

Accounts
Commission | **Strategy**
2012–15

Who we are

The Accounts Commission is the public's independent spending watchdog for local government. We are a statutory body which, through the audit process, holds local authorities in Scotland to account and helps them improve. We operate independently of local authorities and of the Scottish Government, and we meet and report in public.

We expect local authorities to achieve the highest standards of governance and financial stewardship and the economic, efficient and effective use of their resources and provision of services.

To fulfil our responsibilities, we formulate independent objective opinions.

We do this by:

- securing the external audit of 32 councils and 45 joint boards and committees (including police and fire and rescue services)
- assessing the performance of local authorities in relation to Best Value and community planning
- carrying out national performance audits to improve economy, efficiency and effectiveness in local government
- following up issues of concern identified through our audit work
- requiring local authorities to publish good performance information.

The Commission appoints – and considers audit reports by – auditors from Audit Scotland and private firms.

The Commission also coordinates, in partnership with other local government scrutiny bodies, the strategic audit and inspection of local government.

Influences for 2012 to 2015

Our work in 2012 to 2015 is driven by two main influences.

Firstly, there is a set of challenges for councils that we have identified in our current and recent work. We will want to continue gauging how councils are progressing against these challenges.

Second, in placing these challenges within the context of wider public service reform in Scotland, we have identified priorities upon which we wish to base our own work, which we ask Audit Scotland and external firms to undertake on our behalf.

Challenges for councils

Councils face a period of continuing challenge and change with budget reductions and rising demand for services. Indeed, the 2012 local government elections meant change for many councils in terms of political leadership and political direction.

In our 2012 report *An overview of local government in Scotland*, we acknowledge that councils have coped well so far with financial pressures. Looking ahead, however, local authorities will have to deal with further budget reductions while providing best value and improving outcomes for local communities.

The Commission identifies four responses and priorities for local government arising from these challenges which we will use to shape our work in 2012 to 2015, namely the need for:

- local authorities **working in partnership** with other agencies to deliver **improved outcomes**
- options for **new ways of designing and delivering services** to be developed in conjunction with partners and local communities
- ensuring **good quality performance information** to help support better management and better reporting to communities.
- the **reshaping of public services** around the **prevention agenda**
- a focus on delivering **improved performance** and thus **improved outcomes for local communities**.

We will continue to seek assurance on behalf of our stakeholders about how local authorities use their resources. We want our work to help councils improve and meet the challenges facing them.

We expect to see effective governance and service delivery that improve outcomes for local communities.

Commission themes

We are fulfilling our role within the context of a significant agenda for public service reform. We want our work to provide an independent perspective on how public services are developing, and responding to, that agenda.

Our recent work, placed in the context of this agenda, has allowed us to set out where we would like to see our forthcoming work concentrate. Our work will have a focus on:

- the **health and sustainability of council finances**, backed up with **good financial management**
- the **quality of leadership and principles of good governance**, including **openness and transparency**
- the need for public services to be delivered in **partnership** and through **strengthening user focus**
- **strong leadership** to be shown in local government, supported by **good governance** and **effective financial controls**

How we will improve our work

To ensure that we fulfil our role effectively in a changing environment, we will improve how we do our work.

Ensure our activities continue to best reflect the current challenges faced by local government

We play a prime role in assessing how councils are responding to the challenges set out above. We will aim for our work to continue to help councils improve their performance, while providing accountability and independent assurance on what they do.

Reduce the cost and improve the quality of audit

We want to improve the value for money from the audit activity that we oversee. We will work with Audit Scotland and private firms, who carry out the audit work on our behalf, to do this.

Introduce and continuously improve, with our partners, a comprehensive approach to the scrutiny of partnership working

Councils are increasingly working with other bodies to improve outcomes for their communities. We will continue to work with our scrutiny partners to ensure that audit and inspection activities are always best shaped to focus on how services are being delivered and whether they are effective and provided efficiently. This work will be based upon the principles of risk and proportionality.

Assess and report more fully the pace of improvement of local authorities

Our annual audit and Best Value work has helped provide a picture of the performance of local government. We want to develop this picture further by strengthening our focus on assessing and reporting on how quickly councils are improving.

Further build our engagement and dialogue with local government and with our stakeholders

We want to be as clear as possible to parliament, government, councils, communities and citizens about what we do and how we do it.

Our work for 2012 to 2015

Here we set out what we will be doing. Our audit work is done on our behalf by Audit Scotland and external private firms.

We will monitor and report on the progress of our work on an annual basis. An annual action plan is available on our website. This sets out what we are doing over the year to April 2013. We will report on progress against these actions at the end of the year.

Ensure that our audit activity continues to hold local authorities to account and helps them improve

- Oversee the annual audit process in providing assurance.
- Report, in conjunction with the Controller of Audit, local authorities' implementation of their Best Value duties.
- Encourage improvement through our series of 'how councils work' reports.
- Report on an overview of issues arising from the annual audit.
- Consider other reports from the Controller of Audit on specific issues.
- Report, in conjunction with the Auditor General for Scotland as appropriate, on issues at a national level through a programme of relevant national performance audits.
- Robustly promote recommendations and actions from each of our audits.

Develop the audit in line with public sector reform

- Develop, in conjunction with our strategic scrutiny partners, an audit of community planning partnerships and outcomes, based on risk and proportionality.
- Ensure the prevention agenda features appropriately in our audit work.

Ensure performance information that helps citizens and communities to assess the performance of their local authorities

- Direct local authorities on the performance information upon which they should report.
- Encourage local authorities to develop and maintain comparative performance information.

Continue to improve scrutiny with our scrutiny partners

- Build on our progress with our scrutiny partners in providing an even more efficient and effective approach to scrutiny.
- Continue to coordinate scrutiny, in conjunction with our scrutiny partners, through the shared risk assessment process.

Improve our engagement with local government and with our stakeholders

- Develop our close relationship with our principal partners, namely the Auditor General for Scotland and Audit Scotland.

- Ensure effective engagement and communications with local government and with our wider stakeholders, particularly the parliament, government, scrutiny partners and citizens.

Improve the way we work

- Continue to reduce the cost and improve the quality of audit.
- Develop the capacity of the Commission – both individual members and collectively – to deliver its strategy.
- Improve how we manage our expanding volume of business.

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