

# Best Value: Shetland Islands Council

Item 5

Director for the Accounts Commission

Meeting date:  
12 February 2026

## Purpose

**1.** This paper introduces the Controller of Audit's report on Best Value in Shetland Islands Council, which has been produced following the 2024/25 audit of the council. The paper outlines the process to be followed, including publication arrangements.

## Recommendations

**2.** The Commission is invited to:

- consider the Controller of Audit's Best Value report
- note the process to be followed in relation to the report
- decide how it wishes to proceed
- approve the proposed publication arrangements.

## Background

**3.** At least once during the current five-year audit appointment, the Controller of Audit (CoA) is required to report to the Commission on Best Value in each council. These reports are based on the best value audit findings reported in Annual Audit Reports (AARs), prepared by independent external auditors. The CoA's report draws the Commission's attention to how effectively a council demonstrates Best Value through continuous improvement in how it delivers its strategic priorities.

**4.** Best Value audit work is fully integrated into annual financial audit work and is reported in AARs. It also includes follow-up and Best Value work on a particular theme agreed annually, providing judgements on the pace and depth of continuous improvements and service performance.

**5.** The theme to be looked at as part of 2024/25 audits was transformation and how councils are redesigning and delivering services to achieve planned outcomes. The CoA's report also draws on this work.

**6.** The Best Value thematic report for Shetland Islands Council and the AAR were presented to the council's Audit Committee on 23 September 2025 and 11 November 2025 respectively.

## The Controller of Audit's report

**7.** The report on Best Value in Shetland Islands Council is made by the CoA under section 102(1) of the Local Government (Scotland) Act 1973 (as amended by subsequent legislation including the Local Government in Scotland Act 2003).

**8.** The legislation enables the Controller of Audit to make reports to the Commission with respect to:

- the accounts of local authorities audited under the Act;
- any matters arising from the accounts of any of those authorities or from the auditing of those accounts being matters that the Controller considers should be considered by the local authority or brought to the attention of the public; and
- the performance by a local authority of their statutory duties in relation to best value and community planning.

**9.** A copy of the report was sent to the Chief Executive of Shetland Islands Council on Wednesday 04 February 2026 (the same day it was issued to Accounts Commission members). The council has been advised of its obligations to supply a copy of the report and the AAR on which it is based to each council member and to make additional copies available for public inspection. Once the CoA's report is sent to the council, it is effectively in the public domain.

## Process

**10.** The Commission will consider the CoA's report during the public session of its meeting. Members of the audit team will be present and will be available to answer questions on the evidence and judgements presented in the AAR, with a focus on Best Value.

**11.** The Commission will then decide, in private, how it wishes to proceed. The legislation provides that, on receipt of a CoA report, the Commission may do (in any order) all, any, or none of the following:

- direct the CoA to carry out further investigations
- hold a hearing
- state its findings.

**12.** Findings may include recommendations and the persons to whom those recommendations may be made include Scottish Ministers, who have powers to make an enforcement direction requiring an authority to take such action as is specified in the direction.

**13.** The Commission is obliged to inform the council of its decision on how it will proceed shortly after the Commission meeting – this is done on its behalf by the Director for the Accounts Commission – before making its decision public.

**14.** If the Commission chooses to make findings, the council is required by statute to do the following:

- consider the findings of the Commission at a meeting of the full council within three months of receiving them
- publish in a newspaper circulating in the local area a notice stating the time and place of the council meeting, indicating that it is to consider the findings of the Commission and describing the nature of those findings (at least seven clear days before the meeting)
- after the council has met, notify the Commission of any decisions made, and publish in a newspaper circulating in the local area a notice containing a summary, approved by the Commission, of the council's decision.

**15.** The Commission asks the council for a meeting, preferably in the period between the Commission publishing its report and full council considering it, to do the following:

- discuss what the council thinks of the Commission's decision and its findings (if applicable), and what the council will do in response to the Commission's report
- confirm any next steps and review the audit process.

## Publication arrangements

**16.** The report is due to be published on 05 March, with the previous day being held for any media interviews. It is planned that Jo Armstrong will front the media for this report.

**17.** Communications outputs for the Best Value report will be prepared including a news release and social media. A range of communications and engagement work will be undertaken with local and national media and stakeholders, as appropriate.

## Conclusion

**18.** The Commission is invited to consider the recommendations set out at [paragraph 2](#) of this report.