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News release

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Auditor General reports on Scottish Government Futures Programme

The Auditor General for Scotland, Caroline Gardner, has issued a report to the Scottish Parliament on matters raised in the audit of the 2013/14 accounts for the Scottish Government.

The report draws Parliament's attention to ongoing risks to achieving the successful delivery and to overall value for money of the Scottish Government's five-year Futures Programme, created to effectively implement Common Agricultural Policy reforms in Scotland.

The report states that the programme has proved significantly more complex and challenging than anticipated. The Scottish Government has recognised this and embarked on actions to strengthen management of the programme, and achievement of critical internal deadlines. If the programme meets regulatory requirements, this would avoid significant financial consequences. However, it will not deliver the full scope and all of the benefits originally planned and will come at increased cost.

The programme has spent £44.9 million to the end of July 2014. Latest budget forecasts show that the entire programme is estimated to cost £137.3 million, an increase of £9.5 million (7.4 per cent) over the business case budget revised in March 2014. It is expected that the business case will be subject to further review, and the Scottish Government will have to accommodate all costs beyond its original forecast within its overall budget.

The Auditor General's report is available at: www.audit-scotland.gov.uk .

Audit Scotland will continue to carry out work on the matters included in the Auditor General's report, and will publish an update on the progress of the Futures Programme by June 2015.

For further information contact Kirsty Gibbins on Tel: 0131 625 1658 or by email to kgibbins@audit-scotland.gov.uk

Notes to editors

1. The Auditor General for Scotland has given an unqualified opinion on the Scottish Government Consolidated Accounts for the year ended 31 March 2014. The Scottish Government laid its 2013/2014 accounts with the Scottish Parliament on October 2nd 2014. These will be made available to view on the Scottish Government website.
2. This report has been made under section 22 of the Public Finance and Accountability (Scotland) Act 2000, which allows the Auditor General draw the Scottish Parliament's attention to matters of concern arising from an audit of accounts. The Auditor General will present this report to the Scottish Parliament's Public Audit Committee. The committee will then decide what further steps it may wish to take.
3. The European Union's Common Agricultural Policy (CAP) programme provides a system of agricultural support and programmes throughout the EU. It is split into two Pillars: Pillar 1 relates to direct support payments, which are currently worth about £500 million a year to Scotland's farmers, whilst Pillar 2 supports the Rural Development Programme expenditure of around £200 million a year across a range of rural businesses.

4. A new CAP starts in 2015. The Scottish Government is developing a new IT system to underpin the effective implementation of the new CAP; this is an important element of an overall five-year business change plan known as the Futures Programme. The programme covers the period from 2012/13 to 2016/17 and has two main elements:

- Business change - to redesign services and working practices to focus on the customer, and work more efficiently
- IT programme - to deliver a new IT system to meet the requirements of the new CAP and facilitate these improved ways of working

5. Audit Scotland published [Managing ICT contracts](#) in August 2012, highlighting a lack of specialist skills and experience and the detrimental impact on three public sector ICT programmes. A follow-up report is planned for publication in Spring/Summer 2015, and will look at how public bodies have responded to the report, and key problems encountered.

6. 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

- 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
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