



The Scottish Parliament
Pàrlamaid na h-Alba

SCOTTISH COMMISSION FOR PUBLIC AUDIT

Stephen Boyle
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The Scottish Parliament
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By email only

13 December 2023

Dear Stephen

Audit Scotland Budget Proposal 2024/25

Thank you to you and your colleagues for giving evidence to the Scottish Commission for Public Audit (SCPA) at its meeting on 11 December.

As you know, the Public Finance and Accountability (Scotland) Act 2000 requires Audit Scotland to prepare proposals for its use of resources and expenditure and send them to the SCPA, which is then required to consider and report its views on the proposals to the Parliament.

The SCPA considered the evidence received and agreed to request further information in addition to the responses that you committed to provide during the meeting.

The SCPA notes Audit Scotland's total funding request of £13,229,000 for 2024/25, which is a significant increase of £1,029,000 (8.4%) from its budget request for 2023/24 of £12,200,000. Consistent with our budget scrutiny last year, the SCPA is once again mindful of the substantial pressures on Scotland's public finances and the difficult decisions that lie ahead in relation to the Scottish Budget 2024-25. We, therefore, seek the following additional information to support our consideration of the requested increase in funding.

Staffing costs

- 1) The SCPA is aware of the recruitment difficulties experienced by Audit Scotland in recent years. Please provide us with the following:
 - the vacancy factor that was applied to the staff cost budget in 2021-22, 2022-23, and 2023-24 and how this compares to the actual level of vacant posts that occurred in those years; and
 - the steps taken by Audit Scotland to ensure that the 2% vacancy factor applied for 2024/25 takes account of the experience of previous years.
- 2) Please provide information on Audit Scotland's pay deals for the previous three years to provide context to the current staff cost budget proposal.
- 3) The budget proposal, at Appendix 3, highlights an efficiency saving in staff costs of £446,000 arising from "Efficiencies identified to deliver on new commitments (e.g. audit modernisation, digital, climate change)". The Commission would welcome further details of how these savings will be generated.

Audit modernisation programme

- 4) Audit Scotland's budget proposal states that you "anticipate that future budget proposals over the next three years will include a request for additional revenue and capital funding as the project progresses". Please provide the estimated total cost of the audit modernisation programme over the three-year period, broken down between specialist external support and IT equipment and software.
- 5) If available, please also provide a copy of the business case which supports the audit modernisation programme.

Accommodation costs

- 6) Can you confirm if the Estates Strategy, approved by the Audit Scotland Board, considered options over and above those contained in its Budget bid for 2024/25, that could give rise to further savings and, if so, what were these options?
- 7) Please provide a detailed breakdown of what specific expenditure items are included under "other accommodation costs", in Appendix 1.

Accounts Commission

- 8) The SCPA would also welcome a detailed breakdown of the specific expenditure items included under "Accounts Commission members", in Appendix 1.

Forecast outturn

- 9) We further request that Audit Scotland includes the forecast outturn of the current year in future budget proposals to enable more accurate comparisons to be made. This is in line with a request made by the Finance and Public Administration Committee to the Scottish Government in relation to the Scottish Budget.

Members will consider the additional information provided by Audit Scotland before deciding on next steps in this scrutiny process. This may include additional meetings and evidence gathering.

The SPCA would therefore be grateful for a detailed response by close on 20 December 2023.

Yours sincerely

Colin Beattie MSP
Chair