

News release

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Greater government financial transparency needed

The Scottish Government spent £49.2 billion against a budget of £51.2 billion in 2021/22.

But with significant pressures on public finances, auditors have called for more transparency around government spending. Their recommendations include:

- fully costing spending commitments, and reporting them clearly in budgets
- greater transparency over capital borrowing plans and how they apply to projects
- more transparency over how reserves are used to help manage cost pressures
- and increasing transparency within the accounts around the balances held within the Scotland Reserve.

Auditors also want to see the Scottish Government further develop its guidelines for investing in private companies. For example, more could be done to strengthen financial control over its interventions and identifying benefits to the public.

Overarching all these recommendations is the ongoing need for the Scottish Government to fulfil its commitment to producing a consolidated account for the whole of the public sector to improve accountability and transparency.

Stephen Boyle, Auditor General for Scotland, said:

“The Scottish Government has strengthened its focus on longer-term financial planning, but there is still more it can do to ensure there is much greater transparency around its spending.

“The consolidated accounts as they stand are a critical component of the Scottish Government’s accountability to the Parliament and the Scottish people, especially at a time of such extraordinary pressures on the public finances.

“But they do not tell us the full picture. The need for a single public sector account that provides a comprehensive and transparent assessment of the state of Scotland’s public finances has never been greater.”

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Notes to Editor:

- 1.** The Auditor General has prepared the report on the 2021/22 Scottish Government consolidated accounts 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.
- 2.** The Scottish Government's current reporting does not reflect all the assets and liabilities of the Scottish public sector. Key assets and liabilities are excluded such as resource and capital borrowing, local government borrowing, and all public sector pension liabilities funded from the Scottish budget.
- 3.** Overall, total spending was £1,988 million less than budget. The resource budget was underspent by £1,822 million (3.7 per cent) against a budget of £49,023 million and capital was underspent by £166 million (7.5 per cent) against a budget of £2,202 million.
- 4.** Section 22 reports are submitted to Scottish Ministers for laying in the Parliament along with the accounts of the relevant body. While there are statutory deadlines for these reports, the actual timing of publication is determined by when the report is laid in the Scottish Parliament by Scottish Ministers.
- 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
 - 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.