

AUDIT SCOTLAND NATIONAL REPORT – LOCAL GOVERNMENT OVERVIEW

1 SUMMARY

- 1.1 Audit Scotland prepare an overview report each year that highlights from their perspective the key issues facing local government. This report summarises the most recent report published in March 2012.

2 RECOMMENDATION

- 2.1 The Audit Committee note the summary of the key points from the local government overview report prepared by Audit Scotland.

3 DETAIL

- 3.1 Each year Audit Scotland publishes a report on the key issues relating to local government. The most recent report published in March 2012 highlights issues around

- Challenges in 2012
- Review of resource use in 2011

In addition a checklist for Members is included with the report.

- 3.2 The summary and conclusions from the report in relation to challenges for 2012 are as follows:

- The pressures on local government finances and increasing demands present a substantial challenge to services and outcomes.
- Strong leadership and governance is required in this period of transition and change, including in police and fire and rescue services.
- It is vital that statutory officers, and in particular the statutory officer for finance, have appropriate access and influence
- Local authorities need to take a structured approach to options appraisal and demonstrate the basis for decisions.
- Councils and their partners need to develop partnership working to deliver better value for money and improved outcomes, to ensure that partnership performance systems are sound and that accountabilities

are clear.

- Good-quality performance information and effective management is required, with an increasing focus on costs and measures which monitor partnership performance and outcomes.

3.3 In relation to the section on review of resource use in 2011 the summary points and conclusions are noted below:

- The accounts for 2010/11 showed a relatively stable financial position.
- Accounts were unqualified, with the exception of Shetland Islands Council.
- There is increasing evidence of non-compliance with financial regulations and procedures.
- There have been substantial changes in the local authority workforce, and more change is likely
- More work is required to improve asset management and procurement practices.
- Based on the most recent audited financial information, councils appear to have coped well with the financial pressures. Financial reporting continues to be a strength but the time is right for councils to reaffirm the importance of financial procedures and ensure that staff who hold positions that are central to strong and effective financial control are fully aware of their responsibilities.
- There have been and will continue to be substantial changes in the local government workforce; this brings opportunities in terms of new structures and new individuals in post that can bring fresh thinking in services and at the corporate centre. However, there are also risks and staff will need time fully to understand their new roles and to build the necessary networks and working relationships within the local authority and with community partners.
- Asset management continues to be an area requiring attention; the backlog of maintenance of roads and buildings is substantial. Taking together with the slippage in capital programmes, local authorities need comprehensive and effective asset management plans to ensure they have the right assets in the right condition available to match service plans and developments.

3.4 The checklist for Members is attached as Appendix 1 with some comments on the questions from an Office perspective.

3.5 The Audit Committee should consider the terms of the report. A link to the full report is given below

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Bruce West
Head of Strategic Finance
30 May 2012

Appendix 1

Ref	Checklist For Members	Comments
Leadership and governance		
1	Do you understand fully all aspects of your role and how to find out more?	Each member to consider this.
2	Do you know who the statutory officers are, what they do and when you need to talk to them?	Chief Executive is Head of Paid Service. Executive Director of Customer Services is monitoring officer. Head of Adult Care is Chief Social Work Officer. Head of Strategic Finance is Section 95 Finance Officer.
3	Have you prioritised what you need to do in the next 12 months?	In a time of constrained resources and increasing expectation it is important the Council is clear about its priorities.
4	Do you have access to relevant training and development?	Induction programme but members should also consider their ongoing training and development needs.
Partnership working		
5	Do you have a good understanding of partnership arrangements?	The key partnerships are the community planning partnership and the health and social care partnership although there are a range of other partnerships.
6	Are you assured that the council is making the most of partnership working?	Issue for members to consider.
7	Are you kept informed about partnership working developments and the outcomes being achieved?	Should we submit a periodic report on key partnerships to members?
Options for service delivery		
8	Are you aware of alternative service delivery models being considered?	Alternative service delivery models will be

		a key feature of the Corporate Improvement Plan.
9	Do you have access to all of the information you need to make a decision on alternative service delivery options?	An options appraisal using Scotland Excel guidance will be prepared as part of consideration of alternative service delivery models.
Performance information		
10	Do you have a good understanding of performance information arrangements? Are you assured that there is emphasis on cost and partnership performance in addition to level and quality of service?	Scorecards reported quarterly to members. Success measures included in service plans.
11	Are you provided with appropriate reports and information to enable you to scrutinise performance effectively?	Community planning partnership scorecard picks up partner performance as does review of single outcome agreement.
Use of resources		
12	Do you have a good understanding of the council's financial position including the impact of future funding?	Induction training included some information on financial position. Annual accounts due to be submitted to Council on 28 June. Budget agreed in February set out budget proposals including savings, cost/demand pressures and financial risks for 3 years to 2014-15.
13	Are you aware of the level of future savings required by the council and are you assured that firm plans are in place to achieve these?	
14	Have you asked how your council is addressing the actions set out in the most recent external auditors' report and this overview report? Are you assured that action is being taken and quickly enough?	Action plans for audit reports are submitted to the Audit Committee.
15	Are you assured that arrangements are in place (through internal audit or other processes) to ensure ongoing compliance with financial regulations and strong internal controls?	The internal audit plan is agreed by the Audit Committee each year and all internal and external reports are submitted to the Audit Committee.
16	Do committee papers on resource issues	Reports should

	enable you to scrutinise effectively? Are they adequate in terms of clarity, level of detail and ease of understanding?	summarise implications on financial and human resources and where these are significant they should be explained in more detail.
17	Are you aware of the council's workforce strategy? Are you assured that any potential impact on service delivery is being minimised?	Savings have been identified through service reviews which drive out issues in terms of human resources. Workforce planning being developed.
18	Do you know how well your council performs on procurement and the steps being taken to ensure further improvement?	Results of Procurement Capability Assessment reported to members. The Council was one of the higher ranked councils although there is still scope for progress.
19	Do you know what your council's risk management arrangements are, where you can find information on risk and where you can ask questions and challenge?	Operational risk register summaries included in scorecards. Service plans show risks related to each service outcome.
20	Do you understand what best value involves, what it means in practice and how your council demonstrates it is achieving best value?	Issue for members to consider.