
Minutes

Thursday 16 April 2026 11:15am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN, and online via Microsoft Teams
531st meeting of the Accounts Commission

Present:

Jo Armstrong (Chair)
Malcolm Bell
Nichola Brown
Andrew Burns
Andrew Cowie
Carol Evans
Jennifer Henderson
Christine Lester
Ruth MacLeod
Mike Neilson
Derek Yule

In attendance:

Sarah Watters – Director for the Accounts Commission
Helena Gray – Controller of Audit
Joe Chapman – Policy Manager for the Commission
Vicki Bibby – Chief Operating Officer
Kathrine Sibbald – Senior Manager, Performance Audit and Best Value (PABV) (*item 6*)
Emma Brown – Senior Auditor, PABV (*item 6*)
Cornilius Chikwama – Audit Director, PABV (*item 7*)
Ashleigh Madjitey – Audit Manager, PABV (*item 7*)

1. Apologies for absence

Apologies were received from Angela Leitch.

2. Declarations of connections

Jo Armstrong declared a connection to item 7, in her capacity as Chair of Wheatley Group. Having sought advice from the Ethics Partner, it was agreed that Jo recuse herself from all discussions on item 7 and that Andrew Burns will deputise as chair during this item.

Jo also informed the Commission that Alison Cumming, Executive Director of Performance Audit and Best Value (PABV) also has a connection with item 7, which is instead being presented by other members of the PABV team. (Alison is incidentally not in attendance for this meeting.)

Derek Yule declared a connection to item 5, as a resident of Clackmannanshire. He did not believe the connection to be material and therefore would remain in the meeting for this item.

3. Local government policy update

The Commission considered a report by Joe Chapman, Policy Manager for the Commission, which provided an update on recent major publications relating to local government (LG).

Joe advised that a briefing is being prepared on party election manifestos as they relate to LG and will be shared with members later this month.

The following points were raised during discussion:

- Scottish Government's recent additional support for learning review – depth of review was constrained by time, incoming government will decide how to take the recommendations forward.
- Commission suggested a future review of government strategies and plans to analyse which have progressed and whether further scrutiny is needed.

Following discussion, the Commission noted the report.

4. Chair's update

The Commission considered an update by the Chair, Jo Armstrong, on recent and upcoming activity. Jo highlighted the following items of note:

- Deloitte "State of the State" report launch event –
 - Compared to the rest of the UK, Scotland shows higher trust in its government (SG), and higher satisfaction levels with local services. Satisfaction with health services in Scotland has decreased in recent years and is now lower than local services.
 - The Director-General for Exchequer, Strategy and Performance Shona Riach presented alongside Mairi Spowage from Fraser of Allander, and Heather Thomson from the Data Lab. Views from the panel ranged from being optimistic about opportunities to frustration about the pace of change. The need for change in risk appetite within the public sector was an overarching theme.
- Meeting with Kenneth Hogg, the new Director General of Communities and External Affairs – discussed public service reform, and the Commission and local government's respective roles in this area. Jo also gave Kenneth an update on the Commission's Response Framework and the escalation process within it, where the Commission has concerns about audit delivery.
- Commission Best Value report follow-up visits to Shetland and North Lanarkshire councils both took place recently. Jo recorded the Commission's thanks to both councils for the visits that were arranged alongside the follow-up meetings and noted that both councils expressed that they value the Commission's work.

Following discussion, the Commission noted the report.

5. 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, including the following:

- 2023/24 outstanding audits
 - Two councils have indicated their intention to hold special council meetings in April to sign off their accounts
 - Helena has notified both councils of the intention to bring section 102 reports to the Commission in due course regarding the delays to both audits.
- 2024/25 outstanding audits
 - One further council has signed off its accounts this week
 - Another is committed to undertaking a significant proportion of work this month with the intention to take the final accounts to its audit committee in October. Helena will meet with the auditor later in the month to discuss progress and next steps.

During discussion, the following points were raised:

- Members welcomed the decision to bring s102 reports on the 2023/24 audit delays in the two councils, noting that this follows the escalation process set out within the Commission's Response Framework.
- The Commission agreed with the CoA recommendation not to escalate further any of the outstanding 24/25 audits at this stage.

Following discussion, the Commission noted the report.

6. Delivering for the future: Transformation – draft Best Value thematic report

The Commission considered a report by Helena Gray, Controller of Audit, which sets out the draft national Best Value thematic report and case study supplement.

During discussion, the following points were raised:

- Members welcomed the report and the intention, later in the year, to make use of a web format to display case study information more effectively.
- Savings to be delivered through transformation – difficult to estimate, there will invariably be inconsistencies across councils in relation to the way they attribute savings to particular programmes, achievability and realisation.
- Use of the term 'innovation' – only used in quoting principles from the Commission's 2024 report on transformation; the audit team

noted this wasn't a specific audit question, but the case studies are intended to demonstrate the range of approaches taken.

- Case studies – presented as illustrative examples of practice as opposed to best practice or exemplars. Members would like to see more detail across these. It was acknowledged that these are intentionally brief and intended to act as 'can-openers' to encourage readers to access links and read further. Balance needed between what could be included and what needs to be included for the intended purpose.
- Transformation plans – some councils are further along in the process than others, members keen to consider how to encourage sharing good practice with those who are slower to progress. Audit team stated that the emphasis was on sector-led initiatives and not explicit advice from the Commission.
- A number of suggested amendments were made and will be reviewed by the team in conjunction with the sponsor, including:
 - Equality Impact Assessments – quantifiable data on how many were completed, and how many of those were sufficiently useful
 - Including 'transformation' in the title, currently omitted due to perceived challenge from stakeholders on this term
 - Inclusion of a consolidated 'expectations' single page instead of 'what needs to happen' chapter endings.

Following discussion, the Commission:

- Agreed to delegate final approval of the content of the report and case study supplement to the sponsor, Jennifer Henderson
- Approved the proposed publication arrangements for the report

7. Housing performance audit – proposed scope

Cornilius Chikwama, Audit Director PABV, presented the proposed scope of a joint audit with the Auditor General on Housing in Scotland.

During discussion, a number of points were raised:

- Effectiveness and impact – it was suggested this is summarised throughout the document rather than all together on page 9
- 110,000 new affordable homes target – members questioned whether this was future proofed beyond 2032, given projections for demographics in future years. Shelter and the Scottish Federation of Housing Associations have completed their own projections which suggest this target will not be sufficient.
- Use of existing housing infrastructure - will be dependent on condition, council capacity and resource, as well as legislation and guidelines. Ongoing evaluation will be essential in coming years.
- Case studies – members felt there is a lack of rural representation in the case studies, though the team felt that one council is largely rural. The case studies were selected from councils deemed by

the Scottish Housing Regulator (SHR) to be at risk of systemic failure, hence the inclusion of two similarly large city councils. It was suggested by the team that issues within rural councils could be addressed in the wider scope of the work

- Housing 'emergency' – some councils may steer clear of using this term (which could be politicised) but may, in fact be in crisis so the audit team has used data from SHR and other bodies to analyse statistics around temporary accommodation and homelessness
- 'More Homes Scotland' remit – explore opportunity to influence the outcomes for this new body and make clear recommendations to it
- Human rights approach is key – need to address inequalities throughout the scope of this work.

Following discussion, the Commission approved the report and arrangements set out within.

8. Local Government Benchmarking Framework (LGBF) National Benchmarking Overview Report 2024/25

The Commission considered a report by Sarah Watters, Director for the Commission, and Joe Chapman, Policy Manager for the Commission.

Several points were raised during discussion, including:

- Within the new SPI Direction, councils are encouraged to use LGBF data as a primary data source alongside local measures
- Members would like to hear more on emerging themes from this year's data and whether / how local authorities are using the tool to identify areas for improvement work, including Peer Collaborative Improvement
- LGBF data will be of great use to future audits, for example education where there is a comprehensive range of input, output and outcome indicators
- Most of the indicators in the LGBF use data from existing returns and the sector-led work on the Local Government Data Platform aims to reduce duplication and drive efficiency in this area
- The Director for the Commission will ask members for areas they would like to discuss with LGBF Board members at the August Commission meeting.

Action: Director for the Commission

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

9. Strategy Seminar review

The Commission considered a report by Sarah Watters, Director for the Commission, and Joe Chapman, Policy Manager for the Commission, summarising key decisions and actions from the Commission's Strategy

Seminar on 11 March 2026. This was prepared in conjunction with PABV colleagues who will be involved in many of the follow-up actions.

By way of introduction, Jo said that the poll undertaken following the strategy seminar by PABV had captured members' views on priorities for the 2027/28 work programme, but it will now be necessary for Alison's team to look at the overall coherence of the programme and to develop proposals for consideration by the Commission.

Several points were raised during discussion, including:

- Some members would welcome a change of venue for future seminars, with separate breakout spaces.
- The use of tools such as Menti was welcomed
- It was suggested that there be more member involvement with shaping the agenda for future Strategy Seminars (although Sarah did clarify that the Chair and Deputy Chair are involved)
- Members would like one seminar per year to include a focus on the Commission's strategy and its explicit links to the Work Programme

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

10. Chief Operating Officer's update

Vicki Bibby, Chief Operating Officer, delivered a verbal update to the Commission, including:

- Future Public Audit Model - consultation had been very successful during Phases 1 and 2 of the project. Phase 3 is progressing well and informed by engagement with firms.
- AI – Vicki assured members that this was a focus for Executive Team (ET). UK Treasury has encouraged that audit should not be a barrier to growth and innovation. ET discussing AI position in the coming weeks with a particular focus on risk appetite.
- The setting up of the Local Audit Office in England is delayed but an update will be provided to members at an appropriate point.

Action: Director for the Commission

- Quality of Public Audit in Scotland draft report is being discussed by ET later this month, before it comes to the Commission in May.

11. Any other private business

There being no further business, the meeting closed at 13.25

Close of meeting