotland is required to report on adaptation. Adaptation is the adjustments we make in response to actual or anticipated climate change.

31. Future climate change projections indicate that Scotland will experience:

- higher temperatures
- increased, and more intense, rainfall
- more frequent flooding and landslides.

32. 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 an adverse weather condition policy and well-established and high-capacity business continuity planning arrangements. In the event of any major incidents, all staff are able to access their business information and work from home or alternative sites. A recent survey of staff showed 89 per cent can work from home or another location for more than two days and 56 percent for more than a month.

33. We will review the scale of the climate change risks facing Audit Scotland and its activities during 2018 (half-way through the lifespan of our new Climate Change Plan) and determine whether further mitigating actions need to be introduced and whether changes need to be made to 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 to date has been 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 (10 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 our staff as part of our annual staff survey, where they have identified improving our environmental performance as an area where they think we could do more. One element of our programme of organisational development is Building a better organisation. As part of this, we will review our lease car scheme and examine ways in which we can improve the sustainability of our travel.

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 to enable organisations to chart their progress towards achieving sustainable procurement. 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.

38. As part of the procurement and contracting exercise for the next round of five-year audit appointments (that will cover the period 2016/17 to 2020/21) we have incorporated a requirement that the firms provide Audit Scotland with data that meets the performance reporting requirements of the Climate Change (Scotland) Act 2009 on an annual basis. This will allow us to gather more comprehensive data on the overall carbon footprint of public audit in Scotland. This will mean that in future we can consider the merit of extending the boundary of our Climate Change Plan to include 'the firms' as our understanding of their carbon footprint matures.

Validation

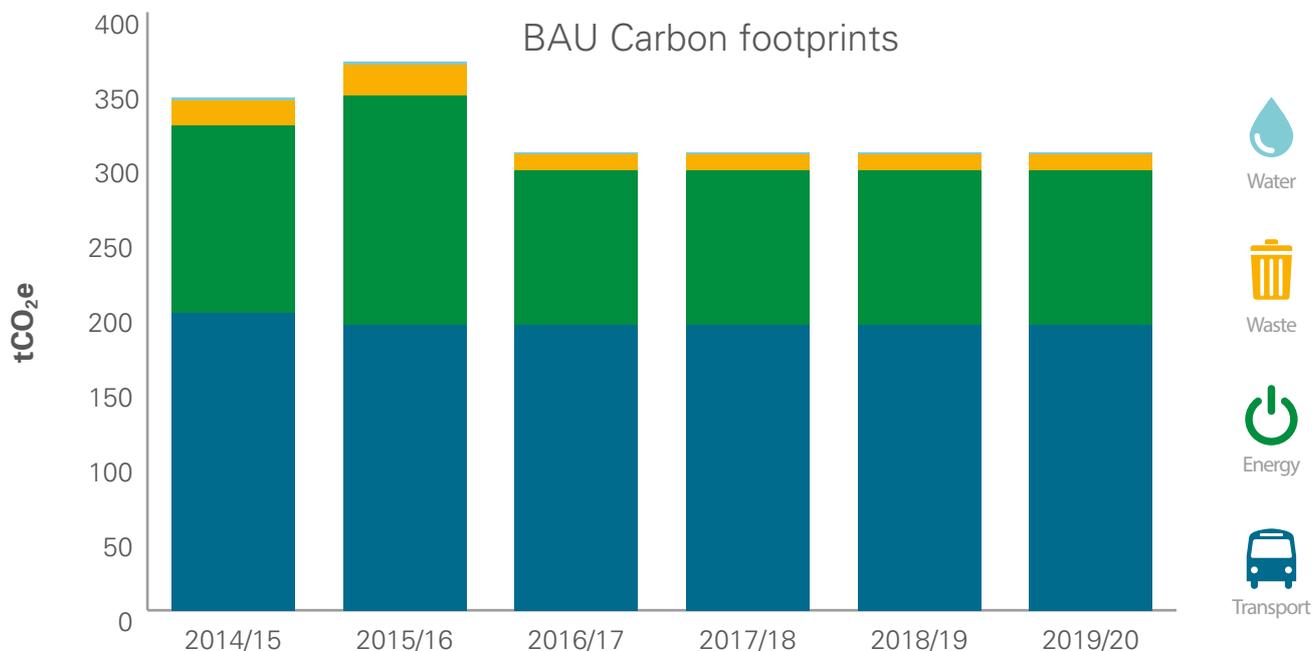
39. The data contained within our report has been reviewed by Audit Scotland's Corporate Performance Officer. It has not been subject to peer review or external validation.

Future plans

40. We will use our 2014/15 performance figures as the baseline for target setting and monitoring progress in the new Audit Scotland Climate Change Plan (2015/16–2019/20). This annual report is our summary of performance against that initial plan.

41. Working with Resource Efficient Scotland, we estimated that by 2019/20, Audit Scotland will reduce its annual carbon emissions by 15 per cent against its 2014/15 baseline. This equates to annual carbon emissions of 292 (tCO₂e) as shown in [Exhibit 6](#).

Exhibit 6. Projected Audit Scotland business-as-usual carbon emissions, 2014/15–2019/20



42. Our Climate Change Plan will focus on changes to our working practices and behaviours to deliver further and sustained improvements in our environmental performance and climate change adaptation activity.

43. We will continue to work with Resource Efficient Scotland to ensure that the actions contained on our new Climate Change Plan are evidence-based and well-targeted. We will draw on their advice and guidance in relation to our approach to climate change mitigation activity. It was on their advice that the key areas of the new plan focuses on include travel, energy use (buildings and ICT), waste reduction, staff behavioural change, and mainstreaming environmental performance management.

Appendix 1.

The roles of the various governance (leadership, oversight and delivery) linked to the Climate Change Plan

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 staff 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: This group is chaired by an assistant director with corporate responsibility for leading and driving improved carbon management in Audit Scotland, and is made up of nine representatives, covering each of Audit Scotland's business groups.

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 Group, Performance Audit and Best Value, Audit Strategy, Corporate Services Group)

51. Audit Scotland's four main business groups are key to ensuring that Audit Scotland meets its climate change obligations and continuously improves its environmental performance. It is through the actions of all staff that we can make the greatest difference in this area. For that reason, this Climate Change Plan has a much stronger emphasis on business group environmental monitoring and performance management, and staff behaviour change alongside our corporate improvement projects.

Appendix 2

The carbon saving projects 2015/16–2019/20

| Project | Anticipated saving by 2019/20 (tCO₂e) |
|---|---|
| Energy | |
| Property rationalisation | 12 |
| Energy reductions through ICT projects ¹ | |
| Transport | |
| Domestic flights reduced by 5% | 15 |
| Business car travel | 16 |
| Grey fleet review ² | |
| Waste | |
| Improved levels of recycling | 6.5 |
| Paper use | 1.5 |
| Total | 51 |

Notes:

1. Savings included in the property rationalisation project.
2. Once the review is complete we will calculate the anticipated savings.

Appendix 3

Individual consumptions and costs for each element of the 2015/16 carbon footprint

| Category | Carbon footprint (tCO ₂ e) | Cost (£) |
|------------------------------|--|----------------|
| Grid electricity | 71 | 13,897 |
| Natural gas | 89 | 14,041 |
| Water – supply | 1 | 492 |
| Water – treatment | 1 | 1,090 |
| Refuse municipal to landfill | 5 | 2,155 |
| Waste ¹ | 13 | 12,935 |
| Flights – domestic | 65 | 55,583 |
| Flights – short haul | 2 | 2,307 |
| Flights – long haul | 10 | 11,692 |
| Rail | 13 | 50,248 |
| Car – diesel | 59 | 35,682 |
| Car – petrol | 17 | 11,166 |
| Car – hybrid | 0 | 147 |
| Bus | 1 | 4,498 |
| Taxi | 2 | 11,255 |
| Average car | 19 | 45,062 |
| Total | 370 | 272,250 |

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

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

www.audit-scotland.gov.uk 

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