PAC/S7/26/2/1

Public Audit Committee
Thursday, 3 September 2026
2nd Meeting, 2026 (Session 7)

The Auditor General for Scotland’s strategic priorities and future work programme

Introduction

1. At its meeting today, the Public Audit Committee will take evidence from the Auditor General for Scotland (AGS) on his strategic audit priorities and future work programme.

2. The AGS’s current work programme can be found on Audit Scotland’s website.

3. The AGS has prepared a briefing paper for this evidence session which can be found in the Annexe.

Clerks to the Committee
September 2026

Annexe: The Auditor General for Scotland’s strategic priorities and future work programme

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. 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 delivered. This is more important than ever given the challenges and uncertainties facing Scotland’s public services and public finances.

2. With its unique view of public services, public audit considers the complex relationships and connections across the public sector, and how the challenges and opportunities 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.

Work programme

3. The Auditor General's work programme is developed in line with a broad set of priorities that reflect public services. The programme also takes account of new and significant developments, intelligence gathered through our audit work, and through engagement with stakeholders.

4. We keep our work programme under review and update it to ensure it responds to changing circumstances. 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.

5. Background to our work, the factors that guide development of the work programme, audits currently underway, and topics and themes for future work are included below. We look forward to discussing these with the Committee.

Auditor General for Scotland - work programme, September 2026

AUDITOR GENERAL

Public audit – our role

- Public audit plays a key role in informing and assuring both the Scottish Parliament and the people of Scotland about how well public money is spent, and about how services perform. It informs, makes recommendations to support 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 they have on people .
- 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.
- 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.

Public audit – our impact

AUDITOR GENERAL

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.

Public audit – our priorities

AUDITOR GENERAL

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.

Work programme 2026/27 (1)

AUDITOR GENERAL

Audit	Scope of work
Scotland's colleges 2026 Publication is scheduled for September 2026	Scotland's colleges play a significant role in our post-school education and skills sector, providing a skilled workforce to meet local and national demand and supporting Scotland's sustainable economic development. Our Scotland's colleges 2025 report highlighted the increasingly challenging landscape in which the college sector operates. Colleges have faced a 20 per cent real-terms reduction in funding over the past five years, a declining workforce, and ongoing curriculum and estate rationalisation to make savings. Colleges are heavily reliant on public funding, with only a small proportion of income generated from tuition fees, commercial activity, and other grants. Opportunities to identify new income streams vary, and while colleges can benefit from income generating activity, this comes with a degree of risk that must be managed effectively. The 2026 report will evaluate the financial sustainability and overall performance of the sector. It will assess how income generating activities are supporting financial sustainability of colleges. It will examine how stakeholders are demonstrating effective leadership through the implementation of previous Audit Scotland recommendations and make further recommendations where necessary.
Management of the ScotWind leasing round Publication is scheduled for September 2026	The £755 million secured from the initial ScotWind leasing round, and any interest it generates, can be used to support public spending. Around £96 million of the options fees raised were used in 2022/23. The overall aim is to consider the arrangements and decision-making around, and management of, the ScotWind leasing round. The work will also review how the funds have been used to determine if this has been in accordance with commitments and will set out potential implications for future leasing rounds.

Work programme 2026/27 (2)

Audit	Scope of work
Renewable energy Publication is scheduled for October 2026	Offshore wind energy - generating electricity from sea-based turbines - has been described as Scotland's biggest economic opportunity since oil and gas in the 1970s. It is central to the Scottish Government's strategy for a fair transition to a low-carbon economy. However, Scotland's domestic supply chain - needed to manufacture components, provide services, and develop infrastructure - is not yet ready to support the economic opportunities. To support this the Scottish Government has committed up to £500 million over five years (to 2028/29) through an offshore wind investment programme, focusing on manufacturing capacity and port upgrades. Its delivery partners include the Scottish National Investment Bank, Highlands and Islands Enterprise, and Scottish Enterprise. This audit will assess how robust the decision-making arrangements are to support the investment programme in delivering value for money. It will examine the rationale, decision-making processes, and progress made so far toward the programme's aims, aiming to inform improvements and highlight good practice.
SG consolidated accounts (s22) Publication is scheduled for October 2026	Statutory report on the annual accounts of the Scottish Government consolidated accounts.

Work programme 2026/27 (3)

AUDITOR GENERAL

Audit	Scope of work
Tackling Child poverty – Scottish Child Payment Publication is scheduled for November 2026	The Child Poverty (Scotland) Act 2017 set statutory targets for the Scottish Government to significantly reduce child poverty in Scotland by 2030/31. The Scottish Government has developed a series of policies aimed at tackling child poverty which include expanding access to childcare for families, parental employability support and increasing household income through the Scottish Child Payment (SCP). The SCP was launched in February 2021 as a devolved social security benefit. Administered by Social Security Scotland, the SCP currently provides eligible households with a weekly payment of £27.15 per child. Since its launch the SCP has paid over £1.4bn to eligible families to support 320,000 children. This audit will assess how well the SCP has been delivered, whether the SCP remains sustainable going forward and what impact the SCP is having.
NHS s22s (tbc) Publication dates tbc Oct-Nov 2026	Statutory reports on annual accounts of NHS boards.

Work programme 2026/27 (4)

AUDITOR GENERAL

Audit	Scope of work
NHS in Scotland 2026 Publication is scheduled for December 2026	Scotland's NHS remains under increasing financial and operational pressure. Our 2025 report found that, despite a real-terms funding increase, NHS Scotland is not financially sustainable, boards are struggling to break even, and performance has not improved as the Scottish Government intended. The Operational Improvement Plan, Health and Social Care Service Renewal Framework, and Population Health Framework, all published in 2025, set out the basis for reform. But these ambitions long-standing and have yet to be delivered. The work will assess the financial and operational performance of Scotland's NHS in 2025/26, the progress made towards financial sustainability, and how well reform is being implemented. The audit will focus on three key questions: • How well are the Scottish Government and NHS boards managing the financial position of the NHS in Scotland, and how much progress has been made towards medium-term financial sustainability? • How well is the NHS in Scotland addressing operational challenges and performing against national commitments? • How effectively is NHS Scotland implementing its planned system-wide reform, and what impact is this having on the sustainability and quality of services?
CG s22s (tbc) Publication dates tbc Nov-Dec 2026	Statutory reports on annual accounts of central government bodies.

Work programme 2026/27 (5)

AUDITOR GENERAL

Audit	Scope of work
Housing (joint with Accounts Commission) Publication is scheduled for January 2027	Having a home is important to people's safety and security, and access to adequate housing is a fundamental human right. The housing situation in Scotland is worsening. The number of households in temporary accommodation is increasing, and people are spending longer in the homelessness system. In this context, between 2023 and 2024, 13 Scottish councils declared a housing emergency and the Scottish Parliament declared a national housing emergency in May 2024.The Scottish Government has set a target of delivering 110,000 affordable homes by 2032. Delivering more homes will help address the long-term need for housing but the number of affordable homes being built every year has fallen since 2022/23. This audit will assess how effectively the Scottish Government and councils are addressing the acute and long-term housing challenges.
Orthopaedics Publication is scheduled for February 2027	Orthopaedics is a large, complex speciality that provides treatments for people with injuries and conditions of the musculoskeletal system (the body's muscles and skeleton). Many orthopaedic conditions need surgery, such as hip and knee replacements or fracture repairs. These require admission to hospital as either a day care or inpatient. Other conditions, such as osteoporosis, may require medication or rehabilitation provided either as an outpatient or in the community. This audit will consider only day care and inpatient services as this is where the evidence suggests the greatest pressures exist. Waiting times targets for inpatient and day cases are repeatedly missed and inpatient and day care orthopaedics have the largest ongoing waiting list of all hospital specialities. The overall aim is to consider the efficiency and effectiveness of the management and delivery of inpatient and day care orthopaedic services by NHS Boards and the Scottish Government.

Work programme 2026/27 (6)

AUDITOR GENERAL

Audit	Scope of work
Colleges s22s (tbc)	Statutory reports on annual accounts of Scotland's colleges Publication TBC Jan-March 2027
Fire and rescue service – estates/assets Publication is scheduled for March 2027	Audit Scotland's 2018 report on the Scottish Fire and Rescue Service included important messages relating to SFRS's use of resources. These included highlighting that SFRS would be unable to address the £389 million capital backlog without transformation of its delivery model and additional capital investment. It also called for more effective partnership working to make efficient and effective use of public resources. In 2019, HMFSI highlighted significant challenges around an ageing fleet, procurement processes and health and safety, and called for greater collaboration and investment, and subsequent Service Delivery Area inspections reports suggested a deterioration in the SFRS estate and a need for sustained investment. The SFRS estimates that it needs £80 million in annual capital funding over the next ten years. The 2026/27 Scottish Budget allocated £48.4 million capital to the SFRS. By 2025, the SFRS estimated the capital investment backlog for property, equipment and fleet had risen to £800 million. Addressing the capital investment backlog is increasingly challenging for the SFRS due to public funding pressures and changing operational demand. The proposed scope of this joint audit with HMFSI is to provide an assessment of how effectively the SFRS is using and investing in its current estate, fleet and equipment.

Work programme 2027/28 (1)

AUDITOR GENERAL

Audit	Scope of work
Sustainability of public finances: the Scottish Government's approach to efficiency Publication is scheduled for May 2027	The Scottish Government faces a challenging fiscal position. It has set out plans to respond to this challenge across a range of strategies, including actions to prioritise public spending, increase economic growth, and ensure a strategic approach to tax. The Scottish Government has said that in the short to medium term, managing public spending will be the main way it can improve fiscal sustainability. In January 2026 alongside its multi-year spending plans in the Scottish Spending Review, the Scottish Government set out ambitious efficiency and reform plans. These plans aim to make cumulative, recurring savings of £1.5 billion across the public sector through efficiencies, improved productivity, workforce reductions and service reforms. This audit will assess the Scottish Government's planning and delivery of efficiencies and productivity as part of its approach fiscal sustainability. It will examine the scale of planned efficiency and productivity savings, the effectiveness of the Scottish Government's planning, oversight and leadership of its plans, and consider how well placed it is to deliver them.

Work programme 2027/28 (2)

AUDITOR GENERAL

Audit	Scope of work
Digital in health Publication is scheduled for September 2027	In its Public Service Reform Strategy, the Scottish Government recognises that digital technologies are key to delivering efficient, joined-up services. It also sees digital solutions as essential to its plans to reform health and social care services. In their Digital Health and Care Strategy (2021), the Scottish Government and COSLA committed to developing "a new streamlined approach to how people navigate their way through services, which will include a safe, simple and secure digital app." This is known as the Digital Front Door (DFD). The DFD programme is developing a single, secure, easy to use digital platform called MyCare.scot. It aims to make it easier for people to access and manage their health and social care information and services digitally. Public Services Delivery Scotland is leading the delivery of the DFD programme. This performance audit will examine how well the Scottish Government and Public Services Delivery Scotland are delivering the objectives of the DFD programme.
Glen Sannox and Glen Rosa Publication date tbc	In 2015, Caledonian Maritime Assets Limited (CMAL), awarded Ferguson Marine Engineering Limited (FMEL) a contract to design and build two new ferries for the Clyde and Hebrides network. These were expected to be finished in 2018 and cost a total of £97 million. In December 2019, the Scottish Government brought FMEL into public ownership and formed a new organisation – Ferguson Marine (Port Glasgow) Limited (FMPG) – to complete the vessels. The first vessel, MV Glen Sannox, was delivered six and half years later than planned and the second, the MV Glen Rosa, is due to be delivered in Summer 2026, eight years late. The cost to complete the vessels, since nationalisation, is now expected to be £335 million. The delays have affected the capacity and reliability of the West Coast ferry network. This has negatively affected island communities who rely on ferries to access goods and services. This audit will draw wider lessons for the public sector when it takes on complex or commercial projects. Performance audit work paused until vessels are complete.

Provisional future work programme

AUDITOR GENERAL

Output
Scotland’s colleges 2027
NHS in Scotland 2027
NHS service specific audits
Scotland’s public finances specific audits
Public service reform
Capital infrastructure projects, e.g. A9 dualling, HMP Glasgow