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AUDITOR GENERAL

20 November 2026

David Linden MSP
Convener
Public Audit Committee
Scottish Parliament
Edinburgh
EH99 1SP

Dear Convenor

**Pre-budget scrutiny follow-up information on value for money**

At the committee's meeting on 28 November 2026, I said I would provide further information on assessing value for money in relation to justice spending and outcomes.

Audit Scotland works on behalf of the Auditor General and Accounts Commission who arrange for the annual audit of most public bodies in Scotland. The AGS or the Accounts Commission may also request that Audit Scotland undertakes separate audits of specific aspects of public sector spend. These 'performance audits' consider value for money and involve assessing the economy, efficiency and effectiveness of service and resource provision by public bodies whose accounts must be audited under the relevant Acts.[1] These offer a more in-depth assessment of the topic area than is possible or appropriate through the annual audit process. My response focuses on our performance audit work, but I will also include relevant commentary from our annual audit work. Our annual audit work indicates that justice bodies are generally delivering their core activities in line with relevant legislative and policy requirements.

In terms of our performance audit work, it is generally not possible to make an overall assessment of value for money of a public body, service or sector. Through their work, auditors do not seek to make an overall conclusion on the relative value for money of a public body's - or public bodies' – activities. Instead, they focus on the arrangements the bodies have in place to secure and demonstrate value for money of their spending. Our reports often find that arrangements do not provide sufficient assurance due to a variety of factors. These include insufficient

[1] Public Finance and Accountability (Scotland) Act 2000, Section 23; Local Government (Scotland) Act 1973, Section 97A

data and evidence available on activity, performance and evaluation; ineffective governance, accountability and collaborative working; a lack of transparency about spending and clarity around effective use of resources to deliver intended outcomes. Where there are multiple bodies involved in delivery, it's often not possible to attribute a lack of clarity on value for money to any individual body. Our recommendations aim to support improved arrangements for delivering value for money. I have provided some examples of findings from recent reports relating to the justice sector to illustrate how we assess value for money and some of the areas for future attention.

Criminal courts backlog follow-up: transforming for the future, May 2026

- We found that evaluation activity and public reporting on progress have been limited. This means it is difficult to know what impact projects are having on addressing the backlog and improving outcomes. Challenges in progressing the transformational change programme work include insufficient staff, a lack of coordination and oversight of projects led by various justice partners, ineffective management of risks, and complex governance and accountability arrangements.

- We recommended that Scottish Government and justice partners agree clear accountability for delivering, evaluating and publicly reporting progress against a shared vision; strengthen programme management to coordinate, monitor and adapt multiple reform projects across the justice system; and align funding and resources by identifying efficiency savings, reinvesting benefits, and planning how additional reform costs will be met.

Best Value in Policing, January 2026

- Together with His Majesty's Inspectorate of Constabulary in Scotland, we reported that workforce costs account for most of policing expenditure and are central to future sustainability. There is a lack of alignment between workforce planning and medium-term financial planning, limiting the ability to make informed decisions about future service models and funding requirements. We found no evidence that the current establishment figure of 16,500 officers is the optimum number required to meet future policing demands.

- We recommended that policing should complete its update of the Medium-Term Financial Plan (MTFP) and align it to current strategic priorities and outcomes. It should also update its strategic workforce plan to include the capacity and skills required to deliver its strategic outcomes and manage future service demands, including scenario planning, and demonstrate clear alignment between workforce plans and the MTFP.

The 2022/23 audit of the Scottish Prison Service, December 2023

- This Section 22 report was produced because of findings in the annual audit on issues relating to prisoner escort services and concerns about the projected increases in the prisoner population and the associated impact on the prison estate. Key findings highlighted the connectedness of the system, and impact of change in one area on the operations of another; and the need, therefore, for the Scottish Government and justice partners to have a clearer understanding of respective roles, responsibilities and activities, and to take a holistic approach to responding to challenges.

Community Justice: Sustainable alternatives to custody, July 2021

- Our report found that, although community sentences are often more effective at reducing reoffending and less costly than prison sentences, their use had not increased significantly. Unclear accountability arrangements, weak partnership working and data gaps limited the ability to measure progress, and we highlighted the need for the Scottish Government to clarify responsibilities, better understand variations in sentencing and outcomes, and improve data collection to support effective performance assessment and benchmarking.

**Annual audit reports of individual justice bodies**

Annual audit reports are also published on our website. These include best value and wider scope areas – assessing Financial Management, Financial Sustainability, Vision, Leadership and Governance, and Use of Resources to Improve Outcomes. Taken together, these wider scope areas can provide an indication of the adequacy of an organisation's arrangements to secure and demonstrate value for money.

Across the 2025/26 justice body audits, common themes were:

- A constrained fiscal environment is creating shared pressures across the justice system that need a shift from looking at individual organisational affordability to thinking about system affordability.

- There are major demands on capital funding across the justice sector with a need for continued investment in technology and digital infrastructure to improve efficiency, join up different systems, and replace out of date and paper-based systems. SCTS and SFRS are struggling to manage large maintenance backlogs and effectively manage their estates to keep them fit for purpose. Considerable investment in the prison estate aims to reduce reliance on older facilities and operational pressures, however overall capital funding is expected to reduce in real terms for justice.

- Medium-term financial planning across justice bodies is improving but is inconsistent. A common concern is that annual budget cycles and late funding decisions make it difficult to plan investments, workforce requirements and transformation programmes. Weak long-term planning or underinvestment in one area can create future pressures elsewhere.

I hope the committee finds this additional information useful for its budget scrutiny.

Yours sincerely

**Stephen Boyle**
**Auditor General for Scotland**