
Audit Scotland's annual statement on sustainable economic growth for 2020/21

1. The Public Services Reform (Scotland) Act 2010, section 32(1)(a) requires listed public bodies to publish a statement on sustainable economic growth as soon as possible after the end of the financial year.
2. This statement sets out the steps that Audit Scotland has taken in 2020/21 to promote and increase sustainable growth through the exercise of its functions. Further information on this and our audit work is contained in our Annual Report and Accounts 2020/21. This is available on our website.

Introduction

3. Audit Scotland is a statutory body that supports the Auditor General and the Accounts Commission in making sure public money in Scotland is used properly, efficiently and effectively by undertaking audits and investigations of Scottish public bodies. To ensure objectivity in our work, Audit Scotland is independent of the Scottish Government and Scottish ministers. The independence, quality and timeliness of audit are essential to the public interest.

Covid-19 statement

4. The Covid-19 pandemic is a global challenge that has had far-reaching consequences for Scotland's public services and finances, and it will continue to have an impact in the future.
5. We continue to adapt to the new ways of working and carrying out our responsibilities. Our own priority as an organisation has been the health, safety and wellbeing of our people. We have worked to keep our teams informed, supported and connected, and made physical and mental wellbeing as well as emotional support a clear focus.
6. For further information visit our [Covid-19 e-hub](#) on Audit Scotland's website.

Sustainable economic growth and contribution to the National Performance Framework

- Audit Scotland contributes to sustainable economic growth and the National Performance Framework as an employer. For example:
 - Our professional trainee programme attracts 16-24-year olds and we run one of the largest public sector accountancy training schemes in Scotland. We have 44 graduate and school-leaver trainees and staff working towards professional qualifications thereby increasing the skills base of Audit Scotland, and Scotland in general.
 - Our workforce is 57 per cent female and 43 per cent Male, we have 6.8 per cent of Audit Scotland's colleagues are from minority ethnic groups compared with 4.6 per cent of the Scottish population.
 - During 2020-21 all our workforce worked from home and nearly one third of the workforce have a non-standard work pattern, which can support diverse needs and balance personal and working lives.
 - This year staff received an average of 12.5 days training and personal development to increase knowledge, skills, efficiency and effectiveness.
 - We continued to focus management and professional support to staff well-being and attendance. In 2019/20, our sickness absence remains low compared to the public sector average. Our sickness absence was on average 5.81 days which was a small increase on previous year figure of 4.97 days per employee.
 - Not all the work that we do is carried out by Audit Scotland staff. We contribute to economic activity by appointing firms of accountants to carry out audits on behalf of the Auditor General and the Accounts Commission and specialists to contribute to performance audits. This amounted to just over £5 million during 2020/21.
- 7.** Audit Scotland has an interest in the extent to which the Scottish Government is making progress against the outcomes contained in the National Performance Framework. We do this by carrying out performance, best value and financial audits to provide assurance that money and resources are being used properly, efficiently and effectively and to highlight areas for improvement.
- 8.** We audit 217 bodies, with a total spend of about £56 billion a year and in 2020/21, we audited 288 sets of accounts and completed 13 performance and Best Value audits.
- 9.** We are committed to supporting the Scottish Parliament and the public to understand how devolution is changing the landscape for public finances, and how well public bodies are taking on the significant responsibility of managing Scotland's increasing financial powers. Public audit plays a key role in helping the Scottish Parliament and policymakers understand the key issues facing the public sector and how public money is spent.

- 10.** We meet with and give oral and written evidence to a wide range of parliamentary committees and given briefings to MSPs, with a total of 43 parliamentary engagements over the year. This includes presenting to the following committees on relevant audit work: Education and Skills; Equalities and Human Rights; Finance and Constitution; Health and Sport; Justice; Local Government and Communities; Public Audit and Post-legislative Scrutiny Committee; and Social Security.
- 11.** Strong and effective public services play an important part in ensuring sustainable economic growth. Public audit provides assurance that public money is well managed and that governance arrangements for public services are sound. This helps create a strong and effective system of accountability and transparency which supports the best use of public money in the public interest.
- 12.** We carry out performance audits across the public sector to help public bodies improve the quality of their services, do more with their money, and find more efficient and effective ways of working to the same or better standards. Our audit reports carry recommendations for public bodies to help them improve.
- 13.** During 2020, we paused and reframed our performance audit programme. This was partly to understand the emerging impacts of Covid-19, what new work was required and how existing planned work needed to be reshaped. This included consulting with key stakeholders on the refreshed programme [URL] we will deliver for the Auditor General and Accounts Commission.
- 14.** We also aimed to minimise the audit demands on public bodies at a time when they were under increasing pressure, while not compromising the rigour of our work. Our refreshed programme takes a more flexible approach in order to both consider public bodies' capacity and to enable us to react to fast-changing circumstances.
- 15.** During 2020/21 we published seven reports on behalf of the Auditor General and the year we were able to publish reports on audits completed before the pandemic. The first was [Affordable housing \(April\)](#), in which we found that good progress had been made to meet the Scottish Government's ambitious target of 50,000 new affordable homes between April 2016 and March 2021 but that serious risks remained to the government achieving this by its deadline.
- 16.** The second was our review of Highland and Islands Enterprise's (HIE) management of [Cairngorm Mountain and the funicular railway \(June\)](#). Our audit found HIE had acted appropriately when selecting a private company to manage the resort, but challenging decisions on its future were now needed.
- 17.** In February 2021 our [NHS overview](#), focused on how the Scottish Government and NHS had responded to Covid-19 and the pandemic's wider impact on an already-pressured health service. The government and NHS acted quickly to prevent the service being overwhelmed, but we found the government could have been better prepared to respond to a pandemic.
- 18.** Our overviews of local government also reviewed the existing challenges the sector faced prior to the pandemic as well as the emerging issues and key

issues public bodies will need to consider when rebuilding. Our [review of key challenges and issues \(June\)](#) said financial sustainability, service reform and health and social care integration were more urgent than ever. Later in 2020/21, our [financial overview \(January\)](#) found that funding had increased significantly but Covid-19 will drive up costs and spending.

19. We also reviewed [local government's digital progress \(January\)](#), where the pandemic has accelerated the pace at which councils are using digital technology to deliver services.

20. We reported on progress in [Improving outcomes for young people through school education \(March\)](#) and found limited progress in closing the poverty-related attainment gap between the most and least deprived school pupils in Scotland, wide variation in council's performance and a need for better data on educational achievement.

Countering fraud

21. Audit plays a role in deterring and detecting fraud in public bodies, and in helping organisations prevent the loss of public money through mistakes. Audit Scotland coordinates the National Fraud Initiative, an exercise that matches datasets across the public sector to identify potential fraud and errors such as overpayments. In July we published our biennial NFI report, The National Fraud Initiative in Scotland 2018/19.

22. The Covid-19 pandemic has brought its own fraud challenges to Scotland's public sector. We reported on these in a special report on [Covid-19: Emerging fraud risks](#), including guidance on how public bodies can reduce the risks. We also published our annual [Fraud and irregularity update](#) on cases auditors reported on during 2019/20.

Covid-19 briefings and impact reports

23. We produce briefings to help people understand changes and developing issues in the public sector. These are available in the [Covid-19 e-hub](#) section of our website.