

Strategy and annual action plan

2018-23

Who we are

The Accounts Commission is the public spending watchdog for local government. We use our powers to hold local government to account and help it improve, and we assure the public about the performance of their council. 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.

We ensure that councils publish the right information to enable citizens to assess their council's performance both over time and in comparison with similar councils.

We were 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'. 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 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.

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

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Context



It is our role to provide independent assurance to the public on the performance of each Scottish council. To do this, we ensure continuously that our work is responsive to the environment in which councils operate, which sees:

- reduced resources – public spending is likely to decline in real terms for the foreseeable future
- demographic change – Scotland’s population is ageing which puts more pressure on services and resources
- 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
- increasing flexibility in how local public services are delivered
- enhanced devolution and increased financial powers to the Scottish Parliament
- implementation of the referendum decision that the UK leave the European Union.

We acknowledge these factors place significant pressures on councils in their responsibilities to deliver high-quality services for service users and better outcomes and reduced inequalities for communities. We expect them to show how – through rigorous self-evaluation – they are making best use of their resources and continuously improving their performance in order to meet their statutory duty of Best Value.

Our strategic audit priorities



Our overriding aim is holding councils to account for their pace, depth and continuity of improvement facilitated by effective governance. It is for councils to make choices in where they focus their improvement work but they need to be able to show how they have arrived at such choices.

We will evaluate in our audit work how councils are demonstrating such improvement. In particular, we will use annual audit work and auditing Best Value to assess how councils are progressing in the following priority areas:

- Having clear priorities with a focus on outcomes, supported by effective long term planning.
- Demonstrating the effective appraisal of options for changing how services are delivered in line with their priorities.
- Ensuring that members and officers have the right knowledge, skills and support to design, develop and deliver effective services in the future.
- Empowering local communities and involving them in the design and delivery of local services and planning for their local area.
- Reporting the council's performance in a way that enhances accountability to citizens and communities, helping them contribute better to the delivery of improved outcomes.

Our work

We will maintain a five-year rolling programme of work reflecting the following:



Ensuring that our **overview reporting** provides an assessment of the performance of local government that informs discussion and debate about the issues that it faces.



Taking forward our new approach to the **annual audit and auditing Best Value** to clearly set out the Best Value expectations of councils and report on councils' delivery of key public services and their use of public money.



Ensuring that our **national performance audit work** appropriately covers the key areas of public policy and is facilitating improvement in those areas.



Ensuring that our work **follows the public pound** by reporting upon the range of approaches that are used by councils in delivering services and improving outcomes for communities.



In conjunction with our scrutiny partners, continuing to **coordinate the audit, inspection and regulation of local government** in Scotland.



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.



Promoting good practice and innovation in our work and making more effective use of data and analysis in our reports.

In taking this work forward, we will ensure regular dialogue and engagement with stakeholders, including the Scottish Government, Parliament, councils, professional associations, trade unions and organisations representing the user, community, service and local government interests. Our [Engagement strategy and plan 2018/19](#) 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 and consult regularly on this with our stakeholders.

Annual action plan

This action plan sets out how our work over the next 12 months will take forward our strategy. We will report progress at the end of that period. We will:



Publish our overview reports setting out our assessment of local government, based upon all of our audit work.



Take the audit forward by:

- Reporting a schedule of Best Value Assurance Reports:
 - Dumfries and Galloway Council
 - East Ayrshire Council
 - East Lothian Council
 - Fife Council
 - Glasgow City Council
 - West Dunbartonshire Council.
- On top of this, featuring assessments in relation to Best Value in all annual audit reports, reflecting our strategic audit priorities and risks and issues of specific relevance to each council.
- Continuing to contribute 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.



Undertake national performance audits on:

- Children and young people's mental health
- Health and social care integration (part 2)
- Value for money of non-profit distributing models.

We will also ensure that our work reflects the policy environment in which local government operates by considering throughout the year a range of briefings and reports on specific policy matters.



Report the impact of our previous performance audits on:

- Community planning: an update
- Roads maintenance
- Social work.

**Follow the public pound by:**

- Undertaking a performance audit health and social care integration
- Reporting on the impact of our previous performance audit on community planning
- Considering the issues arising from the annual audits of integration joint boards
- Ensuring, in our national performance audits, reflection of councils' leadership roles in partnership working.

**Continue to work with our strategic scrutiny partners in coordinating and refining our approaches to the scrutiny, audit and inspection of councils.****Reflect the interests of the citizen, service user and communities by:**

- Reviewing our requirements of councils (in our statutory performance information Direction) to report performance to their citizens
- Considering these interests in the scoping of all of our performance audit work
- Reporting on these interests in our Best Value Assurance Reports
- Developing with our scrutiny partners joint approaches to scrutinising community empowerment.


**Promote good practice and innovation by:**

- Publishing a report in our *How Councils Work* series on internal controls and scrutiny.
 - Ensuring that every performance audit:
 - contains practical advice for councillors and officers
 - makes background data available for use by councils and citizens.
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We want to make our work and our reports as easily accessible as possible.

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