

Climate change

Annual report 2023/24



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Accessibility

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Background

Purpose

1. The purpose of this document is to provide an update on the progress we are making towards our organisational environmental targets. It also provides an update on how we are developing our approach to auditing climate change.
2. Part 1 looks at our environmental performance as an organisation. Part 2 looks at what we are doing to develop our approach to auditing climate change.

Our ambition

3. Audit Scotland has a unique position within the public sector in Scotland, from which we aim to influence and support positive changes in how Scotland is responding to the climate emergency. This includes aiming to lead by example with our organisational response.
4. We aim to manage our own operations in a way that minimises our negative environmental impact and enhances our positive impact, wherever possible.
5. Our first [Climate change plan \(2015–2020\)](#) set a target to reduce our emissions from the baseline level of 533 tonnes of carbon dioxide equivalent (tCO₂e) to less than 292 tCO₂e by 2020. We went further than our target and recorded 215 tCO₂e in 2019/20.
6. A review of the initial plan was put on hold in 2020 due to the Covid-19 pandemic and we published our new [Environment, Sustainability and Biodiversity Plan 2021–2025](#) in September 2021. The plan sets out our approach to sustainability issues and continues to reflect our emissions reduction aspirations as well as introducing a focus on reaching net zero by 2030. It includes interim targets against the baseline year 2008/09.

Governance

7. Climate change issues are integrated into what we do and how we work through our corporate publications including our [Annual report and accounts](#), [Public audit in Scotland 2023-28](#), and [Corporate Plan 2023-28](#).

8. We have governance and risk management arrangements for climate change and wider environmental sustainability to ensure that these issues are taken into account at every level of decision-making.

9. The roles and responsibilities of the groups involved in leading, managing and holding us to account for our environmental and sustainability performance are set out in [Appendix 1 \(page 20\)](#).

1. Our environmental performance

Key messages

1 In 2023/24, we exceeded our overall 2030 emissions reduction target, as set out in our Environment, Sustainability and Biodiversity Plan 2021–2025.

We have maintained reduced levels of business travel through continued hybrid working following the pandemic and therefore the resulting emissions remain significantly lower than pre-pandemic levels. Business travel emissions have increased compared to last year, indicating a return to more typical patterns of working, but remain 50 per cent less than our target for travel emissions by 2030.

2 Emissions from gas and electricity usage in Audit Scotland's offices increased in 2023/24. This was expected, as a result of increasing the size of our office space in Glasgow to accommodate growing staff numbers. We anticipate a further increase in energy use as we fully occupy the space. The extent to which this will be balanced by a recent decrease in the size of our Edinburgh office is not yet known.

3 Carbon emissions generated from the energy used by staff when they work from home decreased slightly in 2023/24. This reflects an increase in colleagues working in our offices compared to the previous year. Emissions from working from home are not currently included in our targets, but we do estimate and report them. We do not routinely quantify emissions arising from staff commuting to and from work; however, we estimate that average annual emissions have

decreased by about 65 per cent compared to estimated pre-pandemic levels.

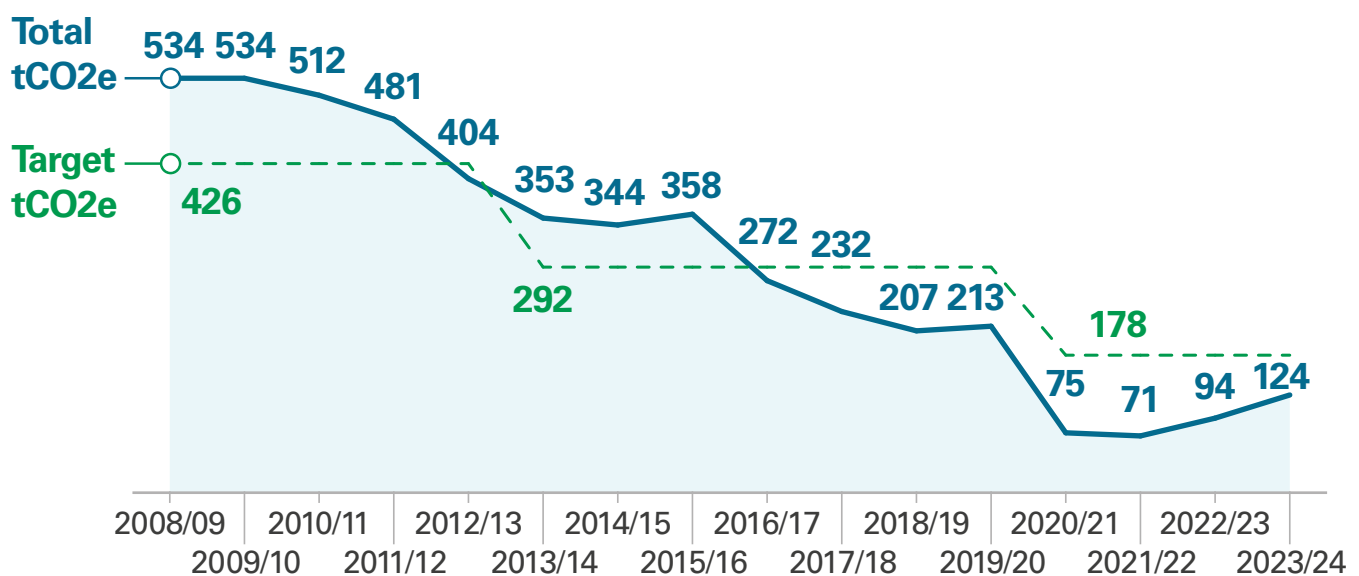
4 During 2023/24, Audit Scotland reviewed its emissions reduction target. We want to minimise any future reliance on carbon offsetting to meet our net zero ambitions but have decided to maintain our current emissions reduction target in the short term. Analysing 2024/25 data will help us to gain a better understanding of trends in business travel and to assess the impact of changes to our office spaces on our energy use, to ensure future targets are stretching yet realistic. We will report on the outcome of this in next year's climate change annual report.

Overall emissions in 2023/24

Overall carbon emissions against targets

10. Performance against our targets to reduce total carbon emissions to date is shown in [Exhibit 1](#).

Exhibit 1. Carbon reduction since 2008 against targets



Note: In 2023 we corrected some previously reported figures following a review of our emissions data and included the updated figures in our 2022/23 annual report. The graph does not include working from home emissions, as they are not included in our current targets.






Source: Audit Scotland

11. In 2023/24, the total for the emissions that are included in our carbon reduction target was 124 tCO₂e. This is 54 tCO₂e (30 per cent) lower than our target to achieve no more than 178 tCO₂e by 2024/25. It is 9 tCO₂e (7 per cent) lower than our current 2030 emissions reduction target to emit no more than 133 tCO₂e ([Exhibit 2, page 8](#)).

12. This achievement is due largely to business travel not returning to pre-pandemic levels, as hybrid working arrangements continue, although business travel has increased slightly compared to 2022/23.

Exhibit 2.

Carbon footprint in 2023/24 compared to route map emissions reduction targets

Carbon emissions included in our carbon reduction targets	Actual 2023/24 tCO ₂ e	Target 2024/25 tCO ₂ e	Target 2029/30 tCO ₂ e
 Energy	88	79	65
 Business travel	31	92	63
 Waste and recycling¹	4	6	4
 Water	1	1	1
Total²	124	178	133
 Working from home (not included in carbon reduction targets)³	99	–	–

Notes:

1. We did not report on waste and recycling emissions between 2020/21 and 2022/23 as the majority of colleagues were working from home. In 2019/20, emissions were 7 tCO₂e.

2. A breakdown of the sources of the emissions in this exhibit can be found in [Appendix 2, page 22](#).

3. For transparency, we are including our working from home emissions in this report although they are not included in our current targets as set out in our [Environment, Sustainability and Biodiversity Plan 2021-25](#).

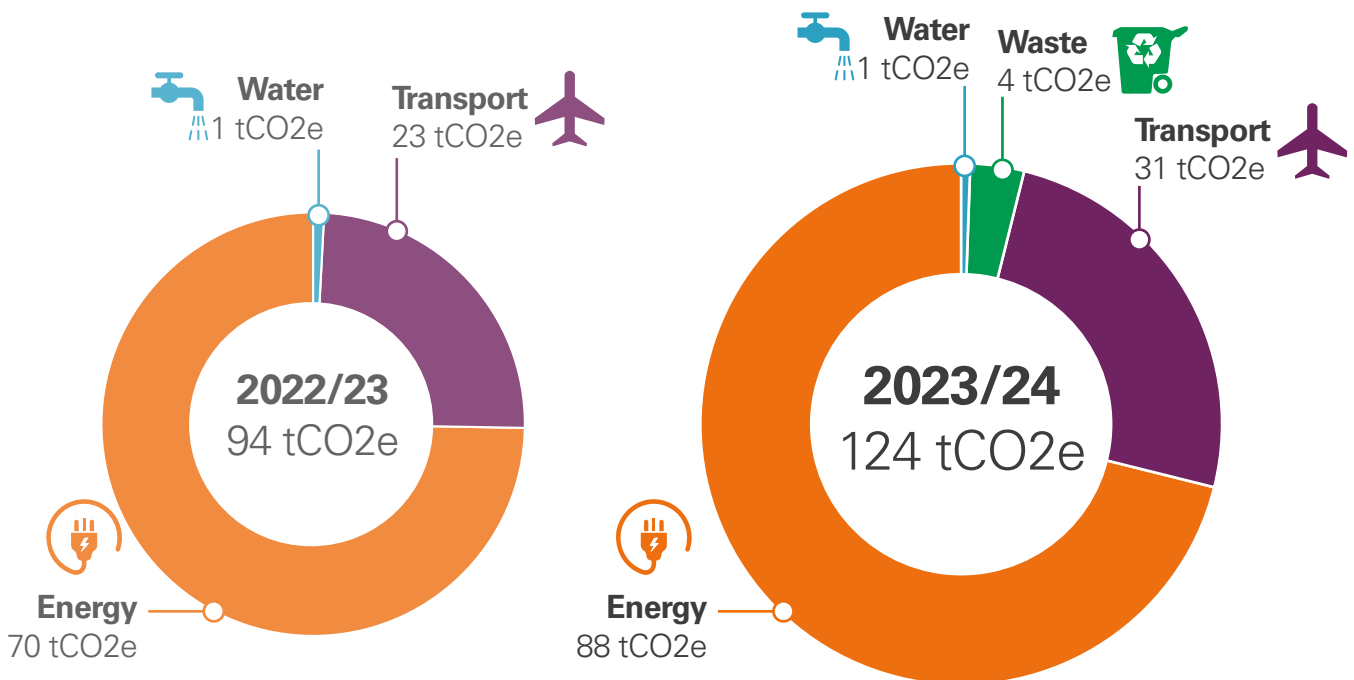
Source: Audit Scotland

Change in emissions between 2022/23 and 2023/24

13. Although our long-term targets have been surpassed, emissions included in the scope of our targets increased by 30 tCO₂e (32 per cent) between 2022/23 and 2023/24, as shown in [Exhibit 3 \(page 9\)](#).

14. This increase is due to a rise in emissions from both energy use and business travel. We recognise that further increases in these areas could mean that we will fail to meet our targets in future years. We are monitoring the data closely to understand what impact current trends in business travel and changes to our office spaces may have on our ability to meet our targets in future years.

Exhibit 3. Carbon footprint in 2023/24 compared to last year



Note: We did not report on waste and recycling emissions between 2020/21 and 2022/23 as the majority of colleagues were working from home. In 2019/20, emissions were 7 tCO2e.

Source: Audit Scotland

Energy carbon emissions

Emissions from electricity and gas used in offices

Target: Reduce emissions from electricity and gas used in offices to no more than 79 tCO2e by 2024/25.

Performance to date: Our emissions from electricity and gas used in offices in 2023/24 were 88 tCO2e.

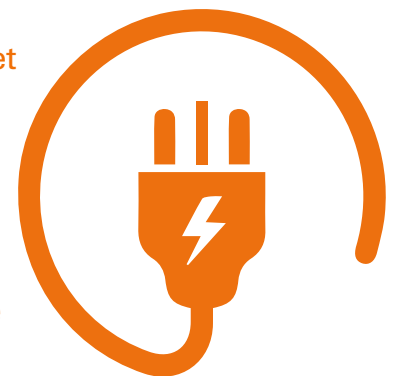
Summary: The increase in the size of our Glasgow office means that the carbon emissions from the electricity and gas used in our offices have increased by 18 tCO2e compared to 2022/23.

2024/25 target

79 tCO2e

2023/24

88 tCO2e



15. Compared to 2022/23, emissions from electricity use have increased by 4 tCO2e and emissions from gas use by 14 tCO2e. This has been driven mainly by an increase in the size of our Glasgow office.

16. Development of the new office space has only recently been finalised, so the impact on our energy use may increase further as we fully occupy the space. However, we also anticipate a reduction in our energy use following the recent decrease in the size of our Edinburgh office. The overall impact of these reconfigurations to our office spaces on our ability to meet our targets for future years is currently unclear.

17. While we have already made a number of changes to reduce energy consumption in our offices, there is still more that we can do in this area. Our new thematic working group for energy use is currently exploring options for changing the lighting in our offices to LED bulbs, which would decrease energy consumption.

Emissions from electricity and gas used when staff work from home

18. Audit Scotland's targets do not currently include carbon emissions generated as a result of the gas and electricity used by staff when they work from home. However, we do estimate and report them.

19. Working from home emissions decreased to 99 tCO₂e in 2023/24, compared to 102 tCO₂e in 2022/23. This reflects an increase in colleagues working in our offices in 2023/24 compared to the previous year.

20. Although we report our working from home emissions we do not routinely quantify the emissions generated by staff commuting to and from work. The thematic working group surveyed a sample of staff and found that estimated average annual emissions from current commuting patterns had decreased by about 65 per cent compared to estimated pre-pandemic levels. We are exploring possible methodologies to help us understand the net carbon impact of working from home when both staff commuting and home energy emissions are taken into account.

Business travel carbon emissions

Business travel

Target: Reduce annual business travel carbon emissions to no more than 92 tCO₂e by 2024/25.

Performance to date: Our carbon emissions from business travel in 2023/24 were 31 tCO₂e, well below our target for 2024/25.

Summary: Compared to 2022/23 we increased our carbon emissions by 8 tCO₂e. However, we are 74 per cent below our 2019/20 pre-pandemic levels.

2024/25 target

92 tCO₂e

2023/24

31 tCO₂e



21. While our business travel emissions have increased from 23 to 31 tCO₂e compared to the previous year, we are still 74 per cent below our pre-pandemic levels of 118 tCO₂e.

22. Audit Scotland staff travelled 321,341 business kilometres in 2023/24 compared to 325,254 the previous year. Kilometres are measured across all transport modes, including car, rail and air. Although we travelled fewer business kilometres, the increase in emissions is due to more flights being taken in 2023/24. This reflects a return to more typical patterns of working following the pandemic. However, business travel is still considerably less than pre-pandemic levels, when we travelled approximately one million kilometres a year.

23. The overall reduction in business travel is due, to a large extent, to the shift to online meetings which has reduced the need to travel. Audit Scotland has invested in technology to support this, including enhanced hybrid meeting facilities. Colleagues are increasingly travelling to audit sites, but this remains significantly lower than pre-pandemic levels. The biggest reductions since 2019 have been in car travel and flights. Colleagues are giving careful consideration to whether business travel is necessary and for choosing the least carbon-intensive option when it is.

24. A new thematic working group has been established with the aim of minimising the environmental impact of our business travel, for example organising activities to encourage staff to choose more sustainable transport options. The group is currently exploring ways of calculating the emissions impact from general commuting to our office sites.

25. Based on current trends in business travel, we have demonstrated that we are able to meet our 2030 target of less than 63 tCO₂e per annum. Business travel is likely to fluctuate depending on need. The thematic working group will monitor trends in business travel closely, recognising that any significant increase would have implications for our ability to meet our targets in future.

Waste, recycling and water carbon emissions

Waste

Target: Reduce waste and recycling carbon emissions to no more than 6 tCO₂e by 2024/25. (There is no carbon reduction target for water which has remained consistent at 1 tCO₂e for several years.)

Performance to date: Our waste and recycling carbon emissions in 2023/24 were 4 tCO₂e.

Summary: We did not report on waste and recycling emissions between 2020/21 and 2022/23 as the majority of colleagues were working from home. Emissions in 2023/24 are lower than in 2019/20 (7 tCO₂e) and below our target for 2024/25.

2024/25 target

6 tCO₂e

2023/24

4 tCO₂e



26. As a result of hybrid working, we have not returned to pre-pandemic levels of office waste and recycling emissions (7 tCO₂e in 2019/20).

27. We have established a thematic group to lead on activity related to waste and procurement. The group has worked with colleagues to implement several initiatives to minimise waste as much as possible. This includes reducing our stationery supplies and using glass milk bottles that are collected and reused. Based on this activity, we are confident we can meet our target of 4 tCO₂e by 2030.

Procurement carbon emissions

28. We focus on embedding sustainability into our procurement activity and we include sustainability clauses in our standard procurement terms and conditions.

29. To date we have not included supply chain emissions in our calculations. The thematic working group for waste and procurement will consider our approach to this as part of continued work to review our current emissions reduction target.

Biodiversity and responding to the nature emergency

30. The Nature Conservation (Scotland) Act 2004 places a statutory duty on all public sector bodies in Scotland to further the conservation of biodiversity. The Wildlife and Natural Environment (Scotland) Act 2011 introduced a requirement for all public bodies to report publicly on their compliance with the biodiversity duty. Biodiversity duty reports are required every three years. Our most recent [biodiversity duty report](#) was published in December 2023.

31. Audit Scotland does not own or manage land and we therefore have limited opportunity to carry out activities which encourage biodiversity. However, we can support biodiversity through:

- reducing our carbon footprint
- reducing what we buy and the resources we use
- reducing the amount of pollution we put into the environment
- minimising waste and following the waste hierarchy
- highlighting biodiversity, where relevant, through our audit work.

32. We have a thematic working group focused on supporting biodiversity, which led activity during 2023/24 including:

- Mainstreaming biodiversity: piloting the new [Nature's Workforce](#) toolkit, developed by nature charities (WWF, RSPB and the National Trust).
- Public engagement and workforce development: organising workforce events to raise staff awareness of biodiversity, for example with the sustainable development team at the Scottish Parliament. Further events are planned for 2024/25.

Building climate resilience

33. In addition to reducing our emissions, Audit Scotland has also made a commitment in its [Corporate Plan 2023-28](#) to make progress towards becoming climate resilient. This means thinking about how we will adapt and respond as an organisation in the face of ever-increasing climate change impacts and the disruption they bring, including floods, storms, heatwaves, droughts and wildfires.

34. Paramount to all of this is staff wellbeing and we have included specific climate change considerations into our draft Health, Safety and Wellbeing Strategy. We know that the impacts of climate change will be felt unequally by different groups. Those with particular health conditions, for example, may require additional support. To ensure that these issues are taken into account, climate-specific considerations are also now being included in our draft Diversity, Equalities and Inclusion Strategy. Further work will be done to consider specific actions that might be put in place to support the climate resilience elements of these strategies and we will report on this in our climate change annual report next year.

35. Risks to our operations as a result of extreme weather events are managed through our business continuity processes. These will continue to be reviewed and updated to ensure that the organisation is able to plan for, respond to and recover from climate impacts when they arise.

36. A climate resilience thematic working group has been established to support our work in this area. The group will focus on mainstreaming climate resilience into our broader corporate activities. It has also been reviewing the development of specific climate resilience indicators, which will be confirmed in our climate change annual report next year.

Validation of figures

37. Audit Scotland has introduced an internal peer review process, which means that all data is peer reviewed and quantified by at least two people.

Looking ahead: leading our drive to net zero and climate resilience

Governance arrangements

38. The new climate change governance structure introduced in 2023 is now embedded in the organisation and the Green Future Strategic Group is a key corporate decision-making forum ([Appendix 1, page 20](#)). The thematic working groups have been focused on establishing their remits, ensuring appropriate membership, and developing initial action plans.

39. The Green Future Strategic Group and thematic groups are continually reviewing how we are responding as an organisation to the climate emergency and identifying opportunities for further improvement in our environmental performance, climate resilience and our approach to auditing climate change. Examples of activity progressed by the strategic group and thematic working groups during 2023/24 are included throughout this report. We will report on progress against the thematic groups' action plans in more detail in next year's climate change annual report.

Target review and shaping future plans

40. During 2023/24, Audit Scotland reviewed its targets to make sure that the scope of the emissions included, and the data underpinning them, is still appropriate. The outcome of the review was a decision by the Green Future Strategic Group to maintain our current emissions reduction targets in the short term. We remain committed to our ambition of reaching net zero by 2030.

41. Once available, we will analyse 2024/25 data to gain a better understanding of trends in business travel and to assess the impact of changes to our office spaces on our energy use. This information will help to ensure that any changes to our current target, and targets beyond 2030, are stretching yet realistic. We will report on progress with reviewing our targets in next year's climate change annual report.

42. We are also exploring ways to improve the data underpinning our emissions reduction targets. This includes building on work to estimate emissions from commuting patterns and aligning this with data on working from home emissions and energy use in our offices.

43. We do not currently offset our emissions but offsetting is integral to meeting our aim to be net zero by 2030. This target includes reducing our emissions by 75 per cent against a 2008 baseline and then offsetting the remaining 25 per cent. We would aim to do this by utilising schemes that remove carbon from the atmosphere, such as correctly planned tree planting. As part of our target review, we agreed to aim to reduce our future reliance on carbon offsetting as much as possible by maximising and prioritising emissions reduction and exceeding our current targets if feasible. We also agreed to ensure that we will only utilise carbon offsetting schemes that are in line with Scottish Government guidance and which meet specific ethical and environmental criteria. We will publish details of our offsetting criteria in our climate change annual report next year.

2. Auditing climate change

Key messages

- 1** We published four outputs specifically on climate change during 2023/24. We have started to integrate climate considerations into our wider performance audit and Best Value work.
- 2** As part of the 2022/23 annual audit all appointed auditors were asked to gather information on the arrangements for responding to climate change in public bodies. Auditors reported their findings in their 2022/23 annual audit reports.
- 3** Climate change will continue to feature in our performance audit work programme for the foreseeable future. It will increasingly become part of the annual audit of financial statements as public bodies are required to enhance their financial reporting disclosures on climate change.
- 4** We use opportunities to speak at conferences, contribute to workshops and meet with external organisations to raise awareness of our audit findings and share learning.

Our audit role

44. In December 2022, we published [Auditing climate change: Our strategy](#), which sets out our approach to auditing climate change. It outlines the role of public audit in this area and our aim to hold public bodies to account and help drive change and improvement in how public bodies are contributing to the Scottish Government's ambitions around climate change mitigation and resilience.

45. We focus our attention on the areas where we can uniquely add the greatest value. Our approach focuses on:

- holding audited bodies to account for their actions and spending on climate change
- holding audited bodies to account for climate-related disclosures in their annual accounts
- identifying and sharing learning, including good practice and areas for improvement.

Our audit work

46. During 2023/24, Audit Scotland published the following outputs focused on climate change:

- [How the Scottish Government is set up to deliver climate change goals](#) (April 2023): This report on behalf of the Auditor General focuses on how effective the Scottish Government's climate change governance and risk management arrangements are in supporting it to drive the delivery of Scotland's national net zero targets and climate change adaptation outcomes. The Scottish Government has made good progress against the recommendations in the report, leading to more transparent governance arrangements and more active monitoring and management of risks.
- [Approaches to achieving net zero across the UK](#) (September 2023): This report is a joint piece of work between the public audit offices of the four UK nations – Audit Scotland, Audit Wales, National Audit Office and Northern Ireland Audit Office. It sets out the UK and devolved governments' legislation, policies, strategies, and governance and monitoring arrangements, relevant to achieving net zero.
- [Tough decisions ahead on climate change](#) (October 2023): A blog by the Auditor General highlighting the important role of public audit in examining the public sector's response to climate change.
- [Decarbonising heat in homes](#) (February 2024): This report on behalf of the Auditor General examines progress towards the Scottish Government's ambition to reduce emissions from heating homes by switching away from polluting heating systems, such as fossil fuel boilers, to clean heating systems by 2045. The Scottish Government accepted all the recommendations in the report and we are monitoring progress in implementing them.

47. We plan to publish a performance audit report on sustainable transport in early 2025. This will look at what the Scottish Government and councils are doing to reduce car journeys and encourage the increased use of public transport and active travel options, to help bring down transport emissions (in line with the Scottish Government's target to reduce car kilometres by 20 per cent by 2030).

48. We are also undertaking a performance audit examining how well public bodies are working with each other and with communities to build resilience to flooding. That includes activity to avoid flooding where possible, but also supporting communities to prepare for, respond to and recover from flooding events. We plan to publish this report in summer 2025.

49. We will continue to undertake performance audits that focus specifically on climate change policies, targets and objectives. We are also working to integrate climate considerations into our wider work. For example:

- A recent performance audit on [Investing in Scotland's infrastructure](#), and our reporting on the NHS and college sector, considered the challenges in meeting net zero commitments within existing capital budgets.
- Thematic Best Value work in councils and annual financial audits have considered the extent to which climate change features in strategic decision-making and financial disclosures.

50. In anticipation of future accounting and auditing requirements relating to climate change, as part of the 2022/23 annual audit all appointed auditors were asked to gather information on the arrangements for responding to climate change in public bodies. This included considering what targets, strategies and monitoring arrangements were in place, and the extent to which bodies were considering the impact of climate change on their financial statements. Auditors reported their findings in their 2022/23 annual audit reports, which were published during 2023/24.

51. We monitor the impact of our audit work, which helps to inform proposals for future work. We also use opportunities to speak at conferences, contribute to workshops and meet with external organisations to raise awareness of our audit findings and share learning.

Looking ahead: developing our audit approach

52. We continue to refine our audit methodology and approach in response to our learning and external developments, such as new legislation or standards. We have established a thematic working group to coordinate activity across Audit Scotland with the aim of ensuring:

- we focus our audit work on climate change on the areas where we can uniquely add the greatest value

- we are aware of developments in auditing standards and ensure that auditors comply with any future statutory obligations
- our auditors have the knowledge and skills required to undertake work on climate change.

53. Climate change considerations will increasingly become part of the annual audit of financial statements, as public bodies are required to enhance their financial reporting disclosures on climate change. Our Innovation and Quality team have prepared materials to support auditors in considering climate-related financial disclosures, for example:

- The information gathered by auditors as part of the 2022/23 audit ([paragraph 50](#)) has been shared with auditors to assist with both the planning of the 2024/25 audits and auditing climate change disclosures within the 2024/25 annual accounts of public bodies.
- We have published a Good Practice Note that shares the findings from a review of climate change-related disclosures within the 2022/23 and 2023/24 annual accounts of a sample of Scottish public bodies. It is intended to act as a catalyst for public bodies to assess and enhance future climate-related disclosures.

54. Learning from others and sharing learning is integral to the development of our audit approach. We continue to liaise with audit firms to benefit from their experience of auditing climate change in the private sector. We have rolled out climate change training for auditors and will continue to develop additional training in response to future developments.

Appendix 1

Environmental and sustainability governance arrangements

Audit Scotland Board

Membership: The Auditor General for Scotland, the Chair of the Accounts Commission and three members appointed by the Scottish Commission for Public Audit.

Role: The 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. Under the Scheme of Delegation, the board formally approves Audit Scotland's Environment, Sustainability and Biodiversity Plan. It receives annual updates on performance against the plan's targets and objectives, thereby holding Audit Scotland to account for their performance.

Executive Team

Membership: The Auditor General for Scotland; Audit Scotland's Chief Operating Officer; the Controller of Audit; Executive Directors of Audit Services, Performance Audit and Best Value, and Innovation and Quality.

Role: Executive Team is responsible for embedding environmental considerations into decision-making, approving policies that include environmental dimensions, and scrutinising performance against environmental targets.

Green Future Strategic Group

Membership: Representatives from across all business groups.

Role: The Green Future Strategic Group has an important leadership role and is empowered to make strategic decisions that will influence our response to climate change and wider environmental issues. It coordinates and oversees relevant activity across the organisation and scrutinises Audit Scotland's performance. It leads delivery of our Green Future Strategy.

Green Future Thematic Groups

Membership: Representatives from across all business groups.

Role: Sitting beneath the Green Future Strategic Group are six thematic working groups, each focusing on a key area of activity to help reduce Audit Scotland's environmental impact and develop our auditing approach (energy use, travel, procurement and waste, biodiversity, climate resilience and our audit approach). These groups report into the Green Future Strategic Group and provide information to help support decision-making and identify risks.

Business groups (Audit Services, Performance Audit and Best Value, Innovation and Quality, and Corporate Services)

Role: Audit Scotland's business groups are pivotal in 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.

Appendix 2

Sources of Audit Scotland's carbon emissions 2023/24

Category	CO2 emissions (tCO2e)
Energy use	
Natural gas	35
Grid electricity	53
Working from home	99 (not included in targets)
Travel	
Rail	7.0
Car travel	12.13
Flights – domestic	7.67
Flights – short haul	3.45
Taxi	0.25
Bus	0.07
Waste and recycling	
Refuse to landfill	1
Recycling	3
Water	
Water – treatment and supply	1
Total	124 (223 including working from home emissions)

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