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## Public Audit Committee

# Annual Report of the Public Audit Committee 2025-26



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# Public Audit Committee

To consider and report on the following (and any additional matter added under Rule 6.1.5A)—

(a) any accounts laid before the Parliament;

(b) any report laid before or made to the Parliament by the Auditor General for Scotland; and

(c) any other document laid before the Parliament, or referred to it by the Parliamentary Bureau or by the Auditor General for Scotland, concerning financial control, accounting and auditing in relation to public expenditure.

2. No member of the Scottish Government or junior Scottish Minister may be a member of the Committee and no member who represents a political party which is represented in the Scottish Government may be convener of the Committee.



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# Committee Membership



**Convener**  
**Richard Leonard**  
Scottish Labour



**Deputy Convener**  
**Jamie Greene**  
Scottish Liberal  
Democrats



**Colin Beattie**  
Scottish National Party



**Graham Simpson**  
Reform UK



**Joe FitzPatrick**  
Scottish National Party

# Introduction

1. This annual report covers the work of the Public Audit Committee (the Committee) between 13 May 2025 to 8 April 2026.

## Public Audit Committee



Source: Scottish Parliament

2. The Committee's work is focused on the scrutiny of reports produced by the Auditor General for Scotland (the Auditor General). The Auditor General is responsible for publicly reporting on the expenditure and performance of directorates of the Scottish Government and most other public spending bodies (with the exception of local authorities).
3. The total budget for the Scottish Government and its agencies in 2025/26 was £63.4 billion<sup>1</sup>
4. Through its scrutiny of the Auditor General's reports, the Committee considers how this money is spent and the outcomes that have been achieved, holding to account those who are charged with spending public finances.
5. Membership changes of the Committee during the reporting period are listed below—
  - Stuart McMillan MSP (7 January 2025 to 26 June 2025)

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<sup>1</sup> [Scottish Budget 2026 to 2027: Your Scotland, Your Finances - a guide](#)

- Joe FitzPatrick MSP (26 June 2026 – present)
- Graham Simpson MSP (Con) (29 June 2023 to 27 August 2025)
- Graham Simpson MSP (Reform UK) (27 August 2025 to present).

# Meetings

- 6. The Committee met 31 times in the Parliamentary year. These meetings were held in both public and in private. No meetings were held completely in public or in private.

The number of people who gave evidence to the Committee.



# 203

Number of people  
who gave evidence

Source: Scottish Parliament

# Committee work

7. The Committee scrutinised 18 reports published by the Auditor General during the reporting period. Eight of these were “section 22 reports” which set out issues of concern or interest, highlighted in relation to the audit of accounts of individual public bodies.
8. A further six reports considered by the Committee were “section 23 reports”, which examined the economy, efficiency and effectiveness of the public sector.
9. Two briefings published by the Auditor General were also considered by the Committee during the reporting period. These shorter reports pull together existing information to summarise key issues and future considerations across a range of topics.
10. The Committee also scrutinised the National Audit Office’s report on the administration of Scottish income tax 2024/25 and the accompanying Auditor General’s assurance letter.
11. A full list of reports and briefings considered by the Committee during the reporting year is as follows:

## **Section 22 reports**

- The 2023/24 audit of Ferguson Marine (Port Glasgow) Holdings Limited
- The 2023/24 audit of UHI Perth
- The 2024/25 audit of Historic Environment Scotland
- The 2024/25 audit of NHS Ayrshire and Arran
- The 2024/25 audit of NHS Grampian
- The 2024/25 audit of NHS Tayside
- The 2022/23 audit of Lews Castle College
- The 2022/23 audit of Forth Valley College
- The 2024/25 audit of the Scottish Public Pensions Agency

## **Section 23 reports**

- Delayed discharges: A symptom of the challenges facing health and social care
- Flooding in communities: Moving towards flood resilience
- General practice: Progress since the 2018 General Medical contract
- Improving care experience: Delivering The Promise
- Best Value in policing: Joint Best Value audit of policing in Scotland

- NHS in Scotland 2025: Finance and performance

### **Briefings**

- Scotland's colleges 2025
- NHS in Scotland: Spotlight on governance

### **Other**

- Comptroller and Auditor General (C&AG) National Audit Office report on the Administration of Scottish income tax 2024/25, and associated Auditor General for Scotland's assurance letter on the C&AG's Administration of Scottish income tax 2024/25 report.
- Our impact: Monitoring and evaluation report 2025

12. The Committee took oral evidence from the Auditor General and Audit Scotland on all these reports and briefings.

## **The 2023/24 audit of Ferguson Marine (Port Glasgow) Holdings Limited**

13. The Committee continued its scrutiny of the 2023/24 audit of Ferguson Marine (Port Glasgow) Holdings Limited, visiting the shipyard on 9 June 2025 to see first-hand the progress being made by touring the MV Glen Rosa (vessel 802), hearing directly from management and a union representative on the challenges presented by the continuing construction of the MV Glen Rosa and the future challenges faced by the shipyard.
14. Concern was expressed by the Committee about future Scottish Government funding and future work and job security for the workforce at the shipyard. The Committee published its report on 27 August 2025. It subsequently held a Parliamentary debate on its report on 9 December 2025. The Committee was unanimous in its view that for the shipyard to secure a successful future it would need investment and modernisation.
15. On 3 March 2026, the Scottish Government announced a direct award of construction of four vessels to Ferguson Marine Port Glasgow.

Public Audit Committee, MV Glen Rosa, Port Glasgow 9 June 2025



Source: Scottish Parliament

## The 2023/24 audit of UHI Perth

16. The Auditor General's report stated in its key messages that—
  - ” UHI Perth failed to set a budget for the 2023/24 financial year. There is no record of a formal decision by the board of management not to agree a budget. These absences represent weaknesses in the college's financial management and governance arrangements
17. Following evidence from the Auditor General and Audit Scotland, the Committee took evidence from the former Principal and Chief Executive of UHI Perth, as well as the former Chair and former Vice Principal (Operations) on 3 December 2025. This was followed by a further session on 7 January 2026 where the Committee heard from the Principal and Vice-Chancellor, and the Chief Financial Officer University, of the Highlands and Islands; and the Director of Access, Learning and Outcomes, and the Acting Director of Finance, Scottish Funding Council
18. The Committee's scrutiny examined the reasons why a budget had not been set, the impact this had on the college and the steps taken to avoid this happening again, as well as the governance and financial arrangements highlighted in the Auditor General's report. The Committee wrote to the Education, Children and Young People Committee highlighting key issues arising from its scrutiny.

## The 2024/25 audit of Historic Environment Scotland

19. The Auditor General published the section 22 report on 16 December 2025. The

report highlighted "... unacceptable weaknesses in the governance arrangements, which point to a culture of non-compliance".

20. The Committee took evidence from the Auditor General and Audit Scotland on 14 January 2026, followed by evidence from Historic Environment Scotland and the Scottish Government on 4 February 2026.
21. Following the evidence taken, the Committee wrote to the Constitution, Europe, External Affairs and Culture Committee and to the Permanent Secretary to the Scottish Government on the issues raised around governance and financial management.

## **The 2023/24 and 2024/25 audits of the Scottish Government Consolidated Accounts / Scottish Government's approach to financial interventions: Strategic Commercial Assets Division**

22. The Committee's scrutiny of the audits of the Scottish Government's Consolidated Accounts and the Government's approach to financial interventions, continued through the 2023/24 audit of the Scottish Government Consolidated Accounts focussing on Ferguson Marine Port Glasgow, Prestwick Airport, Lochaber Aluminium Smelter and SCAD's transparency review.
23. On the 2024/25 audit of the Scottish Government Consolidated Accounts, the Committee took evidence from the Auditor General for Scotland on 17 December 2025, followed by evidence from the Permanent Secretary to the Scottish Government on 4 February 2026.
24. A dedicated evidence session was held on 21 May 2025 to examine SCAD's work and its approach to financial interventions. The Committee considered how these interventions could lead to reversing the acquisitions back into private ownership or recovering the cost of loans, how these would work and the impact and costs it may have of the Scottish Government's financial position.
25. The Committee also scrutinised the SCAD Transparency Review, where there is a requirement for public transparency through the release of documents into the public domain and how this is balanced against private commercial confidentiality. The Committee had found documents relating to Ferguson Marine Port Glasgow and the procurement of ferry contracts were heavily redacted and hard to decipher. In response to the Committee's concerns, the Transparency Assurance Panel determined that most of the redactions were applied appropriately given commercial information had the potential to put the yard at a competitive disadvantage. However, the panel did make recommendations to release some further information contained within the reports, together with a timeline that indicated when the redacted material was expected to be published.
26. A further SCAD related evidence session was held on 25 February 2026 in relation to the Scottish Governments 25-year financial guarantee for the acquisition of the Lochaber Aluminium Smelter by GFG Alliance. The Committee heard from the

Chief Transformation Officer of Liberty Steel Group, a subsidiary of GFG Alliance. The Committee found the session informative, though there were limitations due to some information being of a commercially sensitive nature.

27. Following this meeting the Committee agreed to write to the Scottish Government to highlight relevant issues, including the current position on GFG Alliance producing audited accounts and other points relating to the complexity of the transaction and the Scottish Government's management of its guarantee/investment.

## General practice: Progress since the 2018 General Medical Services contract

28. On 14 May 2025, the Committee held an evidence session with the Auditor General and Audit Scotland. This was followed by another session on 18 June 2025 with the British Medical Association Scotland, the Royal College of General Practitioners Scotland and the Scottish Government. In follow up to the session, the Committee wrote to those who attended to seek further written evidence.
29. The Committee agreed that progress had been slower than expected since the 2018 contract, with patients finding it harder to access care and funding having dropped in real terms which makes planning and decision-making more difficult.
30. The Committee agreed to write to the Health, Social Care and Sport Committee to highlight a range of issues that the report and scrutiny had brought to light.

Stephen Boyle, the Auditor General for Scotland



Source: Scottish Parliament

## **Flooding in communities: Moving towards flood resilience**

31. The joint Auditor General and Accounts Commission report, published on 28 August 2025, focussed on the impact that climate change has had on the incidence of flooding. A greater occurrence of flooding has led to more joint work by local government, other public bodies and the Scottish Government, as those involved in flood prevention, for example in preparing for and supporting communities recover from flooding.
32. On 17 September 2025, the Committee took evidence from the Auditor General, Audit Scotland and Accounts Commission. This was followed by evidence from the Scottish Government, Convention of Scottish Local Authorities and Scottish Collaboration of Transport Specialists (Flooding) on 29 October 2025.
33. The Committee was keen to explore the opportunity to hear further from local authority projects involved in flood resilience but unfortunately a lack of time in Session 6 prevented this from happening.

## **Improving care experience: Delivering the Promise**

34. The Auditor General and the Accounts Commission published their joint report on 8 October 2025 and the Committee took evidence from both on 5 November 2025. The delivery of The Promise is complex, due to the wide range of bodies involved over local and national government. The Committee took evidence on 10 December 2025 from the Scottish Government, The Promise Scotland, COSLA and the Chair of the Oversight Board for Keeping the Promise. The Committee then took evidence on 21 January 2026 from the Independent Strategic Advisor the promise and Chair of The Promise Scotland.
35. The Committee agreed to write to the Education, Children and Young People's Committee drawing its attention to the recommendations included in the report.

## **NHS in Scotland: Spotlight on governance**

36. The report was published on 28 May 2025 and is part of a revised approach to NHS reporting, with the annual report on finance and operational performance to be followed by a complementary report on a thematic issue.
37. On 11 June 2025, the Committee took evidence on the thematic report from the Auditor General and Audit Scotland. It then took evidence from the Ethical Standards Commissioner in Public Life in Scotland on the 24 September 2025, to seek more background evidence on how people are appointed to boards and senior management positions and the processes involved in appointing these roles. Concluding its evidence gathering, the Committee heard from the Director-General for Health and Social Care and Chief Executive of NHS Scotland at the same meeting, exploring the governance issues in NHS Scotland in more detail.

38. The Committee received follow up correspondence from both the Ethical Standards Commissioner and the Scottish Government and agreed to close its scrutiny on 12 November 2025.

## **NHS in Scotland 2025: Finance and performance**

39. On 4 December 2025, the Auditor General published NHS in Scotland 2025: Finance and performance. The report stated that despite more money and more staff, NHS Scotland is still unsustainable. Waiting lists have come down but still remain high with patients still waiting too long for treatment. This also has a knock-on effect with Accident and Emergency departments and waiting times for ambulance crews caught up in delivering patients to hospitals.
40. The Committee took evidence from the Auditor General and Audit Scotland on 7 January 2026 and then from the Director-General for Health and Social Care and Scottish Government on 4 March 2025. At that meeting the Committee agreed to seek the written views of the Convention of Scottish Local Authorities on the recommendations in the report.

## **Best Value in policing: Joint Best Value audit of policing in Scotland**

41. The Auditor General and HM Chief Inspector of Constabulary in Scotland published a unique joint report on 22 January 2026. The Committee took evidence from the Auditor General and HM Chief Inspector of Constabulary in Scotland on 11 February 2026, followed by evidence from the Scottish Police Authority, the Scottish Government and the Chief Constable, Police Scotland, on 4 March 2026. The Committee noted its work on the joint report in its Legacy Paper.

## **Cairngorm funicular railway**

42. The Session 5 Public Audit and Post-legislative Scrutiny Committee had undertaken scrutiny on the Cairngorm funicular railway arising from the associated audit reports. Following evidence sessions in 2024 with the Auditor General for Scotland and the Permanent Secretary to the Scottish Government on the 2023/24 audit of the Scottish Government Consolidated Accounts, the Committee agreed to revisit the topic of the Cairngorm funicular railway.
43. During its scrutiny, the Committee received written submissions and correspondence from those directly affected by the Cairngorm funicular railway. The Committee took evidence from Highlands and Islands Enterprise (HIE) the owners of the funicular and Cairngorm Mountain (Scotland) Limited (CMSL), a subsidiary, on 17 September 2025. HIE and CMSL invited the Committee to visit the Cairngorm funicular railway, where it met with HIE and CMSL on the 17 November 2025 at Cairngorm Mountain and with stakeholders and businesses on 18 November 2025 in Aviemore.

44. The Committee then took evidence from campaigners with a variety of skills and experience who also contribute to the Parkswatch campaign blog site. The Committee welcomed both the written and oral evidence that stakeholders had provided and found it very informative and helpful to its scrutiny.
45. A report was published on 24 February 2026 setting out the Committee's inquiry findings, which included a recommendation on future-proofing the year-round diversity of the mountain and the need to take account of communities' views when developing the masterplan and other recommendations aimed at simplifying governance arrangements and increasing transparency of decision-making. The Committee was also concerned about the ongoing costs associated with maintaining the funicular railway and its future replacement.

Members of the Public Audit Committee at the Cairngorm funicular railway, Cairngorm Mountain, 17 November 2025



Source: Scottish Parliament

## Committee reports

46. The Committee published three reports during the parliamentary year:

- Cairngorm funicular railway
- The 2023/24 audit of Ferguson Marine (Port Glasgow) Holdings Limited
- The 2022/23 and 2023/24 audits of the Water Industry Commission for Scotland

## Post-legislative scrutiny

47. The Committee does not have the same powers as other Parliamentary committees in relation to carrying out post-legislative scrutiny and therefore did not undertake any work in this regard.

# Equality and Engagement

## **Visit to Ferguson Marine Port Glasgow – 9 June 2025**

48. The Committee met with management and a union representative of Ferguson Marine to find out more about workforce issues, construction, delivery, timescales, finances and future plans of the shipyard. It also received an in-depth tour of the shipyard and MV Glen Rosa.

## **Visit to Cairngorm funicular railway – 17/18 November 2025**

49. The Committee met with stakeholders and organisations who rely on and whose livelihoods are affected by the funicular railway and Cairngorm Mountain.

## **NHS in Scotland: Spotlight on governance – The Ethical Standards Commissioner for Public Life in Scotland**

50. The Commissioner was invited to give evidence on leadership roles, in order to broaden the Committee's understanding of senior roles within public bodies, particularly within NHS Scotland.

## **General practice: Progress since the 2018 General Medical Services contract**

51. The Committee felt it needed to hear from General Practitioners and therefore invited BMA Scotland and the Royal College of General Practitioners to give evidence on the daily management of GP surgeries and the issues that arise.

## **Improving care experience: Delivering The Promise**

52. The Committee's scrutiny revealed the complexity behind delivering the Promise and the impact this has delivering positive outcomes for children and young people and their families.

