

## **The Accounts Commission for Scotland's annual statement on efficiency, effectiveness and economy for 2012/13**

The Public Services Reform (Scotland) Act 2010, section 32(1)(b) requires listed public bodies to publish a statement in relation to efficiency, effectiveness and economy as soon as possible after the end of the financial year.

The following statement sets out the steps that the Accounts Commission has taken in 2012/13 to improve its efficiency, effectiveness and economy in the exercise of its functions. Information on our local government audit work is contained in our report - *Responding to challenges and change - An overview of local government in Scotland 2013* which is on our website at [www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk)

### **Introduction**

The Accounts Commission is the public's independent watchdog which, through the audit process, requires local government bodies in Scotland to achieve the highest standards of financial stewardship and the economic, efficient and effective use of their resources. The Accounts Commission holds local authorities to account and helps them to improve by: securing the external audits, including the audit of Best Value and Community Planning; following up issues of concern identified through the audits to ensure satisfactory resolutions; carrying out or promoting performance audits to improve economy, efficiency and effectiveness in local government; and issuing an annual direction to local authorities which sets out the range of performance information they are required to publish.

The Accounts Commission operates independently of local authorities and of the Scottish Government, and meets and reports in public.

### **Efficiency, effectiveness and economy improvements during 2012/13**

In autumn 2010 the Commission approved an approach to reducing audit fees that contributes to Audit Scotland's four-year financial strategy to reduce significantly the cost of audit. Overall, working together, the Commission, the Auditor General and Audit Scotland are aiming to reduce the cost of audit to public bodies by at least 20 per cent over the four years to 2014/15.

The Commission works closely with the other inspectorates in Scotland to achieve sharper focus on potential risks that lie ahead so that issues facing councils can be addressed sooner and more effectively. Much has been achieved streamlining the system through a national scrutiny plan and strategic risk assessments for each council. This has led to much better co-ordination between the other scrutiny bodies, including Education Scotland, Care Inspectorate, Scottish Housing Regulator, Her Majesty's Inspectorate of Constabulary for Scotland, Fire and Rescue Service Chief Inspector and Health Care Improvement Scotland. It has also helped the Commission target its Best Value work and reduce the overall burden of scrutiny on councils.

The Commission was invited by the Scottish Government to lead a new strand of work to audit Community Planning Partnerships (CPPs). Community planning was introduced a decade ago with the aim of bringing councils, health boards and other public, business and voluntary bodies together to tackle complex problems in local communities. The first three Community Planning audits were Aberdeen City, Scottish Borders and North Ayrshire. These reports and other audit information helped inform a national overview which concluded that CPPs had not met the ambitious goals set for them, but with the right leadership and support, could make big inroads to achieving them in the future.

As well as scrutiny, the Commission has a pivotal role in helping local authorities improve and achieve Best Value in the services they provide to their communities. This year we completed eight Best Value audits. The Commission include recommendations and key messages in individual reports but also seek to encourage good practice on a broader front through the How Councils Work series of reports. Three reports, in that series, were published providing practical advice on cost information, managing performance and managing capital investment in councils. Councillors and council officers value these reports and that they can point to demonstrable impact in improving services for the public.

The Commission closely monitors its programme of national performance audits, in conjunction with the Auditor General for Scotland, to ensure that this is delivered efficiently and is reflective of issues affecting local government and the wider public sector. Four reports, on reducing health inequalities; reducing offending; protecting consumers; and major capital investment in councils were published this year.

The Commission has worked with councils to encourage them to publish their own performance information. This enables councils to make important decisions on spending and being able to compare with other local authorities. It also gives the public a clearer picture on how their own council's services are performing. The first set of benchmarking information was published by councils during the year and is a good start.