Audit Scotland's annual statement on efficiency, effectiveness and economy for 2025/26

Background

1. 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.

2. The following statement sets out the steps that Audit Scotland has taken in 2025/26 to improve its efficiency, effectiveness and economy in the exercise of its functions.

3. Further information on this and our audit work is contained in our Annual Report and Accounts 2025/26 which is on our website.

4. No separate formal statement under the Act is required on behalf of the Accounts Commission.

Introduction

5. 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.

6. To ensure objectivity in our work, Audit Scotland is independent of the Scottish Government and ministers. The independence, quality and timeliness of audit are essential to the public interest.

7. 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 2025/26

8. 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 the Parliament. Our budget proposals can be found on the Scottish Parliament's website.

9. In 2025/26, we delivered a £60k operational underspend on £38.2 million operational expenditure (0.16%).

10. Our 2025/26 budget proposal was approved with a target of £2.7 million in efficiency savings. The actual saving against the budget in the year was £3.14 million (7.8 per cent) as per the summary below:

- People costs £2.67 million
- Property costs £0.25 million
- Other expenditure £0.22million

11. The £2.67 million saving in people costs represents the total saving achieved during the year. This was primarily driven by the average vacancy rate being 6.9 per cent, compared with the budgeted vacancy rate of 5 per cent, together with the impact of implementing a shorter working week.

12. Property costs have reduced following the downsizing of office space in Edinburgh, leading to lower rent and rates.

13. Other expenditure savings are primarily due to reduced non-cash depreciation.

14. Audit Scotland works with other public sector scrutiny bodies to make sure scrutiny of all public services is well targeted, proportionate and coordinated. As well as focussing on key risks facing the public sector and sharing insights, the network is exploring how the scrutiny landscape can change to support public service reform, including the scrutiny of 'place' and the role of self-evaluation to support scrutiny.

15. 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 procure services from Scottish Government shared service for procurement.
- A joint contract with the Northern Ireland Audit Office for Government Actuary work.
- We use competitive frameworks where possible, including Scottish Government collaborative frameworks and UK-wide frameworks, leading to savings on our utility costs, computer accessories and managed print services.