

Appendix 1 - Summary of Audit Scotland report - How the Scottish Government is set up to deliver climate change goals

1.0 Overview:

1.1 The report focuses on how effective the Scottish Government's climate change governance and risk management arrangements are in supporting the delivery of Scotland's national net zero targets and climate change adaptation outcomes.

2.0 Key messages and findings:

2.1 *The Scottish Government has improved how it organises itself to support delivery of its climate change goals since the then First Minister declared a climate emergency in 2019.*

2.1.1 Better cross-government working is needed and although climate change governance arrangements have improved, there is a lack of clarity and consistency in defining roles and responsibilities. For example, there has been no workforce plan in place for the Director General for Net Zero area since it was established in November 2021, although one is expected. The report finds that there are risks of overlapping efforts or gaps in coordination, which could undermine effective implementation.

2.1.2 The report highlights decision-making challenges regarding the level of resourcing and expertise dedicated to climate change governance, and that additional resources and capacity-building efforts are required to strengthen governance arrangements. Climate change continues to compete with other priority policy areas for funding and staff.

2.1.3 Scottish Government does not routinely assess the impact that policies and spending have on emissions. The report highlights a lack of clarity on how far policies in the current Climate Change Plan contribute to net zero and how much these policies will cost. However, it is a legal requirement that the next version of the Climate Change Plan is fully costed.

2.2 *Systematic risk management is needed so the Scottish Government can identify the key risks to meeting its climate change goals and take effective action to address them.*

2.2.1 Since the appointment of a Director General for Net Zero, improvements to risk management processes and documents have been made. The report provides an overview of key risks to achieving climate change goals. These feed into corporate risk management structures which are used to inform decision-makers at all levels of government. However, progress to address identified risks is slow and the longer-term risks of failing to adapt to climate change have had less focus compared to emissions reduction risks.

2.2.2 The evidence base and process to identify and score risks is not always clear, and actions to address risks are sometimes vague. To address weaknesses in risk management arrangements, the report emphasises the need for robust monitoring and evaluation mechanisms to track progress, identify areas for improvement, and ensure transparency and accountability. Not doing so could increase the chances of

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net zero targets being missed and Scotland not being adequately prepared to cope with the impacts of climate change.

3.0 Recommendations:

- 3.1 Improve climate change governance by aligning governance groups, establishing clear roles and reporting lines, implementing effective assurance arrangements, and developing a workforce plan to address climate change responsibilities.
- 3.2 Enhance climate change risk management by effectively identifying, managing, and monitoring climate change risks through consistent and evidence-based processes. Develop contingency plans for high-scoring risks and establish clear escalation mechanisms. Ensure that the Global Climate Emergency Programme Board maintains a risk register with clear reporting lines to broader climate change and corporate risk management systems.