

Statutory reporting

Section 22 reports



AUDITOR GENERAL 

Prepared by Audit Scotland
March 2019

What is a Section 22 report?

The Public Finance and Accountability (Scotland) Act 2000 sets out the roles and responsibilities of the Auditor General and Audit Scotland. Under Section 22 of this Act, the Auditor General can prepare a report on matters arising from the audit of the accounts of a public body for which the Auditor General is responsible (including the Scottish Government, NHS bodies, colleges and Non Departmental Public Bodies). This type of report is known as a Section 22 report.

What are the reasons for the Auditor General preparing a Section 22 report?

Reporting under Section 22 of this Act enables the Auditor General to bring to the attention of the Scottish Parliament and the public, matters of public

interest arising from the audit of the wide range of public bodies for which the Auditor General has audit responsibility. These matters of public interest are generally focused on specific issues or concerns that have been raised by the auditor and highlighted in their annual audit report on a public body. The Auditor General may also decide to prepare a Section 22 report to report publicly on progress with issues raised in a previous Section 22 report.

What kinds of issues are highlighted in Section 22 reports?

The issues highlighted in Section 22 reports can vary, as they depend on the issues that the auditor has highlighted in their audit report. In deciding whether to prepare a Section 22 report, we consider a range of factors including:

- **the auditor's opinion on the accounts**, eg the auditor may have highlighted particular issues by qualifying their opinion on the financial statements or adding an 'emphasis of matter' paragraph
- **materiality**, ie the significance of the issue in terms of its value or its impact
- **relevance**, eg whether the issue is relevant elsewhere within the public body or across public bodies, whether the issue is of future relevance in that other public bodies may have similar problems or may pursue a similar course of action
- **timing**, eg how long it has been since the matter arose or whether the issue is a continuing concern
- **reporting**, eg whether the issue has been reported in public before
- **public interest**, ie the issue is of concern and benefit to the public, and reporting serves the interests of the public.

Issues raised in recent Section 22 reports include:

- concerns about the management of an ICT project at the [Scottish Social Services Council](#) (December 2018)
- urgent need for [NHS Tayside](#) to address its financial position (December 2018)
- governance issues at [Community Justice Scotland](#) in its first year of operation (November 2018)
- financial concerns at [Scottish Police Authority](#) (November 2018)
- financial implications of the delay and closure of an IT project at [Scottish Public Pensions Agency](#) (October 2018)

- significant financial challenges facing [NHS Highland](#) and [NHS Ayrshire and Arran](#) (October 2018)
- matters arising from the 2017/18 audit of the [Scottish Government](#) (September 2018).

What are the arrangements for preparing a Section 22 report?

During the annual audit of a public body, the auditor will draw any significant issues arising to the attention of the public body concerned as well as to the Auditor General. The auditor will also comment on significant issues in their annual audit report which is submitted to the Auditor General once the audit is complete. Working closely with the auditor, the Auditor General will make a judgement on whether Audit Scotland should prepare a Section 22 report.

The auditor and Audit Scotland work together in drafting the Section 22 report. The auditor checks with the public body that the content of the draft report is factually accurate and the Auditor General signs off the final draft. The Scottish Government then arranges for the accounts and the final Section 22 report to be laid before the Scottish Parliament.

Audit Scotland publishes Section 22 reports on its [website](#) along with a news release.

What happens next?

The Auditor General briefs the Scottish Parliament's Public Audit and Post-legislative Scrutiny Committee on the Section 22 report. The Committee may decide to take evidence from the relevant Accountable Officer.

More information

For further information about Section 22 reporting, please email info@audit-scotland.gov.uk or phone 0131 625 1500.



Audit Scotland, 4th Floor, 102 West Port, Edinburgh EH3 9DN
 T: 0131 625 1500 E: info@audit-scotland.gov.uk
www.audit-scotland.gov.uk

For the latest news, reports and updates, follow us on:

