

AUDIT SCOTLAND NATIONAL REPORTS TO AUDIT COMMITTEE 2012 - 2013

1. SUMMARY

In compliance with the CIPFA Code of Practice for Internal Audit, on a quarterly basis the Audit Committee receives Audit Scotland reports pertaining to Local Government. There are four reports appended for the Audit Committee. Three of the reports contain a checklist for which a management response has been provided.

2. RECOMMENDATIONS

2.1 It is advised that in future the full Audit Scotland National Reports will be issued to Members as they are published and advising at what Audit Committee meeting they will be discussed. A summary of these reports will be included in future agenda packs along with management responses where applicable.

3. DETAILS

3.1 Audit Scotland in March 2013 published a report entitled, Major Capital Investment in Councils, highlights the £27 billion invested since 2000/01 on schools, social housing, sports and leisure centres and other projects. This finance method has been used by the Council to enable new schools to be built. The report highlights that Councils have improved their oversight of major capital projects in recent years and are clearer about their broad goals. The report also states that this Council is one of three councils who are working with the Scottish Futures Trust (SFT) to develop Tax Incremental Financing (TIF) business cases. A management response is attached to the key findings in this report.

3.2 In March 2013, Audit Scotland issued the following report, "Responding to challenges and change - An overview of local government in Scotland 2013". Councils spent a total of £21 billion providing a range of essential local services and most councils are predicting substantial funding gaps over the next three years. The report states that Councils are taking this very seriously and are responding well. Management have provided responses to the key issues raised in this report.

3.3 The Local Government Scrutiny Coordination Strategic Group, in April 2013, published their scrutiny plans based on a risk assessment process. The process is designed to identify where scrutiny activity will make the most difference in terms of helping councils to improve and provide assurance to the public. Attached to the report is the national scrutiny plan for 2013/14 covering 32 Councils. The inspections for this Council

will take place in the first quarter of the financial year.

- 3.4 Audit Scotland published a report in May 2013 entitled, "Managing early departures from the Scottish public sector". The report is an aid to help public bodies improve their management and reporting of early release schemes. The report says such schemes can provide significant savings, and public bodies generally are following good practice. In the period 2010/12 almost 14,000 employees took such packages which is approximately one in 40 of all public sector staff at a cost of £550 million. Argyll and Bute Council had 456 employees take up the early release scheme option between 2010/12 which was equal to one in every 8.7 FTE Council employees at a cost of £4.8m. The Council is referred to in the report in Part 3 Section 29 under the heading principles of best practice. Attached are management responses to key issues raised in the report.
- 3.5 Audit Scotland in May 2013 issued an update report entitled, "Maintaining Scotland's roads". The report charts the progress made by councils across Scotland against recommendations made in a 2011 national report. The update, based on reports from local auditors, says that the percentage of local roads in acceptable condition has marginally increased over the last two years, despite a 21 per cent reduction in spending between 2009/10 and 2010/11. The Head of Roads and Amenity Services is due to report back to the committee in September 2013 and therefore the national report will come to that meeting providing Members an opportunity to obtain direct comment.
- 3.6 In December 2012, Audit Scotland published a report entitled, 'Health Inequalities in Scotland'. The report highlights that whilst overall health has improved over the past 50 years, deep-seated inequalities remain. The national report came with a checklist for completion. The Audit committee requested that responses to the checklist in the report be discussed with the CPP to create a unified response with these reported to the June Committee. An initial response to the checklist was prepared by the council and circulated to CPP members for consideration. The joint response was considered in draft but not presented to the CPP Management Committee. The information collated as part of the response is being critically reviewed as a mechanism for informing the preparation of the new Argyll and Bute Single Outcome Agreement, which is currently in draft format. The national guidance for SOAs specifically refers to the need for health inequalities to be addressed.
- 3.7 In March 2013, Audit Scotland issued a national report entitled "Improving community planning in Scotland". The report says community planning is now at a cross roads. A fresh drive to realise its full potential, particularly in the light of severe budget pressures on all public services, has been outlined in a Statement of Ambition from the Scottish Government and the Convention of Scottish Local Authorities. The report is attached and a management report covering both reports has been prepared with a further response planned for the September committee.

- 3.8 Full reports can either be viewed at http://www.audit-scotland.gov.uk/work/local_national.php 2012/13 and 2013/14 or viewed in the Committee Room 1 where a copy has been made available.

4. CONCLUSIONS

This report and attachments are submitted to the Audit Committee for consideration and review.

5. IMPLICATIONS

5.1	Policy:	None
5.2	Financial:	None
5.3	Legal:	None
5.4	HR:	None
5.5	Equalities:	None
5.6	Risk:	None
5.7	Customer Service:	None

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