SHRC Scottish Human Rights Commission

Human rights budget scrutiny:

a toolkit for auditors and public audit bodies



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The toolkit suite was developed with the input and support from Dr. Aidan Flegg.

Introduction

Public audit plays a pivotal role in Scotland's accountability ecosystem. The Scottish Government formulates policy and allocates resources. However, auditors provide independent assurance that these resources are executed effectively, efficiently, and legally.

This toolkit supports a broader, more forensic approach to budget scrutiny. It provides a structured, evidence-based framework to help auditors move beyond narrow technical efficiency or simple financial regularity. It enables the audit function to assess the effectiveness of social expenditure. It also evaluates the equity of resource distribution within a complex, polycentric policy environment.

How to use this toolkit

This resource supports performance audit teams and public service examiners. It is not intended to be read from cover to cover. Instead, teams can apply these tools selectively when evaluating public spending, service delivery, or value for money.

Depending on the specific audit context, audit teams can:

- Start with the overview to understand how human rights standards strengthen performance audits.
- Apply the toolkit during audit planning and fieldwork, selecting the tools most relevant to the audited public service.
- Draw on the practical audit questions to inform performance audit reports and support evidence gathering.
- Deploy the tools selectively based on risk assessments, recognising that different tools are useful depending on available data.
- Consult accompanying resources across our publication suite, detailed below, for broader conceptual frameworks and technical methodologies.

This toolkit is intended to complement, rather than replace, existing auditing standards. It provides additional practical tools to help auditors evaluate whether public spending delivers value for money, supporting spending alignment with the progressive realisation of human rights.

Where this toolkit fits in the publication suite

This toolkit is part of a suite of resources developed by the Scottish Human Rights Commission to embed human rights standards into public finance and budget oversight across Scotland.

The publication suite comprises two core foundational publications alongside targeted toolkits for specific oversight institutions:

Core foundational suite

- Human Rights Budgeting: General Toolkit - The primary framework for duty-bearers and finance officers, supporting the integration of human rights standards throughout budget preparation and resource allocation.
- Human Rights Budget Scrutiny: General Toolkit - The primary framework for oversight bodies, civil society, and scrutiny institutions, offering diagnostic tools to evaluate spending decisions against human rights obligations.

Tailored scrutiny toolkits

- Human Rights Budget Scrutiny: A Toolkit for Auditors and Public Audit Bodies (this toolkit) - Adapts the core scrutiny framework specifically for auditors and public audit bodies. It demonstrates how human rights standards strengthen performance audit, Best Value evaluations, and the traditional "3 Es" (Economy, Efficiency, Effectiveness) to assess whether public spending delivers "Value for Rights" alongside "Value for Money".

Who this toolkit is for

This toolkit is tailored for auditors and public audit bodies conducting reviews at the budget cycle end. It provides the necessary intelligence to verify the causal chain of rights. Rather than just checking if a budget line is exhausted, it systematically assesses funding. It evaluates whether public bodies allocate and spend funds equitably. This verification confirms whether spending results in tangible improvements to people's lived experiences.

Crucially, the toolkit helps auditors identify data deserts. Missing disaggregated data prevents the measurement of actual human impact. This lack of transparency represents a risk to accountability. It is not a mere administrative hurdle.

A necessary component, not an add-on

Under the Scottish Public Finance Manual (SPFM), the integration of human rights standards aligns with auditing Best Value. This reflects the expanded fiscal powers of the Scottish Parliament. Public bodies often cite macroeconomic pressures and tight fiscal constraints as reasons for failing to deliver services. This framework provides analytical tools to evaluate these challenges, helping to distinguish between genuine resource constraints, operational inefficiencies, or decisions about prioritisation.

This framework does not replace the traditional "3 Es" of public audit. Instead, it examines them through the principles of a Human Rights Based Approach:

- Economy (resource mobilisation): is the state mobilising the maximum available resources? does resource planning address tax avoidance and evasion gaps to mitigate projected deficits?
- Efficiency (allocative and operational): are resources used optimally? This includes allocative efficiency (evaluating how spending decisions align with core service delivery obligations). It also includes operational efficiency (minimising administrative waste and evaluating leakage in frontline delivery).
- Effectiveness (progressive realisation): did expenditure result in measurable improvements in the quality of public services and the reduction of inequalities?

Ultimately, this toolkit provides objective benchmarks to evaluate whether "value for money" aligns with "value for rights" and supports the evaluation of public bodies against their statutory and international human rights commitments.

Part 1: The 'what' of human rights budget scrutiny

Defining the scope for auditors

In complex, polycentric public sector oversight, human rights budgeting provides established, objective benchmarks for performance audit. This allows performance audits to expand beyond narrow technical efficiency or simple financial regularity to assess the true effectiveness of social expenditure and the distribution of resources.

Crucially, human rights obligations are not aspirational policy goals, but represent legal criteria to evaluate the "3 Es" (economy, efficiency, and effectiveness). Auditors can evaluate whether challenges in service delivery stem from genuine resource constraints, operational inefficiencies, or decisions about prioritisation, rather than simply accepting narratives of macroeconomic pressure.

The framework consists of two interrelated components:

- Human rights budgeting: A procedural framework used during the planning and formulation stages. It aligns fiscal policy with commitments to respect, protect, and fulfil rights through resource mobilisation.
- Human rights budget scrutiny: A systematic analytical method used to verify financial compliance with established procedural obligations and outcome standards. A lack of disaggregated data (a "data desert") should be evaluated as a potential limitation on transparency and accountability, rather than an unavoidable administrative hurdle.

Elements of the budget

To conduct a comprehensive review, auditors can evaluate three primary financial flows:

- Revenue: how money is raised and how resources are mobilised. Scrutiny can evaluate whether the public body is utilising its available revenue levers (such as addressing tax gaps) to mitigate projected deficits.

- Allocation: how funds are assigned to specific sectors (such as health or housing). Evaluation can assess whether these allocations align with minimum core obligations and preventative programmes.
- Expenditure: how money is actually spent and whether it achieves intended outcomes. Tracking expenditure helps to identify potential operational "leakage" or bottlenecks where funds are not delivered before reaching frontline services.

Categorisation of rights

Evaluation should distinguish between two categories of rights, each carrying distinct budget implications:

- Civil and Political (CP) Rights: While these often involve "negative obligations" (preventing state interference), they require adequate, strategic funding for the "infrastructure of justice," such as courts, electoral systems, and independent oversight. Auditors can evaluate whether these regulatory and oversight functions are maintained during periods of financial constraint.
- Economic, social, and cultural (ESC) rights: These involve "positive obligations", requiring the state to proactively invest in areas like health, education, and social security. They are subject to the principle of progressive realisation using maximum available resources. Scrutiny can evaluate whether the public body is using all available means to achieve progressive realisation, or whether constrained finances are being used as a generic justification for a lack of progress.

Part 2: The 'why': the mandate for auditors and public audit bodies

Human rights monitoring is not an optional add-on or a subjective policy lens for the audit function. It is a necessary, legally grounded component of auditing economy, efficiency, and effectiveness under the Scottish Public Finance Manual. Under the Scotland Acts, the expanded fiscal powers of the Scottish Parliament necessitate a robust "Best Value" approach. Human rights provide objective and evidence-based criteria to help evaluate whether "Value for Money" aligns with "Value for Rights". A Human Rights Based Approach to auditing moves beyond simple financial "inputs" to evaluate substantive "outcomes". This supports identifying whether service delivery challenges stem from poor operational execution, misaligned resourcing, or structural issues.

This creates a "Golden Thread" of accountability linking international treaty obligations directly to the domestic Scottish budget. Auditors can evaluate whether public spending aligns with these statutory duties, which include the Human Rights Act 1998, the International Covenant on Economic, Social and Cultural Rights (ICESCR), and the incorporated UN Convention on the Rights of the Child (UNCRC).

Value for money (VFM) through a rights lens

To effectively scrutinise public spending, the traditional '3 Es' of public audit can be evaluated through this Human Rights Based Approach framework:

- Economy (resource mobilisation): Is the state mobilising its Maximum Available Resources (MAR)? Auditors can evaluate whether the government is addressing tax avoidance, tax evasion, and unresolved property valuations to mitigate projected deficits.
- Efficiency (allocative and operational): Are resources used optimally? Scrutiny can evaluate this on two distinct fronts:
    - Allocative efficiency: Did the public body prioritise core rights-based obligations and preventative spend over discretionary expenditure?
    - Operational efficiency: Was administrative waste minimised in delivery? Tracking funds from the central allocation down to the frontline can identify "leakages" or bureaucratic bottlenecks that prevent money from reaching frontline services.

- Effectiveness (progressive realisation): Did expenditure result in measurable improvements in the quality of public services? Did it tangibly reduce inequalities? Performance audits can assess the actual impact on service users relative to Scotland's economic capacity to evaluate whether funds delivered on progressive realisation.

Operationalising the audit: the PANEL principles

To operationalise these standards, the PANEL framework can guide lines of inquiry:

- Participation: Are service users, especially marginalised groups, involved in setting budget priorities?
- Accountability: Is there a clear audit trail from central allocation to local outcome? Where disaggregated data is unavailable, this "data desert" should be evaluated as a potential limitation on transparency and accountability.
- Non-discrimination: Are resources targeted to close inequality gaps for marginalised and disadvantaged groups?
- Empowerment: Is budget data transparent, accessible, and published in formats understandable to the public?
- Legality: Is the budget formulation and execution compliant with domestic and international obligations?

Legal and professional framework

Under the Scotland Acts, the expanded fiscal powers of the Scottish Parliament necessitate a robust "best value" approach to public audit. Human rights standards provide objective legal criteria to evaluate whether "value for money" aligns with "value for rights".

A human rights based approach moves beyond checking simple financial inputs and basic financial regularity. It supports the objective evaluation of substantive human outcomes. This supports identifying why policies face delivery challenges, examining whether issues stem from poor operational execution, administrative bottlenecks, or misaligned resourcing.

Crucially, this framework creates a "golden thread" of accountability linking binding international treaty obligations directly to the domestic Scottish budget. Auditors can evaluate whether public spend is legally compatible with these obligations.

The audit function can evaluate whether public bodies meet their legal duties under three primary frameworks:

- The Human Rights Act 1998: Evaluation can assess whether adequate and strategic funding is provided to support maintaining an independent judicial system, facilitating fair trials, and protecting fundamental freedoms.
- The ICESCR: Scrutiny can evaluate if the state is progressing towards the realisation of economic, social and cultural rights. This covers essential areas like social security, health, housing, and education. Auditors can assess whether the public body is using its maximum available resources and whether any regressive cuts are supported by a robust options appraisal demonstrating they are temporary, necessary, proportionate, and the least detrimental option.
- The UNCRC Act 2024: This treaty now has a direct domestic footprint. Auditors can evaluate whether budget execution considers the best interests of the child and whether resources are targeted to reach marginalised and disadvantaged groups.

The "accountability ecosystem" and the role of the auditor

Audit institutions occupy a pivotal position at the review stage of the budget cycle. The Scottish Government formulates policy and allocates resources. However, the audit function provides independent assurance that fiscal execution meets duties.

The audit function serves to scrutinise the "causal chain" and evaluate resource allocation. Auditors can assess whether funds are spent as intended and support progressive realisation on the frontline. By tracking this chain, scrutiny can expose potential operational leakage or bottlenecks where money is not delivered to frontline services.

This approach supports evaluating why service delivery challenges occur. It exposes whether the challenge is due to a genuine macroeconomic lack of resources or poor operational efficiency. Crucially, this moves the audit scope beyond simple financial regularity to assess whether the state meets its legal obligations.

Public bodies may claim that missing disaggregated data prevents demonstrating results. Where granular performance data is unavailable, this "data desert" should be evaluated as a diagnostic finding and a significant limitation in procedural accountability. This supports holding public bodies objectively accountable for translating "value for money" into "value for rights".

Part 3: The 'how': The audit methodology across the budget cycle

To scrutinise the Scottish budget through a Human Rights Based Approach, auditors can track flow of resources across different phases of the fiscal cycle.

Phase 1: Planning and formulation (the fiscal envelope)

Evaluation of the budget cycle can be grounded in the macroeconomic reality of the Scottish block grant and the Barnett formula, as well as devolved tax powers like Scottish income tax and the Land and Buildings Transaction Tax (LBTT). During this formulation phase, procedures can be applied to evaluate how fiscal priorities align with statutory commitments:

- Evaluate priority setting: assess the direct alignment between National Performance Framework outcomes and international concluding observations. Verify whether the government prioritised areas where rights are at immediate risk, rather than shifting resources from core statutory priorities.
- Scrutinise the MTFS: review the medium-term financial strategy to evaluate whether the fiscal envelope provides sufficient space for rights-based commitments over a five-year outlook.
- Assess tax effort (economy): evaluate whether the government utilised available devolved tax powers to maximise revenue. Scrutiny can evaluate whether tax gaps, unresolved property valuations, or exemptions narrow the fiscal space, limiting available resources.
- Verify impact assessments: confirm that human rights impact assessments informed the budget's size and distribution. Where required demographic data is unavailable, this "data desert" should be evaluated as a limitation on transparency and a potential risk to procedural accountability.

Phase 2: Execution and expenditure tracking

Performance audits can follow the flow of funds from the central allocation down to the frontline to identify variances between budgeted amounts and actual outturns. During execution, scrutiny can evaluate key indicators of operational inefficiency or service delivery challenges:

- Core underspend: look for significant unspent funds in statutory core service areas, like primary healthcare or emergency housing. Evaluation can assess whether administrative bottlenecks delayed or prevented funds from reaching frontline services.
- Tax evasion gap: look for high levels of uncollected revenue or illicit financial flows which limit the state's maximum available resources.
- Unjustified redirection: identify whether funds originally allocated for rights realisation are moved to other areas, evaluating for in-year adjustments made without transparent, robust justification.
- Delayed disbursement: look for administrative delays in releasing funds, which can impact service delivery or indicate potential operational bottlenecks.

Phase 3: Connecting spend to outcomes (the SERF index)

The audit function can bridge the gap between financial inputs and substantive outcomes. Scrutiny can assess whether challenges in service delivery stem from a genuine macroeconomic lack of resources, or whether they relate to strategic prioritisation choices or operational inefficiencies. This evaluation can utilise tools like the Social and Economic Rights Fulfilment (SERF) Index and the Achievement Possibilities Frontier to quantitatively measure performance against Scotland's actual economic capacity.

- Structural indicators: these assess the legal and institutional commitment to delivery, such as the incorporation of the ICESCR or National Performance Framework outcomes.
- Process indicators: these measure budgetary effort, operational efficiency, and procedural compliance, such as the percentage of the budget directed to social protection, and efforts to address tax gaps.
- Outcome indicators: these evaluate the actual impact on service users relative to Scotland's economic capacity, such as the child poverty rate or SERF Index scores.

Evaluating the presence of "data deserts" supports identifying areas where key outcomes are not tracked and where performance assessment may be limited.

Part 4: The 'how': Practical scrutiny tools for auditors

To effectively operationalise human rights budget scrutiny, auditors need practical frameworks that can be integrated into their existing Best Value and performance audit methodologies. The following tools are tailored to help auditors and public audit bodies evaluate public spending. They provide analytical mechanisms to evaluate compliance with statutory obligations, identify potential operational leakage, and evaluate how value for money aligns with value for rights principles.

Tool 1: The resources-spending-outcomes (RSO) framework

What it is for

This is an analytical diagnostic assessment tool to identify where the "causal chain" of resource allocation may experience bottlenecks, supporting connections between macroeconomic inputs and frontline outcomes.

Why use it

It provides an objective method to assess the underlying causes of service delivery failures, whether they relate to resource constraints (resources), prioritisation choices (spending), or operational inefficiencies (outcomes). It offers objective benchmarks based on the duties to respect, protect, and fulfil, supporting a structured analysis of public body performance.

How to use it

Apply these diagnostic benchmarks when conducting performance and best value audits:

- Duty to respect (non-interference): assess whether an impact assessment was conducted for any proposed budget cut and evaluate whether the proposal considered potential new financial barriers, such as means testing or user fees which could affect access for marginalised groups. If key demographic data is

missing, this should be evaluated as a limitation on transparency and a potential risk to procedural accountability.

- Duty to protect (regulation): evaluate whether sufficient resources are allocated to fund the statutory regulation and inspection of private providers. Examine whether procurement standards incorporate human rights principles to maintain service quality and safeguard standards.
- Duty to fulfil (provision): examine whether performance data or budget allocations show targeted efforts to facilitate access for individuals who experience barriers to services. Assess the adequacy of resourcing for statutory rights awareness programmes and independent advice services that support access to remedies.

Hypothetical example

Adult social care: In an audit of the outsourcing of adult social care, the "protect" duty framework can be applied to evaluate whether the public body maintained adequate oversight and resourcing for monitoring and contract compliance. This supports the assessment of whether service standards, safety, and user dignity are maintained alongside financial efficiency measures.

Tool 2: Scrutinising maximum available resources (MAR) and efficiency

What it is for

This is an analytical, evidence-based tool used to assess how public bodies mobilise all available means to fund core services, supporting the distinction between "allocative efficiency" (aligning allocations with core obligations) and "operational efficiency" (managing funds optimally).

Why use it

Public bodies frequently cite macroeconomic pressures to explain challenges in delivering services. This tool equips the audit function to objectively evaluate assertions, supporting identification of whether service challenges stem from a genuine lack of resources, strategic choices about prioritisation, or unrealised revenue potential.

How to use it

Apply this tool when evaluating Medium-Term Financial Strategies (MTFS), tax policies, and final budget outturns:

- Allocative scrutiny: assess whether the public body gave "due priority" to core obligations within the MTFS. Evaluate its "tax effort" by examining whether a tax gap analysis was conducted to identify unrealised revenue streams, such as unresolved property valuations or uncollected local taxes. Examine whether core social expenditure has stagnated despite overall economic growth, and assess how incremental revenue growth was allocated.
- Operational scrutiny: evaluate indicators of potential administrative waste or "leakage" in frontline delivery. Evaluate significant underspends in core service areas, like primary healthcare or social care, assessing whether in-year budget revisions redirected funds to discretionary portfolios without transparent justification. If the public body cannot provide disaggregated data tracking these movements, this lack of granular data should be evaluated as a significant limitation in procedural accountability and transparency.

Hypothetical example

Housing and homelessness: In evaluating a local council's budget outturn to evaluate why housing services stagnated while homelessness rose, auditors can assess allocative efficiency by checking whether the council prioritised statutory homelessness duties. Simultaneously, the audit can examine the council's revenue-raising efforts, such as its management of property valuations and efforts to address local tax gaps. This evidence supports the assessment of whether the council optimised the use of its maximum available resources, providing an objective baseline to evaluate service delivery outcomes.

Tool 3: Public expenditure tracking surveys (PETS)

What it is for

This is an expenditure tracking and assurance tool used to follow the flow of public funds by tracing funds from the central allocation down to frontline receipt and evaluating actual use by service users.

Why use it

Traditional audits often focus on the headline allocation to verify that a budget line was exhausted. This tool evaluates the actual delivery of funds, supporting the identification of potential "leakages" that occur when money is delayed in administrative bottlenecks or operational inefficiency. Crucially, this supports assessing whether service delivery challenges relate to macroeconomic resource constraints, operational inefficiencies, or strategic prioritisation.

How to use it

Apply this systematic approach during the execution and review phases, looking beyond headline announcements or aggregate spend figures. Instead, examine a clear, stage-by-stage, disaggregated audit trail to trace allocations and cross-reference them against key risk indicators. Auditors can evaluate for core underspends, unexplained in-year redirections, or delayed disbursements. Public bodies may claim they cannot provide this granular tracking data. Where this granular tracking data is unavailable, this "data desert" should be reported as a significant gap in transparency and a limitation on the audit's scope of assurance.

Hypothetical example

Mental health services: In tracing a headline £20 million allocation intended to improve local mental health services, rather than simply verifying that the central budget line was cleared, an audit can track the flow of funds to evaluate whether operational delays or redirections occurred. For example, the audit might identify that £5 million was retained at a central level due to administrative delays, or that £5 million was redirected by local health boards to address other baseline deficits, leaving £10 million for frontline services. The health board may lack disaggregated data demonstrating who benefited. This lack of granular performance data should be highlighted as a limitation on transparency, providing an objective baseline to evaluate how Value for Money aligns with Value for Rights principles.

Tool 4: The AAAQ standards for service audit

What it is for

This is an evaluation framework used to assess whether executed public funds and resulting services meet human rights standards.

Why use it

Traditional audits often measure effectiveness by checking whether a project was delivered on time and within budget. This framework evaluates effectiveness by substantive outcomes. A fully spent budget may still result in service challenges if infrastructure is inaccessible, culturally inappropriate, or of poor quality. The framework supports public bodies in demonstrating the human impact of their spending, rather than relying solely on headline expenditure figures. It also supports identifying "data deserts" where a lack of demographic data limits the ability to monitor outcomes.

How to use it

During a performance audit, auditors can evaluate service delivery and budget outturn against four key criteria:

- Availability: assess whether infrastructure, goods, and personnel meet identified community needs. Evaluation can examine whether allocations are based on current needs assessments rather than simply rolling over historical baseline figures.
- Accessibility: examine whether the service is physically and economically accessible to all eligible users, assessing whether new user fees or revised eligibility thresholds limit access to the service.
- Acceptability: assess whether services are adapted to the cultural needs of marginalised groups. Where public bodies cannot provide demographic data on service users, this "data desert" should be evaluated as a limitation on transparency and a barrier to monitoring equitable delivery.
- Quality: evaluate whether services are adequately funded to maintain safety, standards, and dignity, examining whether the budget covers essential staff training, safety standards, and proper maintenance.

Hypothetical example

School funding: In an audit of a major new local school funding package, this framework can look beyond the headline financial inputs. The audit can evaluate whether the executed budget was sufficient to maintain safe, warm buildings and provide high-quality training for teachers, rather than just covering minimum staffing costs. Furthermore, evaluation can assess whether the funding included dedicated capital for disabled access, using these benchmarks to evaluate how the public body aligned "Value for Money" with "Value for Rights" principles.

Tool 5: Scrutinising non-retrogression and expenditure reductions

What it is for

This is a structured justification framework used when a public body implements potential fiscal measures, service reductions, or budget cuts to evaluate the decision-making process.

Why use it

Public bodies may cite resource constraints to justify reducing services. However, taking backward steps in provision is referred to as "retrogression". Under a human rights based approach, public bodies are expected to demonstrate that such measures are supported by a robust options appraisal. This tool provides an objective framework to assess whether the decision-making process was robust, transparent, and supported by evidence.

How to use it

During an audit of service reductions, auditors can evaluate whether the decision-making process considered five criteria:

- Temporary: is the reduction limited to a specific period with a clear review date?
- Necessary: did the body evaluate alternative options, including potential revenue-raising measures, before reducing expenditure on services?
- Proportionate: does a documented options appraisal demonstrate this is the least disruptive option among reasonable alternatives?
- Non-discriminatory: does an equality and human rights impact assessment demonstrate how the body identifies and mitigates risks to marginalised groups? Where disaggregated data is missing, this "data desert" should be evaluated as a limitation on the evidence base and a potential risk to procedural accountability.
- Core protection: are statutory core service obligations maintained during the consolidation process?

Hypothetical example

Community support centres: In auditing a council's decision to close community support centres, the non-retrogression checklist framework can be used to evaluate the decision-making process to assess whether the council evaluated alternative options, such as adjusting empty property discounts. Furthermore, the audit can examine whether the council had sufficient demographic data to assess the impact of closures on disabled residents. Where this data is missing, the resulting "data desert" should be highlighted as a limitation on the evidence base, supporting a balanced assessment of whether the decision-making process was robust, transparent, and evidence-based.

Tool 6: Tax and benefit incidence analysis

What it is for

This is an advanced, quantitative analytical framework used to evaluate who bears the actual economic burden of a tax and how this compares with who receives the benefits of a public spending programme, bringing both sides of the fiscal ledger together to calculate the net effect of fiscal policy on household income.

Why use it

Grounded in the principle of substantive equality, this framework supports evaluating how policies that appear neutral on paper have disproportionate impacts in practice. It supports the assessment of whether the fiscal system redistributes wealth and how fiscal burdens are distributed across household incomes. Crucially, it provides a comprehensive view of cumulative impacts, evaluating whether spending benefits are offset by revenue-raising measures.

How to use it

Apply this analysis when conducting a Best Value audit to evaluate the combined impact of revenue generation and public expenditure. Auditors can review detailed distributional data and intersectional analysis from the public body, assessing whether groups paying the highest proportion of their income in taxes receive offsetting support. This includes evaluating potential exclusion risks where complex administrative rules prevent marginalised groups from accessing benefits. Where disaggregated data on tax contributions or benefit receipt is

unavailable, this "data desert" should be evaluated as a limitation on transparency and a potential risk to procedural accountability.

Hypothetical example

Scottish child payment: In evaluating the impact of the Scottish Child Payment alongside simultaneous local council tax adjustments, an audit can use this tool to analyse the combined distributional impact to assess whether the financial benefit contributed to narrowing the poverty gap or if these gains were offset by local revenue measures. Furthermore, evaluation can examine whether eligibility criteria or administrative rules inadvertently restrict access to essential support for specific groups.

Tool 7: Human rights-based performance audits

What it is for

This is an advanced auditing framework used to forensically re-evaluate the traditional "3 Es": economy, efficiency, and effectiveness through a human rights based approach, evaluating how operational efficiency relates to the actual impact on the service user.

Why use it

This supports audits looking beyond mere financial regularity and simple input-output ratios to evaluate whether expenditure has contributed to positive outcomes. Crucially, this provides a framework to assess the cause of service delivery challenges, whether they relate to a genuine macroeconomic lack of resources or poor operational efficiency.

How to use it

Apply this tool during the budget review phase to evaluate whether funds were spent legally and to assess the actual outcomes. Auditors can review disaggregated service delivery data to assess whether spending supported the availability, accessibility, acceptability, and quality (AAAQ) of the service and cross-reference financial outturns with human rights indicators to evaluate whether operational efficiency translated into tangible benefits for marginalised groups.

Hypothetical example

Mental health programme: In conducting a performance audit on a £20 million mental health programme, the audit can assess whether the spend reduced patient waiting times and improved care standards, rather than simply verifying that the budget line was exhausted. This includes evaluating potential administrative bottlenecks to assess whether the money delivered "value for rights" alongside "value for money".

Tool 8: Causality analysis

What it is for

This is an analytical diagnostic tool used to systematically map out the causes of a service delivery challenge by identifying the immediate, underlying, and root causes of structural disadvantage.

Why use it

Service delivery challenges rarely result from a single cause. This tool supports move beyond surface-level symptoms to assess whether public allocations target systemic drivers. This supports more effective resource alignment by evaluating whether spending addresses underlying structural issues rather than temporary symptoms.

How to use it

Systematically examine service challenges at four distinct levels during an audit by evaluating how the public body identifies the issue: the manifestation (what service users actually experience), immediate causes (direct access barriers), underlying causes (institutional bottlenecks) and root causes (systemic or structural factors). Evaluate whether the budget aligned with addressing these root causes.

Hypothetical example

Food bank usage: In an audit of a persistent rise in food bank usage despite increased emergency funding, causality analysis can be used to dig deeper by evaluating whether allocations address underlying structural causes rather than transactional symptoms. For

example, transport penalties and a lack of local infrastructure might make affordable food inaccessible in a community. This analysis provides an objective evidence base to assess whether spending plans align with long-term preventative outcomes rather than short-term emergency mitigation alone.

Tool 9: Cumulative impact assessments (CIA)

What it is for

This is an advanced evaluation tool used it to assess the combined effects of multiple fiscal decisions and the aggregated impact on specific individuals or marginalised groups.

Why use it

Service users experience public policy as a whole package, not as isolated measures. Standard assessments often evaluate policies in silos which can overlook the compounding of disadvantage when multiple fiscal measures hit the same demographic simultaneously. This tool supports decision-makers in evaluating the macroeconomic net effect.

How to use it

Rather than reviewing budget lines in isolation, auditors can evaluate public bodies' intersectional analysis to examine how overlapping identities experience the combined effects of the budget outturn, such as disabled women living in rural areas. Where disaggregated data needed to calculate cumulative impacts is unavailable, this "data desert" should be evaluated as a limitation on transparency and a potential risk to procedural accountability.

Hypothetical example

Annual budget outturn: In using a cumulative impact assessment to evaluate a local authority's budget outturn, the audit can review fiscal decisions collectively. For example, the evaluation might show that while the council increased funding for a targeted local benefit, simultaneous cuts to after-school care offset that financial gain, while increases in local leisure charges compounded this loss for lone parents. This supports identifying that mitigations in one area were offset by reductions in another, supporting an objective

assessment of how the public body managed risks to the most vulnerable from cumulative impacts.

Conclusion: The added value of human rights scrutiny for public audit

Human rights budget scrutiny provides a systematic "golden thread" linking Scotland's binding international commitments directly to service delivery outcomes. Strong laws are essential but challenges in service delivery can still occur without proper resourcing, operational efficiency, or effective execution. Robust public audit acts as a vital bridge as a transparent mechanism for accountability.

Embedding a human rights based approach offers the audit function significant practical value and rigorous oversight. It does not replace the traditional mandate, but rather complements it by providing objective benchmarks to evaluate how "Value for Money" aligns with "Value for Rights" principles. The added value to the audit function includes:

- Redefining the 3 Es: examining economy, efficiency, and effectiveness through a Human Rights Based Approach framework, measuring success by improvements in service outcomes and evaluating the reduction of inequalities.
- Strengthening the accountability ecosystem: tracking the "causal chain" and following the flow of funds to identify potential administrative leakage and evaluate the gap between government policy commitments and actual service delivery, supporting democratic legitimacy and transparency.
- Evidence-based oversight: providing rigorous, objective criteria to evaluate if public bodies use their maximum available resources and offering a justification checklist to evaluate the robustness of decision-making processes for proposed budget reductions.
- Protecting the most vulnerable: Encouraging analysis to look beyond aggregate national averages to identify "data deserts" and evaluate potential misaligned priorities and operational inefficiencies affecting marginalised communities.

Human rights budget scrutiny does not remove fiscal constraints or excuse poor financial management. However, it supports ensuring that when resources are tight, choices are executed transparently, legally, and equitably. Mapping public spend to outcomes supports ensuring the Scottish budget supports the progressive realisation of human rights and the delivery of statutory public services.

Appendix 1: Auditor's FAQs

Q1: Does human rights scrutiny interfere with political policy choices?

No. Governments and public bodies retain a "margin of appreciation" to make policy trade-offs. The auditor's role is to objectively assess whether those choices comply with statutory and international legal duties. Auditors do not dictate policy. Instead, performance audits can evaluate whether the optimises the use of its "maximum available resources" and assess h whether ow strict adherence to "non-retrogression" principles when making budget reductions.

Q2: What if the required disaggregated data is missing?

Where a public body does not collect granular, disaggregated data necessary to measure impacts on marginalised groups, this "data desert" should be evaluated as a significant limitation on procedural accountability and transparency rather than an unavoidable administrative hurdle. In performance audits, such gaps are treated as diagnostic findings that limit the scope of assurance.

Q3: Does "progressive realisation" require the budget to increase annually?

Not necessarily. It requires the actual realisation of rights and service outcomes to improve over time. During periods of fiscal constraint, public bodies can achieve this without increasing baseline funding. This can be demonstrated through better allocative efficiency, addressing tax gaps, or making significantly more effective, targeted use of existing resources to minimise operational waste.

Q4: How does this link to the National Performance Framework (NPF)?

Historically, the NPF included a specific national outcome to respect, protect, and fulfil human rights. However, the NPF is currently undergoing a review. The exact way human rights will feature in the revised framework remains uncertain. If human rights are integrated as an overarching "perspective", the audit function continues to evaluate them against objective baselines. For performance audit purposes, human rights are not just a subjective policy perspective or an optional lens, but are legal obligations anchored in international and domestic law. Therefore, auditors can link financial execution and value-for-money assessments to tangible outcomes and assess whether public bodies are legally compliant in their use of resources, regardless of how the revised NPF is ultimately structured.

Appendix 2: Technical Glossary

AAAQ: These are the standards of availability, accessibility, acceptability, and quality. They are used to assess performance benchmarks. They support ensuring spending "effectiveness" is evaluated by substantive outcomes rather than by simply verifying whether a budget line was exhausted.

Causality analysis: This is an analytical diagnostic tool used to map the immediate, underlying, and root causes of service delivery challenges. It supports evaluating whether resource allocations target systemic drivers, rather than addressing temporary symptoms.

Cumulative impact assessments (CIA): This is an advanced evaluation tool used to assess the aggregated effects of multiple fiscal decisions and the combined impact on specific individuals or marginalised groups. It supports the evaluation of how fiscal decisions affect wealth distribution and whether spending mitigations are offset by reductions in other areas.

Data deserts: These are areas where high-quality, disaggregated demographic data is missing or incomplete. Rather than being treated as a mere administrative hurdle, these gaps are evaluated as a significant diagnostic finding that limits the scope of assurance and represents a potential risk to procedural transparency and accountability.

Human rights-based performance audits: This is an advanced auditing framework used to re-evaluate the traditional "3 Es" through a Human Rights Based Approach. It simultaneously evaluates operational efficiency and actual outcomes, assessing the impact on the service user.

Maximum available resources (MAR): This is the obligation to utilise all available resources to support the progressive realisation of rights. These include financial, human, and technological resources. It provides a framework to evaluate whether a public body has optimised its revenue-raising efforts and prioritised core service obligations during periods of fiscal constraint.

Minimum core obligations: This represents the baseline standard of provision required to meet minimum essential levels of each right. Examples include protection from starvation or basic shelter provision. In performance audits, these obligations act as a key baseline or floor of provision to evaluate whether core services are maintained during expenditure reductions.

Non-retrogression: This is the principle that public bodies should avoid measures that reduce the existing level of service provision. This includes reductions to essential services. Where service reductions occur, this principle provides a framework to evaluate whether the decision-making process was robust, transparent, and supported by an options appraisal

assessing whether the measure is temporary, necessary, proportionate, and the least disruptive option.

Progressive realisation: This is the obligation to move as quickly as possible toward the full realisation of rights. Auditors can evaluate this by assessing whether the public body makes optimal use of existing resources to improve outcomes and whether resource constraints are being used as a generic justification for a lack of progress.

RSO framework: This is a diagnostic methodology connecting resources, spending, and outcomes. It provides a structured method to identify where the causal chain may experience bottlenecks. It supports assessing whether service delivery challenges relate to insufficient revenue, prioritisation choices, or ineffective delivery.

SERF Index: This is the Social and Economic Rights Fulfilment Index. It is a quantitative tool measuring rights fulfilment relative to economic capacity using the Achievement Possibilities Frontier. It supports distinguishing between a genuine lack of resources and a lack of strategic prioritisation choices.

Tax and benefit incidence analysis: This is an advanced quantitative tool used to evaluate who bears the actual economic burden of a tax compared with who receives the benefits of public spending. It supports the assessment of whether the fiscal system redistributes wealth or affects inequality.