

News release

For immediate release

Shaping the future of Scotland's public audit

Scotland's public spending watchdogs – the Auditor General for Scotland and the Accounts Commission - are strengthening the delivery of public audit, ensuring it continues to meet the changing needs of the public sector, whilst our independent scrutiny remains proportionate, robust and delivers value for money.

Each year, Audit Scotland oversees the audits of nearly £70 billion in public spending. The Code of Audit Practice sets out the principles of public audit in Scotland and is reviewed every five years.

The new Code, effective from April 2027, builds on existing principles - independent appointment, public reporting, wider scope and quality - while evolving to meet changing and growing expectations of both audit and public services.

Following consultation there was strong support for the revised Code, with two areas of substantive change being introduced:

- a more proportionate audit approach for smaller bodies, with expenditure below £6.5 million, enabling more focused procedures whilst still ensuring a rigorous, independent assessment of public spend.
- a stronger focus on Best Value in local government across annual audits. And separate reporting to the Accounts Commission on individual councils will move from the current five-year cycle to a risk-basis, assessed by level of concern.

Stephen Boyle, Auditor General for Scotland said:

'Public audit takes a unique view across our public services, enabling us to make a valued contribution by providing independent assurance, insight and reporting in the public interest. And our work goes further than auditing accounts. It looks at arrangements to secure continuous improvement to ensure that public money is well spent today, and in the years to come.'

'The changes we've made will ensure a sharper focus on audit that's proportionate to the size of individual public bodies and the risks they face. Our work will continue to support wider changes in how public services are funded and delivered in the future.'

Jo Armstrong, Chair of the Accounts Commission said:

‘The annual audit of public bodies provides the foundation for all our work. And the audit of Best Value across local government remains vital in supporting the improvement of the services we all depend on in our everyday lives.

‘A continued focus on this helps ensure we can continue to support public bodies to improve, including through sharing best practice.’

For further information contact:

Joanna Mansell Tel: 07970331858 jmansell@audit.scot or media@audit.scot

Notes to Editor:

- 1.** The new Code of Audit Practice will be effective for the five-year period from 1 April 2027/28 to 2031/32. The Code and further details about the consultation have been [published on Audit Scotland’s website](#).
- 2.** The Code of Audit Practice is issued by the Auditor General and the Accounts Commission and defines the independent external audit of public bodies in Scotland. It sets out the framework for external audit which provides assurance that public bodies properly discharge their responsibilities.
- 3.** All auditors appointed by the Auditor General and the Commission to perform annual audits and performance audits must comply with this Code.
- 4.** The new Code builds on existing principles—**independent appointment, public reporting, wider scope and quality**—and strengthens them by:
 - emphasising that auditors act in the public interest
 - reinforcing the use of professional judgement
 - encouraging the use of data to improve insight, accuracy and efficiency.
- 5.** One Code will continue be applied across all public audit, with a mixed market approach – audits delivered by Audit Scotland staff and external firms.
- 6.** Audit Scotland has prepared this report for the Auditor General for Scotland. All Audit Scotland reports published since 2000 are available at www.audit.scot
 - The Auditor General appoints auditors to Scotland’s central government and NHS bodies; examines how public bodies spend public money; helps them to manage their finances to the highest

standards; and checks whether they achieve value for money. The Auditor General is independent and is not subject to the control of the Scottish Government or the Scottish Parliament

- The Accounts Commission is the public spending watchdog for local government. It holds councils and various joint boards and committees in Scotland to account and help them improve. It operates impartially and independently of councils and of the Scottish Government, and meets and reports in public.
- Audit Scotland is a statutory body set up in April 2000, under the Public Finance and Accountability (Scotland) Act 2000. It provides services to the Auditor General for Scotland and the Accounts Commission for Scotland.

ENDS