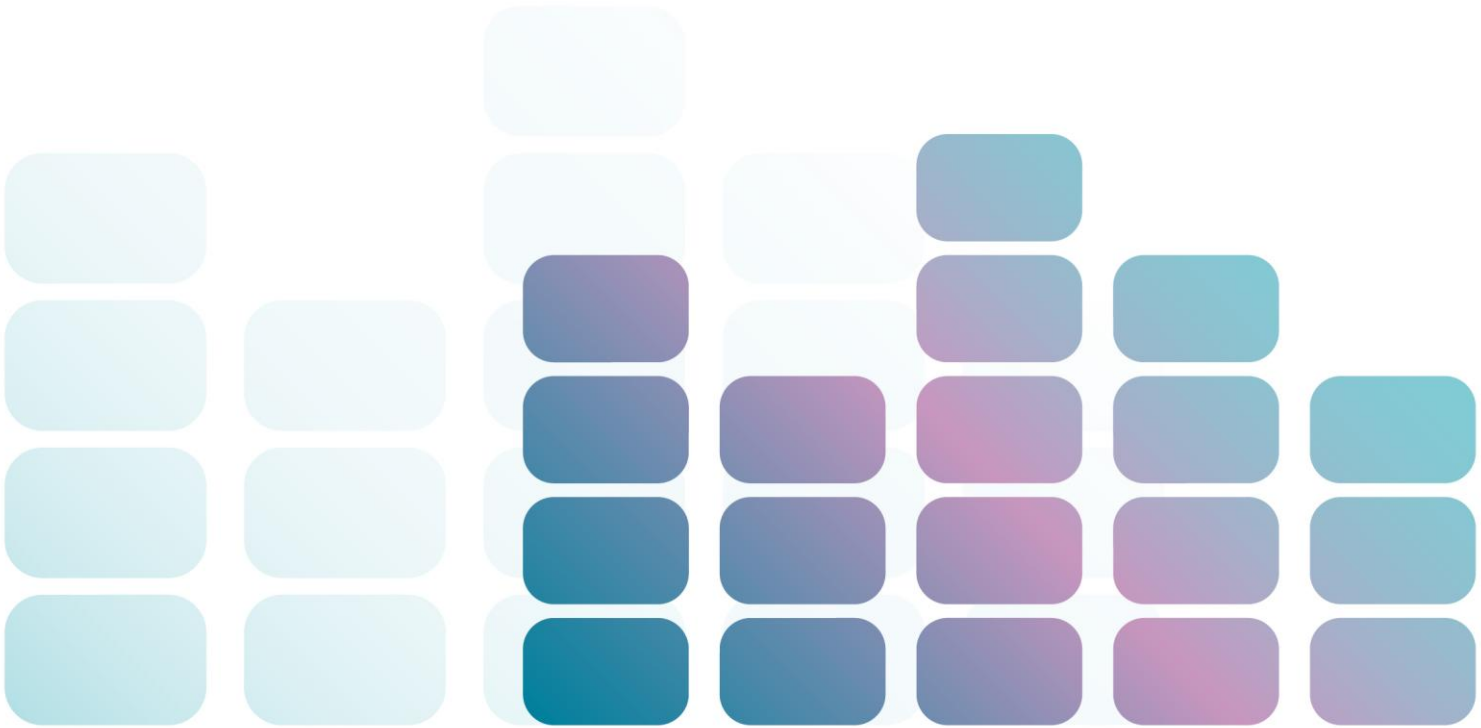


VisitScotland

2024/25 Annual Audit Report



Prepared for VisitScotland and the Auditor General for Scotland
November 2025

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Accessibility

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Key messages

Audit of the annual report and accounts

- 1 All audit opinions stated that the annual report and accounts were free from material misstatement.
- 2 There was one significant finding to report. All audit adjustments required to correct the financial statements were processed by VisitScotland.

Wider scope and Best Value audit

- 3 There are appropriate arrangements in place to secure sound financial management. VisitScotland operated within its allocated budget in 2024/25, reporting a break-even position for the year.
- 4 VisitScotland has a five-year financial plan that contains a range of assumptions and scenarios for future funding and pay. This highlights the potential risk to sustaining core activities if future funding levels reduce.
- 5 Significant costs were incurred in 2024/25 relating to VisitScotland's strategic change programme projects that will generate efficiencies in future years and will contribute towards the ambition of public sector reform. This included investment in technology and a voluntary redundancy scheme.
- 6 VisitScotland's strategic framework clearly sets out the purpose, vision and mission of the organisation aligned to national priorities. VisitScotland published its three-year corporate plan that outlines its key priorities over this period.
- 7 VisitScotland monitors and reports against key strategic priorities to help inform future decision making.
- 8 The VisitScotland Equality Mainstreaming Report was published in 2025. The findings in the report demonstrates that it meets the fairness and equality best value characteristics.

Introduction

Purpose of the Annual Audit Report

1. The purpose of this Annual Audit Report is to report the significant matters identified from the 2024/25 audit of VisitScotland's annual report and accounts and the wider scope areas specified in the [Code of Audit Practice \(2021\)](#).
2. The Annual Audit Report is addressed to VisitScotland and the Auditor General for Scotland, and will be published on [Audit Scotland's website](#) in due course.

Scope of the audit

3. The audit is performed in accordance with the Code of Audit Practice, including supplementary guidance, International Standards on Auditing (ISA) (UK), and relevant legislation. These set out the requirements for the scope of the audit which includes:
 - An audit of the financial statements and an opinion on whether they give a true and fair view and are free from material misstatement, including the regularity of income and expenditure.
 - An opinion on statutory other information published with the financial statements in the annual report and accounts, namely the Performance Report and Governance Statement.
 - An opinion on the audited part of the Remuneration and Staff Report.
 - Conclusions on VisitScotland's arrangements in relation to the wider scope areas: Financial Management; Financial Sustainability; Vision, Leadership and Governance; and Use of Resources to Improve Outcomes.
 - Reporting on arrangements for securing Best Value.
 - Providing assurance on the Whole of Government Accounts return.
 - Provision of this Annual Audit Report.

Appointed auditor and independence

4. Pauline Gillen, of Audit Scotland, has been appointed as the external auditor of VisitScotland for the period from 2022/23 until 2026/27. As

reported in the Annual Audit Plan, Pauline Gillen and the audit team are independent of VisitScotland in accordance with relevant ethical requirements, including the Financial Reporting Council's Ethical Standard. There have been no developments since the issue of the Annual Audit Plan that impact on the continued independence of the engagement lead or the rest of the audit team from VisitScotland, including no provision of non-audit services.

Responsibilities and reporting

5. The Code of Audit Practice sets out the respective responsibilities of VisitScotland and the auditor, with a summary outlined below.

Auditor's responsibilities

6. The responsibilities of auditors in the public sector are established in the Public Finance and Accountability (Scotland) Act 2000. These include providing an independent opinion on the financial statements and other information reported within the annual report and accounts and concluding on VisitScotland's arrangements in place for the wider scope areas and Best Value.

7. The Annual Audit Report includes an agreed action plan at [Appendix 1](#). The matters reported are those that have been identified by the audit team during normal audit work and may not be all that exist. Communicating these does not absolve VisitScotland from its responsibilities outlined below.

VisitScotland's responsibilities

8. VisitScotland has primary responsibility for ensuring proper financial stewardship of public funds, compliance with relevant legislation and establishing effective arrangements for governance, propriety, and regularity that enables it to successfully deliver its objectives. The features of proper financial stewardship include:

- Establishing arrangements to ensure the proper conduct of its affairs.
- Preparation of an annual report and accounts, comprising financial statements for VisitScotland and its group that gives a true and fair view and other specified information.
- Establishing arrangements for the prevention and detection of fraud, error and irregularities, and bribery and corruption.
- Implementing arrangements to ensure its financial position is soundly based.
- Making arrangements to secure Best Value.
- Establishing an internal audit function.

National and performance audit reporting

9. The Auditor General for Scotland and the Accounts Commission regularly publish national and performance audit reports. These cover a range of matters, many of which may be of interest to VisitScotland and the Audit and Risk Committee. Details of national and performance audit reports published over the last year can be seen in [Appendix 2](#).

Acknowledgements

10. We would like to thank VisitScotland and its staff, particularly those involved in preparation of the annual report and accounts, for their cooperation and assistance during the audit. We look forward to working together constructively over the remainder of the five-year audit appointment.

Audit of the annual report and accounts

Main judgements

All audit opinions stated that the annual report and accounts were free from material misstatement.

There was one significant finding to report. All audit adjustments required to correct the financial statements were processed by VisitScotland.

Audit opinions on the annual report and accounts are unmodified

11. VisitScotland and its group's annual report and accounts for the year ended 31 March 2025 were approved by the Board and signed by the appointed auditor on 4 December 2025. The Independent Auditor's Report is included in VisitScotland's annual report and accounts, and this reports that, in the appointed auditor's opinion, these were free from material misstatement.

The audit has been delivered in accordance with the agreed timetable

12. The unaudited annual report and accounts and all working papers were received on 30 September 2025 in accordance with the agreed audit timetable. The working papers that accompanied the annual report and accounts were of a good standard.

The audit fee is unchanged from the level reported at planning

13. The audit fee for the 2024/25 audit was reported in the Annual Audit Plan and was set at £105,760. There have been no developments that impact on planned audit work required, therefore the audit fee reported in the Annual Audit Plan remains unchanged.



Materiality was reviewed on receipt of the unaudited annual report and accounts

14. Materiality is applied by auditors in planning and performing an audit. The concept of materiality is to determine whether misstatements identified during the audit could reasonably be expected to influence the decisions of users of the annual report and accounts. Auditors set a monetary threshold when determining materiality, although some issues may be considered material by their nature. Therefore, materiality is ultimately a matter of the auditor's professional judgement.

15. Materiality levels for the audit of VisitScotland and its group were determined at the risk assessment phase of the audit and were reported in the Annual Audit Plan, which also reported the judgements made in determining materiality levels. These were reassessed on receipt of the unaudited annual report and accounts. Materiality levels were updated and these can be seen in [Exhibit 1](#).

Exhibit 1

2024/25 Materiality levels for VisitScotland and its group

Materiality	Amount
Materiality – set at two per cent of gross expenditure	£1.0 million
Performance materiality – set at 60 per cent of materiality. As outlined in the Annual Audit Plan, this acts as a trigger point. If the aggregate of misstatements identified during the audit exceeds performance materiality, this could indicate further audit procedures are required.	£0.6 million
Reporting threshold – set at five per cent of materiality	£50,000

Source: Audit Scotland

Significant findings and key audit matters

16. ISA (UK) 260 requires auditors to communicate significant findings from the audit to those charged as governance, which for VisitScotland is the Audit and Risk Committee.

17. The Code of Audit Practice also requires public sector auditors to communicate key audit matters. These are the matters that, in the auditor's professional judgement, are of most significance to the audit of the financial statements and include:

- Areas of higher or significant risk of material misstatement.

- Areas where significant judgement is required, including accounting estimates that are subject to a high degree of estimation uncertainty.
- Significant events or transactions that occurred during the year.

18. The significant findings and key audit matters to report are outlined in [Exhibit 2](#).

Exhibit 2

Significant findings and key audit matters

Significant findings and key audit matters	Outcome
Fixed asset register There are assets with £11.4 million gross book value on the VisitScotland's asset register with a nil net book value at 31 March 2025. These are across intangible and non-current asset categories. Management should undertake an exercise to review its fixed asset register to identify if these assets are still in use and consider the suitability of the depreciation policy.	See recommendation 1 (Appendix 1 , action plan)

Source: Audit Scotland

Qualitative aspects of accounting practices

19. ISA (UK) 260 also requires auditors to communicate their view about qualitative aspects of VisitScotland's accounting practices, including accounting policies, accounting estimates, and disclosures in the financial statements.

Accounting policies

20. The appropriateness of accounting policies adopted by VisitScotland was assessed as part of the audit. These were considered to be appropriate to the circumstances of VisitScotland, and there were no significant departures from the accounting policies set out in the Government Financial Reporting Manual (FReM).

Accounting estimates

21. Accounting estimates are used in the financial statements, including the valuation of land and building assets and the valuation of the pension

liability. Audit work considered the process VisitScotland has in place, including the assumptions and data used in making the estimates, and the use of any management experts. Audit work concluded:

- There were no issues with the selection or application of methods, assumptions, and data used to make the accounting estimates, and these were considered to be reasonable.
- There was no evidence of management bias in making the accounting estimates.

Disclosures in the financial statements

22. The adequacy of disclosures in the financial statements was assessed as part of the audit. The quality of disclosures was adequate, with additional levels of detail provided for disclosures around areas of greater sensitivity, such as the valuation of pension assets and liabilities.

The consolidation of group entities has been subject to audit review

23. VisitScotland is part of a group and prepares group financial statements. The group is made up of eight components, including VisitScotland which is the parent of the group. Six of these are inactive subsidiaries. As outlined in the Annual Audit Plan, audit work was required on one group component for the purposes of the group audit, and this work was performed by a combination of the audit team and the component audit team.

24. Group audit instructions were issued to the component auditor, where required, to outline the expectations and requirements in performing the audit work for the purposes of the group audit. The audit work performed on the group's components is summarised in [Exhibit 3](#).

Exhibit 3

Summary of audit work on the group's material components

Group component	Auditor and audit work required	Summary of audit work performed
VisitScotland	Audit Scotland Full scope audit of VisitScotland's annual report and accounts.	The outcome of audit work performed is reported within the Annual Audit Report, and no significant issues were identified.
2023 Cycling World Championships Ltd	Armstrong Watson Audit procedures to address the risk of fraud due to	We engaged with the auditor of CWC Ltd and reviewed relevant working papers for the CWC Ltd

Management override of Controls.	audit to obtain the required assurances.
Agreement of revenue to receipts and relevant grant documentation to address the risk of fraud in revenue recognition.	No significant issues were identified.

Source: Audit Scotland

Audit adjustments

25. No audit adjustments were required to the financial statements greater than the reporting threshold of £50,000.

Whole of Government Accounts (WGA) return

26. VisitScotland is part of the WGA boundary and therefore prepares a return that is used by HM Treasury to prepare the WGA. The National Audit Office (NAO) is the auditor for the WGA and issues instructions outlining audit procedures auditors must follow when auditing a WGA return. The threshold for requiring audit procedures to be performed on the WGA return was set at £2 billion. VisitScotland was below this threshold and therefore only limited audit procedures will be required, before submission of an assurance statement to the NAO.

Significant risks of material misstatement identified in the Annual Audit Plan

27. Audit work has been performed in response to the significant risks of material misstatement identified in the Annual Audit Plan. The outcome of this work is summarised in [Exhibit 4](#).

Exhibit 4

Significant risks of material misstatement to the financial statements

Risk of material misstatement	Planned audit response	Outcome of audit work
Fraud caused by management override of controls Management is in a unique position to perpetrate fraud because of management's ability to override controls that	The audit team will: <ul style="list-style-type: none"> Evaluate the design and implementation of controls over journal entry processing. 	Audit work performed found: <ul style="list-style-type: none"> The design and implementation of controls over journal processing were appropriate.

otherwise appear to be operating effectively.

- Make inquiries of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries.
- Test journals at the year-end and post-closing entries and focus on significant risk areas
- Consider the need to test journal entries and other adjustments throughout the year
- Focused testing of accounting accruals and prepayments
- Evaluate significant transactions outside the normal course of business
- Assess the adequacy of controls in place for identifying and disclosing related party relationships and transactions
- Review accounting estimates and assess these for evidence of management bias
- No inappropriate or unusual activity relating to the processing of journal entries was identified from discussions with individuals involved in financial reporting.
- No significant issues were identified from testing of journal entries.
- No significant issues were identified from our testing of accounting accruals and prepayments.
- No significant issues were identified from transactions outside the normal course of business.
- The controls in place for identifying and disclosing related party relationships and transactions were adequate.
- No significant issues were identified with changes to methods and underlying assumptions used to prepare accounting estimates and there was no evidence of management bias.

Conclusion: We did not identify any instances of fraud caused by management override of controls.

Source: Audit Scotland

Prior year recommendations are being progressed

28. VisitScotland has made some progress in implementing the agreed prior year audit recommendation. For actions not yet implemented, revised responses and timescales have been agreed and are outlined in [Appendix 1](#).

Wider Scope and Best Value audit

Audit approach to wider scope and Best Value

Wider scope

29. As reported in the Annual Audit Plan, the wider scope audit areas are:

- Financial Management.
- Financial Sustainability.
- Vision, Leadership and Governance.
- Use of Resources to Improve Outcomes.

30. Audit work is performed on these four areas and a conclusion on the effectiveness and appropriateness of the arrangements in place for each of these is reported in this chapter.

31. Where a significant risk was identified for a wider scope audit area, and detailed in our Annual Audit Plan, our audit work and conclusions are detailed within the relevant section below.

Duty of Best Value

32. The [Scottish Public Finance Manual](#) (SPFM) explains that Accountable Officers have a specific responsibility to ensure that arrangements have been made to secure Best Value. [Best Value in public services: guidance for Accountable Officers](#) is issued by Scottish Ministers and sets out their duty to ensure that arrangements are in place to secure Best Value in public services.

33. Consideration of the arrangements VisitScotland has in place to secure Best Value has been carried out alongside the wider scope audit.

Financial Management

Conclusion

There are appropriate arrangements in place to secure sound financial management.

VisitScotland operated within its allocated budget in 2024/25, reporting a break-even position for the year.

VisitScotland operated within its 2024/25 budget and has appropriate arrangements to secure sound financial management

34. The main financial objective for VisitScotland is to ensure that the financial outturn for the year is within the budget allocated by Scottish Ministers. VisitScotland has reported a break even outturn of £44.6 million against a total fiscal resource budget of £44.6 million. The financial performance against fiscal resources is shown in [Exhibit 5](#).

Exhibit 5

Performance against resource limits in 2024/25

	Initial Budget	Approved adjustments in year	Final Budget	Outturn	Over/ (under) spend
	£m	£m	£m	£m	£m
Resource	38.6	3.4	42.0	42.0	-
Capital	2.6	-	2.6	2.6	-
Total fiscal resource	41.2	3.4	44.6	44.6	-
Non-cash / AME	3.3	0.9	4.2	4.2	-
Total	44.5	4.3	48.8	48.8	-

Source: 2024/25 VisitScotland Annual Report & Accounts

35. The movement between the initial budget presented to Board at its March 2024 meeting and the final budget relates to increased funding for ring-fenced projects.

36. In addition to the fiscal resources outlined in Exhibit 4, VisitScotland received allocations from the Scottish Government for non-cash costs of £2.9 million and annually managed expenditure (AME) of £1.3 million. This covers costs including depreciation and movements in provisions.

37. Senior management and members receive regular and accurate financial information on VisitScotland's performance against budgets. These reports allow officers and members to scrutinise financial performance effectively throughout the year.

38. The 2024/25 total revised budget reduced by £33.4 million in comparison to the previous year. The reduction in budget is mainly due to the 2023/24 budget including funding for the 2023 Cycling World Championships Limited which was not required for the current year.

Internal control arrangements operated throughout 2024/25, including appropriate arrangements for the prevention and detection of fraud and standards of conduct

39. In the public sector there are specific fraud risks, including those relating to tax receipts, welfare benefits, grants and other claims made by individuals and organisations. Public sector bodies are responsible for implementing effective systems of internal control, including internal audit, which safeguard public assets and prevent and detect fraud, error and irregularities, bribery and corruption.

40. From our review of the design and implementation of systems of internal control, including those relating to IT, relevant to our audit approach, we did not identify any significant internal control weaknesses which could affect VisitScotland's ability to record, process and report financial and other relevant data to result in a material misstatement in the financial statements.

41. During 2024/25 VisitScotland upgraded its payroll system ADP. This required a migration to the cloud hosted version which provides greater flexibility and security of data. The process was managed by VisitScotland in collaboration with the supplier. Internal audit conducted a review of the payroll data migration process and found that a well-defined data migration plan and testing strategy was in place in preparation for the testing phase.

42. VisitScotland has clear policies and procedures in place, including appropriate standards of conduct for both Board Members and staff, which are effective and appropriate for ensuring the prevention and detection of fraud and ensuring effective financial management.

Financial Sustainability

Conclusion

VisitScotland has a five-year financial plan that contains a range of assumptions and scenarios for future funding and pay. This highlights the potential risk to sustaining core activities if future funding levels reduce.

Significant costs were incurred in 2024/25 relating to VisitScotland's strategic change programme projects that will generate efficiencies in future years and will contribute towards the ambition of public sector reform. This included investment in technology and a voluntary redundancy scheme.

VisitScotland has set a balanced budget for 2025/26

43. VisitScotland set its 2025/26 revenue budget at £45.9m million in March 2025. This provided a balanced outturn position based on an initial grant in aid allocation of £44.4 million and other commercial income of £1.5 million. Included in the grant in aid allocation is ring fenced funding of £5.6 million to support specific events and activities. The remaining £38.8 million is available to meet core expenditure.

44. A capital budget of £6.3 million was set, which matched the initial capital grant in aid allocation from Scottish Government. The capital budget has been split between the Rural Tourism Infrastructure Fund of £4 million, with the balance of £2.3 million allocated to general capital expenditure. The budget paper highlights a risk with funding beyond 2025/26 for the Rural Tourism Infrastructure Fund. VisitScotland will continue to monitor this position with ongoing discussions with the Scottish Government.

VisitScotland's long-term financial plan recognises funding challenges and the potential impact on delivering core services

45. In June 2025 the Scottish Government published a new [Public Service Reform Strategy](#) (PSRS), its seventh [Medium-Term Financial Strategy](#) (MTFS) and the first [Fiscal Sustainability Delivery Plan](#) (FSDP). These documents provide a framework for the future of Scottish public sector finance and public service reform.

46. The 2025 MTFS presents a stark picture with gaps in resource projected to grow from a balanced budget in 2025-26, to a budget gap of £2.6 billion in 2029-30. Similarly capital spending is forecast to exceed the available budget by £1.1 billion in 2026-27, rising to a gap of £2.1 billion in 2029-30. Significant further action is required, for both resource and capital, to deliver a sustainable future for the Scottish public sector.

47. In September 2024, the Board considered VisitScotland's financial scenario planning for the period 2025/26 to 2029/30. This outlines the financial position of the organisation over a five-year period using a range of assumptions and scenarios including inflation, pay awards and the Scottish Government funding allocation.

48. The financial plan acknowledges the potential risk that a reduction in core funding could impact the delivery of its essential functions. VisitScotland may face financial pressures over the medium to long term due to realigned funding, reduced grant-in-aid, inflationary impacts, and staff pay awards. This position could be made more difficult by limited access to alternative external and commercial income.

VisitScotland continues to identify efficiencies through its strategic change programme

49. VisitScotland approved a strategic change programme in 2023/24 with the aim of reshaping the organisation for the future, to ensure it has the required skills and resource to deliver on its core purpose - *to drive the visitor economy, growing its value*. It also seeks to support the organisation in responding to changing consumer behaviour and business needs, and the ambitions of public sector reform. A programme board has oversight of the strategic change programme and is accountable to the VisitScotland Executive Leadership Group and the Board.

50. The 2024/25 budget was the second year of the strategic change programme. The planned closure of its iCentres continued during 2024/25 and the Quality Assurance scheme was formally retired on 31 March 2025. Significant costs were incurred during the year relating to key decisions from the programme including investment in digital technology and a voluntary redundancy scheme. In 2024/25, 93 staff were approved for the scheme at a cost of £2.9 million. There has also been investment in training and supporting staff impacted by decisions from the strategic change programme to re-skill into new roles.

51. After direct investment of £4.5 million, the strategic change programme is forecast to deliver efficiencies over a five-year period that will release £31.5 million to reinvest in core delivery activities.

Vision, Leadership and Governance

Conclusion

VisitScotland's strategic framework clearly sets out the purpose, vision and mission of the organisation aligned to national priorities.

VisitScotland published its three-year corporate plan that outlines its key priorities over this period.

VisitScotland has a clear vision and strategy

52. VisitScotland's core purpose is to deliver a strategic and coordinated approach to supporting the visitor economy in a responsible way. A refreshed three-year Strategic Framework 2025-28, supported by a three-year Corporate Plan defines VisitScotland's vision and longer term objectives.

53. Monitoring and oversight of performance against the strategic pillars has continued to be regularly reviewed by the Board and the executive leadership team. A comprehensive framework of reporting is in place and provides a coordinated view of financial performance, key performance indicators, risk and assurance and carbon monitoring. Budgets have been aligned to each of the strategic pillars to allow reporting of financial performance, capturing a unique perspective of organisational performance.

A new three-year corporate plan has been published

54. VisitScotland published a new three-year corporate plan in April 2025 that outlines its priorities for the period 2025 to 2028. This reflects how VisitScotland's role has evolved to adapt to the changing landscape in which it operates.

55. The corporate plan is underpinned by four priority areas of activity:

- Place development
- Business and experience development
- Market development
- Organisation development

56. These areas of activity have been aligned with national priorities including the strategic ambitions and outcomes set out in the Scottish Government's National Performance Framework and the National Strategy for Economic Transformation.

57. The Corporate Plan 2025-28 also aligns with the strategic priorities set out in the Scotland Outlook 2030 Strategy. This strategy was developed collaboratively between Scottish Government economists, Tourism and Hospitality Industry Leadership Group, and VisitScotland. Performance against this strategy is monitored via the Scotland Outlook 2030 tracker to allow industry stakeholders to monitor progress against selected indicators. The tracker is available publicly on the [VisitScotland website](#).

58. Progress against the corporate plan will be measured through VisitScotland's impact measurement framework that was introduced in 2025 and will be updated annually. Activity in the plan will be assessed against VisitScotland's '4S' outcomes – spread, spend, sustainability, and satisfaction. Performance against the plan will also be monitored through net economic impact assessments and strategic value added assessments.

VisitScotland continues to revise its governance structure to support the work of the strategic change programme

59. A new Chief Executive was appointed in October 2024, who previously held the post of Director of Marketing and Digital. Further changes include the establishment of an Executive Leadership Group which replaced the Leadership group. Head of departments who previously sat on the leadership group, were appointed to the Head of Departments Leadership Group, taking a more strategic, leadership role. An Executive Support Team has been set up and provides support to the Board and the Audit and Risk Committee, as well as ensuring collaborative support for the Executive Leadership Group.

60. A Senior Advisor was appointed to support the strategic change programme and report to the Executive Leadership Group. They are also responsible for leading the Strategic Change Programme Team. A new senior leadership structure was introduced in 2024/25 with new members of the Executive Leadership Group appointed. This change was implemented in the context of VisitScotland's strategic change programme.

61. The new organisational structure is intended to strengthen capacity for change and ensure the organisation remains responsive to its evolving operating environment. Within this structure a new Strategy and Competitive Intelligence directorate was created. This incorporated existing business groups for Corporate Communications and Insights as well as a new Strategy and Competitive Intelligence business group.

62. These changes are reshaping the organisation to support delivery of strategic objectives and the strategic change programme.

Governance arrangements are appropriate and VisitScotland operates in an open and transparent way

63. VisitScotland has well established governance arrangements in place, involving both the Executive Leadership Group and non-executive members. The governance arrangements are set out in the governance statement in the annual report and accounts. We have reviewed these arrangements and concluded that they are appropriate and support robust scrutiny and challenge of decision-making processes.

64. The VisitScotland website has been redesigned to improve transparency and help to ensure information is presented in a clear and structured format. Board minutes and key documents are published online making them accessible to the public. We have concluded that the Board conducts its business in an open and transparent manner.

Use of Resources to Improve Outcomes

Conclusion

VisitScotland monitors and reports against key strategic priorities to help inform future decision making.

The VisitScotland Equality Mainstreaming Report was published in 2025. The findings in the report demonstrates that it meets the fairness and equality best value characteristics.

VisitScotland has revised its services in response to a changing operating environment and to achieve cost efficiencies

65. VisitScotland's purpose is to drive the visitor economy, growing its value to Scotland. The 2025-28 Corporate Plan incorporates the strategic ambitions into a framework that demonstrates a clear link between the use of resources and the delivery of VisitScotland strategic priorities.

66. Progress made on the strategic change programme in 2023/24 and 2024/25 has allowed resources to be spent on core activity programmes in 2025/26 in line with the new Corporate Plan 2025-2028.

67. The key efficiencies derived from the strategic change programme in 2024/25 were a reduction in workforce numbers and a smaller estate portfolio, reflecting the move towards a more digital offering. VisitScotland launched its Business Support Hub in March 2025 as part of its new Business Support Programme. This ongoing service re-design and implementation is in line with the new Corporate Plan 2025-28.

68. Other activities resulting from service re-design included:

- closure of all iCentre offices around the country. This involved taking a new approach to how services are provided. Decisions were taken

to withdraw from some service provision, whilst moving the bulk of other services onto a digital platform.

- investment in retraining and re-skilling staff affected by iCentre closures, enabling retention of experienced employees and redeployment into roles aligned to support the new focus.
- Early termination of leases on former iCentre properties reduced future financial liabilities from on-going lease commitments.

69. The audit work performed on the arrangements VisitScotland has in place around its use of resources to improve outcomes found that these were effective and demonstrate a commitment to achieve value for money.

VisitScotland regularly monitors its performance against its strategic priorities

70. The Board has strategic oversight of annual planning and financial activity, ensuring VisitScotland prioritise its resources to maximise its objectives and strategic outcomes.

71. During 2024/25, the Board received quarterly financial and business performance reports to monitor progress against corporate goals. These internal reports include comprehensive information on key performance indicator (KPI) progress and VisitScotland's performance against its strategies. Progress against the new corporate plan will be measured through the VisitScotland impact measurement framework which was introduced in April 2025.

72. Each strategic priority, and the activity business cases that supports it, is assessed through a red, amber, and green rating. This monitors the progress of the activities, and measures the value of each one. Where a project is not progressing as planned, the Board considers the reasons for any slippage and remedial actions are clearly outlined. Reporting includes financial and non-financial considerations for monitoring progress.

73. Performance for the year was reported in the performance analysis section of the Performance Report in the 2024/25 Annual Report and Accounts. Our audit of the annual report and accounts did not identify any material inconsistencies or omissions in the Performance Report.

74. We reported in our 2023/24 Annual Audit Report that there are no targets or benchmarks included in performance reporting to assess whether performance was met, exceeded or was lower than expected. The 2024/25 performance report included additional KPI information for main indices to demonstrate trends in performance over time. Developing comparative benchmarks and internal targets will strengthen performance reporting by enabling meaningful evaluation, supporting accountability, and informing decision-making.

VisitScotland has demonstrated that fairness and equality is embedded across its organisation

75. As reported in the Annual Audit Plan, specific work covering the 'fairness and equality' Best Value characteristic was carried out as part of the 2024/25 audit.

76. VisitScotland published its biennial Equality Mainstreaming Report in April 2025. The report sets out how it has actively supported individuals within the organisation and promoted inclusiveness through various awareness campaigns, workforce development programmes and annual training programmes. The report highlights some key developments in this area:

- A new resourcing policy was created that supports VisitScotland's 'Disability Confident' Level 2 award. This policy focuses on recruitment, secondment opportunities and redeployment.
- It supports youth employment by creating graduate and modern apprentice opportunities in areas of the business that have a strong alignment to specific academic institutions in Scotland.
- It has developed policies to reflect the priorities in the Scottish Government Ethnic Minority toolkit.

77. The report also sets out its updated equality outcomes for the 2025–2029 period. One of the key outcomes covers inclusive recruitment practices with a commitment to continue to refine its recruitment approach by applying new learning on unconscious bias, ensuring fair and equitable hiring processes that attract diverse talent.

78. Our audit work found evidence of appropriate arrangements in place to demonstrate fairness and equality, both strategically and operationally.

Conclusions on duty of Best Value

79. The audit work performed on the arrangements VisitScotland has in place for securing Best Value found these were effective and appropriate. This judgement is evidenced by:

- VisitScotland having well established and effective governance arrangements in place, with Best Value being a key aspect of these arrangements.
- the arrangements VisitScotland has in place around the four wider scope audit areas, which are effective and appropriate, contribute to it being able to secure Best Value.
- progress VisitScotland is making to embed sustainability into corporate and operational plans and enhance reporting arrangements around sustainability.

Appendix 1 – Action plan 2024/25

2024/25 recommendations

Matter giving rise to recommendation	Recommendation	Agreed action, officer and timing
<p>1. Fixed asset register</p> <p>Our review of the fixed asset register noted that there are a large number of assets with a nil net book value.</p> <p>Risk: Assets are not accounted for at their true value in the asset register.</p>	<p>Management should review the fixed asset register to identify if assets with a nil net book value are still in use. If they are, management should consider reviewing the value at which these are held. If they are not, they should be removed from the register.</p> <p>Exhibit 2</p>	<p>Accepted</p> <p>Management will review our fixed asset register and consider associated policies to ensure they are fit for purpose and reflective of assets in use across the organisation.</p> <p>Responsible officer: Head of Financial Services</p> <p>Agreed date: March 2026</p>

Follow-up of prior year recommendations

Matter giving rise to recommendation	Recommendation, agreed action, officer and timing	Update
<p>1. Performance Reporting</p> <p>VisitScotland uses a number of economic indicators to assess the impact of the various activities undertaken during the year. However, there are no targets or benchmarks included to assess whether performance was met, exceeded or was lower than expected.</p> <p>Risk: VisitScotland does not correlate its funding in projects to specific economic outcomes and is unable to assess whether the outcomes achieved were in line with expectations.</p>	<p>Recommendation: Consideration should be given to developing comparative benchmarks or internal targets and trend analysis, where appropriate, for KPI reporting.</p> <p>Agreed action, officer and timing: Management will consider how KPI reporting could be developed which will aid in further understanding the economic growth our activities create and support.</p> <p>Management will look to our new Strategy and Competitive Intelligence Directorate to lead on this action.</p>	<p>On-going</p> <p>The 2024/25 performance report included additional KPI information for main indices to demonstrate trend in performance over time.</p> <p>As no targets or benchmarks have been developed it is not possible to assess if performance met, exceeded or was lower than expected.</p> <p>This would strengthen performance reporting by enabling meaningful evaluation, supporting accountability, and informing decision-making.</p>

Director of Strategy and
Competitive Intelligence

Head of Corporate Governance
and Performance

March 2025

[Paragraph 74](#)

Revised action: Management will continue to look to develop our reporting of performance and consider the use of targets or benchmarks.

Responsible officer: Director of Strategy and Competitive Intelligence

Head of Corporate Governance
and Performance

Revised date: March 2026

Appendix 2 – National reports

Report name	Date published
Local government budgets 2024/25	15 May 2024
Scotland's colleges 2024	19 September 2024
Integration Joint Boards: Finance and performance 2024	25 July 2024
The National Fraud Initiative in Scotland 2024	15 August 2024
Transformation in councils	1 October 2024
Alcohol and drug services	31 October 2024
Fiscal sustainability and reform in Scotland	21 November 2024
Public service reform in Scotland: how do we turn rhetoric into reality?	26 November 2024
NHS in Scotland 2024: Finance and performance	3 December 2024
Auditing climate change	7 January 2025
Local government in Scotland: Financial bulletin 2023/24	28 January 2025
Transparency, transformation and the sustainability of council services	28 January 2025
Sustainable transport	30 January 2025
A review of Housing Benefit overpayments 2018/19 to 2021/22: A thematic study	20 February 2025
Additional support for learning	27 February 2025
Integration Joint Boards: Finance bulletin 2023/24	6 March 2025
Integration Joint Boards finances continue to be precarious	6 March 2025
General practise: Progress since the 2018 General Medical Services contract	27 March 2025
Council Tax rises in Scotland	28 March 2025

VisitScotland

2024/25 Annual Audit Report



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