

# Strategy and annual action plan

2016-21



# Who we are

The Accounts Commission is the public spending watchdog for local government. We hold councils in Scotland to account and help them improve. We operate impartially and independently of councils and of the Scottish Government, and we meet and report in public.

We expect councils to achieve the highest standards of governance, financial stewardship and value for money in how they use their resources and provide their services.

Our work includes:

- securing and acting upon the external audit of Scotland's councils and various joint boards and committees
- assessing the performance of councils in relation to Best Value and community planning
- carrying out national performance audits to help councils improve their services
- requiring councils to publish information to help the public assess their performance.

You can find out more about our role, powers and meetings on the Accounts Commission [web pages](#) .

# Contents

Context	4
Challenges for councils	5
Our strategic priorities	6
Annual action plan	7
Background	10

# Context



We continuously ensure that our work is responsive to the environment in which councils operate, which sees:

- reduced resources – public spending will decline in real terms for the foreseeable future
- demographic change – Scotland’s population is ageing which puts more pressure on services and resources
- increasing flexibility in how our local public services are delivered
- ever-increasing public expectations about the content, quality and delivery of public services, and how the public is involved in designing those services
- increasing empowerment of citizens and communities in their relationship with councils
- enhanced devolution and increased financial powers to the Scottish Parliament.

Our over-riding aim in holding councils to account is to promote an increased pace of improvement, with councils demonstrating good governance.

This context helps us set our expectations of councils over the next five years as we help provide assurance to the public on the performance of each Scottish council. Our expectations reflect councils’ responsibilities to deliver high-quality services for service users and better outcomes and reduced inequalities for communities. In doing so, they will show how – through rigorous self-evaluation – they are making best use of their resources and continuously improving in order to meet their statutory duty of Best Value.

# Challenges for councils

In setting out our context, we have identified the issues faced by councils. Our *Overview of local government 2016* reports on how councils have responded to these issues, and what we believe councils need to do:

- Have clear priorities and better long-term planning.
- Recognise that incremental savings are not enough, and therefore evaluate options for more significant changes in how they deliver services.
- Ensure their people – members and officers – have the right knowledge, skills and time to design, develop and deliver effective services in the future.
- Involve citizens more in making decisions about local services and empowering local communities to identify and help deliver services they need.

Through all of our work, we will monitor and report how councils are progressing against these areas.



An overview of  
local government  
in Scotland 2016

March 2016

# Our strategic priorities

We will shape our work around the following priorities:



Working with our newly appointed auditors and through our new Code of Audit Practice to ensuring our approach to the **financial audit and auditing Best Value** clearly sets out the Best Value expectations of councils and reports on councils' improvement and their use of public money.



Continuing to **encourage councils to report performance** in ways that allow their citizens to gauge their improvement, including comparatively against other councils.



**Better reflecting the interests of the citizen, service user and communities in our work**, including Best Value auditing, in performance audits and in our joint work with our scrutiny partners.



Working with our scrutiny partners as appropriate to continuing to develop how we **oversee the changing public service landscape**, including:

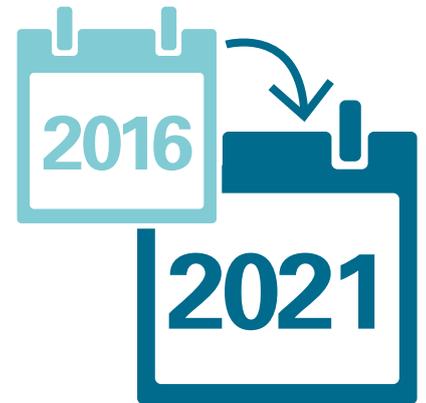
- Auditing and reporting upon progress of the **new joint health and social care boards**.
- Retaining our interest in the progress of **community planning**.
- Ensuring that our five-year **programme of national performance audit work** appropriately covers the key areas of public policy and is encouraging improvement in those areas.
- In conjunction with our scrutiny partners, continuing to **improve the effectiveness of scrutiny, audit and inspection** in Scotland.



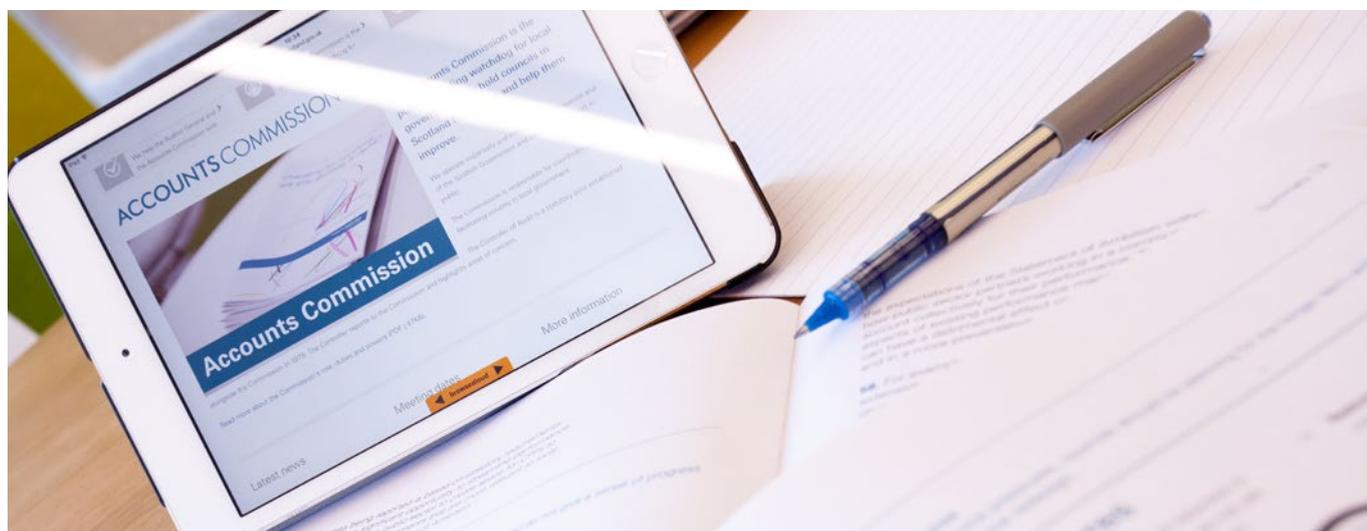
**Promoting good practice and innovation** by making more effective use of data, benchmarking, and information and analysis contained in our reports, working with other stakeholders as appropriate, such as the Improvement Service and the Local Government Benchmarking Framework.

In taking forward these priorities, we will engage effectively and regularly on issues of mutual interest with our stakeholders including the Scottish Government, councils, professional associations, trade unions and organisations representing the user, service and local government interests. Our [Engagement strategy 2016/17](#)  sets out how we will do this.

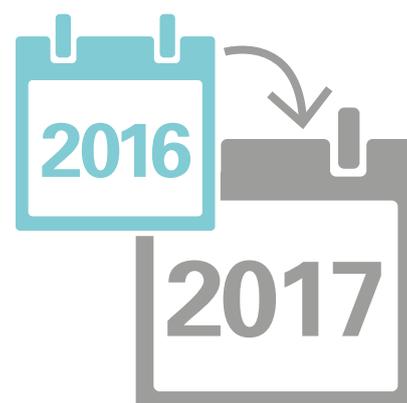
We will also ensure that we continuously improve our own work by reviewing our working practices and the quality of our reports. We will test and report on our performance and impact by liaising regularly with our stakeholders.



# Annual action plan



This action plan sets out what we will do over the next 12 months in taking forward our priorities. We will report progress at the end of that period. We will:



## Develop the audit by:



- ensuring that our annual overview report, to be published in early 2017, provides effective reporting of the performance of councils in relation to those challenges that we identified in our current overview report
- implementing, and continuing to develop, our new approach to auditing Best Value which is better integrated with other audit work and will provide more regular assurance about the performance of all councils
- as part of this, contributing to a review and update of the characteristics of Best Value being led by the Scottish Government and councils, including ensuring that it reflects our expectations.

---

## Encourage effective reporting of performance by:



- working with councils to help further enhance the scope and use of the Local Government Benchmarking Framework
  - developing effective assessment of public performance reporting by councils, through our auditing of Best Value.
-

---

## Reflect the interests of the citizen, service user and communities by:



- reviewing how guidance in relation to the Community Empowerment Act affects our work
- working with stakeholders to ensure these interests are reflected effectively in supporting material in relation to Best Value
- ensuring that all of our audit work reflects this perspective and helps councils improve in how they involve citizens, service users and communities.
- exploring with our scrutiny partners opportunities for joint working to this end.

---

## Scrutinise the changing public service landscape by:



- monitoring the implications for councils of any further devolution of powers, such as welfare provisions
- ensuring audit activity reflects and holds councils to account in how they use alternative service delivery vehicles in following the public pound
- further developing our approach to the audit of joint health and social care integration boards in relation to Best Value, governance and finance
- undertaking performance audits, on:
  - Roads maintenance
  - Social work
  - Early learning and childcare
  - Equal pay
  - Self-directed support
- reporting on the impact of our previous performance audit on borrowing and treasury management in councils
- continuing to work with our strategic scrutiny partners in coordinating and refining our approaches to scrutiny, audit and inspection.

---

## Promote good practice and innovation by:



- publishing a *How councils work* report on roles and responsibilities in councils
  - ensuring that every performance audit:
    - contains practical advice for elected members and officers
    - makes background data available for use by councils and citizens
  - ensuring we better identify, promote and share good practice from across our audit work.
-

# Background

The Accounts Commission was established in 1975 'to secure the audit of all councils in Scotland and to undertake and promote comparative studies to improve the economy, efficiency and effectiveness in how councils provide services'.

We act independently of the Scottish Government and of local government. We consist of 12 members and use our powers to hold local government to account and assure the public about the performance of their council. We also ensure that councils provide the right information for the citizens to enable them to assess their council's performance both over time and in comparison with similar councils.

Since our establishment, our remit has been extended by the Scottish Government:

- In 2003, we were given the responsibility to audit councils' duty of Best Value and community planning.
- In 2008, we were asked to take on a coordinating role to support the delivery – in conjunction with our scrutiny partners – of better aligned and more proportionate and risk-based scrutiny of local government.
- In 2012, we were asked to develop an audit framework designed to strengthen the accountability of Community Planning Partnerships and support their improved performance.
- In 2013, we were given the responsibility to audit the new health and social care integration joint boards (including the duty of Best Value).

The Controller of Audit reports to the Commission on the audit of local government. The post is independent and is established by statute.

The Commission delivers public audit in Scotland along with the Auditor General who audits the remainder of the public sector in Scotland. Audit Scotland was created in 2000 to provide services to the Commission and to the Auditor General.

We have jointly published with the Auditor General and Audit Scotland [\*\*\*Public audit in Scotland\*\*\*](#) , which sets out the principles and themes of public audit and how it fits with and responds to the public policy environment in Scotland in which we operate.

# Strategy and annual action plan

2016-21

This report is available in PDF and RTF formats,  
along with a podcast summary at:

[www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk) 

If you require this publication in an alternative  
format and/or language, please contact us to  
discuss your needs: 0131 625 1500

or [info@audit-scotland.gov.uk](mailto:info@audit-scotland.gov.uk) 

For the latest news, reports  
and updates, follow us on:



ACCOUNTS COMMISSION 

Audit Scotland, 4th Floor, 102 West Port, Edinburgh EH3 9DN

T: 0131 625 1500 E: [info@audit-scotland.gov.uk](mailto:info@audit-scotland.gov.uk) 

[www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk) 

ISBN 978 1 909705 90 6