Audit Scotland's annual statement on sustainable economic growth for 2025/26

Background

1. The Public Services Reform (Scotland) Act 2010, section 32(1)(a) requires listed public bodies to publish a statement on sustainable economic growth as soon as possible after the end of the financial year.

2. This statement sets out the steps that Audit Scotland has taken in 2025/26 to promote and increase sustainable growth through the exercise of its functions.

3. Further information on this and our audit work is contained in our Annual Report and Accounts 2025/26. This is available 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 Scottish ministers. The independence, quality and timeliness of audit are essential to the public interest.

Sustainable economic growth and contribution to the National Performance Framework

Audit Scotland as an employer

7. Audit Scotland contributes to sustainable economic growth and the National Performance Framework **as an employer**. For example:

- Our professional trainee programme remains one of Scotland's largest public sector accountancy training schemes. At 31 March 2026, we had 48 trainees working towards professional qualifications and four Modern Apprentices, thereby increasing the skills base of Audit Scotland, and Scotland in general.

- This year colleagues received an average of 21.3 days training and personal development to increase knowledge, skills, efficiency and effectiveness.
- Not all the work we do is carried out by Audit Scotland staff. We contribute to economic activity by appointing firms of accountants to carry out audits on behalf of the Auditor General and the Accounts Commission and specialists to contribute to performance audits. This amounted to approximately £9.6 million during 2025/26.
- Audit Scotland adhered to the Fair Work guidance as follows:
  - Engaged with a recognised trade union
  - Maintained accreditation as a Living Wage employer
  - Demonstrated a commitment to tackling job insecurity by minimising the use of fixed term contracts, maintaining a commitment to no compulsory redundancies and not adopting zero hours contracts.
  - Demonstrated a commitment to increasing levels of diversity within Audit Scotland's workforce.
  - Fulfilled our statutory duty to mitigate socio-economic disadvantage.
  - Continued commitment to promote equality of opportunity through recruitment and selection with appropriate training provided to mitigate bias and unfairness.
  - Invested in workforce development through learning and development.
  - Offered flexible and family-friendly working practices from day one.

Auditing public services

8. As Scotland's **public sector audit agency** Audit Scotland has an interest in the extent to which the Scottish Government is making progress against the outcomes contained in the National Performance Framework. We do this by carrying out performance, best value and financial audits to provide assurance that money and resources are being used properly, efficiently and effectively and to highlight areas for improvement.

9. During 2025/26 we audited 253 sets of accounts, completed nine Best Value in local government reports and 17 national performance audits.

10. We had a total of 68 parliamentary engagements during 2025/26, including giving evidence to a wide range of parliamentary committees and providing briefings to MSPs. We also submitted 10 responses to Scottish Parliament and Scottish Government consultations during the year.

11. We produce performance audits and overview reports on important issues of public interest and significant amounts of public money on behalf of the Auditor General and the Accounts Commission. These include overviews of key public services, reviews of major reforms and projects, and exploring how public bodies respond to the key issues facing Scotland.

12. For example, our audit of the Scottish National Investment Bank demonstrates Audit Scotland's contribution to sustainable economic growth by providing independent assurance on how public investment is being used to support Scotland's net zero, place and innovation ambitions. The audit highlighted the Bank's role in addressing market finance gaps, attracting £1.4 billion of private sector investment, and supporting jobs, productivity and decarbonisation, while also strengthening transparency, governance and accountability for long-term economic outcomes.

13. We communicate our findings and recommendations through a range of products, from detailed performance audit reports to briefing papers and update reports. We supplement these with a range of approaches such as social media, videos and animations, bespoke products and targeted engagement to ensure our messages are heard and understood by the people and organisations affected.

Countering fraud

14. Public audit has an important role in raising awareness about fraud as well as helping to prevent and report on fraud. We report on frauds identified during the year and have responsibility to review how public bodies have discharged their counter-fraud responsibilities.

15. We share information where control weaknesses have contributed to fraud and irregularity on a quarterly basis in our Technical Bulletins. More information is available at our Counter-fraud webpage.

16. Audit Scotland coordinates the National Fraud Initiative (NFI) for Scotland, an exercise that matches datasets across the public sector to identify potential fraud and errors such as overpayments.

17. The NFI is published every two years, and the last report was published in August 2024. More information is available at our webpage.