

## **Effective Audit in the Twenty-first Century**

**Robert W Black**  
**Auditor General for Scotland**

In 1999 a major change occurred in the government of the United Kingdom. A new Parliament was created in Scotland. The Parliament took control of most of the important services, such as health and education, which are important in the daily lives of the Scottish people.

A new audit system was created. There is now an Auditor General for Scotland. He is supported by a new audit office, Audit Scotland. We have been able to design a modern approach to public audit that is helping Scotland to meet the challenges of the new century.

These challenges include a falling population, poor health, international competitiveness, financial pressures, rising public expectations that public services should be better, some poor performance in public services, and media attention that concentrates on failures and problems.

The Scottish government has responded by a range of new policies and initiatives to modernise government systems and processes. There are more performance targets, more audit and inspection, and more scrutiny of public services by the new Scottish Parliament.

Audit Scotland has developed new arrangements for effective performance reporting to the Parliament. Financial audit is being modernised so that auditors report on the major risks and performance issues in public organisations. Auditors' reports clearly describe the problems and the action that management should take to address the problems.

Audit Scotland has organised its staff into specialist groups that cover health services, central government and local government. Staff are being recruited from a wide range of backgrounds, and there is a big investment in giving our people new skills and high quality IT support.

The Parliament and Scottish Ministers strongly support us. Our reports are leading to improvements in the management of public services and the quality of service that the public receive. We have successfully reported on complex areas that involve many organisations working together (for example, community health services and youth crime). We work successfully in partnership with inspectors and regulators.

As a new organisation, we have been successful. We look forward to sharing our experience and we also wish to learn from the experience of other audit organisations in Europe.