

Audit Scotland's annual statement on efficiency, effectiveness and economy for 2012/13

The Public Services Reform (Scotland) Act 2010, section 32(1)(b) requires listed public bodies to publish a statement in relation to efficiency, effectiveness and economy as soon as possible after the end of the financial year.

The following statement sets out the steps that Audit Scotland has taken in 2012/13 to improve its efficiency, effectiveness and economy in the exercise of its functions. Further information on this and our audit work is contained in our Annual Report and Annual Review 2012/13 which is on our website at www.audit-scotland.gov.uk

Introduction

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 ministers. Maintaining our independence from those we audit limits our ability to share services. However, where sharing is possible we have done so.

Efficiency, effectiveness and economy improvements during 2012/13

The Scottish Commission for Public Audit (SCPA), established under Section 12 of the Public Finance and Accountability (Scotland) Act 2000, examines our proposals for the use of our resources and expenditure and reports on them to the Parliament. Our budget proposals can be found on the Scottish Parliaments website.

As our income comes from parliament and the public bodies we audit, reducing our costs will help, albeit in a small way, their cost pressures through, for example, reduced audit fees. Overall, we are aiming to reduce the cost of audit to public bodies by at least 20 per cent over four years to 2014/15. We applied a 10 per cent real terms fees reduction in respect of audits completed in the year, and also returned £1 million in efficiency savings to audited bodies.

In 2012/13, we delivered £2.8 million of efficiency savings, against a target of £1.9 million. This was 11.5 per cent of our overall budget. Efficiency savings have been possible through careful workforce planning and a corporate programme of efficiency improvement projects with a focus on delivery, maintaining quality while reducing costs.

Comparing how we perform against other relevant public sector bodies is important to us. This year we continued to compare ourselves using the performance indicators in the joint UK audit agencies report *Value for Money in public corporate services*. The Scottish Government produced reports from submissions from public bodies.

A number of initiatives have or are being implemented to help reduce costs and improve our efficiency. For example:

- A further seven colleagues left the organisation through our voluntary early release scheme this year which generated significant financial savings and continues to allow us to reshape our workforce.
- Our electronic purchase order system continues to strengthen our purchasing process and improves our performance and management of our supplier invoices. We paid 92 per cent of supplier invoices within 10 days of receipt, up from 91 per

cent in 2011/12. Payment of invoices within 30 days was maintained at 99 per cent.

- In 2012/13, we made efficiency savings by continuing to reduce our print runs and publishing more online, and carrying out web improvements in-house. We also reviewed our photography needs and put in place a cost effective solution.
- This year we continued to rationalise our IT equipment by increasing our use of thin client computer terminals, which has resulted in a reduction of laptop computers. This change has resulted in improved security and reduced power requirements.

Sharing services and resources within the public sector allows economy of scale cost and efficiency savings. Where sharing does not impact our independence we have done this. For example:

- We use the Public Contracts Scotland portal to procure services for Audit Scotland, the Auditor General and the Accounts Commission where it is beneficial to do so.
- We use competitive contracts secured by Scottish Procurement, leading to savings on our utility costs, computer accessories and managed print services.
- We share spaces on training courses delivered by ourselves and other public sector organisations. For example, Audit Scotland offered delegate places to other public bodies on our internally run courses, and we sent our staff to training courses delivered by Scottish Natural Heritage and NHS Health Improvement Scotland.

See also our annual statement on sustainable economic growth.