

Introduction

1. The Auditor General for Scotland, working with Audit Scotland and the Accounts Commission, helps make sure public money is well spent to meet the needs of Scotland's people. Through the audit process he works to provide clear, independent and objective assurance on how effectively public money is being managed and spent.
2. He does this by reporting in public on spending and financial management, by examining what public bodies are doing to address short- and longer-term issues, and by considering how services are designed and reformed. This is more important than ever given the challenges and uncertainties facing Scotland's public services and public finances.
3. With its unique view of public services, public audit considers the complex relationships and connections across the public sector, and how the problems people face in their lives span organisational and sectoral boundaries. It can put Scotland's people - the citizens who pay for, use and rely on public services - at the centre of understanding how well those services work and how well money is spent.
4. We keep our work programme under review and update it to ensure it responds to changing circumstances. The Auditor General has set out a planned work programme up to the start of the pre-election period for the Scottish Parliament election - assuming the election takes place in May, the pre-election period would be expected to commence in March 2026. The work programme for 2025/26 is attached. It provides information about planned products and areas which are under consideration for scrutiny in 2026/27 and beyond.
5. The work programme includes outputs that the Auditor General plans to deliver jointly with the Accounts Commission. Joint audits allow the Auditor General and the Accounts Commission to take a whole system view of services and issues which extend across their respective remits, such as integration of health and social care.
6. This consultation document sets out:
 - how the Auditor General intends to respond to the current context for the public sector in Scotland - including the focus and intended outcomes of our audit work.
 - detail of audit work planned to March 2026.
 - a forward look at key themes for public scrutiny for 2026/27 and 2027/28.

Consultation on the draft work programme

7. The purpose of this consultation is to ensure that the Auditor General's work programme considers key areas of interest to the Parliament and is focusing on those topics that will add greatest value in supporting effective Parliamentary scrutiny. The Auditor General will use the feedback from the Parliament and other key stakeholders to refine his work programme.
8. We would particularly welcome feedback from the Parliament on the following areas:
 - the proposed public audit response to the current operating context for the Scottish Government and public services (slides 3 to 7)
 - the content of planned audit work to March 2026 (slides 9 to 21)
 - priority areas for pre-election scrutiny and any gaps in our proposed response.

Auditor General for Scotland - work programme

We would like feedback from the Parliament on the following areas:

- our proposed audit response to the current operating context for the Scottish Government and public services (slides 3-7)
- the content of the planned audit work programme up until March 2026 (slides 9-21)
- priority areas for pre-election scrutiny
- any gaps in our proposed response.

Context - Scotland faces some of its biggest challenges in decades

- Economic and demographic pressures mean public services are facing rising demand while the financial outlook is both challenging and volatile.
- There is a growing gap between budget forecasts and spending plans at all levels of the public sector. There is a lack of clarity over how this gap will be bridged at national level, with several fundamental delivery, reform and medium-term financial plans due from Government in the coming months.
- The sustainability of public services in their current models is now in doubt. Fundamental change is needed to how public money is spent and to how services are delivered. This requires a clear vision and stronger leadership across public services.
- There are persistent inequalities in areas such as health and poverty, which underlie significant variations in outcomes for different groups of people.

- Public audit plays a key role in informing and assuring people about how well public money is spent, and about how services perform. It informs, advocates for and supports changes and improvements at public bodies and in services. And it can help improve the efficiency and effectiveness of public spending, the performance of services, and the impacts on the lives of people across Scotland.
- It does this by reporting in public on spending and financial management, by examining what public bodies are doing to address short- and longer-term issues, and considering how services are designed and reformed.
- With its unique view of public services, public audit considers the complex relationships and connections across the public sector, and how the problems people face in their lives span organisational and sectoral boundaries. It can put Scotland's people – the citizens who pay for, use and rely on public services – at the centre of understanding how well those services work and how money is spent.

Tackling the challenges (What)

Short-term focus: Affordable, effective & sustainable public services

Longer-term focus:
Strategic outcomes

**People across
Scotland benefit
from better public
services**

Enabling system change (How)

Redesigning and reforming public services:

- Empowering people and communities
- Partnership working
- Preventative spending, tackling inequalities and promoting equality and human rights
- Improving efficiency

Intended audit outcome	Why this matters
Public services in Scotland work better together to target resources more effectively	Tackling complex economic, social and environmental challenges such as inequalities and climate change requires a whole-systems approach and better collaboration across public bodies. The pace and scale of reform in the Scottish public sector needs to increase.
Financial planning and management are more effective across Scotland's public services	Public bodies are facing rising costs and increasing demands, and there are now significant sustainability risks to public services. Public bodies in Scotland need to carefully manage their financial position now and over the longer-term.
Public bodies deliver clearer and more transparent reporting	Openness and transparency around public spending and decision-making is a critical part of effective government and democracy. It ensures citizens have the information they need to participate and Parliament has what it needs to scrutinise public spending.
Our recommendations have a positive impact for people in Scotland	Credible, timely and accurate audit work makes a difference to people's lives. By implementing our recommendations, public bodies can improve financial management, service sustainability and, ultimately, the issues affecting people and communities.

Reform & sustainable services

- Fiscally sustainable public services in context of rising demand and financial constraints; increasing efficiency and reducing costs; reducing long term demand through prevention.
- Improved outcomes, reduced inequalities of outcome, supporting the most vulnerable.
- Reform and innovation across the system and in individual public bodies.
- Workforce, skills & capacity.

Public finances

- Levels, sources and volatility of tax revenues, funding and public spending.
- Financial sustainability of public bodies; financial balance; affordability.
- Effective financial management; ensuring value for money; delivering positive outcomes.

Economic growth & wellbeing

- National economic strategy, support for business; green economy; skills, innovation and productivity; collective wellbeing of current and future generations.
- Economic development; supporting and enabling investment; growing the tax base.
- Place based/ regional economic growth.



Environmental sustainability & climate change

- Delivering climate change commitments and related issues of environmental sustainability.
- Just transition to net zero.
- Adaptation and the costs of climate change.

Inequalities & poverty

- Tackling poverty
- Lessening the impact of inequalities on different communities.
- Health and social care services.

People & communities

- Relationships between public bodies and the people and communities they serve.
- Lived experience; impact of actions and decisions on different individual and groups.
- Partnership working, community planning and third sector involvement.

Planned audits to March 2026

Product

Annual audit of public bodies for financial year 2024/25

The Auditor General and the Accounts Commission aim to improve governance and transparency and provide insight through effective engagement and scrutiny of 225 individual public bodies. The Auditor General is responsible for the audit of 83 central government bodies, 23 NHS bodies and 20 colleges.

Annual audit

The annual audit includes the audit of financial statements and other reports within the annual accounts and the wider scope audit responsibilities: financial management; financial sustainability; vision, leadership and governance; use of resources to improve outcomes. Auditors use their professional judgement to assess risks within individual audited bodies and design their audit approach in response to those risks.

Statutory reporting

The Auditor General will consider the findings of the annual audits and may prepare statutory reports, Section 22s, to bring significant findings to the attention of the Scottish Parliament. Except for the annual Section 22 on the audit of the Scottish Government's Consolidated Accounts, it is not possible to predict the number and nature of these, as that depends wholly on the findings of the annual audits.

Overview of planned audits to March 2026 (2)

Product	Type	Author	Month
Scottish National Investment Bank	Performance Audit	AGS	May 2025
NHS spotlight: Governance	Performance Audit	AGS	May 2025
Building resilience to flooding	Performance Audit	AGS and Accounts Commission	August 2025
Social security and Adult Disability Payment	Performance Audit	AGS	September 2025
Improving care experience: Delivering The Promise	Performance Audit	AGS and Accounts Commission	October 2025
Scottish Government Section 22	Statutory report - s22	AGS	October 2025
Scotland's Colleges 2025	Briefing	AGS	October 2025
Integration Authorities performance	Briefing and data output	AGS and Accounts Commission	November 2025

Overview of planned audits to March 2026 (3)

Product	Type	Author	Month
Fiscal sustainability and taxes	Performance Audit	AGS	November 2025
NHS in Scotland 2025: Finance and performance overview	Performance Audit	AGS	November 2025
Administration of Scottish Income Tax	Other	AGS	January 2026
Delayed discharges	Performance Audit	AGS and Accounts Commission	January 2025
Best Value in Policing	Performance Audit and Inspection	AGS and HMICS	January 2026
The delivery of Glen Sannox and Glen Rosa	Performance Audit	AGS	February tbc
Courts backlog	Briefing	AGS	February tbc
Climate change: lessons learned	Other	Audit Scotland	February tbc
Education and skills reform	Briefing	AGS and Accounts Commission (tbc)	March tbc

Background and latest plans for audits

April 2025 – March 2026 (1)

Audits	
Scottish National Investment Bank	<p>The Scottish National Investment Bank has been set up to play a specific role in supporting Scotland's economy and wider social and environmental challenges, which cut across the Scottish Government's policy priorities.</p> <p>A performance audit will assess the clarity of the Bank's purpose and how well it is establishing itself to deliver on this; the effectiveness of the Scottish Government's oversight arrangements of the Bank and the Bank's governance, corporate risk management and operational arrangements; and examine how the Bank is measuring its impact and what progress it has made to date in delivering its missions. We plan to publish in May 2025.</p>
NHS spotlight: Governance	<p>This spotlight on governance in the NHS in Scotland follows on from the NHS in Scotland 2024 report. It is part of a revised approach to NHS reporting, with the annual report on finance and operational performance to be followed by a complementary audit on a thematic issue.</p> <p>The financial and performance challenges that NHS boards are facing alongside the commitments that have been made to significant reform and innovation will need strong governance arrangements. In recent years there have been developments to support transparency and clarity in governance arrangements in the NHS in Scotland, and efforts to improve the effectiveness of governance. But at the same time the complexity of health and social care governance remains.</p> <p>This spotlight will consider: What the governance arrangements are within NHS Scotland and how effectively they are supporting scrutiny and reform. We plan to publish in May 2025.</p>

Audits	
Building resilience to flooding	<p>Flood policy in Scotland is broadening out from a focus on flood prevention measures to a greater emphasis on flood resilience. The public sector has a critical role in implementing this approach and effective collaboration is essential to adapt to the impacts of climate change.</p> <p>A joint performance audit with the Accounts Commission will examine how well public bodies are working together and with local communities to build resilience to flooding in communities, and how well-placed and resourced they are to meet the scale of future challenges. We plan to publish in August 2025.</p>
Social security and Adult Disability Payment	<p>Social security spending is increasingly outstripping Barnett consequentials in Scotland. It is expected that there will be a higher cost for Adult Disability Payment (ADP) than for Personal Independence Payment, partially due to a difference in application and review processes which were designed to ensure that people within the system are treated with dignity, fairness and respect.</p> <p>A performance audit will look at how well ADP is being managed and assessed, how well the financial and non-financial consequences of this approach are being managed, and if ADP is contributing towards wider efforts to improve outcomes for people with disabilities. We plan to publish in September 2025 .</p>

Audits	
Improving care experience: Delivering The Promise	<p>The Scottish Government has committed to delivering "The Promise" by 2030. The Promise sets out the changes needed across the whole system and society to deliver lasting change for Scotland's children, families and adults with experience of care. While the Scottish Government, councils and other bodies have made progress in some areas, assessments to date have highlighted that change needs to happen faster.</p> <p>A joint performance audit with the Accounts Commission will assess the main enablers and barriers to improving care experience by delivering The Promise, and how public bodies are responding to these. It will look at the governance and accountability arrangements for delivering The Promise, the information and data needed to monitor progress and impact, the trends in spending and resourcing and what is needed support a shift towards prevention. We plan to publish in October 2025.</p>
Scottish Government: Section 22	<p>The Section 22 report on the 2024/25 audit of the Scottish Government will include commentary and judgements on the Scottish Government's financial management and financial sustainability, and the transparency of reporting. It will also report on the operation of sponsorship arrangements and the implementation of the new Oracle system.</p> <p>We plan to publish in October 2025.</p>

Audits	
Scotland's Colleges 2025	<p>Scotland's colleges are vital to learners, local communities and Scotland's economy. In recent years we have reported that risks to the financial sustainability of colleges have been increasing.</p> <p>We plan to publish a briefing on the main issues facing the college sector, covering its financial position, performance and risks, and the wider impact of financial pressures on colleges. We are finalising the scope of this work and are working towards an October 2025 publication.</p>
Integration Authorities performance	<p>The financial position and performance of Integration Authorities (IA's) pose significant risks to the delivery of effective community health and social care services for some of Scotland's most vulnerable people.</p> <p>This joint data output and briefing will build on the Accounts Commission's report from last year on the finance and performance of IJBs, and this year on the finance of IJBs. The work will include analysis of national outcome data and other available performance data across community health and social care. We will include an interactive PowerBi data output alongside the briefing and will also build this onto the PowerBi tool created for the IJB finance bulletin. As such, as well as analysis of national and local performance data, it will cross-analyse with the contextual and financial data already set out in the tool. As a joint product, the briefing will analyse and summarise the performance of all Integration Authorities, including Highland IA (exempt from previous work). It will allow for analysis, commentary and recommendations across the sector, to IAs, councils, NHS Boards and SG as appropriate. We plan to publish in November 2025 .</p>

Background and latest plans for audits

April 2025 – March 2026 (5)

Audits	
Fiscal sustainability and taxes	<p>Financial sustainability is a key risk across public services. Tax policy is a key part of the Scottish Government's approach to affordable public services over the medium term, alongside spending controls and growing the economy.</p> <p>A performance audit will follow on from <u>Fiscal sustainability and reform in Scotland</u>, published in November 2024 and set out the impact of devolved taxes on fiscal sustainability to date. It will consider the opportunities, risks and challenges of using tax as a lever to achieve fiscal sustainability and assess how well the Scottish Government is managing this. We plan to publish in November 2025 .</p>
NHS in Scotland 2025: Finance and performance overview	<p>Growing financial and operational pressures have underlined the increasingly urgent need for system-wide reform within the NHS in Scotland. Health remains the single largest area of Scottish Government spending and demand for services continues to increase. The NHS is also one of Scotland's largest employers.</p> <p>Our annual NHS in Scotland report provides an analysis of financial and operational performance and is intended to inform wider assessments of the sustainability of the NHS in Scotland. This work aims to provide assurance to the public, the Scottish Parliament, and other stakeholders, by increasing transparency and enabling greater scrutiny of NHS Scotland's performance and finances. We plan to publish in November 2025.</p>

Background and latest plans for audits

April 2025 – March 2026 (6)

Audits	
Administration of Scottish Income Tax	<p>This is an annual additional assurance report published on the same day as the National Audit Office's (NAO) audit on Scottish Income Tax. The NAO statutory deadline is 31 January, and the expectation is that the Auditor Generals' additional assurance report is produced at the same time. This is not a performance audit as the judgements are made by NAO on HMRC activity. We plan to publish in January 2026.</p>
Delayed discharges	<p>Delayed discharge is an area of significant risk across Health and Social Care and is of high public interest, directly impacting on the care and wellbeing of individuals, hospital capacity, and the efficiency of health and social care services.</p> <p>A joint performance audit will focus on how well the challenge of reducing hospital delayed discharges is being addressed. It will look at: the key factors that lead to delays in discharge from hospital; what the current processes for managing these delays are at a local and national level; and the impact of the steps taken to date to find a sustainable long-term solution. This will be set in the context of the complex governance issues, the wider demand and capacity issues and financial strains in the sector. We plan to publish in January 2026.</p>

Background and latest plans for audits

April 2025 – March 2026 (7)

Audits	
Best Value in Policing	<p>The police service has a duty to ensure that arrangements are in place to secure Best Value as set out in Ministerial guidance to Accountable Officers for public bodies. While there have been audits, statutory reports and inspections covering elements of Best Value, this is the first time, since the Police and Fire Reform Act (2012), that we will look at Best Value across Policing in Scotland.</p> <p>A joint audit and inspection with HMICS will consider all eight BV characteristics. It will consider the effectiveness of the Scottish Police Authority (including Forensic Services) and Police Scotland in delivering Best Value and in demonstrating continuous improvement in delivering the strategic police priorities. It will not examine the role of local authorities (specifically in terms of blue light committees) or the performance of local community planning partnerships. We plan to publish in January 2026.</p>

Audits	
The delivery of Glen Sannox and Glen Rosa	<p>The Auditor General's 2022 audit of the new vessels for the Clyde and Hebrides identified multiple failures which led to delay and an increase in costs. Since publication, the timescales and costs have continued to increase. The 2022 audit resulted in significant parliamentary scrutiny and the Auditor General committed to providing full costs when the vessels were complete. The Scottish Government has also commissioned forensic analysis of FMEL's accounts to understand the costs incurred before nationalisation. The Auditor General has also committed to updating the PAC following this report.</p> <p>The scope and timing of this performance audit has still to be agreed. Scoping work to date is considering the final costs of the two vessels and the lessons learnt by Scottish Government, Transport Scotland, CMAL and FMPG. In terms of timings, both the Auditor General and PAC would prefer to publish before the Scottish elections, however this depends on the completion of both vessels. Currently Glen Sannox is operational but Glen Rosa is still to be completed and there is some uncertainty of when it will be handed over to CalMac. We will therefore keep the publication date under review but are currently working towards a February 2026 publication.</p>

Background and latest plans for audits

April 2025 – March 2026 (9)

Audits	
Courts backlog	<p>Our audit on the criminal courts backlog in 2023 reported that partners had done well and used innovative approaches to reduce the backlog built up during the Covid 19 pandemic. At the time justice partners were on track to meet the targets set. However, since then progress has slowed, negatively impacting the accused, victims and witnesses and the efficient delivery of public services.</p> <p>A short briefing would aid public scrutiny and transparency on this important issue. It could also consider the reasons for the slowdown in progress to inform the ongoing reform of the justice system. The scope and timing of this work has still to be finalised, but we are currently working towards a publication in February 2026.</p>
Climate change: lessons learned	<p>Since the Auditor General and Accounts Commission highlighted climate change as an audit priority in 2021, it has been the focus of four performance audits (and one underway), thematic BV work, wider scope work in annual audits, and a joint report with other UK audit agencies. It has also featured in our wider work, e.g. on infrastructure investment and economic development.</p> <p>This output would collate judgements and recommendations from four years of audit reports to identify cross-cutting judgements and learning, and highlight the improvements and changes required across the public sector to support the delivery of long-term climate change ambitions, within the context of wider public service reform. It would not involve any new audit work. The exact nature and timing of the output have still to be finalised, we are currently working to a February 2026 publication.</p>

Background and latest plans for audits

April 2025 – March 2026 (10)

Audits	
Education and skills reform	<p>The Scottish Government has commissioned and undertaken several reviews in this area over a long period, with limited or slow progress. This has led to a long period of uncertainty for the bodies and other stakeholders affected by the changes proposed by the reviews, and there has been wider criticism of the slow pace of change.</p> <p>A briefing would be the basis for scoping further audit work post-election. The scope and timing have still to be agreed, we are currently working to a March 2026 publication.</p>

Planning for the new parliament

- We are undertaking a stocktake of our audit work to date and a review of the current risks and issues facing the public sector in Scotland. This will allow us to identify areas of focus which will inform the Auditor General's audit proposals for 2026/27 and beyond.
- We await the publication of some key Scottish Government documents expected from Spring 2025. These include the Medium-Term Financial Strategy and Fiscal Sustainability Delivery Plan, the Health and Social Care Portfolio Medium-Term Financial Framework, the Infrastructure Investment Plan pipeline reset and Public Service Reform strategy.
- Slide 24 sets out the general principles that guide our audit planning and delivery. Slides 25 and 26 summarise our ongoing work and emerging priorities against the audit themes.

What guides our planning and delivery...

Providing assurance and driving improvement

We will use our unique local and national perspective to provide assurance about how Scotland's public services are responding to current and systemic challenges. We will aim to provide insight and learning, and drive improvement, innovation and transformational change.

Taking a person- centred approach

Where possible and appropriate, we will capture the needs and concerns of the people who use public services through our audit work.

Integrating cross cutting issues

We will integrate thinking on issues that cut across policy areas and have an impact on citizens and service users throughout our audit work. For example: prevention, digital, inequality and human rights, climate change, community engagement

Taking a risk-based and proportionate approach

We recognise the potential impact of audit work on people working in public services. We will ensure our audit response is proportionate and risk-based, and that audited bodies have clear advance notice of any planned work.

Being flexible and agile

We will adapt our work programme as new issues emerge or risks change. We will use a range of approaches to report our audit work.

Theme	Ongoing work and potential areas of focus
Reform and sustainable services	<p>This is an ongoing theme in our audits and a significant risk to the future delivery of public services. We will continue to comment on progress against this theme, highlight innovation and good practice and the barriers to delivery. We will do this at a national, strategic level through our annual overview audits on the NHS in Scotland and the college sector. We will identify other areas where specific more detailed performance audit work would add most value, such as social care reform.</p>
Public finances	<p>A priority area for our audits. We will continue to focus on the actions being taken to improve the financial sustainability of the public finances over the short and medium term, embedding this in our reporting on the annual audit of the Scottish Government consolidated accounts. The annual reporting cycle will also include a strategic public finances performance audit output every autumn.</p>
Economic growth and well-being	<p>We are considering opportunities for thematic-based audit work to follow-up on the briefing we published last year on Scottish Government's National Strategy for Economic Transformation. This would look at effectiveness of public investment in improving Scotland's economic performance and wider outcomes. Potential areas are employability, skills and entrepreneurship, infrastructure and investment, and inward investment.</p>

Theme	Ongoing work and potential areas of focus
Environmental sustainability and climate change	We will build on previous work in this area to help maintain focus on climate change response and adaptation. We are considering other aspects of the public sector's response to climate change for audit scrutiny, including its approach to renewable energy and the development and implementation of agricultural policy following the exit from the EU.
Inequalities and poverty	A cross-cutting theme in much of our work. We will continue to focus on the inequality of experience, services and outcomes and the impact spending decisions have on Equalities and Human Rights. Our reporting and recommendations will support public bodies to tackle inequalities in Scotland across a range of issues. We will continue to embed human rights approaches in our audit work.
People and communities	We are working to take an increasingly person-centred approach to our audits to ensure the views of people, local communities and minority groups are heard and considered. We are exploring where we could add value on public services that directly impact people and communities, such as education outcomes and community rehabilitation services.