

**Item 3**

**26th June 2026**

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**WEST OF SCOTLAND ARCHAEOLOGY SERVICE**

**ANNUAL ACCOUNTS**

**For the Year Ended 31 March 2026**

**(Pre-Audit Inspection Copy)**

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# WEST OF SCOTLAND ARCHAEOLOGY SERVICE

## Financial Statements for the Year ended 31 March 2026

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## Management Commentary

- The West of Scotland Archaeology Service (WoSAS) was set up in 1997 as a Joint Committee and currently has 12 Local Authority members.
- WoSAS also provides curatorial archaeological advice service to the Loch Lomond and Trossachs National Park Authority, as well as carrying out specific archaeological advice contract work for a number of other public sector clients including Transport Scotland and the Forestry Commission and has previously received grant aid from the former Historic Scotland for specific projects.
- The primary purpose of the Archaeology Service is to provide planning related archaeological advice to its member councils to allow them to discharge their duties in respect of Scottish Government planning guidance for the treatment of archaeological remains in the planning process. The service plays a key role in identifying for its member councils and other clients any potential archaeological issues arising from development and land-use changes. For this purpose, the service curates a detailed Historic Environment Record which contains the most up to date information on archaeological matters within the services area of operation.
- The Service covers a large, geographically diverse region and uses the Historic Environment Record (HER) as the key tool for the service in its own work. Selected data from the record is made available online to the public through both a Geographical Information System (GIS) based interface and a searchable database. The system provides spatial information to the Local Government Improvement Service on behalf of its members so they can continue to comply with the statutory requirements of the INSPIRE (Scotland) Regulations 2009 and takes direct enquiries from the public. Additionally, any archaeological fieldwork undertaken by private sector developers is overseen by the service to ensure that the implementation of archaeological conditions attached to planning consent adheres to the relevant regulations.
- During the report period, the service dealt with 1,829 new casework items, approximately 3.5% fewer than in the previous reporting year. The new casework items comprised consultation on 736 planning applications, monitoring 617 Weekly Lists of Planning Applications, and 476 other casework items. Achievements against the agreed Performance Indicators for each of these categories of work for the reporting period to 31st March 2026 are set out below.

<b>Casework Type</b>	<b>Performance Indicator (As set out in WoSAS Service Level Agreement)</b>	<b>Performance Standard</b>	<b>Performance 2024-25</b>	<b>Performance 2025-26</b>	<b>Direction of Travel</b>
Planning Application Consultations	Applications to be actioned within 21 calendar days of receipt.	80%	89.6%	85.7%	↓
Monitoring Weekly Lists	Lists to be monitored and actioned within 14 calendar days of receipt.	90%	97.4%	98.2%	↑
Other Work Areas	Casework to be actioned within 21 calendar days of receipt.	80%	94.4%	91.3%	↓

- Compared to the last reporting period, the number of planning applications which required detailed assessment for potential archaeological issues increased slightly to stabilise after a two year fall. However, the number of requests for assistance or consultation responses in the five categories of casework aggregated into “Other Work Areas”, which had increased markedly in the last reporting period, returned to the level seen in previous years.
- Alterations to the host authority’s timetable for the implementation of its new staff salary structure, and of the continuing phased introduction of the provisions of the National Planning Framework 4 (NPF4). In all of this, the Service will have to adapt and accommodate any changes in the way in which our work is carried out in response to the requirements of the member Councils.
- In the coming period, throughout any transition in working practices in the planning system, the service will continue to monitor, identify, and handle archaeological issues arising through the planning process on behalf of its member Councils and clients and will continue to give advice to the public and to make Historic Environment Record information available to them through the Service website at [www.wosas.net](http://www.wosas.net), and through the Improvement Service’s Spatial Hub and on the Pastmap portal in partnership with Historic Environment Scotland.

## **Financial Results**

- In 2016, the Joint Committee implemented a Reserves Policy in line with recommendations from Audit Scotland. It was agreed that the adopted policy should be subject to an annual review. The purpose of the policy and the associated reviews is to build and maintain a sufficient and prudent level of financial reserves. Reviews are planned to be undertaken annually by the Service Manager, in conjunction with an Account Manager from Glasgow City Council, and are based on several factors, including projections of future income/expenditure, an analysis of key risks (including financial risks), the level of financial liabilities and the economic outlook. The most recent review, presented to the joint committee in August 2024, recommended a reserve level of £103,000.
- The balance of usable reserves at 1 April 2025 was £169,650. In 2025/26 total expenditure was £190,356 (2024/25 £153,941) and total income was £184,757 (2024/25 £174,671) resulting in a deficit for the year of £5,599 compared to a £14,028 budgeted deficit. The balance of usable reserves at 31 March 2026 was £164,051. This represents 159% of the £103,000 reserve level recommended by the reserve policy review. The difference between the 2025/26 budgeted deficit and the actual 2025/26 year-end deficit can be explained. An employee left during the period of 2024/25 and was only replaced in September 2025, resulting in lower than budgeted employee costs.

## **Statement of Responsibilities for the Statement of Accounts**

### **1. The lead authority's responsibilities**

The lead authority is required to:

- Make arrangements for the proper administration of its financial affairs and to ensure that the proper officer of the council has responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). In this council, that officer is the Executive Director of Financial Services.
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- Ensure the Annual Accounts are prepared in accordance with legislation (the Local Authority Accounts (Scotland) Regulations 2014 and so far, as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government Scotland Act 2003); and
- Approve the Annual Accounts for signature.

These Annual Accounts will be considered by the Service in June 2026 and submitted to the Service to be approved for signature upon completion of the audit.

## **2. The Executive Director of Financial Services Responsibilities**

The Executive Director of Financial Services is responsible for the preparation of the joint committee's Annual Accounts, in accordance with proper practices, as required by legislation and as set out in the Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing the Annual Accounts, the Executive Director of Financial Services has:

- Selected suitable accounting policies and then applied them consistently,
- Made judgements and estimates on a reasonable basis,
- Complied with legislation; and
- Complied with the Code (in so far as it is compatible with legislation).

The Executive Director of Financial Services has also:

- Kept adequate accounting records, which were up to date; and
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the financial statements give a true and fair view of the financial position of West of Scotland Archaeology Service as at 31 March 2026 and the transactions for the year then ended.

Robert Emmott BSc (Hons) CPFA  
Executive Director of Financial Services  
30 June 2026

## Movement in Reserves Statement for the Year ended 31 March 2026

The Code requires reserves to be summarised as usable and unusable. The balance in WoSAS is the sole useable reserve and represents the accumulated surplus of the organisation.

The balance on the fund stands at £164,051 as at 31 March 2026, a decrease of £5,599 from last year, due to the deficit on the provision of services in the year.

	<b>Total Reserves £</b>
<b>Balance at 1 April 2024</b>	<b>148,920</b>
<b>Movement in reserves during 2024/25:</b>	
Surplus or (Deficit) on the Provision of Services	20,730
Other Comprehensive Income and (Expenditure)	0
<b>Increase or (Decrease) in the year</b>	<b>20,730</b>
<b>Balance at 31 March 2025</b>	<b>169,650</b>
<b>Movement in reserves during 2025/26:</b>	
Surplus or (Deficit) on the Provision of Services	<b>(5,599)</b>
Other Comprehensive Income and (Expenditure)	0
<b>Increase or (Decrease) in the year</b>	<b>(5,599)</b>
<b>Balance at 31 March 2026</b>	<b>164,051</b>

## Comprehensive Income and Expenditure Statement for the Year ended 31 March 2026

2024/25 Net Exp. £		Note	2025/26 Net Expenditure £
153,941	Gross expenditure	3	190,356
(168,457)	Gross income	3	(179,453)
<b>(14,516)</b>	<b>Cost of Services</b>		<b>10,903</b>
(6,214)	Interest and investment income	7	(5,304)
<b>(6,214)</b>	<b>Financing and Investment Income and Expenditure</b>		<b>(5,304)</b>
<b>(20,730)</b>	<b>(Surplus) or Deficit on the Provision of Services</b>		<b>5,599</b>
<b>0</b>	<b>Other Comprehensive (Income) and Expenditure</b>		<b>0</b>
<b>(20,730)</b>	<b>Total Comprehensive (Income) and Expenditure</b>		<b>5,599</b>

**Comprehensive Income and Expenditure Statement** – shows income and expenditure incurred in the year relating to the provision of WOSAS and other unrealised gains and losses. In total, this reflects the movement in the overall WOSAS reserves shown in the Balance Sheet.

## Cash Flow Statement for the year ended 31 March 2026

31 March 25 £	Revenue Activities	31 March 26 £
(20,730)	(Surplus) or Deficit on the Provision of Services	5,599
	<b>Adjustments for non-cash items:</b>	
27,541	Increase/(decrease) in debtors	6,449
(6,811)	(Increase)/decrease in creditors	(12,048)
<b>0</b>	<b>Net cash (inflow)/outflow from activities</b>	<b>0</b>
<b>0</b>	<b>Cash and cash equivalents at the beginning of the reporting period</b>	<b>0</b>
<b>0</b>	<b>Cash and cash equivalents and the end of the reporting period</b>	<b>0</b>

**Cash Flow Statement** – details the changes in cash and cash equivalents of WOSAS.

## Balance Sheet as at 31 March 2026

31 March 25			31 March 26
£		Note	£
178,959	Net short-term debtors	8	185,408
<b>178,959</b>	<b>Current Assets</b>		<b>185,408</b>
(9,309)	Short-term creditors	9	(21,357)
<b>(9,309)</b>	<b>Current Liabilities</b>		<b>(21,357)</b>
<b>169,650</b>	<b>Net Assets / (Liabilities)</b>		<b>164,051</b>
169,650	Usable Reserves		164,051
0	Unusable Reserves		0
<b>169,650</b>	<b>Total Reserves</b>		<b>164,051</b>

**Balance Sheet** – represents the value of the assets and liabilities of WOSAS as at 31 March 2026. The net assets (assets less liabilities) are matched by the total Usable and Unusable Reserves.

Robert Emmott BSc (Hons) CPFA  
 Executive Director of Financial Services  
 30 June 2026

## Notes to the Financial Statements

The main objective of these notes is to provide further explanation for certain aspects of the core Financial Statements.

### 1. Statement of accounting policies

The Financial Statements for the year ended 31 March 2026 have been compiled on the basis of recommendations made by the Local Authority (Scotland) Accounts Advisory Committee (LASAAC) and have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (the Code). The Code is based on International Financial Reporting Standards (IFRS) with interpretation appropriate to the public sector. The statements are designed to give a 'true and fair view' of the financial performance and position of the Service.

The accounting concepts of materiality, accruals, primacy of legislative requirements and going concern have been considered in the application of accounting policies. In this regard the materiality concept means that information is included where the information is of such significance as to justify its inclusion. The accruals concept requires the non-cash effects of transactions to be included in the financial statement for the year in which they occur, not in the period in which the cash is paid or received. The going concern concept assumes that the Service will not significantly curtail the scale of its operation. Wherever accounting principles and legislative requirements are in conflict, the latter shall apply.

### Income

Income includes all sums due in respect of subscriptions from member authorities and other organisations', fees and charges, and interest earned on fund balances for the year ended 31 March 2026.

Income includes all sums owed to the joint committee for the year of account, regardless of when cash payments are received. Specifically:

- Revenue from the sale of goods is recognised when the joint committee transfers the significant risks and rewards of ownership to the purchaser, provided it is probable that economic benefits or service potential associated with the transaction will flow to the Joint Committee.
- Revenue from the provision of services is recognised when the joint committee can reliably measure the percentage of completion of the transaction, and it is probable that economic benefits or service potential associated with the transaction will flow to the Joint Committee.
- When revenue and expenditure have been recognised but cash has not been received or paid, a debtor for the relevant amount will be recorded in the Balance Sheet.
- When it is probable that debts will remain unsettled, an impairment loss is recognised for bad and doubtful debtors within the Cost of Services.

The short-term debtors figure for 2025/26 included debtors impairments of £nil (2024/25 - £500).

Short-term debtors have been recognised in the accounts at the transaction price as it has been determined that they do not contain a significant financing component as defined by IFRS 9 – Financial Instruments.

### **Supplies of goods and services**

Suppliers' invoices received up to 31 March 2026 are included, together with the specific accrual of invoices received after that date for material amounts, provided the goods or services were received in 2025/26.

Short-term creditors have been recognised in the accounts at the transaction price as it has been determined that they do not contain a significant financing component as defined by IFRS 9 – Financial Instruments.

### **Salaries**

Salaries earned to 31 March 2026 are included in the accounts for 2025/26 irrespective of when the actual payments were made.

### **Material items**

When items of income and expenditure are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to the understanding of the service's financial performance.

### **Events after the balance sheet date**

Events after the balance sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the statement of accounts is authorised for issue. Two types of events may be identified:

Those that provide evidence of conditions that existed at the end of the reporting period – the Financial Statements are adjusted to reflect such events; and

Those that are indicative of conditions that arose after the reporting period – the Financial Statements are not adjusted to reflect such events, but where this would have a material effect, the nature and estimated financial impact of such events is disclosed in the notes.

## **Prior period adjustments, changes in accounting policies and estimates**

Prior period adjustments may arise as a result of a change in accounting policy or to correct a material error. Changes in accounting policy are only made when required by proper accounting practice or to provide more reliable or relevant information on the joint committee's financial position. Where a change is made, it is applied retrospectively by adjusting opening balances and comparative amounts for the prior period, as if the new policy had always been applied. Changes in accounting estimation techniques are applied in the current and future years and do not give rise to a prior period adjustment.

## **2. New standards issued but not yet adopted**

The Code requires the disclosure of information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. This applies to the adoption of the following new or amended standards within the 2025/26 Code:

- Amendments to FRS 102 The Financial Reporting Standard (Amendments to Heritage Assets)
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)
- Annual improvements to IFRS accounting standards – Volume 11
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)

The Code requires implementation from 1 April 2026 therefore there is no impact on the 2025/26 annual accounts.

Overall, these new or amended standards are not expected to have a significant impact on the Annual Accounts.

### 3. Income and expenditure statement

The table below provides a detailed breakdown of income and expenditure of the Service during 2025/26.

2024/25 Net Exp. £		Note	2025/26 Net Exp. £
<b>Income</b>			
(138,090)	Contributions from participating local authorities	<b>4</b>	(138,090)
(30,367)	Fees and charges	<b>6</b>	(41,363)
(6,214)	Interest on balances	<b>7</b>	(5,304)
<b>(174,671)</b>	<b>Total income</b>		<b>(184,757)</b>
<b>Expenditure</b>			
140,772	Employee costs	<b>5</b>	165,799
200	Fees and subscriptions		200
3,000	IT maintenance	<b>13</b>	3,000
0	Purchase of services		0
7,390	Rents	<b>11</b>	7,390
2,579	Audit fee	<b>12</b>	13,967
<b>153,941</b>	<b>Total expenditure</b>		<b>190,356</b>
(20,730)	(Surplus) or deficit for year		5,599
(148,920)	(Surplus) brought forward		(169,650)
<b>(169,650)</b>	<b>Accumulated (surplus) or deficit</b>		<b>(164,051)</b>

#### 4. Local authority subscriptions

The majority of income received by WOSAS is derived from contributions received from the local authorities who are members of the Service.

A detailed breakdown of each member's contribution to the Service is shown in the table below:

Annual Subscription 2024/25 £	Local Authority	Annual Subscription 2025/26 £
(22,971)	Argyll and Bute Council	(22,971)
(8,647)	Glasgow City Council	(8,647)
(12,691)	East Ayrshire Council	(12,691)
(7,619)	East Renfrewshire Council	(7,619)
(12,691)	North Ayrshire Council	(12,691)
(12,691)	Renfrewshire Council	(12,691)
(12,691)	South Ayrshire Council	(12,691)
(17,784)	South Lanarkshire Council	(17,784)
(7,619)	West Dunbartonshire Council	(7,619)
(12,691)	West Lothian Council	(12,691)
(9,995)	East Dunbartonshire Council	(9,995)
<b>(138,090)</b>	<b>Total</b>	<b>(138,090)</b>

**Note:** - The contribution received from Glasgow City Council is net of an agreed lead authority administrative charge of £5,000.

#### 5. Employee benefits

The staff members of the Service are Glasgow City Council employees, and the council is an admitted body of the Strathclyde Pension Fund.

In accordance with International Accounting Standard 19 (IAS 19) – Employee Benefits, the council is required to disclose certain information concerning assets, liabilities, income and expenditure, of the pension scheme. The Service's staff pension costs are reflected in the figures disclosed in Glasgow City Council's financial statements.

The Code requires that employee benefits are recognised in the accounts when they are earned rather than when they are paid. As a result, there is a requirement to consider notional entitlements to annual leave earned but not taken as at 31 March. The employees working on the Service's activities are contracted to Glasgow City Council and therefore any notional liability has been included within the accounts of Glasgow City Council who holds the contract of employment.

## 6. Fees and Charges

The £41,363 total for fees and charges includes £16,667 for an archeological advice service provided to Loch Lomond and the Trossachs National Park Authority.

## 7. Interest

The Interest rate applied is 3.36% (2024/25 3.96%) and is calculated on an annual basis at 31 March using an average of the Base Rate interest over the year, the rate Glasgow City Council have paid to borrow monies throughout the year and the rate Glasgow City Council have received when lending throughout the year.

## 8. Short-term debtors

The net short-term debtors figure for 2025/26 of £185,408 (2024/25 £178,959) comprises the following:

31 March 2025		31 March 2026
£	Short-term debtors	£
9,374	Balance held by Glasgow City Council on behalf of WOSAS	26,937
	Outstanding payments from: -	
1,761	Pay accrual	2,142
22,971	Argyll & Bute Council	22,971
12,691	East Ayrshire Council	12,691
12,691	North Ayrshire Council	12,691
12,691	South Ayrshire Council	12,691
12,691	Renfrewshire Council	12,691
12,691	West Lothian Council	12,691
19,990	East Dunbartonshire Council	9,995
17,784	South Lanarkshire Council	17,784
7,619	West Dunbartonshire Council	7,619
15,238	East Renfrewshire Council	15,238
16,667	Loch Lomond and the Trossachs	16,667
4,100	Other outstanding payments	2,600
<b>178,959</b>	<b>Total sundry debtors</b>	<b>185,408</b>

## 9. Short-term creditors

The short-term creditors figure for 2025/26 of £21,357 (2024/25 £9,309) comprises the following:

31 March 2025 £	Short-term creditors	31 March 2026 £
1,719	Accrued audit fees	13,967
200	Subscription	0
7,390	Rent	7,390
<b>9,309</b>	<b>Total sundry creditors</b>	<b>21,357</b>

## 10. Remuneration Report

The prior year accounts have been restated to take account of updates required for the Remuneration disclosure to reflect key management personnel remuneration and the number of employees receiving more than £50,000 remuneration during the year.

WOSAS does not directly employ any members of staff or key management personnel, with all services being provided by staff of the Member Authorities. A remuneration disclosure in respect of elected members and chief officers of the Councils, including those with authority and responsibility for WOSAS, are included in the Annual Accounts of each of the Member Authorities.

The number of other employees receiving more than £50,000 remuneration for the year are also included in similar Glasgow City Council disclosures as follows:

2024-25 Number of Employees	Senior Employee/Full Time Equivalent	2025-26 Number of Employees
0	£50,000 - £54,999	1
1	£55,000 - £59,999	1
<b>1</b>	<b>Total employees</b>	<b>2</b>

## 11. Related Parties

Related parties are organisations that the joint committee can control or who can control or influence the joint committee. WOSAS is a joint committee comprised of eleven member authorities, with Glasgow City Council holding the role of lead authority.

Related party transactions during the year and balances at 31 March 2026 are shown in the table below:

2024/25 Net Exp/(Inc) £	Debtor/(Creditor) at 31 March 2025 £	Related Party transactions and balances	2025/26 Exp £	2025/26 Inc £	Debtor/(Creditor) at 31 March 2026 £
		<b>Related bodies</b>			
(22,971)	22,971	Argyll & Bute Council	0	(22,971)	22,971
1,743	1,984	Glasgow City Council	10,390	(8,647)	26,937
(12,691)	12,691	East Ayrshire Council	0	(12,691)	12,691
(9,995)	19,990	East Dunbartonshire Council	0	(9,995)	9,995
(7,619)	15,238	East Renfrewshire Council	0	(7,619)	15,238
(12,691)	12,691	North Ayrshire Council	0	(12,691)	12,691
(12,691)	12,691	Renfrewshire Council	0	(12,691)	12,691
(12,691)	12,691	South Ayrshire Council	0	(12,691)	12,691
(17,784)	17,784	South Lanarkshire Council	0	(17,784)	17,784
(7,619)	7,619	West Dunbartonshire	0	(7,619)	7,619
(12,691)	12,691	West Lothian Council	0	(12,691)	12,691
<b>(127,700)</b>	<b>149,041</b>	<b>Totals</b>	<b>10,390</b>	<b>(138,090)</b>	<b>163,999</b>

## 12. Auditor remuneration

WOSAS incurred fees of £2,690 (2024/25 £2,579), for the statutory inspection of the financial statements by EY, with additional fees due of £11,277 for the 2023/24 and 2024/25 audits. Fees payable in respect of other services provided by the appointed auditor were £nil (2024/25 £nil).

## 13. IT Maintenance

IT provision is through a service level agreement between the Service and Glasgow City Council valued at £3,000 for 2025/26 (2024/25 £3,000).

## 14. Events after the balance sheet date

There were no material events between 31 March 2026 and the date of signing that require to be reflected in the Financial Statements.

# Annual Governance Statement

## 1. Scope of responsibility

The West of Scotland Archaeology Service Joint Committee is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded and properly accounted for. Under the Local Government in Scotland Act 2003, the Joint Committee also has a statutory duty to make arrangements to secure best value, which is to ensure continuous improvement in the way its functions are exercised, and to ensure public funds and assets are used economically, efficiently and effectively.

In discharging these responsibilities, elected members and senior officers must ensure proper arrangements for the governance of the Service's affairs and facilitate the effective exercise of its functions, which includes the management of risk and stewardship of the resources at its disposal.

WOSAS's financial management arrangements complies with the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit and the role of the Chief Financial Officer in Local Government (2016) by virtue of the adoption by Glasgow City Council of a Local Code of Corporate Governance, which is consistent with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) Framework: Delivering Good Governance in Local Government.

The Code is regularly reviewed and evidences Glasgow City Council's commitment to achieving good governance and demonstrates how it complies with recommended standards.

The Joint Committee relies on Glasgow City Council which has embedded a system of risk management and internal control. While providing reasonable assurance, these systems cannot, however, provide absolute assurance or certainty in entirely eliminating the risk of the Joint Committee failing to achieve its aims and objectives; incurring material errors; losses; fraud or breaches of laws and regulations.

## 2. The Joint Committee's Governance Framework

The governance framework comprises the culture, values, systems, and processes by which the council is directed and controlled. It describes the way the council is accountable to communities. It enables the council to monitor the achievement of its commitments and consider whether these have led to the delivery of appropriate and cost-effective services.

The Joint Committee has responsibility for ensuring the continuing effectiveness of its governance framework and system of internal control. The main features of the Joint Committee's governance arrangements are as follows:

- A Minute of Agreement between the member councils of WOSAS
- The Joint Committee of councillors from the member authorities is supported by a Steering Group of officers from the authorities' planning services.
- Clearly defined Standing Orders, Scheme of Delegation and Financial Regulations
- Public performance reporting through the Annual Report
- Regular meetings of the WOSAS Officer Steering Group and the Joint Committee
- A budget setting process which includes the agreed local authority and other bodies contributions to the annual running costs of the organisation
- The regulation of employee matters through the Council's Code of Conduct for employees

### 3. Review of effectiveness

Glasgow City Council's governance arrangements set out above operated across 2025/26 and were regarded as fit for purpose in accordance with the governance framework. The governance framework is continually reviewed to reflect best practice, new legislative requirements and the expectations of stakeholders. The effectiveness of the framework, including the system of internal control, is considered at least annually and is informed by:

- (a) The work of the members of the Corporate Leadership Teams, including statutory officers, who have responsibility for the development and maintenance of the governance environment. Throughout 2025/26, arrangements continued to operate to ensure that officers were clear on their role and responsibilities and that officers were compliant with the CIPFA Statements on "The Role of the Chief Financial Officer in Local Government" and "The Role of the Head of Internal Audit in Public Service Organizations' 2019".
- (b) Oversight by the Director of Legal and Administrative Services, who was the Glasgow City Council's Monitoring Officer for 2025/26.
- (c) The Head of Audit and Inspection's annual report and the work of the Internal Audit section. The latest external 5-yearly quality review of the section was completed in April 2021 and reported to the Finance and Audit Scrutiny Committee on [5 May 2021](#). This report concluded that the section conforms with the requirements of the Public Sector Internal Audit Standards 2017 (PSIAS). The new Global Internal Audit Standards (in the UK Public Sector) became effective from 1 April 2025. The external 5-yearly quality review of the sections compliance with the Global Internal Audit Standards (in the UK Public Sector) is scheduled for 2026/27. The Internal Audit section continues to hold BSi quality accreditation under ISO9001:2015. Internal Audit continue to present a register of all outstanding audit recommendations to the Finance and Audit Scrutiny Committee on a regular basis. The Internal Audit Plan for 2025/26 was approved by the Finance and Audit Scrutiny Committee on [26 March 2025](#).

- (d) Observations made by external auditors and other review agencies and inspectorates.
- (e) The completion of a self-assessment questionnaire by Service Directors and Managing Directors/Chief Executives of subsidiaries and relevant associates. This questionnaire is aligned to the principles contained in the CIPFA/SOLACE Framework: Delivering Good Governance in Local Government, and requires assessments to be made of the extent to which arrangements within each Service/organisation comply with these principles. The responses to the questionnaires are confirmed on a sample basis by Internal Audit, as part of a rolling programme of corporate governance reviews.
- (f) The completion of signed statements of internal control by all Service Directors and the Managing Directors/Chief Executives of subsidiaries and relevant associates. Such statements were received for 2025/26 declaring that “There are, in my opinion, no significant matters that require to be raised in this Certificate, which is provided to support Glasgow City Council's Statement of Internal Control for the financial year 2025/26, as it is my opinion that the procedures which have been designed to ensure proper governance and financial control are operating adequately”.
- (g) The exercising, by the two Scrutiny Committees of respective remits including scrutiny of the performance of Services, subsidiaries and relevant associates, including financial management, statutory and other performance, and outcomes set through the Glasgow Community Planning Partnership Community Plan, which are relevant to partnership working and monitoring internal financial control, corporate risk management and corporate governance, and receiving and considering summaries of internal and external audit reports. In accordance with the Council’s Standing Orders, all Committees are required to undertake an annual evaluation of effectiveness, and in year 3 the assessment is undertaken by a senior officer outwith the Committee. Year 3 assessments for Committees have been undertaken during 2025/26
- [Operational Performance and Delivery Scrutiny Committee](#)
  - [Finance and Audit Scrutiny Committee](#)
  - [Wellbeing, Equalities, Communities, Culture and Engagement City Policy Committee](#)
  - [Economy, Housing, Transport and Regeneration City Policy Committee](#)
  - [NetZero and Climate Progress Monitoring City Policy Committee](#)
  - [Education, Skills and Early Years City Policy Committee](#)
  - [Environment and Liveable Neighbourhoods City Policy Committee](#)

- (h) The [CIPFA Financial Management Code](#) provides guidance for good and sustainable financial management in local authorities. By complying with the principles and standards within the code authorities will be able to demonstrate their financial sustainability. Glasgow City Council management undertook a self-assessment against the Financial Management Code 2025/26, which confirmed overall compliance with the Code's requirements.

Senior officers have been advised on the implications of the result of the review of the effectiveness of the governance framework by Internal and External Audit and plans to address weaknesses and ensure continuous improvement of the systems are in place.

#### **4. Governance Developments and Future Activity**

Work is ongoing to further focus the leadership and governance processes to support Public Service Reform within the council and with partners. Led by the Corporate Leadership Team the work focuses on budget sustainability and innovation to achieve whole system change. Working with Scottish Government, UK Government, the City Region and other local authorities, examples such as the Child Poverty Programme and Innovation Accelerators are being used to further develop this work.

In June 2021, Audit Scotland and the Accounts Commission published a revised Code of Audit Practice. The Code explains the revised arrangements for the audit of Best Value, this is now based on an annual thematic report. Ernst and Young (EY) have been appointed by the Accounts Commission as external auditor of Glasgow City Council for financial years 2022/23 to 2026/27, this includes all Best Value Audits during this period.

For the 2025/26 financial year, EY will complete the Best Value Audit on the theme of Asset Transformation, the audit specifically focussing on:

- Asset management planning
- Governance and performance
- Partnership working and community engagement

Glasgow City Council engage fully with EY throughout the audit process. The best value audit report, any recommendations and management responses contained within will be agreed by officers as factually correct and achievable for implementation. The report will then be considered by the Finance and Audit Scrutiny Committee.

The 2024/25 Annual Audit Report by EY was considered by the Finance and Audit Scrutiny Committee on [25<sup>th</sup> February 2026](#). The report contained a number of important conclusions and recommendations for the council, covering:

- Production of the financial statements
- Financial sustainability considerations
- Governance, including Scheme of Delegated Functions and Code of Conduct, exit packages and restructures.
- Financial management and organisational capacity
- Performance management reporting and the strategic plan

A number of recommendations were made by EY in 2025/26 across the Annual Audit Report and Best Value report and Finance and Audit Scrutiny Committee gets regular updates on these.

Acting as the lead authority for the Glasgow City Region, the Council will support efforts to draft new regional governance structures in advance of forthcoming Scottish legislation which will enable the establishment of new regional legal entities. Through the Glasgow City Region Cabinet, a full devolution proposal will be submitted to both governments in March 2027.

In preparation for the future administration following the local government elections in May 2027, officers are already preparing for the elections themselves and a new administration's Strategic Plan covering the next Council term. Ahead of this officers are also considering how the committee structure can continue to evolve and develop to ensure it aligns most effectively to meet best practice both externally and internally, in both their policy development and scrutiny functions.

A review of culture was undertaken in 2025/26 using the Improvement Service's Culture Checklist 2025. The checklist was issued to all staff who were currently a member of a Service or ALEO Management Team and asked them a series of questions covering four areas – (1) Leadership, (2) People, (3) Collaboration, Learning and Listening, and (4) Ethics and Governance. The outputs from this exercise have provided the Corporate Leadership Team with a baseline of the current culture and discussions have taken place at the Corporate Leadership Team on next steps. A development session for all those who were invited to complete the checklist has been arranged for June 2026 to discuss the future culture and in particular behaviours for the council of the future.

## 5. Update on significant governance issues previously reported

### ICT Service and Security

The 2021/22 Annual Governance Statement included the unsatisfactory audit opinion relating to ICT security and service delivered via Glasgow City Council's Managed Service provider. Since then, considerable work has been undertaken to deliver improvements to the council's security environment, including technical, governance, reporting and risk management aspects and whilst a number of higher risk areas are now mostly mitigated, there are other areas where remediation is still ongoing. Therefore the Council Family remained exposed to risk in this area during 2025/26. Through the Road to Multi-Source Strategy (R2MS), management continue to work with the council's Managed Services Provider (MSSP) and individual Managed Service Providers (MSPs) to mitigate the risks in this complex and ever-changing area, as much as possible during 2026/27.

### Senior Officer Exit Payments

Following publication of the council's 2023/24 Remuneration Report, concerns were raised with the Chief Executive by the Leader of the Council and the City Treasurer regarding payments made to five former Senior Officers as part of their exits from council employment. The council also received questions and requests under Freedom of Information legislation. An initial review of the underlying documentation and process relating to these packages was carried out by the council's Monitoring Officer and Head of Audit and Inspection.

The Chief Executive then instructed Brodies LLP to undertake an independent, external investigation into the circumstances in which the payments were made and the approval processes which led to them. Thereafter, Brodies instructed a Kings Counsel to prepare an Opinion to confirm the findings of this review. The scope of this review and detailed findings were considered by the Finance and Audit Scrutiny Committee on [11 March 2025](#). The Brodies review, supported by the KC, highlighted a number of significant governance issues and recommended a number of improvements to the Council's governance arrangements. The council was also subject to a section 102 report by the Controller of Audit for the Accounts Commission in relation to this matter. The section 102 report was considered by the Accounts Commission at its meeting on 14 August 2025, with a final report issued in September 2025.

Management have developed enhanced governance arrangements, procedural changes and updates to the Council's Scheme of Delegated Functions to address the issues and recommendations highlighted by Brodies. These were considered by the Wellbeing, Equalities, Communities, Culture and Engagement City Policy Committee on [17 April 2025](#) before being approved by the City Administration Committee on [8 May 2025](#). Changes to the Scheme of Delegated Functions and Committee Terms of Reference were approved by Full Council on [15 May 2025](#). A full review of the Scheme of Delegation is planned for 2025/26. The Internal Audit plan for 2025/26 (approved by the Finance and Audit Scrutiny Committee on 26<sup>th</sup> March 2025) included specific reviews to provide assurance on the concerns and recommendations arising from

the Brodies report, some of this work is currently being finalised and the review of culture has been undertaken. An update on the implementation of the actions arising from the section 102 report was provided to the Finance and Audit Scrutiny Committee on [25 March 2026](#).

### **City Building – Performance Management**

As part of the 2024/25 City Building Internal Audit plan, a comprehensive review of Performance Management arrangements was undertaken relating to the repairs service provided to Wheatley Housing Group, the Glasgow City Council Group and other third party clients. The audit opinion was unsatisfactory due to the absence of a formal performance management framework and the identification of issues relating to the underlying repairs workflow and data accuracy. Management have agreed and implemented a performance management framework and have commenced a review of repairs workflow. An ICT Strategy was approved by the Board in November 2025 and a detailed plan to achieve this will be presented to the Board in June 2026. This includes the rollout of Servitor Express and an upgrade to the current Servitor system.

### **Prior Year Audit Recommendations:**

In previous years, WoSAS received several external audit recommendations highlighting the requirement to update the key strategic documents which underpin the governance of the Joint Committee.

Such documents include the Minute of Agreement, Business Plan, Service Level Agreements, and the ICT Service Level Agreement. It was also highlighted that some of the information on the WoSAS website had not been updated in several years.

At 31<sup>st</sup> March 2026, WoSAS had yet to make significant progress in the implementation of these recommendations. One factor that has impacted progress is the ongoing review of Glasgow City Council's pay and grading system, which is likely to have a significant impact on the overall cost of service delivery by WoSAS. Work is ongoing to ensure that revised strategic documents can be developed as soon as the revised pay scales have been formally implemented by the Council.

## **6. Significant Governance Issues**

### **Cyber Incident**

In June 2025, the council was impacted by a cyber incident. This was an opportunistic attack on a third-party supplier, rather than on the council itself. With access gained through the supplier's network, rather than via any council system or user. The isolation of the affected servers meant that a number of the council's web based services were affected for a period to September 2025. An accredited cyber incident responder was appointed to undertake forensic investigations into the incident and advise on remediation and root cause. And an internal audit review of the lessons learned has been completed and reported to the Finance and Audit Scrutiny Committee on 20 May 2026.

The council dealt with the incident in a managed and appropriate manner with lessons identified to be addressed going forward, and a cyber incident response planning exercise was undertaken on 27 May 2026.

## **7. Internal Audit Opinion**

The Council has a system of internal control designed to manage risk to a reasonable level. Internal controls cannot eliminate the risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

Based on the audit work undertaken, the assurances provided by Service Directors and Managing Directors/Chief Executives of subsidiaries and relevant associates, and noting the issues outlined at Sections 5 and 6 above, it is the Head of Audit and Inspection's opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the governance and control environment which operated during 2025/26 in the council and its subsidiaries and relevant associates.

## **8. Certification**

It is our opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the systems of governance and internal control that operate in Glasgow City Council and its subsidiaries and relevant associates. The self-assessments, the statements of internal control signed by Service Directors and Managing Directors (of subsidiaries and relevant associates) and the work undertaken by Internal Audit has shown that, with the exception of those matters listed above, the arrangements in place are operating as planned. However, improvements are specifically required in relation to senior officer exit payments, ICT services and resilience. Work is ongoing to address these matters and officers will monitor and report on their implementation.

We will continue to review and enhance, as necessary, our governance arrangements.