

## **Audit Scotland's annual statement on efficiency, effectiveness and economy for 2016/17**

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 2016/17 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 Accounts 2016/17 which is on our website at [www.audit-scotland.gov.uk](http://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 2016/17**

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.

Financial pressures on public services continued this year while demand and expectations for these services grow. As our income comes from parliament and the public bodies we audit, reducing our costs will help their cost pressures. We continue to look for ways to drive down costs, and this year the new audit appointments helped us achieve our efficiency savings.

This year we delivered a new, simpler and more transparent system for determining [audit fees](#) within our broader funding arrangements to ensure that audited bodies, the Parliament and other stakeholders have assurance on the cost and quality of the services we provide. The fees strategy will reduce average fee levels for the 2016/17 audits by 6.7% (8.6% in real terms).

In 2016/17, we delivered £1.0 million of efficiency savings against a target of £0.4 million. This was 4.0 per cent of our budget. The majority of savings came from revised external firms audit contracts, property costs, travel and subsistence expenditure and training costs. This year we also secured approval for the [budget](#) strategy which will result in a reduction of 6.5% in gross expenditure compared to the 2016/17 budget.

We invested £0.2 million to improve our business. This investment was mainly to support our Information Technology systems. A small sum of £20k was invested in new office facilities in Inverness.

Audit Scotland continues to work with other scrutiny bodies to make sure that the scrutiny of local government is better targeted and more proportionate to identified risks.

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 are part of the Government Procurement Shared Services initiative which was set up to provide professional assistance to smaller bodies which don't have a procurement department. This assistance will help improve our procurement knowledge leading to increased procurement efficiency and effectiveness and legislative compliance.
- We use competitive contracts secured by Scottish Procurement, leading to savings on our utility costs, computer accessories and managed print services.

See also our annual statement on sustainable economic growth.