

Agenda

Audit Scotland Board

29 January 2026 10.00 - 13.00

Audit Scotland offices, West Port, Edinburgh

- 1. Private meeting of members**
- 2. Welcome and apologies**
- 3. Declarations of interest**
- 4. Items to be taken in private**

Standing items

5. Chair's report – verbal update	For information
6. Accountable Officer's report – verbal update	For information
7. Accounts Commission Chair report – verbal update	For information
8. Chief Operating Officer report – verbal update	For information
9. Review of draft minutes: <ul style="list-style-type: none">• Board meeting minutes: 25 November 2025	For approval
10. Review of Board action tracker	For assurance

Strategic items

11. 2026-2030 Climate Change Plan	For approval
12. Strategic Improvement Portfolio Overview Report <ul style="list-style-type: none">• Portfolio Overview Report• Resource and Management Information Project• Future Public Audit Model Progress	For assurance

Items to be taken in private

13. Audit Modernisation Progress [Item to be taken in private due to commercial sensitivity]	For assurance
14. 2026-2027 SCPA Budget Proposal: verbal update [Item to be taken in private to support the effective conduct of business, intended for future publication]	For assurance

15. 2027/28 to 20031/32 Firms Procurement

[Item to be taken in private due to commercial sensitivity]

For approval

Conclusion

16. Any other business

For discussion

17. Review of meeting

For discussion

18. Date of next meeting: 31 March 2026

For information

Minutes

Audit Scotland Board



Tuesday 23 September 2025, 10.00-13.00
Audit Scotland, NMP, Glasgow

Present:

Colin Crosby (Chair)
Stephen Boyle
Jackie Mann
Jo Armstrong
Patrick Bartlett
Catherine MacLean

Apologies:

No apologies

In attendance:

Vicki Bibby, Chief Operating Officer
John Cornett, Executive Director of Audit Services
Kenny Oliver, Executive Directors of Innovation and Quality
Alison Cumming, Executive Director of Performance Audit & Best Value
Helena Gray, Controller of Audit
Fiona McKie, Director of Corporate Support
Graeme Forrester, Head of Performance & Corporate Governance
Gemma Diamond, Director of Innovation and Transformation (*Item 11*)
Michelle Borland, Head of Organisational Improvement (*Item 11*)
Nicola Paton, Digital Project Manager (*Item 11*)
Bobby Alikhani, Project Manager (*Item 11*)
David McGurk, Service Delivery Manager (*Item 13*)
Waqas Sanawar, Head of Finance (*Items 15,18*)
John Gilchrist, Manager Procurement, QA, NFI and Risk (*Items 19,20*)
Parminder Singh, Manager Audit Quality and Appointments (*Item 19,20*)
Niki Ross, Forum Support Coordinator (Minutes)

1. Private meeting of Board members

The Board met privately and there were no matters arising.

2. Welcome and apologies

Vicki Bibby, Alison Cumming, John Cornett, Kenny Oliver, Helena Gray
Fiona McKie and Graeme Forrester joined the meeting.

The Chair welcomed attendees to the meeting.

3. Declarations of interest

There were no declarations of interest noted.

4. Items to be taken in private

The Chair invited members to agree that items 18, 19 and 20 of the agenda be considered in private for the reasons stated on the agenda. The members agreed.

5. Chair's report – verbal update

The Chair advised of routine meetings with Stephen Boyle, Auditor General for Scotland (AGS) and Vicki Bibby, Chief Operating Officer (COO). The Chair confirmed he had also met with the Jo Armstrong, Accounts Commission Chair, Vicki Bibby and Stephen Boyle to update and reflect on matters relating to the Future Public Audit Model (FPAM).

An introductory meeting took place with the new Head of Finance, Waqas Sanawar. The Chair also had a meeting with the Head of Communications to discuss engagement activity.

Regarding external meetings, the Chair met with Ian Rees, Audit Wales Chair, with the conclusion that a four-way Board Chairs meeting would be arranged for later in the year. The Chair also met with Marie Mallon, Northern Ireland Audit Office Chair.

The Chair held appraisal meetings for Board members and the Boardroom Apprentice. Ken McIntosh conducted the Chairs annual evaluation.

Upcoming engagements include an informal budget session with the Scottish Commission for Public Audit and participation in the 2025 Annual Planning Guidance Conference. The Chair will also join the joint annual session with the Board and the Accounts Commission. Additionally, a Risk Deep Dive session focusing on Data Analytics and AI is scheduled to take place in November.

The Chair will also do a short blog for Audit Scotland's 25th anniversary.

Following discussion, the Board welcomed the update.

6. Accountable Officer's report – verbal update

Stephen Boyle advised of monthly catchups with the Accounts Commission Chair and the Board Chair. Stephen attended the strategic session on the Commission's work programme as well as being involved in continued discussions on the FPAM and the next Audit Appointment round.

In terms of parliamentary business, Stephen hosted the Public Audit Committee (PAC) Business Planning session and participated in various evidence sessions with the PAC, including the Scottish Government's approach to financial interventions and the Scottish National Investment Bank AGS and Accountable Officer sessions.

Externally, Stephen met with the Cabinet Secretary for Education & Skills with Accounts Commission Chair for a report on additional support for learning. Stephen participated in a panel session at the Institute for Chartered Accountants for Scotland event in June, focusing on service delivery, reform and growth. He was also interviewed by the Mail on Sunday on the challenges with Public Audit in Scotland.

Forthcoming sessions, include speaking at the Enlighten Conference and hosting the UK and Ireland AGs & COOs session.

Following discussion, the Board welcomed the update.

7. Accounts Commission Chair's report

Jo Armstrong advised of the section 102 report on Glasgow City Council which has created an opportunity to follow up on ensuring local authorities are using the Nolan Principles.

Jo advised that the Strategy Seminar held in September on the Commission's work programme was a good and valuable session with lots of discussion and debate.

Following discussion, the Board welcomed the update.

8. Chief Operating Officer – verbal update

Vicki Bibby noted that is has been a very busy summer and will continue to be busy due to ongoing financial audits, performance programme and SIP projects.

Vicki advised of regular engagement with the Chair of the Audit Scotland Board and the Chair of the Accounts Commission. Vicki also has monthly meetings with the Chair of PCS. Vicki has continued discussions on the FPAM and the next Audit Appointment round, including the AC and SCPA Session on FPAM.

Vicki also advised Jackie Mann, Remco Chair, was a welcomed guest speaker at the Leadership Group session in August.

In terms of parliamentary business, Vicki had an introductory meeting with Heather MacLennan, Head of Office Service Holders as well as routine meetings with Michelle Hegarty, Scottish Parliament.

Vicki hosted the Ministry of Housing, Local Communities and Government event and had meetings with Ernest Young, and also KPMG/National Audit Office to discuss Audit Technology. Vicki attended the SCVO charity awards.

Forthcoming activities include the 2025 Annual Audit Planning conference and meeting with the UK and Ireland AGS and COOs which Audit Scotland is hosting.

Following discussion, the Board welcomed the update.

9. Review of minutes

Board meeting: 3 June 2025

The Board considered the minutes of the Board meeting of 3 June 2025, copies of which had been previously circulated.

The Board approved the minutes as an accurate record of the meeting.

Audit Committee: 6 May and 3 June 2025

The Board noted the minutes of the Audit Committee meetings of 6 May and 3 June 2025, copies of which had been previously circulated, as an accurate record of the meetings.

The Board discussed the current process for publishing committee meeting minutes on the Audit Scotland website and agreed that it requires further evaluation.

Action: Vicki/Niki to review the current process for publishing committee meeting minutes on the Audit Scotland website to ensure it remains effective and fit for purpose.

10. Review of action tracker

The Board noted and approved the updated action tracker.

11. Strategic Improvement Portfolio update

Gemma Diamond, Michelle Borland, Nicola Paton and Bobby Alikhani joined the meeting.

Project Overview

Gemma Diamond provided an update on progress with the Strategic Improvement Portfolio, copies of which had been previously circulated.

The Board was invited to note:

- The overall status and timelines for SIP projects and the actions being taken by SIP Board and within project teams to mitigate project slippage and risks.
- The financial, resource and risk position of the portfolio.
- The progress with the SIP organisational change workstream plan.

During discussion, the Board was assured that resourcing issues are being closely monitored. Currently, there are no concerns, and there is sufficient capacity at key stages to keep project delivery on track and monitor any potential pressure points across the portfolio.

Further discussion focused on project interdependencies across the portfolio. The Board acknowledged the holistic approach being taken but suggested that the report could more clearly articulate ownership and delivery responsibilities for each project. The Board also noted the dependencies on the Digital Strategy and sought assurance that these were aligned.

The Board noted ongoing work to develop an overarching Communications Strategy for the Strategic Improvement Portfolio. In addition to this, there will be communications at a project level to ensure more targeted clarity and consistency.

Following discussion, the Board was content to note the update on progress.

Resource and Management Information (R&MI)

John Cornett provided an update on progress on the R&MI project, copies of which had been previously circulated.

The Board was invited to note:

- Progress against key milestones and updates to the project risks, budget and communication plans.

During discussion, the Board considered the slippage in planned milestones and were assured that delays with the project will not impact on other projects across the portfolio.

Further discussion was on the expenses functionality, with the Board noting that there are contingency measures in place to ensure a safe launch of the iTrent expenses module.

The Board noted that, due to a small number of key issues, the system implementation date for Hub Planner is currently under review.

The Board discussed the current 60% overspend and noted that it is expected to reduce to 7% by the end of Quarter 2. It was also acknowledged that multi-phase funding has been approved, and assurance was given that expenditure is being managed with transparency.

Following discussion, the Board was content to note the update on progress.

Future Public Audit Model (FPAM)

Kenny Oliver provided a progress update on FPAM, copies of which had been previously circulated.

The Board was invited to note:

- Note progress to date.
- Ask questions and / or offer any comments.

The Board was content to note the report.

Audit Modernisation Project (AMP)

Gemma Diamond provided an update on the next steps for the AMP, copies of which had been previously circulated.

The Board was invited to:

- Note the progress of the AMP for information.
- Note, for assurance, the mitigating actions being taken for the escalated risks and issues as set out in the risks and issues section.

The Board was content to note the report.

Gemma Diamond, Michelle Borland, Nicola Paton and Bobby Alikhani left the meeting.

12. Annual Review of Records Management Policy

Graeme Forrester provided an update on the Records Management Policy, copies of which had been previously circulated.

The Board was invited to:

- Approve the updated Records Management Policy.
- Approve the proposed subsequent review date.

The Board was content to approve the Records Management Policy.

13. 2025-28 Digital Services Strategy

David McGurk joined the meeting.

David McGurk provided an update on the Digital Services Strategy, copies of which had been previously circulated.

The Board was invited to:

- Review and approve the strategy, including its core principals, strategic objectives, framework, review process and budget provision.

The Board considered how objectives will be translated into measurable milestones, which will form key performance indicators within Audit Scotland's Performance Management Framework. Regular updates will be provided to both the Board and the Executive Team through this framework.

During discussion, the Board noted there are no additional staff or capital costs expected, though two milestones will require extra budget, which will be sourced either through internal efficiencies within the Corporate Service's Business area or a 2026/2027 funding bid.

The Board discussed data governance and noted that a working group has been established to explore future data capabilities and data governance arrangements. It was also noted that a Risk Deep Dive session focused on Data Analytics and AI is scheduled for November.

Following discussion, the Board was content to approve the strategy.

David McGurk left the meeting.

14. 2025-26 Quarter 1 Corporate Performance Report

Graeme Forrester provided an update on the Quarter 1 Corporate Performance Report, copies of which had been previously circulated.

The Board was invited to:

- Review the performance in Q1 2025/26 as set out below and in appendix 1.

- Consider the issues affecting performance, the actions identified and whether any additional management action is required.

During discussion, the Board reflected on the Firms' grade 4 audit and noted the Firm has taken appropriate steps to address the issues in the 2024/25 audit. AQA will continue to engage with the Firm to help ensure the issues are not repeated.

The Board discussed concerns around overdue cash flow and potential shifts in its position. Reassurance was provided that cash flow is being closely monitored and pay arrangements will be reviewed as part of the next procurement process.

Following discussion, the Board was content to note the progress made.

15. 2024-25 Quarter 1 Finance performance report

The Audit Committee reviewed the 2024-25 Quarter 1 Finance performance report during its meeting on 2 September 2025 and found no amendments necessary. The Board was content to note the report.

16. Proposed Board and Audit Committee Dates for 2026

Vicky Bibby introduced the proposed Board and Audit Committee dates for 2026, copies of which had been previously circulated.

The Audit Scotland Board is invited to:

- Approve the proposed meeting dates for 2026.

The Board was content to approve the meeting dates for 2026.

17. Annual Review of Corporate Governance Reports

The Audit Committee reviewed the Corporate Governance Reports during its meeting on 2 September 2025, with only one amendment necessary in the Standing Orders.

The Board was content to approve the following reports:

- Standing Orders
- Scheme of Delegation
- Financial Regulations
- Code of Conduct Members
- Code of Conduct Staff

Items taken in private

18. 2026-27 Draft Budget Submission

[Item to be taken in private to support the effective conduct of business, intended for future publication]

19. Audit Delivery Escalation

[Item to be taken in private to support the effective conduct of business, intended for future publication]

20. VAT on Local Government Audits

[Item to be taken in private to support the effective conduct of business, intended for future publication]

21. Any other business

There was no other business for discussion.

22. Review of meeting

The Chair invited members to comment on the papers and the conduct of the meeting.

The members welcomed the quality, content and comprehensive nature of the reports in supporting helpful and detailed discussion.

The Chair thanked everyone for their contributions.

23. Date of next meeting

The members noted the next meeting of the Audit Scotland Board is scheduled for 25 November 2025.

Climate Change Plan 2026-2030

Item 11.

Executive Director of Innovation and Quality
and Executive Team Lead for Climate Change

Meeting date:
29 January 2026

Purpose

1. The draft Climate Change Plan sets out our organisational response to climate change over the five years to 2030, including reducing our carbon emissions. It will replace our Environment, Sustainability and Biodiversity Plan, which covered the period 2021-2025.
2. The plan contributes towards meeting our statutory duties under the Climate Change (Duties of Public Bodies: Reporting Requirements) (Scotland) Amendment Order 2020.

Recommendations

3. The Board is invited to:
 - Approve the Climate Change Plan 2026-2030, for publication on our external website in February.

Background

4. As a public sector organisation, Audit Scotland has a statutory duty to contribute to the delivery of the Scottish Government's emissions reduction targets and climate change adaptation programme. We are required to report annually on compliance with this duty.
5. Responding effectively to climate change is also one of our corporate aims. Progress towards net zero and climate resilience targets is one of the key performance measures in our Corporate Plan 2023-2028.
6. We published our Environment, Sustainability and Biodiversity Plan 2021-2025 in September 2021. This set out our approach to sustainability issues and our emissions reduction aspirations, including our ambition to reach net zero emissions by 2030. We report annually on progress against the plan, most recently in November 2025.
7. Executive Team considered the draft Climate Change Plan for the period 2026-2030 at its meeting on 12 January, and agreed with the strategic approach.

Financial implications

8. There are no direct financial implications relating to the approach set out in the Climate Change Plan. However, action taken to improve our environmental performance and how we respond to climate change may have financial – as well as carbon – implications.

9. For example, decisions that impact on our energy use and business travel; building climate considerations into procurement decisions; and the provision of external training to staff to ensure they have the skills to audit climate change. Exact costs would be identified and approved as part of existing corporate decision-making processes.

Considerations

- Audit Scotland's Environment, Sustainability and Biodiversity Plan 2021-2025 introduced a focus on reaching net zero by 2030, which was based on:
 - Reducing emissions to no more than 133 tCO2e by 2030 (75% reduction from 2008/09 baseline)
 - Using offsetting measures, such as tree planting, to deliver the remaining level of emission reductions required (25%)
- We reduced our emissions levels by 73% between our baseline year of 2008/09 and 2024/25. The closer we get to our target of 75% the harder it is to find further reductions, as any easy reductions have been made and we have few areas that we can directly control. Our focus therefore is now on maintaining our current position and reducing emissions where possible.
- The draft Climate Change Plan proposes that we:
 - Keep the target reduction in carbon emissions for 2030 at 75% against the baseline.
 - Recognise the basket of activity that can contribute to the reductions, showing potential routes to target.
 - Maintain our ambition to get as close to net zero emissions as possible, but we will not offset any residual emissions.
- Although not included in our emissions reduction target, we will continue to improve our data on emissions from home working and staff commuting. This allows us to see the full picture of our emissions, when considered alongside data on business travel.

Conclusion

10. The Board is invited to approve the Climate Change Plan 2026-2030, for publication on the Audit Scotland website in February.

Climate change plan

2026-2030

DRAFT



 AUDIT SCOTLAND

Prepared by Audit Scotland
January 2026

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Accessibility

You can find out more and read this report using assistive technology on our website www.audit.scot/accessibility.

Introduction

Purpose

1. This plan sets out Audit Scotland's organisational response to climate change, including reducing our carbon emissions, over the five years to 2030.

Our organisation

2. Audit Scotland delivers financial and performance audits on public bodies across Scotland. In 2024/25, we employed 345 whole-time equivalent members of staff. We lease office space in Edinburgh and Glasgow and a much smaller space in Inverness. We operate a hybrid working model, and colleagues work from home, in our offices and at the offices of the public bodies we audit.

3. Audit Scotland aims to manage its own operations in a way that minimises our negative environmental impact and enhances our positive impact, wherever possible. We are committed to reducing our emissions as much as possible. However, as a relatively small organisation that does not own any buildings or land, we have limited control over the main source of our emissions, which is the energy used in our offices.

4. Climate change issues are integrated into what we do and how we work through our corporate publications including our [Annual report and accounts](#), [Public audit in Scotland 2023-28](#), and [Corporate Plan 2023-28](#).

5. We have governance and risk management arrangements for climate change and wider environmental sustainability to ensure that these issues are taken into account at every level of decision-making. The roles and responsibilities of the groups involved in leading, managing and holding us to account for our environmental and sustainability performance are set out in [Appendix 1 \(page 10\)](#).

Performance to date

6. Audit Scotland published its [Environment, Sustainability and Biodiversity Plan 2021-2025](#) in September 2021. The plan set out our approach to sustainability issues and reflected our emissions reduction aspirations, including interim targets against the baseline year 2008/09. The plan introduced a focus on reaching net zero by 2030, which was based on:

- Reducing emissions to no more than 133 tCO2e by 2030 (75% reduction from 2008/09 baseline).

- Use offsetting measures, such as tree planting, to deliver the remaining level of emission reductions required (25%).
- Further offsetting to eliminate the effects of activities which we previously excluded from the scope of our carbon emissions, such as commuting and working from home.

7. We reduced our emissions levels by 73 per cent between our baseline year of 2008/09 and 2024/25. During the period of the five-year plan, we reduced our emission levels by 33 per cent, from 213 tonnes of Carbon Dioxide-equivalent (tCO2e) in 2019/20 to 142 tCO2e in 2024/25. This exceeded our interim emissions reduction target of 178 tCO2e by 2024/25. This was achieved because business travel did not return to pre-pandemic levels, as we continued to work in a hybrid setting.

8. We report on our performance against our climate change objectives and targets annually. All these reports can be found on our external website: [Climate change | Audit Scotland](#)

Our pathway to 2030

We can have most influence through our audit work

9. Audit Scotland has a unique position within the public sector in Scotland, from which we aim to influence and support positive changes in how Scotland is responding to the climate emergency. We aim to maximise our positive environmental impact through our audit work.

10. Our aim is to hold public bodies to account and help drive change and improvement in how they are working together and targeting resources to reduce emissions and build resilience to climate change. We do this in a variety of ways, for example:

- The recommendations in our report on [How the Scottish Government is set up to deliver climate change goals](#) led to more transparent governance arrangements and more active monitoring and management of risks.
- A Good Practice Note based on our review of climate change-related disclosures in the annual accounts of audited bodies acted as a catalyst for public bodies to assess and enhance future climate-related disclosures.
- We use opportunities to speak at conferences, contribute to workshops and meet with external organisations to raise awareness of our audit findings and share learning.

11. Our approach to auditing climate change is set out in our [Auditing climate change strategy 2024](#). We will continue to refine our approach to ensure we focus our audit work on climate change on the areas where we can uniquely add the greatest value.

We are working to further integrate climate change issues into what we do and how we work

12. We will continue to review, and where necessary amend, our corporate governance and management arrangements for climate change, to ensure they remain effective in leading, managing and holding us to account for our organisational performance.

13. We will continue to build climate considerations into our strategic decision-making, including asking our Executive Team to consider the climate and environmental implications of any decisions they make.

14. We are encouraging and supporting colleagues to make informed choices about their own behaviours, by sharing information and promoting positive behaviours.

15. We commit to being transparent about our performance, the implications of choices we make, and the challenges we face in reducing emissions.

16. We are taking a proportionate approach in our response to climate change, ensuring that we continue to work in the most efficient and effective way and that any activity provides value for money.

Our focus now is on maintaining our current position and reducing emissions where possible

17. We have made good progress in reducing our emissions, but further significant reductions are unlikely. Our two main areas of emissions are currently energy use and business travel.

18. Energy use in the office space we lease is the biggest source of our emissions. Although we have reduced our office space in Edinburgh, the decision to increase our office space in Glasgow has increased our emissions from energy use. We can take direct action to minimise electricity use and work with the landlord on measures to reduce the need for heating, but we have no control over the gas heating systems. We are therefore unlikely to achieve any significant reductions in emissions from energy use over the next five years.

19. We have successfully maintained reduced levels of business travel through continued hybrid working following the pandemic, and therefore the resulting emissions remain significantly lower than pre-pandemic levels. There is a need for some business travel to allow us to fulfil our role and responsibilities effectively, and so significant reductions in travel emissions in future are unlikely. We are however aiming to at least maintain our 2024/25 level of emissions from business travel, and to reduce them further where possible.

We are aiming to meet our existing target to reduce emissions by 75% by 2030

20. To meet our existing target to reduce emissions to no more than 133 tCO₂e by 2030 we need to decrease our emissions by 9 tCO₂e over the next five years.

21. There is a range of activity that we anticipate will help us to maintain, and ideally reduce, our emissions. We have varying degrees of control over these activities, which include the following:

- Reviewing methodology and data collection for car emissions to allow accurate collection of the volume of electric / hybrid cars used for business travel.
- Encouraging staff to prioritise train travel over flights where possible, and review opportunities to reduce flights (in particular those for non-audit delivery and to destinations outside the UK).
- Undertaking climate impact assessments on policies and decisions, to identify opportunities for reductions in emissions.
- Liaising with our landlords over the potential for making our office spaces more energy efficient and / or decarbonising our heating systems.
- Relying on the further decarbonisation of the electricity grid.

22. We will focus on reducing emissions from business travel, which is the one area we have most direct control and influence over. This will be challenging and will be influenced by audit requirements and the extent to which colleagues need to travel to audit sites.

23. [Exhibit 1](#) sets out one potential route to reaching our overall target of 133 tCO2e by 2030. It assumes that we stabilise emissions from energy use, and that colleagues increasingly drive electric vehicles and choose rail over flights where possible. However, it is not the only way we could achieve our target, and may be influenced by developments outside our control, such as technological advances.

Exhibit 1

Potential route to achieving emissions reductions to 2029/30 by source

Tonnes CO2 equivalent			
Source of emissions	Baseline year (2008/09)	Progress to date (2024/25)	Target date (2029/30)
Energy use in buildings	308	103	102
Business travel	216	35	28
Waste	8	4	3
Water	2	0.3	0.3
Total	534	142	133

Note: Emissions from business travel in 2024/25 total 35 tCO2e once rounded up.

24. Although not included in our 2030 emissions reduction target, we will continue to improve our data on emissions from home working and staff commuting and will report on this annually.

25. Over the next five years, we will work to improve our data to help inform target setting for the period beyond 2030. We will use this information to ensure that our future emissions reduction targets are stretching yet realistic.

We have decided not to offset the remaining 25% of emissions

26. We will maintain our ambition to get as close to net zero emissions as possible by doing as much as we can to reduce our emissions by 2030, but we will not offset any residual emissions.

27. We recognise that this means we will not achieve the ambition set out in our previous climate change plan to be net zero by 2030.

28. This represents a strategic shift from our previous net zero ambition. While we remain committed to maximising emissions reductions, we have reassessed the feasibility and appropriateness of offsetting in the context of the wider public sector.

29. We have made this decision, taking into account guidance to public bodies, potential ethical implications and the need to ensure best use of public money. We will continue to consider guidance to the public sector on offsetting measures.

We remain committed to becoming climate resilient and supporting biodiversity

30. Audit Scotland has made a commitment in its [Corporate Plan 2023-28](#) to make progress towards becoming climate resilient. This means thinking about how we will adapt and respond as an organisation in the face of ever-increasing climate change impacts and the disruption they bring.

31. We will use Adaptation Scotland's [Climate Adaptation Capability Framework](#) (ACF) to drive change in the organisation. We will take a proportionate and balanced approach, reflective of the size and nature of our organisation. We are aiming to achieve Level 2 (intermediate) and Level 3 (advanced) of the ACF by 2027/28, and to reach full maturity (Level 4) by 2029/30.

32. As Audit Scotland does not own or manage land, we have limited opportunity to carry out activities which encourage biodiversity. However, we will continue to encourage volunteering activity among colleagues to support biodiversity.

Our approach will continue to evolve in response to external developments

33. There are many unknown factors at a national level that may emerge over the period of our five-year strategy, which could have an impact on our emissions (both positively and negatively).

34. This includes further decarbonisation of the electricity grid, new technologies (e.g. IT equipment, heating systems, cars), the use of Artificial Intelligence, and changes made by providers in our supply chain.

35. As a public body, our approach will also be influenced by our budget and ensuring best use of public money.

36. While this plan sets out indicative targets for reducing emissions over the next five years, we will review our approach annually and update our plan in response to any significant developments, if necessary.

Appendix 1

Governance arrangements for climate change and environmental sustainability

Audit Scotland Board

Membership: The Auditor General for Scotland, the Chair of the Accounts Commission and three members appointed by the Scottish Commission for Public Audit.

Role: The board is responsible for the exercise of all functions of Audit Scotland. It exercises its powers and authorities through a Scheme of Delegation, which it determines and approves. Under the Scheme of Delegation, the board formally approves Audit Scotland's Climate Change Plan. It receives annual updates on performance against the plan's targets and objectives, thereby holding Audit Scotland to account for their performance.

Executive Team

Membership: The Auditor General for Scotland; Audit Scotland's Chief Operating Officer; the Controller of Audit; Executive Directors of Audit Services, Performance Audit and Best Value, and Innovation and Quality.

Role: Executive Team is responsible for embedding environmental considerations into decision-making, approving policies that include environmental dimensions, and scrutinising performance against environmental targets.

Green Future Strategic Group

Membership: Representatives from across all business groups.

Role: The Green Future Strategic Group has an important leadership role and is empowered to make strategic decisions that will influence our response to climate change and wider environmental issues. It coordinates and oversees relevant activity across the organisation and scrutinises Audit Scotland's performance.

Green Future Thematic Groups

Membership: Representatives from across all business groups.

Role: Sitting beneath the Green Future Strategic Group are six thematic working groups, each focusing on a key area of activity to help reduce Audit Scotland's environmental impact and develop our auditing approach (energy use, travel, procurement and waste, biodiversity, climate resilience

and our audit approach). These groups report into the Green Future Strategic Group and provide information to help support decision-making and identify risks.

Business groups (Audit Services, Performance Audit and Best Value, Innovation and Quality, and Corporate Services)

Role: Audit Scotland's business groups are pivotal in ensuring that Audit Scotland meets its climate change obligations and continuously improves its environmental performance. It is through the actions of all staff that we can make the greatest difference.

Climate change plan

2026 2030



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www.audit.scot

Strategic Improvement Portfolio

Portfolio overview report

Item 12

Director of Innovation and Transformation and Head of
Organisational Improvement

Meeting date:
29 January 2026

Purpose

1. This report updates the Audit Scotland Board on Strategic Improvement Portfolio (SIP) progress, aiming to **provide assurance** that SIP projects and programmes have the capacity, scrutiny and direction they need to deliver benefits.

Recommendations

2. This Audit Scotland Board is invited to:

- **Note** the overall status of projects, as reported to SIP Board in December 2025, with latest project progress included in project-specific reports.
- **Note** the financial, resource and risk position of the portfolio as at the end of Q2 2025/26.
- **Note** the progress with the SIP organisational change workstream plan and developments to the SIP composition.

Considerations

Project status and timelines

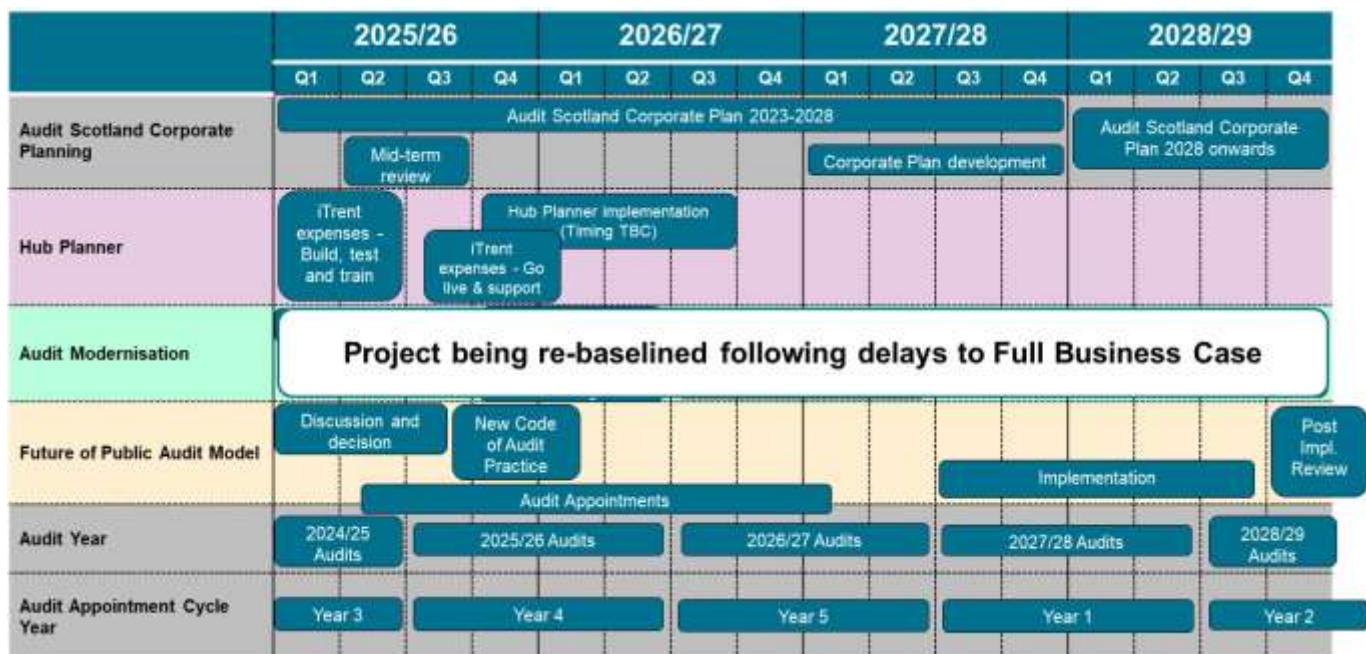
3. Table 1 sets out the overall status of SIP projects as at the 1 December 2025 SIP Board meeting. The statuses are based on the red, amber, green descriptions in Appendix one and the information provided by projects on milestone progress, risks and finances in advance of the December Sip Board meeting.

4. The SIP Board is actively managing the risks associated with AMP and Hub Planner. It held an extra meeting on 12 January 2026 to receive updates on project progress, and these updates are included in the project-specific reports being presented as part of the SIP item on the Board agenda.

Table 1: Status of SIP projects (as at 1 December 2025 SIP Board meeting)

Project	Current status	Prior status	Notes
Audit modernisation project (AMP)	Red	Red	<ul style="list-style-type: none"> Key Q3 milestone (FBC submission) not met. Next steps: Situation, Background, Assessment, Recommendations report developed and discussed with governance boards. Assurance: Gate Review 3 completed. Five non-critical recommendations being implemented. Financials: Internal costs under budget (7%), external costs over (10%). £430k was rephased to 2026/27 as part of SCPA budget review. Forecasts under review. Risks: Two amber risks – NAO support and project team capacity. Additional audit expertise under consideration. Issue: Preferred supplier unable to meet direct award timescales for original FBC submission target. Post December SIP Board there has been positive engagement with preferred supplier.
Hub Planner	Red	Amber	<ul style="list-style-type: none"> System launch date likely April 2026. Flexi time functionality issues will not be resolved until later in the year. Progress: iTrent expenses module launched. Lessons learned session completed. Financials: External costs over budget (20%). No further external spend expected. Risks: One red risk (launch date) and multiple amber risks. Mitigation actions in place. Next steps: Safe implementation measures ongoing (testing, rebuild, training, comms).
Future public audit model (FPAM)	Amber	Amber	<ul style="list-style-type: none"> Milestones on track. Delivery risks remain. Financials: Internal resource days over (11%) but costs under (-14%) due to junior staff support. Risks: Two amber risks. Mitigation actions ongoing. Next steps: Continue progress against milestones; maintain risk management focus.

5. Figure 1 provides an overall timeline for the three SIP projects. The timeline for AMP is being re-baselined following delays to the Full Business Case with the SIP Board due to meet on 26 January to agree the revised roadmap, including the implementation plan. A verbal update can be provided at the Board meeting.

Figure 1: Timeline for SIP projects

Financial overview

6. Table 2 sets out the external project budgets for 2025/26, planned quarterly phasing and spend-to-date as at the end of Q2. There is no external budget for FPAM.

7. Overall, the portfolio was overspent by 16% at the end of Q2. The 10% overspend for AMP is due to reallocating corporate procurement costs to AMP. Due to current project progress, we know that AMP will underspend against the external budget for this year. We have re-phased project expenditure over the three years and handed back underspend from 2025/26 and added it into the 2026/27 operational budget. This approach was discussed with SCPA at the budget session.

8. The 20% overspend for Hub Planner is primarily related to higher-than-expected costs for the external project manager. This has been funded from the ASG external contractors' budget. Expenditure on Hub Planner set-up and licenses, and the iTrent expenses module is in line with the agreed budget. No further external costs are anticipated for the remainder of the year.

Table 2: Project finances – External budgets and spend 2025/26 (as at end of Q2)

Project	External budget (£k)	Q1 phasing (£k)	Q2 phasing (£k)	Q3 phasing (£k)	Q4 phasing (£k)	Spend to date at Q2 (£k)	Variance
AMP	672	39	50	51	532	98	10%
Hub Planner	123	15	108	-	-	148	20%
Total	795	54	158	51	532	246	16%

Internal resource profiling

9. Estimated 2025/26 internal resource requirements indicate the portfolio is underutilising resources by around 8%. The SIP Board continues to receive regular updates on resourcing to ensure projects have the capacity needed at key stages, recognising interdependencies and pressure points across the portfolio to keep delivery and implementation on track.

Risk overview

10. Overall, there are nine risks in the portfolio register, with seven reporting amber. Appendix two summarises the scores and mitigation in place for the amber risks. We have increased the scores for three risks:

- SIP-RISK-002 Availability of management information to measure improvements.
- SIP-Risk-004 Organisational readiness for change.
- SIP-Risk-006 SIP project governance and compliance.

11. These increases are mainly related to capacity challenges within some SIP projects to take forward mitigating actions in line with agreed timescales, including work on benefits realisation and SIP change workstream actions. At its December meeting the SIP Board agreed project SROs would ensure project teams complete any outstanding activities across risk mitigation and change workstream commitments. We will follow up on progress for the March SIP Board meeting.

Organisational capacity and readiness for change

12. The SIP Board has reviewed organisational capacity in line with the recommendations from the AMP Gateway Review. An initial high-level capacity assessment for 2025/26 shows that SIP projects require around 2,181 days, representing 7% of available non-audit/project capacity. Based on this analysis, the SIP Board is satisfied that overall capacity is sufficient to deliver the current programme of change across both audit and non-audit business groups.

13. Further work is under way through the Hub Planner project to refine assumptions for non-audit business groups and to strengthen future resource profiling. The SIP Board will continue to monitor this closely, but at this stage is assured that capacity levels are adequate and risks are being actively managed.

14. At its September meeting the SIP Board approved the organisational change workstream plan. Overall project and portfolio management teams are making good progress implementing actions, though capacity challenges are impacting delivery of some actions. The focus remains on embedding a compelling vision, coordinated communications, consistent tools, and critical behaviours to support transformational change. Table 5 sets out progress highlights and upcoming activities.

Table 5: Progress highlights and upcoming activities for SIP change workstream

Change workstream aim	Progress highlights and upcoming activities
Compelling vision	Corporate plan mid-term stocktake published on Audit Scotland website and communicated to all staff. Includes change vision and priorities.
Coordinated communication	SIP-wide communications plan in development with further engagement planned with SIP Board. AMP quick wins identified.
Tools and training	<p>Change management framework integrated into AMP and Hub Planner.</p> <p>Comms strategies in place for all projects (FPAM pending sign-off).</p> <p>External provider appointed to deliver Supporting colleagues with change learning and development programme.</p> <p>To develop leadership comms toolkits for Hub Planner and FPAM.</p>
Critical behaviours	<p>Leadership Group workshop held to define behaviours supporting SIP vision.</p> <p>To feed in behaviours development to leadership change training programme.</p> <p>Explore new recognition mechanisms aligned to behaviours in March 2026.</p>
Evaluation	<p>Wellbeing survey reviewed; recommendations include earlier and more inclusive staff consultation during change.</p> <p>Develop approach to use pulse surveys to monitor change sentiment during 2026.</p>
Supportive systems	<p>Careers website refreshed to reflect change vision.</p> <p>Refreshed induction module launched.</p> <p>Begin consultation on 'Our commitments' contracting approach and interview questions linked to critical behaviours.</p>

Review of SIP composition

15. At each meeting the SIP Board reviews the composition of the SIP in line with its agreed purpose and criteria. At its December meeting the SIP Board agreed that all current projects should remain on the SIP.

16. At its January meeting, the SIP Board considered a draft PID for a new SIP project on improving strategic workforce planning and agreed to add this project to the SIP. We will include the improving strategic workforce planning project in SIP reporting from March 2026. The project has the following objectives:

- Develop a transformed workforce planning approach aligned to the 2033 operating model.
- Define future-state role profiles, skill requirements, and career pathways.
- Integrate scenario planning for headcount, skill mix, and cost under different operating model maturity levels.
- Formalise our learning culture to embed continuous capability development and knowledge sharing.
- Ensure workforce planning supports values, wellbeing, diversity, and inclusion.

17. ET will consider a draft PID on the emerging AI strategy on 2 March and SIP Board will ratify any decisions made at its March meeting. As part of this we will assess the digital services strategy against the SIP criteria, aiming to mitigate the risk identified in the AMP Gateway Review (October 2025), that excluding digital delivery from portfolio oversight could hinder understanding of dependencies and allocation of support, causing delays and inefficiencies.

Conclusion

18. Two SIP projects are reporting red and one is amber. The SIP Board is actively managing delivery risks and projects have made significant progress since the December meeting. The AS Board is invited to note the overall status of projects, as reported to SIP Board in December 2025, within that context. It is also invited to note the financial, resource and risk position of the portfolio as at the end of Q2 2025/26, progress with the SIP organisational change workstream plan and developments to the SIP composition.

Appendix one: Descriptions for assessing project status

Projects assess status based on progress against milestones, budget and risks using the descriptions below. The assessment is based on the status of future planned milestones, and the budget and risk position, as at the above reporting date.

Green	<ul style="list-style-type: none"> • Milestones – <ul style="list-style-type: none"> – All project milestones are on track - or - – Some slippage to planned milestones but this is within six weeks of original plan. Project plan has been updated to account for slippage and no further management action is required. • Budget – External project budget is on track with less than a 10% variance between phased budget and actual spend. Internal resource utilisation is on track with less than a 15% variance between planned days and actual days. • Risk - All project risks reporting green.
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Amber	<ul style="list-style-type: none"> Milestones - Some slippage to planned milestones, within eight weeks of original plan. Additional management action required. Budget – External project budget has a variance between phased budget and actual spend higher than 10%. Internal resource utilisation is off track with more than a 15% variance between planned days and actual days. Risk - One or more project risks reporting amber.
Red	<ul style="list-style-type: none"> Milestones - Significant slippage to planned milestones, more than eight weeks behind original plan. Additional management action required. Budget – External project budget has a variance between phased budget and actual spend higher than 15% (on external costs). Risk - One or more project risks reporting red.

Appendix two: SIP risk overview

Summary of risk	Net score	Mitigation – Controls in place and further planned actions
<p>SIP-RISK-001 Capacity and expertise to deliver change projects</p> <p>IF Audit Scotland does not have sufficient capacity, expertise, and contingency to plan for and deliver change initiatives - including dealing with risks from key staff departures within change project teams, organisational support teams, audit delivery teams, and external contributors</p> <p>THEN support for SIP project workstreams within required/planned timescales will be compromised</p> <p>RESULTING IN Audit Scotland needing to delay or consider alternative options for delivering required change and improvements, with potential negative impacts on staff satisfaction and motivation, delays to project delivery, and reduced benefits realisation.</p>	16 (=)	<p>Controls in place</p> <ul style="list-style-type: none"> Each SIP project has identified a Senior Responsible Officer (SRO), project lead and project team. Resourcing and capacity a core requirement for project update reporting at SIP meetings. Additional project resources required included in 2026/27 -2027/28 operational planning process with cases made to Recruitment Board for extensions to secondments from business groups where required <p>Further planned actions</p> <ul style="list-style-type: none"> Each project to develop a resource profile, broken down by business group and category of resource required. (May 2025). Action delayed – Hub Planner resource profile not yet shared Forward looking resource profile at portfolio level in place and regularly reviewed by SIP Board. (May 2025). Action delayed – Hub Planner resource profile not yet shared Each project to ensure key roles and associated continuity and handover plans in place, with plan B approaches in place for bringing in

Summary of risk	Net score	Mitigation – Controls in place and further planned actions
<p>SIP-RISK-002 Availability of management information to measure improvements</p> <p>IF Audit Scotland does not have the available management information to baseline, measure and demonstrate improvements resulting from the implementation of SIP projects</p> <p>THEN projects will be unable to realise proposed benefits and achievement of Audit Scotland's strategic priorities.</p> <p>RESULTING IN a negative reputational impact for Audit Scotland.</p>	12 (↑)	<p>additional resource to support project team (March 2026).</p> <p>Controls in place None.</p> <p>Further planned actions Use AMP benefit profiles and realisation strategy to develop model for other SIP projects to follow (November 2025). FPAM and Hub Planner have not had capacity to undertake benefits realisation work.</p>
<p>SIP-Risk-004 Organisational readiness for change</p> <p>IF Audit Scotland has not identified and planned for changes required to colleague behaviours and ways of working to support change initiatives</p> <p>THEN there is a risk that project implementation is less successful as colleagues are resistant to changes</p> <p>RESULTING IN delays to project delivery and benefits realisation.</p>	16 (↑)	<p>Controls in place Change management framework developed, agreed and communicated to SIP projects. Capacity building sessions on change delivered to SIP project teams. Organisational change prioritised by SIP Board as key development area for moving to a PPM approach. Organisational change workstream plan developed and being delivered.</p> <p>Further planned actions Ensure each SIP project has a clear change management plan, alongside or embedded within its communications and engagement plan (May 2025). AMP and Hub Planner change, comms and engagement plans agreed, FPAM plan still in development. Active approach to identifying behaviour / cultural change required within all project teams (September 2025). AMP work on behaviours due to go to project board in Nov 2025 for approval. Behaviours workshop scheduled with Leadership group in November 2025. Behaviours work still</p>

Summary of risk	Net score	Mitigation – Controls in place and further planned actions
<p>SIP-Risk-006 SIP project governance and compliance</p> <p>IF SIP projects do not ensure adequate project governance is in place</p> <p>THEN the SIP Board may not receive the necessary information to inform its scrutiny and decision-making</p> <p>RESULTING IN SIP projects not having adequate capacity to delivery projects on time and on budget and reputational risks around compliance with legal requirements and project management good practice.</p>	16 (↑)	<p>to be completed by Hub Planner and FPAM projects.</p> <p>Controls in place</p> <p>Project management toolkit in place with guidance and templates for key stages of project lifecycle.</p> <p>SROs and project teams in place to support project compliance with project management approach.</p> <p>Further planned actions</p> <p>Develop SIP project governance and compliance checklist and assess each project against required standards (November 2025). FPAM and Hub Planner have not had capacity to undertake all project governance and compliance tasks.</p>
<p>SIP-Risk-007 Challenges with procurement processes</p> <p>IF the procurement processes are subject to delay and complexity</p> <p>THEN contract awards could be delayed impacting SIP project timelines</p> <p>RESULTING IN reputational damage for Audit Scotland and delays to the project implementation, ongoing delivery and benefits realisation.</p>	16 (=)	<p>Controls in place</p> <p>Projects with active procurement processes are subject to external legal advice to ensure a balanced assessment of risk and process.</p> <p>Procurement and legal advice informing all AMPB decisions regarding procurement strategy and evaluation approach.</p> <p>Further planned actions</p> <p>Consideration of external legal advice for procurement for other SIP projects as relevant (as required).</p> <p>Procurement needs and model for the organisation to be considered, as part of the wider CSG situational analysis (December 2025).</p>
<p>SIP-Risk-008 Challenges with supplier delivery</p> <p>IF a project supplier fails to deliver agreed functionality or to respond to the direct award request on time</p> <p>THEN project timelines and benefits realisation will be delayed</p>	12 (new)	<p>Controls in place</p> <p>Monitor open issues through project issues logs.</p> <p>Regular progress meetings in place between project team and Hub Planner.</p> <p>Further planned actions</p>

Summary of risk	Net score	Mitigation – Controls in place and further planned actions
RESULTING IN potential reputational damage and loss of confidence in our ability to deliver transformation projects on time and on budget.		<p>Additional SIP Board meetings for Hub Planner to maintain regular oversight and support (as required).</p> <p>AMP Situation, Background, Assessment and Recommendations (SBAR) report being discussed by Audit Scotland Board (November 2025)</p>
<p>SIP-Risk-009 Effectiveness of communications</p> <p>IF SIP communications are ineffective - meaning key messages are not heard, understood, or are misinterpreted by staff and stakeholders</p> <p>THEN engagement with SIP initiatives and alignment to intended changes will be reduced, leading to confusion or resistance</p> <p>RESULTING IN delays to project delivery, diminished benefits realisation, and potential negative impacts on organisational trust and staff morale.</p>	15 (new)	<p>Controls in place</p> <p>Over-arching SIP communications strategy developed and in place.</p> <p>Further planned actions</p> <p>Ensure each SIP project has communications and engagement plan (May 2025). AMP and Hub Planner change, comms and engagement plans agreed, FPAM plan still in development.</p> <p>Evaluation approach for comms strategy and project comms plan to be agreed, considering role of pulse surveys during 2026 (January 2026).</p>

Strategic Improvement Portfolio

Resourcing & Management Information project

Item 12.

Digital Project Manager & SRO

Meeting date:
29 January 2026

Purpose

1. This report provides an update on the Resourcing & Management Information Management (R&MI) project and the implementation of the Hub Planner system.
2. The report is for information only and requires no decision or action by the Audit Scotland Board.

Recommendations

3. The Board is invited to note the progress of the Hub Planner system implementation project and plans to launch the system.

Background

4. The R&MI project was established to streamline processes, modernise our systems, enhance ways of working and strengthen the quality of information and insight across the organisation. This is being achieved through the implementation of Hub Planner, the resourcing and time recording system, by introducing a new resourcing approach, and the implementation of a new expenses solution.
5. The Resourcing & Management Information (R&MI) procurement project began in April 2024. A Contract Award Recommendation was completed in March 2025, and the contract was signed in June 2025.
6. An external contracted Project Manager led the project from December 2023 through Discovery and procurement to contract award. Digital Services took over management of the R&MI projects on 18 August 2025.

Progress

7. The system is on track for delivery in April 2026, with the rollout of an extension for flexi time calculation in October 2026.
8. Since the project handover in August 2025, key milestones have been achieved, and the critical project tasks still to be delivered are as follows:
 - Security testing and Single Sign On – Complete.

- iTrent expenses implementation – Complete, system launched 5 November 2025.
- Test System Design and Build – Complete. There was a three-week delay encountered in November due to data integrity issues in the test environment handed over by Hub Planner. This resulted in a system rebuild and impacted testing scheduled for completion by the end of November.
- Testing of system build data import – Complete.
- User acceptance testing – Completed 16 January 2026, except for flexi time. Minor issues identified, no significant issues outstanding.
- Live environment copy – Based on data integrity issues from the test system build data import in November 2025, the implementation group decided on 8 January 2026 that Audit Scotland will take more control of the data input process. The benefit of this approach will be enhanced training for the resources supporting the process by testing in parallel with performing quality checks, as data is loaded into the system.
- Live copy test – Security, user testing and quality checks will be performed in the system following handover of the live copy to Audit Scotland. Hub Planner have committed to handover the live system on 23 January 2026.
- Integration with iTrent to import annual leave data – Provisional solution in development by the Data Analytics Team as solution demonstrated by Audit Wales was found to not be a feasible option for Audit Scotland. This functionality is not required for go live.
- Implementation group – Representatives from across all business groups continue to meet on a weekly basis to support the delivery of the Hub Planner implementation.
- Training structure – The structure of the staff training is scheduled to be signed off by the Hub Planner implementation group on 5 February 2025.
- Staff training delivery – Updated training materials will reflect current functionality and Hub Planner will deliver Audit Scotland-specific staff training. Sessions are scheduled to begin 24th February, pending completion of the Live copy. Training is mandatory for all staff and attendance will be booked through Docebo the Learning Management System. Executive Team members will have separate training sessions arranged.
- Staff communications – The SharePoint Hub is currently being refreshed to reflect progress since the last update staff and to inform staff of agreed training plans.

- System launch – Launch of the system to all Audit Scotland staff, April launch date to be agreed with the implementation group, dependent on handover of the live copy.
- Lessons learned – Post launch session planned with the implementation group.

9. Hub Planner are developing a flexi time extension that is scheduled for release in October 2026. As part of the system launch, we will provide a tool for staff to use if they choose to personally monitor their flexitime until the extension is implemented. There is no significant impact from this and management control of flexitime will be retained through the reporting functionality within Hub Planner.

Budget

10. As at the end of December 2025, there has been no change to the project spend since the last update. The total project expenditure for 2025/26 stands at £148k. This is made up of the contract for the external project manager (£45k), the Hub Planner contract (£96k) and the iTrent expenses module (£7k). The expenditure relating to the external project manager has been funded from the ASG external contractors budget and the expenditure on the Hub Planner set-up and licenses, and the iTrent module is in line with the assigned budget. No further external costs are anticipated for the remainder of the year.

11. We reported internal staff costs of £37k to the end of September 2025. For the period September 2025 to December 2025, we incurred a further £34k internal staff costs associated with the system implementation, a total of £71k to date. This includes the cost of the Digital Services Team who took over management of the iTrent expenses and Hub Planner implementation projects on 18 August 2025.

Benefits

12. The launch of the new Hub Planner system will deliver timely, relevant and live data that will support the delivery of audits. At individual level it will show the progress of each audit by presenting the time and financial cost incurred to date, and the time and financial cost to complete it.

13. The system once implemented will provide an organisation wide overview on current and future staffing demands/commitments across all business groups.

14. The system will provide a single source of information for performance reporting.

Conclusion

- 15.** The delivery and implementation of Hub Planner in April 2026 is priority as well as supporting staff with the transition and change the system will introduce new ways of working and how time is managed.
- 16.** The interim solution for staff to record flexi time agreed by Executive Team does not have an impact on the delivery of the Hub Planner system.
- 17.** Hub Planner are committed to develop the extension to the system that will provide flexi time functionality for Audit Scotland, with an expected delivery of October 2026. Post system launch in April 2026, Digital Services will continue to work closely with the Hub Planner development team until the flexi solution is fully tested and ready for launch to all staff.

Progress Report

Future Public Audit Model project

Item 12.

Senior Responsible Owner

Meeting date:
29 January 2026

Purpose

1. This report sets out progress to date on the Future Public Audit Model (FPAM) project

Recommendations

2. Audit Scotland's Board is invited to:

- Note progress to date.
- Ask questions and / or offer any comments.

Background

3. The FPAM project has been established by Audit Scotland to support the Auditor General and Accounts Commission in developing a new model for the annual audit of public bodies from 2027/28. The project has been accepted within Audit Scotland's Strategic Improvement Programme (SIP).

4. The Board discussed the [key considerations](#) for the FPAM project at its joint session with the Accounts Commission on 12 December 2024. The Board has received progress reports in [June](#) and [September](#) 2025.

5. The project has four, largely sequential, phases (with a degree of overlap between each phase). The timescales and key milestones are detailed below:

Phase	Timescale	Milestones
Project initiation	November 2024 to March 2025	Establishment of governance arrangements. Establishment of Project team.
1 Discussion and decision	April to December 2025	Approval of Project Initiation Document Production of five thematic Discussion Papers which are intended to support the Auditor General and Commission in

		answering the project questions.
		Engagement with internal and external stakeholders.
		Approval of public audit model by Auditor General and Commission.
2 New Code of Audit Practice	December 2025 to May 2026	Formal consultation with stakeholders on Code of Audit Practice (which communicates the public audit model).
		Publish new Code of Audit Practice.
3 Audit Procurement and Appointments	August 2025 to May 2027	Procure audit appointments for 2027/28 audits.

Considerations

Progress against milestones

6. Project initiation and Phase 1 of the FPAM project have been successfully completed to time and quality.
7. The key deliverables for milestones in Phase 2 are well advanced, and dates have been confirmed for all governance forums. Executive team is to consider the Invitation to Comment and draft Code for consultation on 2 Feb, before formal approval by the Accounts Commission and Auditor General on 12 and 13 February respectively. This allows public consultation to begin on 23 February, well before the pre-election period. We have roundtables on the draft Code and procurement planned with the appointed firms on 4 March.
8. There are two identified net amber risks and no red risks, these relate to delivering quality outputs within the critical timescales and ensuring the requirements of the various governance forums are met. Mitigating actions focus on early engagement, good working relations and open channels of communication between all governance partners along with a flexible approach. This has served the project well to date.
9. At the same time, we are proactively engaging with the market and working with key partners for Phase 3. Agenda item 14 is a dedicated discussion with the Board on Phase 3.

Budgets

10. There is no external budget for the FPAM project, all costs are being met in-house. By the end of December 2025, there was an 18 per cent

underspend against the budget for staff costs. This is not considered a risk to the successful delivery of FPAM, rather it reflects the difficulties in budgeting for a project of this wide-ranging and cross-cutting nature.

Engagement activity

11. There has been a range of informal engagement with external stakeholders. This has focused on obtaining an understanding of what is working well with current arrangements, and what could be improved. Executive Team considered a summary of the [feedback received from firms](#) in August and a summary of the [feedback received from audited bodies and scrutiny partners](#) in November.

12. This feedback has been incorporated into governance forum discussions and will inform the draft code for consultation early in 2026. The feedback has also been shared with, and is being taken forward by, colleagues working on other development projects in Audit Scotland, such as the future operating model.

13. Internally, an FPAM SPO hub has been launched and the FPAM team is working with Communications and other SIP projects to develop, implement and co-ordinate change activity across the organisation.

Conclusion

14. FPAM remains on track for the delivery of Phase 2, and work is underway for Phase 3.