

Minutes

Thursday 15 January 2026 10.00am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN, and online via Microsoft Teams
528th meeting of the Accounts Commission

Present: (online unless stated)

Jo Armstrong (Chair) (*in person*)

Malcolm Bell (*item 5 onwards*)

Nichola Brown

Andrew Burns (*in person*)

Andrew Cowie

Carol Evans

Jennifer Henderson

Angela Leitch

Christine Lester

Ruth MacLeod

Mike Neilson

In attendance: (online unless stated)

Sarah Watters – Director for the Accounts Commission (*in person*)

Joe Chapman – Policy Manager for the Commission (*in person*)

Helena Gray – Controller of Audit

Alison Cumming – Executive Director of Performance Audit and Best Value (PABV)

Owen Smith, Director of Audit Quality and Appointments (AQA) (*Items 8 & 13*)

Blyth Deans, Audit Director, PABV (*Items 9 & 10*)

Martin McLaughlan, Senior Manager, PABV (*Item 9*)

Zoe McGuire, Audit Manager, PABV (*Item 9*)

Fiona Lees, Senior Auditor, PABV (*Item 9*)

Garry Quigley, Senior Auditor, PABV (*Item 9*)

Lisa McNeely, Audit Officer, PABV (*Item 9*)

John Cornett, Executive Director of Audit Services (*Item 12*)

Lisa Duthie, Audit Director, Audit Services Group (ASG) (*Item 12*)

Jennifer Doolan, Senior Auditor, AQA (*Item 13*)

1. Apologies for absence

Apologies were received from Derek Yule. Malcolm Bell joined the meeting during item 5 due to an unavoidable clash with other commitments.

2. Declarations of connections

Carol Evans declared a connection to item 13 in respect of her roles within audited bodies. She did not consider her connection material and so would remain in the meeting and participate in the discussion of this item.

3. Order of business

It was agreed that items 8 to 14 would be considered in private, for the reasons stated on the agenda.

4. Minutes and matters arising from previous meetings

The minutes of December's meeting were agreed as an accurate reflection, and the minutes were approved as final. Sarah Watters, Director for the Commission, provided the following updates on actions:

- A summary of the Partnership Working Framework review undertaken across the Commission, Audit Scotland and the Auditor General was shared with Commission members on 18 December 2025
- The Audit Scotland budget presentation to the Scottish Commission for Public Audit was shared with Commission members on 18 December 2025

5. Local Government policy update

The Commission considered a report by Joe Chapman, Policy Manager for the Commission, providing an update on significant recent activity relating to local government. Joe highlighted the following items:

- Scottish Budget and Spending Review – Joe provided an overview of key points relating to local government and noted that a detailed briefing will be provided at February's meeting and a supplement will also be prepared to accompany the Local Government financial bulletin.

A number of discussion points were raised:

- Commission's February budget briefings – members requested data on ring-fenced budgets, along with analysis of inflationary pressures and pay awards across the sector

Action: Executive Director of PABV

- General power of competence – no further info available. Scottish Government had planned to progress this before the election but COSLA has requested more time to consider proposals.
- Housing and homelessness, and education – members highlighted the report's updates in these areas, both of which are key items on the Commission's work programme. The change in capital as part of the budget announcement was also noted.

Following discussion, the Commission noted the report.

Malcolm Bell joined the meeting during the above item

6. Chair's update

The Commission considered an update by Jo Armstrong on recent and upcoming activity. Jo highlighted the following:

- Visit to Comhairle nan Eilean Siar – follow up to the section 102 report on the cyber-attack, and opportunity to discuss their work in relation to a single authority model.
- Commission engagement is being reviewed by Sarah for 2026, to ensure the Chair, Deputy Chair and members continue to build relationships across the sector and promote Commission's work
- Meeting with Ariane Burgess, Convener of the Local Government, Housing and Planning Committee, rescheduled for 28 January.

The Commission noted the report.

7. Any other public business

There being no other business, the Chair closed the public session.

8. Controller of Audit's update (*including audit delivery update*)

The Commission considered an update by Helena Gray, Controller of Audit (CoA), on recent and upcoming activity. Helena also provided a detailed update on audit delivery including the following:

- 2023/24 audits – seven outstanding in total, Helena will continue to monitor each audit as it progresses.
- 2024/25 audits – 26 of 123 audits outstanding, including 11 councils, four of which are expected to complete in January, with a further three by the end of March.

A number of points were discussed, including:

- Commission members were content with the steps Helena is taking to monitor audit delivery and agreed no further action required at this stage.
- Commission members encouraged Helena to reflect on how/when stakeholders, and the wider public should be made aware of concerns relating to delivery of specific audits.

Action: Controller of Audit and Director for the Commission

- Commission members emphasised the importance of reflecting and learning lessons in relation to delayed 2023/24 audits.

Action: Controller of Audit

- Solace and Improvement Service (IS) transformation programme – members asked for any updates on this. Helena, Sarah, and Blyth

referred to recent and ongoing engagement with Solace and IS and the forthcoming Commission members' forum with Solace.

Following discussion, the Commission noted the report.

9. Local government financial bulletin 2024/25 – draft report

Alison Cumming, Executive Director of Performance and Best Value (PABV) presented the draft local government financial bulletin 2024/25. She highlighted a number of key issues:

- Inverclyde and Stirling data returns will not be included when published, which will be made clear in the report
- Information on International Financial Reporting Standard 16 (IFRS 16) has been amended to fully align with the CoA's Annual Assurance and Risks Report which will be published later this year

During discussion a number of specific points were raised that will be considered by the PABV team and an updated draft shared with sponsors.

Members thanked Alison and her team for their hard work on the report, Alison thanked Martin McLaughlan and Mike Neilson for their work on the local government overview reporting programme as they are moving to focus on other areas of performance audit.

Following discussion, the Commission:

- Approved the draft local government financial bulletin
- Agreed to delegate final approval of the content of the bulletin to sponsors
- Noted the publication arrangements set out in the report
- Noted the publication arrangements for the accompanying supplement and noted that approval of this has been delegated to the report sponsors

10. Commission expectations and recommendations: Rationale and proposed principles

The Commission considered a report by Blyth Deans, Audit Director PABV, which outlines the rationale for determining how and when the Accounts Commission should utilise 'expectations' and/or 'recommendations' within its performance audit reports.

During discussion, a number of points were raised:

- The Commission thanked Blyth for his report and clear rationale
- Stakeholder feedback – not formally taken yet but can be incorporated during the next stage of development. Anecdotal feedback suggests councils respond well to 'expectations'

- Intention to explore with Audit Scotland Communications colleagues, at a later date, how stakeholders, including the public, would benefit from information about our approach to this work
- Commission members shared a number of feedback points for Blyth's consideration.

Following discussion, the Commission:

- Agreed to adopt the principles for decision making set out in the table at Exhibit 1
- Noted the intention of PABV to return to a future Commission meeting to develop this discussion further and provide links to a wider strategy focused on follow up and impact.

11. Impact of Commission findings: Best Value reports 2022/23 and 2023/24

The Commission considered a report by Sarah Watters which set out a summary of the short- and medium-term impact of findings made by the Commission in response to Controller of Audit Best Value reports based on 2022/23 and 2023/24 Annual Audit Reports (AARs).

During discussion a number of points were raised:

- Members welcomed the report, which they felt gives assurance that recommendations are being monitored along with clarity on how this is done
- Members are keen to see how this develops over time, to build up a picture, in one place, over 3-5 years, taking into account the increase in recommendations that are longer term in nature and will take more than one year to see progress
- Opportunity to use findings to share good practice from those councils who have responded to all recommendations

Following discussion, the Commission:

- Noted the processes now in place to ensure that Commission findings are followed up
- Noted the intention to integrate this work into the wider impact monitoring and evaluation framework.

12. Audit Services Group audit delivery update

John Cornett, Executive Director of Audit Services, and Lisa Duthie, Audit Director: Resource Lead, Audit Services Group (ASG) presented an update on the progress of annual audits carried out by ASG. John confirmed that the end of year three of the five-year appointment round allows a forecast of likely delivery by ASG over the next two years.

During discussion a number of points were raised:

- It is unlikely that any late audits will carry into the next round, but in this event, the incumbent auditor would finish the audit.

A robust handover process is in place, and incoming auditors can start some limited aspects of their work ahead of outgoing auditors completing, if required

- Progress will be monitored until the end of the audit appointment period, which will allow the team to forecast any resource and handover needs

Following discussion, the Commission noted the contents of the report.

13. Firms audit delivery update

The Commission considered a report by Owen Smith, Director of Audit Quality and Appointments (AQA), which provided an update on the firms' audit delivery progress. Owen highlighted some key points:

- AQA is confident that most local government audits will be back on track by the end of the current audit appointment
- Since the report was prepared, one council has delayed their audit sign off to February

During discussion a number of points were raised:

- Several outstanding audits are expected to complete with relatively few further issues
- Members are assured in the knowledge that AQA is aware of and monitoring issues as they unfold

Following discussion, the Commission noted the contents of the report.

14. Any other private business

The Chair raised the following business:

- An overview of planned members' forum sessions for 2026, bringing external speakers to the Commission
- Sarah Watters is in discussion with the Scottish Government's Local Government Division regarding the new Cabinet Secretary with responsibility for local government coming to the Commission, with the aim of June 2026
- Encouraging colleagues to complete the effectiveness review survey which the Accounts Commission Support Team will share in the coming days

There being no further business, the meeting closed at 12:40pm.

Close of business