

9 January 2024

Richard Leonard  
Convener  
Public Audit Committee  
Scottish Parliament  
Edinburgh  
EH99 1SP

Dear Convener

## **The 2022/23 audit of the Scottish Government Consolidated Accounts**

At its meeting of 7 December 2023, colleagues and I briefed the Committee on my report The 2022/23 audit of the Scottish Government Consolidated Accounts and my briefing paper on The Scottish Government's workforce challenges. The Committee subsequently wrote to me on 8 December 2023 with some additional questions.

### **Resettlement of displaced Ukrainians**

Using the learning from the Covid-19 pandemic the Scottish Government was able to quickly establish a dedicated team and engage with partners, through already established relationships, to develop arrangements to support those escaping the conflict.

The costs associated with the Resettlement of displaced Ukrainians is being managed alongside the other financial pressures facing the Scottish Government in 2023/24 and, through the budget process, into 2024/25. The Scottish Government is managing the associated risks appropriately including considering whether European Structural and Investment Funds could be applied through the European Commission's FASTCARE scheme.

### **Scotland Reserve**

I do not have any concerns about how the Scottish Government is utilising the Scotland Reserve as part of its financial management arrangements. As I have said in previous reports, I believe the Scottish Government could further enhance the transparency of the reserve within the overall financial reporting framework.

For the Scottish Government the Scotland Reserve is a key part of how they are able to manage their budget and ensure there is no financial loss to Scotland as a result of any in-year underspends. Financial management across the public sector needs to balance short-term emerging pressures with investment in longer-term strategic priorities.

### **Performance reporting**

As I say in the report there is an opportunity, with the new Policy Prospectus and Programme for Government, for the Scottish Government to clarify its priorities and demonstrate how it is focusing its activity on the key elements that will support delivery of the required outcomes. Interim milestones should also be agreed against which progress can be measured. There should be clarity, from the outset, on how performance is going to be assessed.

Improving the link between performance and financial information is extremely important. There is much financial information available but a clearer performance focus would enable the impact of funding decisions on outcomes to be captured and reported. The Scottish Government should ensure that all financial decisions are clearly linked to the required outcomes.

I know that the Scottish Government is already considering its approach to performance reporting for the Consolidated Accounts. I am expecting improvements in 2023/24.

Yours sincerely

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