

South Ayrshire Council

**Report by Chief Financial Officer
to Audit and Governance Panel
of 5 November 2025**

Subject: Accounts Commission Annual Report 2024/25

1. Purpose

1.1 The purpose of this report is to advise the Panel of the Accounts Commission Annual Report 2024/25.

2. Recommendation

2.1 **It is recommended that the Panel considers the findings outlined in the Accounts Commission Annual Report 2024/25 (attached as Appendix 1).**

3. Background

3.1 In August 2025, the Accounts Commission published its annual report for 2024/25 which covered the following:

- their year in numbers;
- Chair's welcome;
- their reporting;
- their impact;
- how they work; and
- information about them.

4. Detail

4.1 Audit Scotland and Accounts Commission reports are regularly considered by the Audit and Governance Panel, and it is proposed that Members consider and note the terms of the Accounts Commission annual report for 2024/25.

5. Legal and Procurement Implications

5.1 There are no legal implications arising from this report.

5.2 There are no procurement implications arising from this report.

6. Financial Implications

6.1 Not applicable.

7. Human Resources Implications

7.1 Not applicable.

8. Risk

8.1 *Risk Implications of Adopting the Recommendations*

8.1.1 There are no risks associated with adopting the recommendations.

8.2 *Risk Implications of Rejecting the Recommendations*

8.2.1 Rejecting the recommendations may impact on the reputation of the Council.

9. Integrated Impact Assessment (incorporating Equalities)

9.1 The proposals in this report do not require to be assessed through an Integrated Impact Assessment.

10. Sustainable Development Implications

10.1 ***Considering Strategic Environmental Assessment (SEA)*** This report does not propose or seek approval for a plan, policy, programme or strategy or document otherwise described which could be considered to constitute a plan, programme, policy or strategy.

11. Options Appraisal

11.1 An options appraisal has not been carried out in relation to the subject matter of this report.

12. Link to Council Plan

12.1 The matters referred to in this report contribute to Priority 4 of the Council Plan: Efficient and effective enabling services.

13. Link to Shaping Our Future Council Yes No

13.1 Not applicable.

14. Results of Consultation

14.1 There has been no public consultation on the contents of this report.

14.2 Consultation has taken place with Councillor Ian Davis, Policy Lead for Finance and Corporate Services, and the contents of this report reflect any feedback provided.

Background Papers None

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Date: 15 October 2025

Our work and impact

Annual review 2024/25



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Accessibility

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

Our year in numbers



125

Annual audits



7

Reports on how well councils achieve Best Value



2

Statutory reports on areas of concern



£25.2bn

Local government spending scrutinised



7

Performance audits on key public services



10

Blogs and briefings on topical issues



17

Meetings and events with local government leaders



14,000

Downloads and web views of our reports



Welcome

Welcome to our review of our work and impact during 2024/25.

Local government in Scotland faces some of the most severe challenges seen in generations. Councils must balance significant financial pressures against a backdrop of rising demand for services and issues in relation to recruiting and retaining staff. They recognise that they must make fundamental changes to protect services, but this is difficult while also trying to meet the day-to-day needs of individuals, families and communities.

In this context, the work of the Accounts Commission and the auditors we appoint to work on our behalf is crucial. We hold local government to account, and we support improvement in services. We report publicly on annual local government spending of £25.2 billion, as well as on the performance of councils and the key issues affecting communities across Scotland.

Robust, independent and reliable public audit is vital for residents, service users and decision-makers. However, in the current context we aim to do more. As we report in this review, we have focused on three areas that are key to having an impact on the lives and outcomes of the people of Scotland and the communities they live in.

The first is how we can inform and support the fundamental changes that local government must make. We do this through the intelligence and insights we find across Scotland, and through raising issues at a local and national level.

The second is ensuring we add value and have a direct impact. Just two of the ways we do this are: the advice and feedback we give councils through the annual financial audit; and sharing the good practice we find.

The third is by making sure we are talking with – and listening to – all of our stakeholders. In this report you will see the varied and innovative ways we reach and talk with the diverse groups and organisations our work affects.

All of these remain priorities over the coming years as we continue to work to drive improvements and change in the services that so many of us rely on and use every day.

Jo Armstrong
Chair, Accounts Commission for Scotland

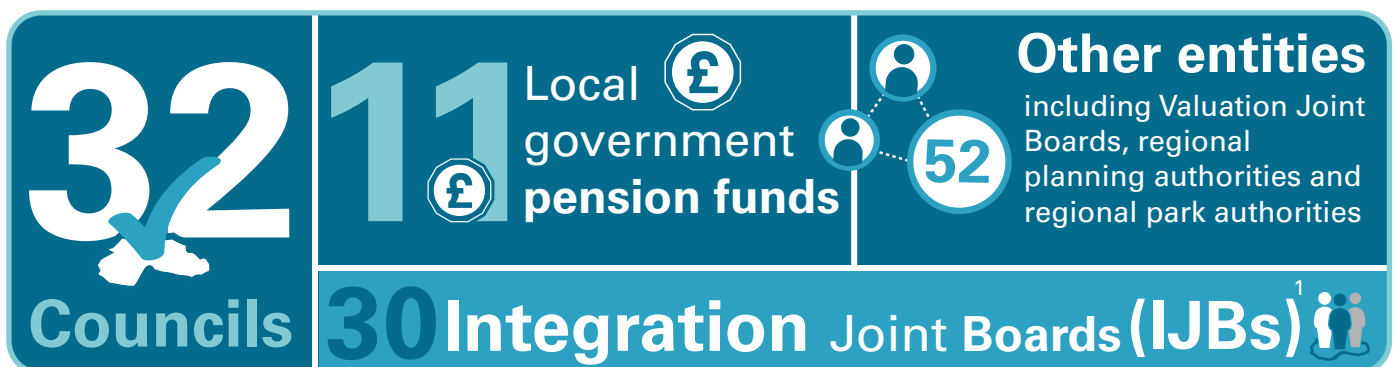


Our reporting

Reporting in public is central to our role of holding local government to account and supporting improvement. We report on how well councils manage and report their finances, on how well they achieve Best Value in their use of public money, and on issues of importance to people's quality of life and the services they use and rely on.

Financial audits

We oversee the [annual audit of all local government accounts in Scotland](#), carried out by Audit Scotland and private firms contracted on our behalf. Financial audits are the bedrock of the assurance we provide about how taxpayers' money is managed, and they inform the areas where we want to help drive improvement.



Note. 1 IJBs are partnerships between councils and NHS boards to manage community health and social care services.

Audit covers more than reviewing an organisation's accounts. It also considers governance and leadership, financial management, and the authority's use of resources to improve outcomes. Annual financial audit also acts as a key part of an early warning system in relation to issues emerging within a local government body.

In 2024/25, we oversaw the audits of 125 local government accounts (for the 2023/24 financial year). Of these, 42 per cent were delivered by target dates and 90 per cent were completed by 31 March 2025, with the remainder scheduled to be completed shortly after. The delays reflect the ongoing pressures on auditors and local bodies. Recovering delivery timelines is a priority for us, and we are on track to recover against expected performance within three years. Auditors gave unqualified opinions in all that had been completed. An unqualified opinion means the auditor considers the accounts are 'true and fair' and comply with accountancy standards and legislation, and the auditor has no significant concerns about matters contained in the accounts.

Raising of concerns from accounts

Under the Local Government (Scotland) Act 1973, the Controller of Audit can report to us on matters of concern identified during audit work. This is an additional safeguard that allows us to respond to any serious issues, and the reports highlight lessons other councils can learn in order to help safeguard public money in future.

In 2024/25, the Controller of Audit issued two such reports:

- [Renfrewshire Council: Dargavel Village update report](#): This followed up an earlier report on the council's failings in providing adequate school accommodation.
- [Aberdeen City Council](#): This report considered the council's actions in response to an employee's £1.1 million fraud.

In response to each report, we set out clear expectations and learning points for all in response to the issues identified.

Ensuring Best Value

Councils in Scotland have a specific legal duty to take actions to achieve continuous improvement and ensure efficiency and effectiveness. This is known as 'Best Value', and we assess this for each council each year alongside the financial audits.

Each year we also consider a particular Best Value theme and report on that for each council and on a national basis. In 2024/25, we examined how councils are responding to challenges in recruiting and retaining staff and we reported on this in the [Best Value workforce report](#) published in August 2025.

We also publish a fuller Best Value report on each council at least once every five years. These reports are produced by the Controller of Audit and discussed in our meetings, and usually supplemented with our 'findings' that set out what we believe are the key issues, and the actions the council should take in response.

During 2024/25, we published one thematic report – [Delivering for the future: Why leadership matters](#) – and reports on Best Value in:

- [Falkirk Council](#)
- [Clackmannanshire Council](#)
- [City of Edinburgh Council](#)
- [Scottish Borders Council](#)
- [East Renfrewshire Council](#)
- [Fife Council](#).



Important national issues

Through our work, we aim to support the major reforms needed in local government if services and finances are to be sustainable in the future.

We provide a national overview of finances and performance across local government in Scotland, as well as recommendations to support improvement.

We published five overview reports in 2024/25:

- [Local government budgets 2024/25](#): an early assessment of councils' budgets for that year – the first time we have produced this type of report
- [Local government financial bulletin 2023/24](#): our detailed annual analysis of council finances
- [Transformation in councils](#): a special report focused on the need for councils to make major changes to how they provide services
- [Integration Joint Boards' Finance and performance 2024](#): our full annual review of community health and social care
- [Integration Joint Boards' Finance bulletin 2023/24](#): including an interactive tool allowing users to explore data for the whole of Scotland and their local area.

Our reports found that local government faces severe budget constraints and rising demand, there is an urgent need for major reform, and strong leadership and meaningful engagement with communities about future budget priorities are crucial.



[Financial bulletin](#)

We also deliver a programme of performance audits, looking at key policies and services that impact people's lives.

Because responsibility for many services and policies is shared between the Scottish Government and local authorities, many of these audits are delivered jointly with the Auditor General for Scotland (who reports on devolved public bodies in Scotland other than local authorities).

We look at how well services, projects and policies are being managed and delivered, and make recommendations for improvement.

In 2024/25, we published four such reports:

- [Tackling digital exclusion](#)
- [Alcohol and drug services](#)
- [Sustainable transport](#)
- [Additional support for learning.](#)



In 2024/25, we also published a [review of Housing Benefit overpayments 2018/19 to 2021/22](#), assessing and comparing councils' performance in recovering overpayments.

Blogs

We supplement our reporting with blogs. This is an example of how we seek to communicate our key messages with service users and stakeholders. See [Our impact](#) (below) for more information.

In 2024/25, we published seven blogs:

- [Delivering for the future – why leadership matters](#)
- [The important role of a CFO](#) (Chief Financial Officer)
- [Benchmarking and good public performance reporting matter](#)
- [The Accounts Commission's role in supporting reform](#)
- [Transparency, transformation and sustainability of council services](#)
- [Integration Joint Boards finances continue to be precarious](#)
- [Expectation, demand and reality – the context of recent Council Tax rises in Scotland.](#)



Our impact

Reaching audiences

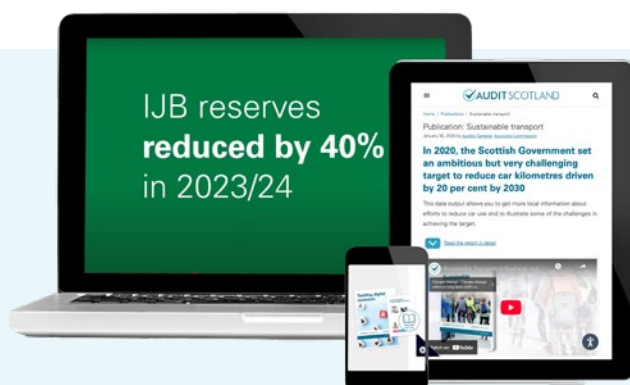
We want our work to address issues that are important to individuals, communities and organisations across Scotland and in all walks of life. We aim to ensure our work is as accessible and relevant as possible. Below are some examples of approaches taken during 2024/25.

- For our report on [Alcohol and drug services](#), we worked with Audit Scotland's youth advisory panel (10–19-year-olds from across Scotland) to inform the findings and recommendations. The panel directly shaped the recommendation that preventative education could be delivered better in schools.
- We worked with the panel to make [a short film for teenagers](#). The film highlighted key findings and set out how the panel believed preventative education should be delivered.
- Our report on [Tackling digital exclusion](#) was important for public bodies and politicians, as well as people who do and people who do not (or cannot) use digital services. We produced a range of outputs to support the report and make it accessible, engaging and useable, from checklists and resources for public bodies to address exclusion, to videos and graphics and an easy-read report, and a poster for use in places like libraries.
- Our [bulletin on Integration Joint Boards' finances](#) contained a wealth of data useful for people wanting to know about their local health and care services. We also produced an interactive data tool for users to explore as they wished.

For every report we publish, we produce a range of communications outputs, and we share them and other information with a wide range of stakeholders. When we publish a report on a specific council, we contact local media and community groups to help encourage communities to use our work to hold their council to account.

Project examples:

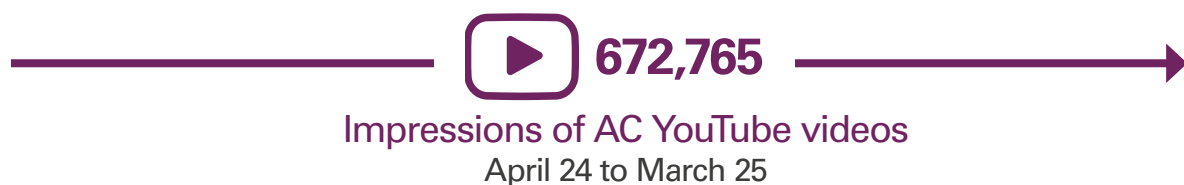
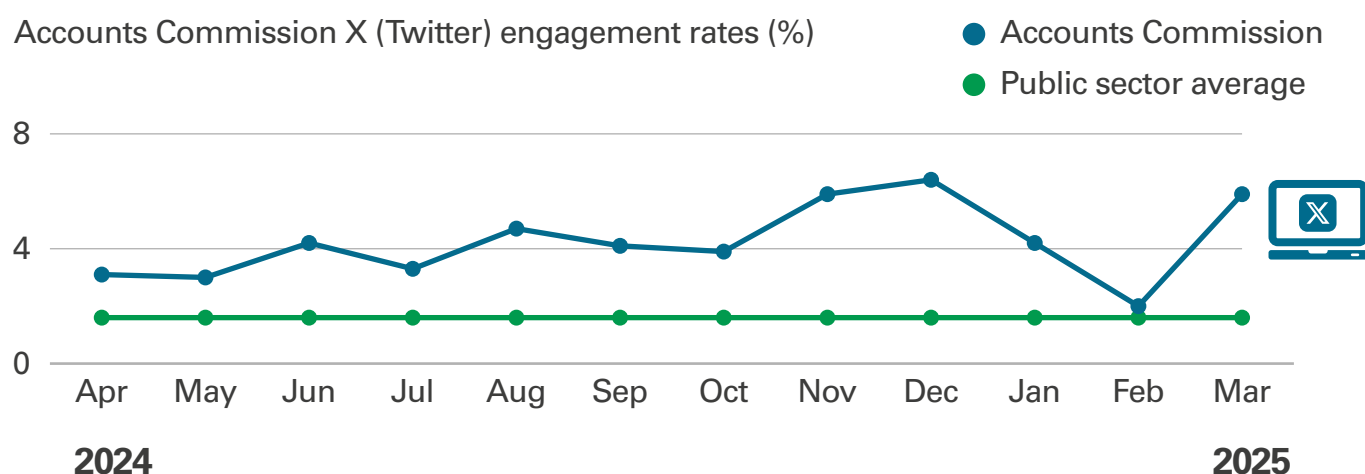
- [Integration Joint Boards in Scotland animation](#).
- [Easy read summary – Additional support for learning](#), and the [digital exclusion flyer](#).
- [Sustainable transport report and interactive web page](#).



This year, we've made it easier for members of the public to follow our meetings by sharing links to watch online and making recordings with transcripts available on YouTube. These are shared on [our meetings hub on our website](#) alongside agendas, public papers and detailed minutes.

We work on the public's behalf, so it's vital that we are as transparent as possible. We meet in public, but for some agenda items, discussion takes place in private. In each case, the meeting agenda provides the reason, and the minutes clearly describe what was discussed and decided.

Many interested people are either unable to attend our meetings or watch a full recording. So after each meeting, we record a short update on what was discussed, such as our March [post-meeting update video](#).



Making a difference

Our work generates data, insights and analysis that can support local government improvement. For example, through our audit work and reporting in 2024/25 we helped local authorities:

- improve the way they manage key services by highlighting the impact of issues such as high staff absence rates
- provide clearer, more accurate and more timely performance information to residents.

We share good practice and case studies, and public bodies have told us this is one of the areas where we can add the most value.

Examples of findings and recommendations in 2024/25 that support the sharing and development of good practice in local government include:

- In our reports on [Scottish Borders Council](#) and [Fife Council](#), we said other councils could learn from actions they have taken to improve recruitment and retention of staff in key areas.
- The [report on the council tax refunds fraud at Aberdeen City Council](#) highlighted the lessons for all councils to learn in relation to implementing controls to reduce risks.
- In our [briefing on council budgets for 2024/25](#), we set out our expectations for how budget information is presented to elected members and the public.

Meanwhile for our joint report on tackling digital exclusion, we provided a range of [resources and case studies for public bodies](#) via our website.

During 2024/25, we diversified our approach to addressing the issues we find in our reports. Previously, we would either publish findings or hold a hearing, but this year we developed other options. For example, we wrote to all councils to ask that they learn from the Aberdeen City Council fraud.

During 2025/26, we intend to develop our approach further through a new 'response framework'.

'The Accounts Commission's bulletin on Integration Joint Boards clearly demonstrates the immense challenges that IJBs and local government are having to work through in ensuring the local delivery of integrated health and social care services.'

Convention of Scottish Local Authorities (COSLA)

How we work

Planning our work programme

Throughout the year, auditors assess and highlight areas of risk across councils, as well as examples of good practice, and report these to the Controller of Audit, who provides us with updates at each of our meetings.

At each Commission meeting (11 per year), we discuss and debate current and emerging issues and consider draft reports – such as those set out in Our reporting – before they get published.

In March and September each year, we come together with Audit Scotland colleagues to discuss and consider the key risks and current issues facing local government and to consider important intelligence such as the data in the Local Government Benchmarking Framework.

At these sessions, we establish what we think should be the focus of our work for the coming year. The choices we make about what we report on are guided by our five strategic priorities, set out in [our current Strategy](#).

The Accounts Commission's five strategic priorities are:

1. **Finances:** The impact of trends in funding on local government's ability to provide services and to deliver positive outcomes
2. **Reform:** The actions being taken to meet the needs of communities in the context of rising demand and financial constraints
3. **People and communities:** The relationship between local government and the people and communities it serves
4. **Inequalities:** The contribution local government makes to tackling poverty and lessening the impact of inequalities
5. **Environmental sustainability:** How well local government is fulfilling its obligations around climate change and related issues.



Throughout 2025/26, we will be consulting key local government stakeholders as part of a regular review of these priorities to ensure our reporting remains relevant and has the desired impact.

Engaging with stakeholders

We want stakeholders, including the public and councils, to trust and have confidence in our work. Only by understanding what is important to them can we deliver reports that are valued, credible and drive improvement.

While we work and report independently, we engage with representative stakeholders on our work programme proposals, including:

- council leaders
- council chief executives
- directors of finance
- IJB chief officers
- other key professional groups
- sector bodies like COSLA and the Improvement Service
- third sector organisations
- the Scottish Government
- the Scottish Parliament's Local Government, Housing and Planning Committee.

Meaningful and purposeful engagement is integral to all audit work undertaken on behalf of the Commission by teams across Audit Scotland.

Advisory groups are used to aid the preparation of reports, including an [Equalities and Human Rights Advisory Group](#), set up in 2016 to support the embedding of equalities and human rights consideration in audit work.

Our reporting in 2024/25 was supported by round table discussions with stakeholders, including:

- on the key issues facing social care, as part of producing our 2024 IJBs report – with Scottish Government, COSLA, IJBs, NHS, regulators, representative bodies and third-sector care providers
- following publication of our Transformation in councils report, with council chief executives and the Improvement Service.

In addition, after each Best Value report on an individual council, or a section 102 report (such as those on Renfrewshire Council and Aberdeen City Council in 2024/25), we meet with the chief executive, political leader and other senior figures at that council, to discuss the report and the actions the council plans to take in response, as well as seek their views on the audit process.



Note: Photos from visits to the Highlands, East Renfrewshire, and Scottish Borders, 2024/25.

At each meeting of the Commission, chair Jo Armstrong reports publicly on the individuals, organisations, and groups she has engaged with.

Improving public performance reporting

As part of our duty to hold local government to account and support improvement, we publish a 'Direction' to councils about publishing information that will enable comparisons of their performance with others and over time. Councils must also show how well they are improving local outcomes in partnership with other public bodies.

During 2024/25, we worked with key local government stakeholders to develop a new **Statutory Performance Information (SPI) Direction**, which will apply to their performance reporting for this year (2025/26) onwards. The Direction is accompanied by guidance to help councils understand what they need to do to comply.

Our guidance for councils on the new SPI Direction includes some examples of good practice in meeting specific requirements. For example, it highlights three councils' approaches to making performance information accessible to a wide audience:

- [Dundee City Council](#)
- [East Dunbartonshire Council](#)
- [Falkirk Council](#).

Effective performance reporting helps people understand how well their council is doing, and the reasons for changes in how local services are provided. The new SPI Direction reinforces the need for councils to be transparent about how they are responding to the needs of their local communities, what factors are impacting on their performance, and how they are using data to inform decisions.

Improving scrutiny

We work closely with other bodies to make sure public sector scrutiny is targeted, proportionate and coordinated. During 2024/25, the Controller of Audit led work with the Scrutiny Coordination Group to improve and streamline this work.

Find more information about [our work on improving scrutiny](#) on our website.

'The Commission's independent Best Value report has recognised the impressive work being done right across the council, which is a credit to our employees and strong local partnerships. It also reflects on the areas where the council can build on its performance, particularly in view of the challenges facing local authorities, and work is under way to address those.'

Cllr Owen O'Donnell, leader of East Renfrewshire Council

About us

Our purpose

Our purpose is to hold councils and other local government bodies in Scotland to account for their finances and performance, and to support improvement. We do this by reporting independently and publicly and making recommendations. Importantly, our key messages and recommendations are based on robust audit evidence.

We are passionate about helping to improve the services used by people across Scotland every day.

Our work is guided by [Public audit in Scotland 2023-28](#), a shared statement of purpose between the Accounts Commission, the Auditor General for Scotland and Audit Scotland, which sets out a vision of ensuring public money is spent well.



[Who we are](#)

(The Auditor General is responsible for the audit of all other devolved public bodies in Scotland; Audit Scotland is the organisation that provides services to the Accounts Commission and to the Auditor General.)

Commission members

The Commission comprises [12 individual members](#) appointed by (but working independently from) Scottish ministers. They come from across Scotland, from varied backgrounds, and bring a broad range of experience and skills to our work.

Members are appointed for a four-year period and can be reappointed for a further four years. They are remunerated (paid) for 2.5 days per month, except for the chair (10.5 days) and the deputy chair (4.5 days).

Costs

In 2024/25, approximately £185,000 was spent on members' remuneration, national insurance, travel and subsistence. We publish [quarterly information on our spending](#).

The Commission's income, operating costs and other expenditure are part of Audit Scotland's budget. More information on 2024/25 income and expenditure can be found within [Audit Scotland's annual report](#).

Our plans for 2025/26

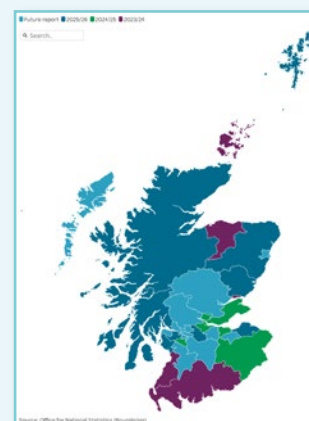
In 2025/26, we will:

- Continue our **Best Value reporting** for the following councils:
 - Argyll and Bute, Highland, Renfrewshire, East Lothian, North Ayrshire, North Lanarkshire, Shetland Islands, and Aberdeenshire.
- Develop a response framework for Best Value and other statutory reports, to maximise their impact, ensure that we use our statutory powers appropriately to hold councils and other local government bodies to account, highlight best practice and support continuous improvement.
- Publish reports on:
 - Flooding in communities, Improving care experience, Culture and leisure services, Delayed discharges
 - the finances of councils and IJBs, Council budgets for the current year, Workforce innovation, Health and social care performance.
- Engage with stakeholders on:
 - our strategic priorities and future work programme to ensure that they remain relevant
 - our reports, to ensure that they have impact and drive improvement.
- Build relationships and gain insights:
 - During 25/26, we will develop a more structured approach to our engagement with key local government stakeholders to enhance our communications, reach and impact.



Best Value reporting

Link to online [interactive map](#)



Our work and impact

Annual review 2024/25



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