ACCOUNTS COMMISSION

Minutes

Thursday 18 June 2026 10:00am

Audit Scotland offices, 8 Nelson Mandela Place, Glasgow, and online via Microsoft Teams
533rd meeting of the Accounts Commission

Present:

Jo Armstrong (Chair)
Malcolm Bell
Nichola Brown
Andrew Burns
Andrew Cowie
Carol Evans
Jennifer Henderson
Angela Leitch
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
Alison Cumming – Executive Director, Performance Audit and Best Value (PABV)
Stephen Craig – Partner, Deloitte *(Items 5 and 13)*
Rebbecca McConnachie – Senior Manager, Deloitte *(Items 5 and 13)*
Michael Wilkie – Public Sector Audit Partner, KPMG *(Items 8 and 12)*
Taimoor Alam – Audit Manager, KPMG *(Items 8 and 12)*
Leigh Johnston – Senior Manager, PABV *(Item 14)*
Christopher McClelland – Audit Manager, PABV *(Item 14)*
Mark MacPherson – Audit Director, PABV *(Item 15)*
Simon Ebbett – Head of Communications *(Items 16)*

1. Apologies for absence

There were no apologies received or required from members.

2. Declarations of connections

Derek Yule declared a connection to items 5, 10 and 13 as a resident of Clackmannanshire and having worked for the council around 25 years ago. Having taken advice from the Director and Ethics Partner, he did not consider the connection material and therefore would remain in the meeting and participate in the discussion of these items.

Carol Evans and Jennifer Henderson declared connections with items 5, 10 and 13 as both work for organisations which are audited by Deloitte, albeit by separate audit teams. Having taken advice from the Director and Ethics Partner, they had agreed that they would refrain from asking questions of the auditors (item 5) but would remain in the meeting throughout and would participate in the discussion at items 10 and 13.

Angela Leitch declared a connection with items 5, 10 and 13 in relation to her former role as Chief Executive of Clackmannanshire Council. Having sought advice from the Director and Ethics Partner she did not consider the connection material and therefore would remain in the meeting and participate in the discussion of these items.

3. Order of business

It was agreed that items 10 to 18 would be considered in private, for the reasons stated on the agenda. It was agreed that the order of the agenda would change, with item 13 being taken before item 11.

Jo acknowledged Andy Cowie's last Commission meeting, and thanked him for his hard work and contributions over his time as a member including as sponsor of several performance audits and working on two Codes of Audit Practice.

4. Minutes and matters arising from previous meetings

The minutes of May'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:

- CIPFA / LASAAC effectiveness survey – the Commission and Controller of Audit will have the opportunity to feed in via the Local Government Accounting Code consultation later this year
- Positioning of audit and scrutiny, in the context of Public Service Reform, has been added to the Commission's September Strategy Seminar agenda
- Local Government Benchmarking Framework (LGBF) representatives will attend August's Commission meeting, with members to be prompted to share their discussion points ahead of this. A paper from the Improvement Service with examples of councils using LGBF to drive improvement will be shared in advance.

5. Section 102 report: Clackmannanshire Council

The Commission considered a statutory Section 102 report by the Controller of Audit (CoA) on the 2023/24 audit of Clackmannanshire Council and continued delays.

The discussion explored the following themes:

- Governance, reporting and accountability
  - Elected members awareness – members were engaged when accounts were presented, but audit team not aware of any regular monitoring and scrutiny of audit delays, with no standing agenda item and limited requests for updates. Audit delays were not referenced in budget papers or discussions.
- Capacity and capability
  - 2024/25 annual accounts – detailed joint planning underway, draft accounts are expected post-summer, but no confirmed submission date; council and auditors meeting week commencing 22 June to discuss.
  - Best Value (BV) – council has made progress in implementing recommendations from the 2024 BV report; CoA satisfied the council has arrangements in place to secure BV despite audit delays.
  - Root causes – several inter-related factors but finance function capacity is a key concern, impacting on timeliness and quality of information. Section 95 (s95) officer has undertaken a full review to establish required resource, but recruitment and retention challenges persist.
  - Medium Term Financial Plan – assurance can be taken from established finance processes and monitoring, but recent planning is based on unaudited figures which limits robustness.
- External auditors
  - Audit team availability – slippage disrupted scheduling and planned activity, repeated timetable resets led to team changes which caused some duplication, slowing audit progress.
  - Escalation of delays – mainly within finance team through regular meetings with s95 officer. CoA escalated formally via the Commission’s Response Framework, including engagement with council Chief Executive, and sought regular joint progress updates on behalf of the Commission.
- Future actions
  - Persistent delays – sector wide challenges acknowledged, but concern that Clackmannanshire has consistently had audits late over last five years, with no date agreed for 2024/25 audit yet.
  - Improvement actions – lessons learned exercises undertaken, staff time planned in advance, new approach to working and engaging, and auditors will work with the council to improve access to and understanding of systems and processes. CoA will continue to monitor the audit process.

- Capacity assurance – council expected to confirm resource and work with auditors to produce a realistic, achievable timetable
- Follow up and reporting – clear delivery milestones needed for both 2024/25 and 2025/26 audits, with regular updates and early warnings of risks flagged. CoA to work with auditors and the Commission to develop appropriate approach to monitoring

Following discussion, the Commission **agreed** to decide in private how it wishes to respond to the report.

6. 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).

The following points were raised during discussion:

- Mull campus – First Minister has said the Scottish Government will consider a different funding model that may give Argyll and Bute Council more flexibility.
- Aberdeen hydrogen project –background information on the project obtained from auditors, which will be shared with members.

Parliament and Government – committees formed and Cabinet Secretary and committee remits confirmed and aligned.

The Commission **noted** the report.

7. 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:

- Orkney “Routemap to Reform” event – keynote speech with Auditor General for Scotland – exploring opportunities and challenges, and how audit can support reform and innovation, rather than be seen as a barrier.
- Local Government reception with MSPs – interesting event, with new MSPs expressing interest in the Commission’s work.
- Roundtable on digital leadership and collaboration in local government (as part of the Commission’s work programme)– useful session which highlighted the challenges faced by leadership and how the Commission can respond.
- Commission recruitment update – planning well underway, with member recruitment launching 13 July 2026, members encouraged to share with their networks.
- Aberdeenshire and Angus councils’ Best Value report follow up visits:

  - Angus - constructive conversation which included politicians from the administration and the opposition, Commission members found this a positive approach.
  - Aberdeenshire - conversation constructive, followed by a meeting with Integration Joint Board (IJB) leadership which highlighted the work undertaken to significantly reduce its deficit – keen to follow up with some Commission members later this year. The council's place-based approach was also highlighted.

Following discussion, the Commission **noted** the report.

8. Best Value: Inverclyde Council

The Commission considered the Controller of Audit's Best Value report on Inverclyde Council. The discussion explored the following themes:

- Finances
  - Savings delivery – strong track record of delivery, success aided by detailed short-term plans and continuous monitoring with clear, deliverable measures.
  - Reserves – sustainable strategy, reviewed every 3 years, council recognises the need to reduce reliance on reserves to balance budgets, and use of reserves has reduced in recent years.
  - Capital – programme mainly financed by grants but relatively high finance costs as a proportion of the budget, which are incorporated in medium-term financial planning. Strong programme delivery, slippage is monitored and spend reprioritised where needed.
  - Council tax rebate – limited impact on financial projections, some bands are now above national average.
- Transformation
  - Programme management – transformation delivered through business-as-usual approach, not a dedicated team. Strong oversight through directorate-level and corporate-level boards. Transformation-related risks captured on corporate risk register.
  - Future savings – 10-year medium term financial strategy, 2-year budgets and detailed plans, and 3-year look-ahead. Council accepted recommendation to align savings plans with medium-term financial strategy, due by December 2026.
- Shared services
  - West Dunbartonshire partnership – independent evaluation recognised genuine effort but significant barriers. Not all intended partners joined, capacity was stretched. Partnership offered poor value for money and risk to resilience. Some shared services retained, including internal audit.
- Performance
  - Factors affecting performance – auditors had not identified particular areas of concern.

  - Wider outcomes – LGBF indicators data for 2025/26 available later this year, economic factors point to a complex picture for the council. Working well with community partners and organisations to deliver services locally to address inequalities.
  - Community engagement – proactive engagement and co-design, thematics have included case studies of good practice, such as their work on child poverty.
- Governance and strategy
  - Policy review – over 70 policies now reviewed and a planned review cycle is now in place; council's track record of delivery gives assurance that deadlines for remaining reviews will be met.
  - Digital strategy – council broadly on track with timescales set out in its digital modernisation plan, digital maturity assessment completed, results will be evidenced in future audits.
  - Senior management – no evidence of impact on performance or statutory duties but relevant annual audit work ongoing.
  - Hybrid working – no assessment as yet of impact on service delivery other than staff evaluation, LGBF figures may help build a bigger picture but causation may be unclear.

Following discussion, the Commission agreed to decide in private how it wishes to respond to the report.

9. Any other public business

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

10. Section 102 report: Clackmannanshire Council *with Clackmannanshire Council representatives*

A discussion was held between Accounts Commission members and representatives of Clackmannanshire Council. A separate summary of the discussion has been produced and agreed with the council (to be published alongside this minute).

11. 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.

During discussion, the following points were raised:

- 2023/24 audits – one council is expected to sign off later this week
- Audit delivery updates – reports will be delivered in September, November and January, with ad hoc updates as required. Director for the Commission to update the Commission's agenda planner accordingly

Action: Director for the Commission

- Bill Butler has been announced as the preferred candidate for chair of the new Local Audit Office in England

Following discussion, the Commission **noted** the report.

12. Best Value: Inverclyde Council

The Commission considered its response to the Controller of Audit's report on Best Value in Inverclyde Council. Members agreed to issue findings in response to the report, to be drafted by the Director and the Chair and circulated to members next week.

Commission members discussed and agreed upon a number of points, which will be included within the findings in the report, which will be published on 09 July.

13. Section 102 report: Clackmannanshire Council

The Commission considered its response to the Controller of Audit's section 102 report on the 2023/24 audit and continued delays in Clackmannanshire Council. Members agreed to issue findings in response to the report, to be drafted by the Director and the Chair and circulated to members next week.

Commission members discussed and agreed upon a number of points, which will be included within the findings in the report, to be published on 01 July.

14. Sustainability of adult social care performance audit – proposed scope

The Commission considered a report by Alison Cumming, Executive Director of Performance Audit and Best Value (PABV) which proposed the scope for a performance audit on the sustainability of adult social care.

Several points were raised during discussion, including:

- Publication timelines – report to be published after the local government elections to maximise impact with new council administrations. Members discussed ways to ensure messages are relevant and timely
- Stakeholder feedback – inclusion of views from all relevant stakeholders with lived experience, including third sector organisations, is key to deliver a balanced representation
- Scope of services – specify which services are included in the audit, scope must be manageable and relevant
- 'Reform' – clarity on use of the term in relation to social care service cuts and changes, direct language may be beneficial
- Eligibility criteria – variance across the country, noting lack of consistent national data to allow for meaningful comparison

- Strategic alignment – relevance of work in relation to other areas of Commission focus, such as prevention or public service reform
- Lessons learned – potential to include 'lessons learned' from Best Value follow-up meeting with Aberdeenshire

Members discussed the approach to considering scopes of performance audits in future. It was agreed that cover papers should provide more detail on strategic positioning of the proposed audit, with full scoping documentation to be reviewed and agreed by sponsors ahead of the scope coming to the Commission and made available to other members for information only.

Following discussion and consideration, the Commission:

- **Noted** the content of the report
- **Approved** the scope of the performance audit on the sustainability of adult social care
- **Approved** the arrangements for emerging messages as set out in paragraph 12

15. Performance Audit and Best Value Work Programme update

Mark MacPherson, Audit Director, PABV, presented an update on specific issues relating to the Accounts Commission's performance audit work programme.

The Commission:

- **Noted** the content of the report
- **Agreed** that PABV proceed with scoping an audit on roads maintenance, for publication in 2027/28
- **Agreed** the overall process for agreeing performance audits to include in its future work programme

16. Accounts Commission annual review 2025/26 – draft output

The Commission considered an overview of the process in relation to the preparation of the Commission's Annual Review for 2025/26, presented by Sarah Watters, Director for the Commission and Simon Ebbett, Head of Communications.

Several points were raised during discussion, including:

- Members commended the draft document highlighting examples of impact and sharing of good practice, along with its tone and accessibility
- Additional information to be added in 'Our Reporting' section to explain the challenges and additional work involved with annual audit work, and clarity on the Commission's commitment to efficiency and opportunities related to this

- Suggestion to amend the titles of ‘Our impact’ section and ‘Making a difference’ sub-section to differentiate both
- ‘Our impact’ section may be more relevant at the front of the report, but consideration needed as to the most logical order of sections; potential to highlight impact in the webpage version
- Impact of AI on website visits – web searches and downloads are dropping, we need to find ways to become a priority source for AI searches instead

After discussion, the Commission:

- **Noted** that further work will be carried out to develop the online structure and tools before publication
- **Agreed** that approval is delegated to the Communications Working Group (which includes two Commission members) and the Chair prior to publication in August.

17. Chief Operating Officer’s update

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

- Parliamentary induction – positive engagement with new MSPs, shared brochure and examples of reports. Committees and members now set, unknown who will chair Scottish Commission for Public Audit as yet. Director for the Commission to share the brochure for MSPs with Commission members.

Action: Director for the Commission

- Code of Audit Practice is now published and audit procurement process for 2027/28 onwards making good progress and set to publish Invitation to Tender by end August
- Audit Scottland’s audit modernisation programme –in progress, contracts are due to be signed soon
- The Auditor General for Scotland (AGS), COO and colleagues recently met with the National Audit Office (NAO) to discuss ensuring the impact of public audit. ASG and COO are also engaging with other audit agencies regarding issues around workforce planning and modernisation
- Audit Scotland Board – new chair, Bruce Cartwright, starting in October, Vicki will engage with him over summer. Joint Commission and Board session planned for December, with a focus on local government reporting.
- Members and Vicki discussed auditing delivery of services across public sector organisations, in line with public service reform aspirations. It was noted that this is already done to some extent through performance audits, and that Audit Scotland, the Commission and AGS are making it clear that audit will not be a barrier to reform.

The Commission **noted** the update.

18. Any other private business

- Jo thanked members for their contributions at today’s meeting. As this was the last meeting for Andy Cowie and for Callum Aitken (Commission Support Modern Apprentice) last meeting, Jo wished both well in their future endeavours.
- Members were reminded that the next Commission meeting will be held in August in Glasgow.

There being no further business, the meeting closed at 3:45pm.

Close of meeting