

Annual report

2018/19



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](#) .

The current members of the Commission are listed on [page 20](#).

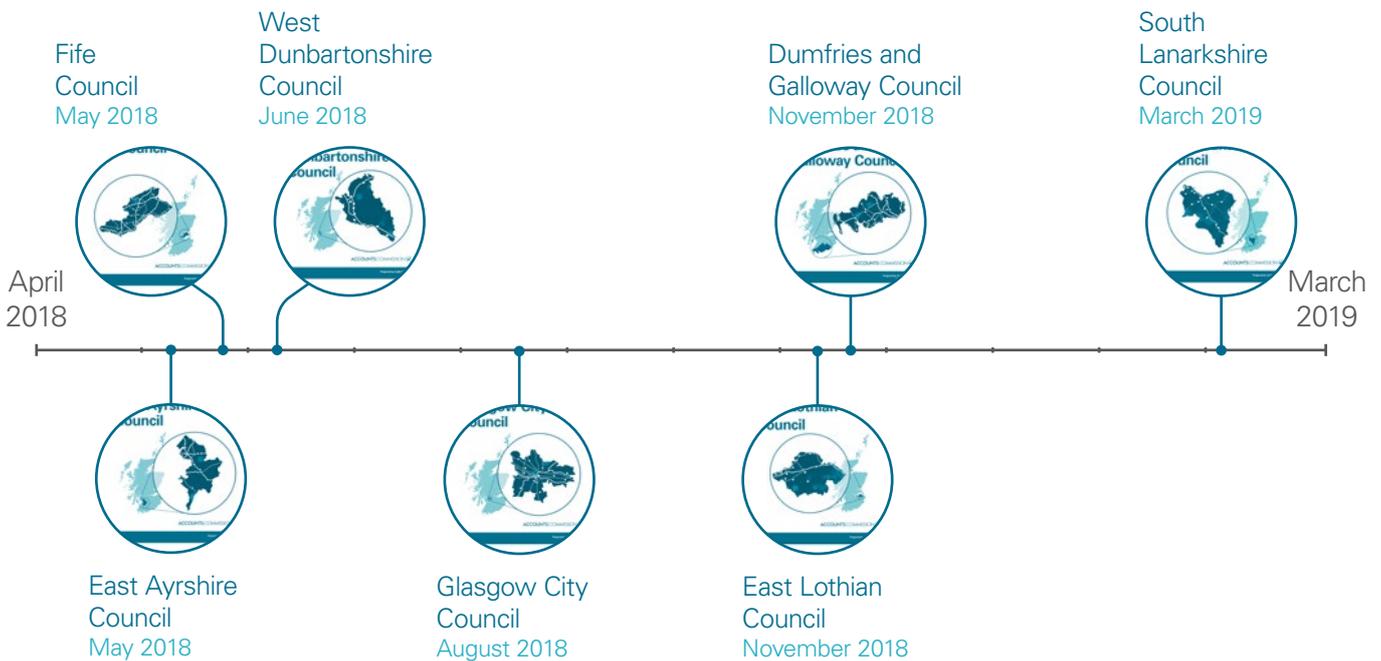
Contents

Our year	4
Chair's foreword	5
Increasing the profile of scrutiny	6
Our national work	7
Reporting on individual councils	14
Ensuring quality in our work	18
Working with others	19
Our members	20
Progress report: Action plan 2018/19	21

Our year

This annual report sets out the Commission's work over the year, along with its work programme for 2019/20. Each year we publish **annual audit reports** on over 100 local government bodies, including 32 councils, 11 local authority pension funds, 31 health and social care integration authorities, and 32 joint boards and joint committees such as regional transport partnerships and valuation joint boards. These reports are the foundation of all our audit work.

Our work in individual councils



Our work across councils



Chair's foreword

Our 2018/19 annual report gives an overview of our work and reports over the last year. It covers our high-profile overview reports looking at issues across local government as a whole, our national work looking at significant topics of public interest, and our work in individual councils.

Our Best Value audit work in councils continues apace. I am pleased that overall those councils we reported on this year have made good progress. Our auditors have also noted much improvement across the six councils we reported on last year.

The Commission greatly appreciates the contribution of Audit Scotland, and of all our auditors, which is critical to the effectiveness of our work. We also value the constructive dialogue we have with councils and all our stakeholders. Nearly all councils participated in the six engagement events we held this year across Scotland. These were valuable to the Commission and feedback highlights that councils found these equally productive.

There has been much change in the Commission, in what is now my second year as chair. We welcome four new members, Andrew Burns, Andrew Cowie, Christine Lester and Sharon O'Connor, who bring a wealth of public sector experience. I also wish to thank, on behalf of myself and the Commission, Alan Campbell, Sandy Cumming and Christine May, for their valuable contribution, insight and commitment during their appointments which ended this year.

Increasing pressures on public services continue to make effective and constructive scrutiny as important as it has ever been. Changes in how local services are provided in areas such as health and social care also present challenges for how we take our scrutiny work forward. Our aim is to deliver reports that are relevant, objective, add value and are trusted by the public and our other stakeholders. I look forward to continuing to develop our future audit programme in consultation with our stakeholders and partners.

Graham Sharp

Chair of the
Accounts Commission

Increasing the profile of scrutiny

A key priority for us is to help local communities scrutinise their own councils. We communicate our messages in different ways to reach our audiences.

We give assurance over how public money is used and we help councils improve. We report independently on the performance of councils aiming to make our work increasingly accessible. This, in turn, can help communities take a greater and more informed part in local services.

Our national audit reports and our reports on individual councils attract much public and media interest. We promote our Best Value work in councils through local media, community groups and third sector organisations. Increasingly, we are using different formats, such as animations and newsletters, to summarise key messages from our reports. Social media is critical in getting these messages to a wider audience.

Councils have told us they welcome these different approaches. Our [Engagement strategy and plan 2019–24](#)  gives more information on how we promote our messages.

We promote effective public reporting by councils

Councils are required to report their performance in public. We published our three-yearly [Statutory Performance Information Direction](#) , in December 2018 setting out how they should do this. We also expect councils to participate in the [Local Government Benchmarking Framework](#)  to report their performance in a clear and accessible way.

We are pleased that our review of how councils report their performance over 2018/19 shows many examples of good practice, with councils using new formats to reach wider audiences. There is scope, however, for good practice to be shared more widely across all councils.



Engagement strategy and plan 2019–24  May 2019

Our national work

Our overview reports on local government and our performance audits look at issues across Scottish councils and public services in general.

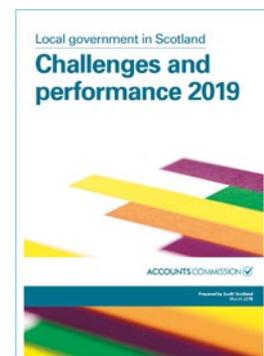
Each year we summarise our assessment of local government and the main issues affecting through its two overview reports. The [Local government in Scotland: Financial overview](#)  focuses on finance; and [Local government in Scotland: Challenges and performance](#)  focuses on service provision.

Our performance audits examine national issues of public interest, and consider the quality, sustainability and value for money of public services. We publish some of these jointly with the Auditor General for Scotland. This reflects how services, such as health and social care and children and young people's mental health, are not confined to local government, but are increasingly provided collaboratively across the public sector.

Topics this year included councils' use of arm's-length companies, children and young people's mental health, and health and social care. We also published our housing benefit performance audit and our two-yearly National Fraud Initiative report.

Local government overview reports

Our [Local government in Scotland: Challenges and performance 2019](#)  finds that councils are maintaining or improving most services. However, it highlights that decisive leadership is needed to balance growing demands with a sustained reduction in real terms funding. Demands on council services are increasing from an ageing population, and from an increase in the numbers of people living in poverty. Councils need to find different ways to fund and deliver services. And they need to involve the public and communities in taking such decisions to transform services.



Local government in Scotland: Challenges and performance 2019  March 2019

[Local government in Scotland: Financial overview 2017/18](#)

highlights that funding from the Scottish Government reduced by 2.3 per cent in real terms in 2017/18. Councils offset this through increases in council tax, charges and fee income. Most councils applied the maximum three per cent increase to council tax. Increases in education and social work spending have led to less spending on other services. Our report also finds that funding to integration authorities (joint bodies that commission health and social care services) increased by three per cent in 2017/18. However, most have underlying financial sustainability issues.



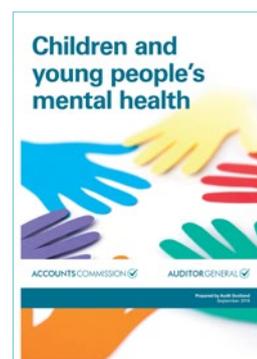
Local government in Scotland: Financial overview 2017/18

 November 2018

Performance audits

Children and young people's mental health

[Children and young people's mental health](#)  calls for a step change in the way the public sector responds to the mental health needs of children and young people. It identifies a big increase in young people being referred to mental health services, with long waiting times signalling a system under significant pressure.

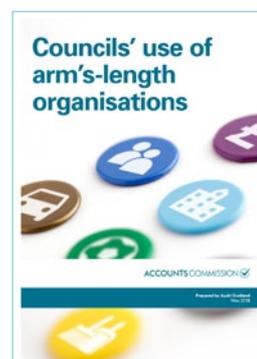


Children and young people's mental health

 September 2018

Councils' use of arm's-length organisations

[Councils' use of arm's-length organisations](#)  examines how councils are using an estimated 130 arm's-length external organisations (ALEOs). It notes benefits, including reduced costs, increased sport and leisure uptake, and improved standards of care. It concludes that financial and other advantages to ALEOs may change, and that careful consideration is needed.



Councils' use of arm's-length organisations

 May 2018

Health and social care integration

Update on progress

In 2016, health and social care services provided by councils and the NHS were brought together into a single integrated system. Integration Authorities are responsible for almost £9 billion of health and social care spending.

This is our second report, published jointly with the Auditor General in November 2018, looking at Scotland's progress with this major reform.

Integration Authorities face significant challenges through rising service demand and mounting financial pressures on councils and the NHS. This critical report finds that Integration Authorities, councils and NHS boards need to show a stronger commitment to collaborative working if they are to make a real difference to the people of Scotland. Success will depend on joint, and long-term financial planning, and stable and effective leadership.

Graham Sharp, Chair, Accounts Commission said: "There are examples of integrated health and social care services making a positive difference to people's lives, but these tend to be local and small scale. The potential for a profound and long-term shift in the way health and social care services are delivered is clear, but there is still a long way to go.

Caroline Gardner, Auditor General, said: 'All partners, at a national and local level, need to work together to ensure the successful delivery of integrated health and social care services in Scotland. This will allow people to receive the care they need at the right time and in the right setting, with a focus on community-based, preventative care.'

A Scottish Government Ministerial Steering Group has used our report recommendations to drive improvement in important areas including leadership, governance and financial planning. We will continue to monitor this important service through our annual audit work, and our Best Value audit work in councils. We have also scheduled a third performance audit of Integration Authorities for 2023/24.



Health and social care integration: update on progress

November 2018



Other reports

The National Fraud Initiative in Scotland 2016/17

The [National Fraud Initiative in Scotland 2016/17](#)  was published in July 2018. Audit Scotland coordinates the National Fraud Initiative (NFI) every two years, involving nearly 100 public bodies in Scotland. It identified £18.6 million of potential fraud or errors since the last report in 2016.

This totals almost £130 million since the first NFI exercise in 2006. This is a significant return to Scotland's public sector at a time when public finances remain under pressure.

2018 annual update on Housing Benefit Performance audit

[2018 annual update on Housing Benefit Performance audit](#)  examines the housing benefit performance of five councils. The report found that the majority (78 per cent) of risks to continuous improvement had been fully or partially addressed. It found weaknesses in areas of business planning, performance reporting, accuracy and interventions.

It found risks in the capacity of these bodies to improve at a time of major change following the creation of the Scottish Social Security Agency in September 2018, and the ongoing roll-out of Universal Credit.



The National Fraud Initiative in Scotland 2016/17

 July 2018



Housing Benefit Performance audit: Annual update

 November 2018

We are responsible for the audit of over 100 bodies in Scotland including all councils

105

Local authority bodies audited



32

Councils



11

Local authority pension funds



30

Health and social care integration authorities



32

Joint boards and joint committees

Impact reports

This year we published three impact reports looking at how councils and other bodies have responded to our recommendations ([Exhibit 1](#)). Impact reports are undertaken around 18 months after a performance audit is published. We found a mixed picture of progress, and many improvements are ongoing and will only be realisable in the longer term. This reflects that often solutions are complex and need to be addressed through coordinated actions by a range of partners.

Exhibit 1

Impact of our performance audit reports

Impact reports	Description of impact	
<p>Maintaining Scotland's roads: a follow-up report (Published August 2016)</p> 	<ul style="list-style-type: none"> No notable change in the proportion of roads in acceptable condition. Concerns remain about the accuracy of condition data. Good progress reported in: roads asset management, benchmarking, and shared efforts in workforce planning and training. There is slow progress with sharing services and greater collaboration. 	 <p>Impact report: Maintaining Scotland's roads: a follow-up report June 2018</p>
<p>Community planning: an update (Published March 2016)</p> 	<ul style="list-style-type: none"> Mixed picture of progress and many actions are ongoing. The Scottish Government's statutory guidance on community planning (December 2016) places local communities at the heart of public service delivery and clarifies expectations for CPPs. An Outcomes, Evidence and Performance Board of stakeholders is in place to tackle obstacles to effective community planning. 	 <p>Impact report: Community planning: an update July 2018</p>
<p>Social work in Scotland (Published September 2016)</p> 	<ul style="list-style-type: none"> The longer-term sustainability of social work services remains an urgent issue. The Scottish Government and COSLA have published a national health and social care workforce plan and guidance. A review of clinical and care governance arrangements in integrated health and social care services is underway. 	 <p>Impact report: Social work in Scotland December 2018</p>

Progress with our strategic audit priorities

In our work across Scottish councils, we set five strategic audit priorities as a key focus for its work. Our Best Value and other audit work over 2018/19 ([Exhibit 2](#)) shows that councils are making progress in areas of governance, partnership working, and public reporting. Many have established a clear vision and priorities for their area, but need to demonstrate progress in achieving these more clearly. Councils are improving their medium to longer-term financial planning, but challenges remain. While noting improvement in many important areas, we found that councils need to make further improvements, including:

- collaborative leadership including their role in health and social care integration authorities
- demonstrating progress in improving local outcomes
- planning their workforce needs in the longer term
- involving the public and others in difficult decisions over options for delivering services
- delivering shared services in partnership with other councils
- progress with community empowerment, particularly in more deprived communities
- improving councillor development in areas such as scrutiny.

Exhibit 2

Councils' progress against the Commission's five strategic audit priorities



Clear priorities with a focus on outcomes, supported by effective long-term planning

- Councils understand the challenges facing their communities, and have a strategic focus on improving social inequality.
- Councils need to do more to align resources to their vision and priorities; they need to demonstrate more clearly how outcomes are being achieved.
- Councils are making progress with medium-term financial planning. The quality of workforce planning is inconsistent across councils.
- Financial sustainability is the biggest risk to IJBs. The majority do not have medium-term financial plans, and none currently have long-term financial plans.

Cont.



Demonstrating the effective appraisal of options for changing how services are delivered in line with their priorities

- Many council transformation programmes are in the early stages. Strategic leadership and good governance are required given the pressures and scale of change.
- Councils are collaborating with other public sector bodies, but there is limited evidence of services being delivered jointly by councils.
- Councils show improving practice in evaluating service delivery options such as ALEOs, but they need to involve communities more in the process.
- Collaborative leadership in IJBs needs to improve to increase the pace of change and improve service delivery.



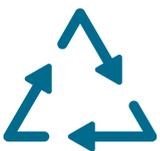
Ensuring that members and officers have the right knowledge, skills and support to design, develop and deliver effective services in the future

- Councils need to have the staff, skills and leaders to deliver change, but the quality of workforce planning is inconsistent.
- Most councils have effective arrangements for governance and accountability. There is scope to strengthen scrutiny in councils, including public scrutiny of services by councillors.
- The uptake of training programmes for councillors should be improved.
- A lack of collaborative leadership and different cultures in councils and health boards is affecting the pace of change in integration authorities.



Empowering local communities and involving them in the design and delivery of local services and planning for their local area

- Councils show commitment to community empowerment and most are beginning to implement local arrangements, but progress is variable.
- Councils are engaging with communities, but there is less evidence of successful engagement with people from deprived areas.
- Where councils are undertaking public consultations, there is little evidence to show that they are taking the results into account when setting the annual budget.



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

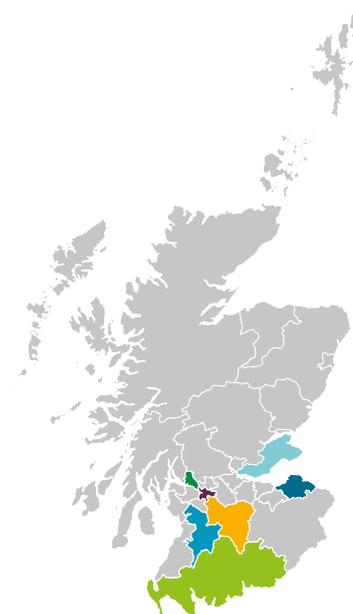
- Councils are improving the accessibility of information including council meetings. There is scope to improve the transparency of financial reporting.
 - Public performance reporting ranges in quality, and there is scope for councils to learn from each other to improve the standard of reporting to their communities.
-

Reporting on individual councils

We published eight reports on local councils in 2018/19. Seven were Best Value Assurance Reports; one was a statutory report on an issue of public concern.

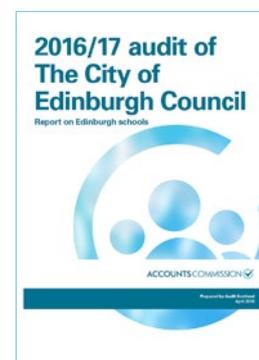
Councils have a duty to demonstrate Best Value in how they deliver services, use public money, and improve as organisations. The Commission report on their progress through a Best Value Assurance Report (BVAR) on every council as part of a five-year cycle. We meet in public to consider these reports and decide what action to take. Our audit teams monitor councils' progress in responding to our Best Value work through their annual audit work in councils.

Our long-standing Best Value audit work in councils is helping to drive improvement. We are encouraged that this year's BVARs found much progress in the councils involved. Challenges, of course, remain. Councils need to show strong leadership to decide how best to provide services in the face of ongoing financial and demand pressures. And they need to involve local communities in taking these difficult decisions. Headline messages from our findings on this year's BVAR reports are highlighted in [\(Exhibit 3, page 15 and 16\)](#).



Statutory reports

We have powers to publish statutory reports to bring serious issues of concern to public attention. In our April 2018 report, [2016/17 audit of The City of Edinburgh Council: Report on Edinburgh schools](#)  we considered the circumstances of a wall collapse at a primary school in Edinburgh in 2016. The report emphasised the need for all councils to undertake regular structural risk assessments and inspections on public buildings to ensure the safety of the public.



2016/17 audit of The City of Edinburgh Council: Report on Edinburgh schools

 April 2018

Exhibit 3

Best Value Assurance Reports

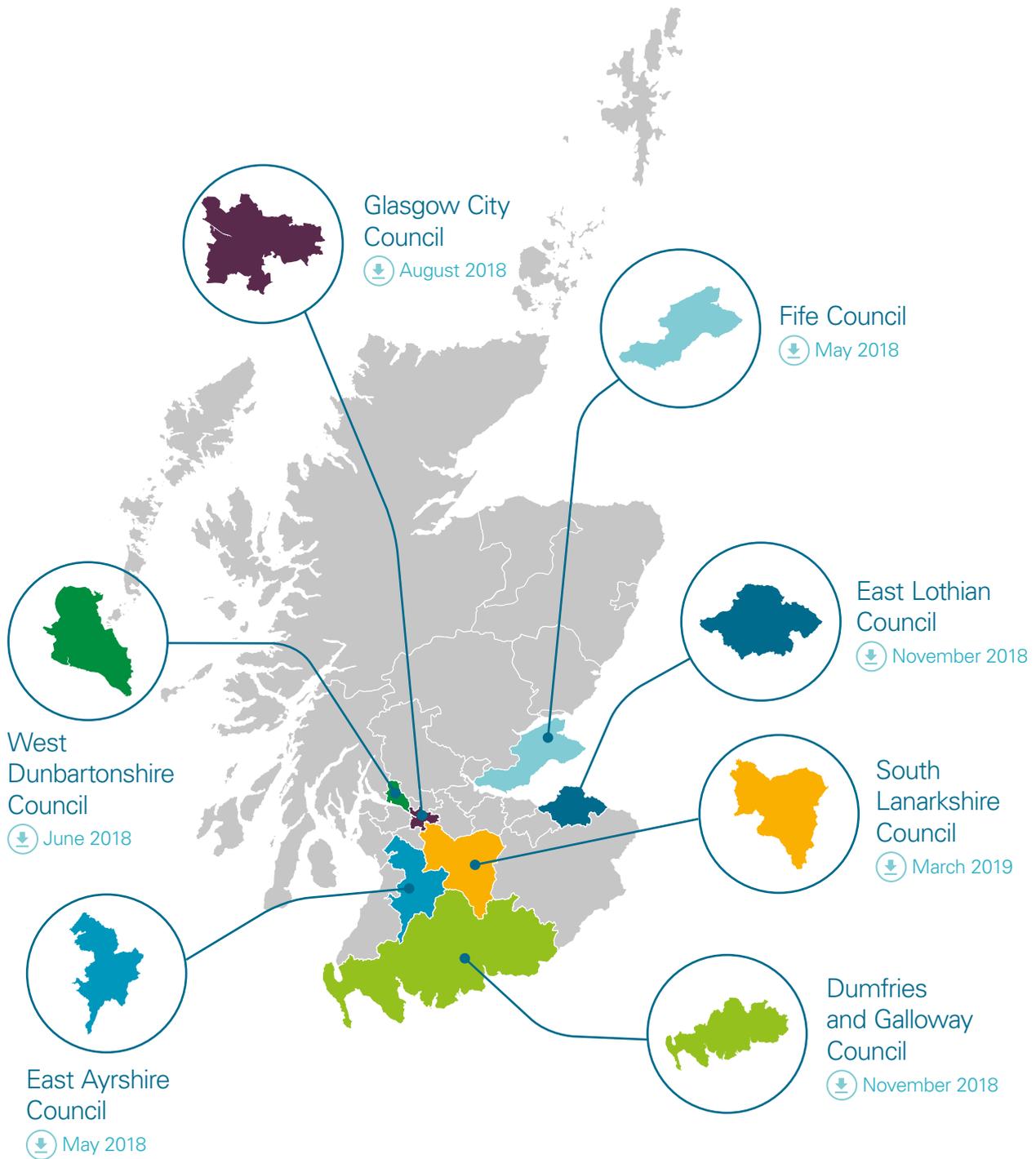


Exhibit 3 (continued)

Best Value Assurance Reports

Fife Council  has continued to improve since our largely positive Best Value audit in 2009. In delivering this change it shows good self-awareness and commitment, supported by good financial planning and management. Councillors and officers are working well together to identify how to close a significant budget gap faced by the council.



East Ayrshire Council  is maintaining strong performance against substantial socio-economic challenges. It has a record of effective Community Planning and Partnership working. Its improvement programme is still in its early stages with more development to be done.



West Dunbartonshire Council  has made significant progress under strong and improved leadership. We urge it to continue this momentum, including cross-party working, to address its financial challenges.



Glasgow City Council  together with its partners, is helping to improve the city's economy in the face of significant and complex socio-economic challenges. We expect continuing improvements in educational attainment, wellbeing of children and young people, and wider health outcomes.



East Lothian Council  has made significant improvement in demonstrating Best Value. Some improvement actions are at an early stage and will require continued momentum to achieve the expected outcomes.



Dumfries and Galloway Council  has made significant progress since our 2009 Best Value audit report which identified serious weaknesses. It has established clear priorities in the context of the challenges it faces as a large rural area. It will need to increase its pace of change to close a significant budget gap.



South Lanarkshire Council  is making significant progress in fulfilling its duty of Best Value and is improving outcomes for its communities. Service redesign needs to be driven by community engagement and by a better understanding by the council of how citizens view its services.



Progress with previous BVARs

Our annual audit work in councils and other local government bodies is a major part of our work. The annual audit looks at more than financial accounts. It also considers wider aspects including governance, financial management and, in the case of councils, progress with the duty of Best Value.

We monitor progress against our previous BVAR recommendations through our annual audit work in councils in what is now an integrated audit process. [Exhibit 4](#) shows that overall, progress is being made in those councils who had BVAR reports in 2016/17, the first year of our new approach to auditing Best Value.

Exhibit 4

Progress against 2016/17 BVARs

Clackmannanshire Council

The council is making progress with its savings and efficiency programmes, but its financial position remains acute. We will provide an update in our follow-up report scheduled for June 2019.



East Renfrewshire Council

The council's response to the Best Value review has had a notable impact in supporting continuous improvement.



Inverclyde Council

The council has made reasonable progress with its BVAR Improvement Plan. It performs well against a range of national indicators, but its relative performance with other councils has worsened.



Orkney Islands Council

A number of activities are under way in response to the BVAR. The council needs to demonstrate more clearly how it is improving outcomes and realising efficiencies.



Renfrewshire Council

The council is making good progress in addressing the BVAR recommendations. Its improvement activities are clearly linked to the council's priorities and budget setting process.



West Lothian Council

The council's performance management system includes recommendations from the BVAR and the annual audit report. All these actions are reported as completed.





Ensuring quality in our work

In assuring the public about the performance of councils, we need to ensure that our work is of high quality, independent and based on sound evidence.

We have set up a new independent quality assurance team to monitor and report upon the quality of all auditors' work. Audit work is subject to both internal and external independent review (externally by the Institute of Chartered Accountants Scotland (ICAS)). We publish, with the Auditor General and Audit Scotland, a detailed report on the outcomes from this work.

We can report that we are assured about the good quality and continuing improvement of audit work and about a strong culture of improvement across all audit providers.

We have noted that:

- all ICAS reviews of our audits reported that they were good or satisfactory, with none graded as requiring significant improvement. There has been improvement in the last two years in documenting audit evidence, the use of analytical procedures, and in how sampling is used
- auditors completed and reported 98 per cent of audits on time
- stakeholders expressed a high level of satisfaction with the usefulness of the annual audit
- stakeholders were positive about Accounts Commission reports helping them deliver improvement.

Our internal and external quality review of performance audit and Best Value audit work found high levels of compliance with our audit quality frameworks.

Audit Scotland, who undertake performance audits for us, is adopting international performance auditing standards. This will help drive further improvement. We also strive to deliver an efficient audit that takes into account the workload and priorities of the bodies we audit.

Officers and elected members at each council have provided positive feedback on their experience of our new approach to auditing Best Value, and highlighted areas for further improvement



Working with others

We are looking at new ways to involve the public, communities and our local government stakeholders in what we do.

We need to understand issues important to the communities across Scotland if we are to keep our work relevant. We continue to engage our stakeholders through a range of activity:

- we hosted six discussions/events with council leaders and chief executives from across Scottish councils to gain an insight into the pressures facing councils and what they expect from our audit
- our local government overview reports and performance audits are used by parliament as part of its scrutiny of the Scottish budget
- we consult councils, trades unions, local government and third sector bodies over our future audit programme
- we meet with our Equalities and Human Rights Advisory Group to discuss issues relevant to our audit.

Coordinating local government scrutiny

We chair a Strategic Scrutiny Group (SSG) as part of our role to coordinate the scrutiny of local government. This comprises Audit Scotland, the Care Inspectorate, Education Scotland, HM Fire Service Inspectorate, Healthcare Improvement Scotland, HM Inspectorate of Constabulary for Scotland, HM Inspectorate of Prisons for Scotland, Inspectorate of Prosecution in Scotland, and the Scottish Housing Regulator.

A local network of auditors and scrutiny partners meet in every council area to identify audit risks and plan their scrutiny work. In April 2018, we published a [National Scrutiny Plan for local government](#), and [32 local scrutiny plans for 2018/19](#).

This year, the SSG reviewed its approach in consultation with councils. It is taking forward measures to improve the coordination of national scrutiny, including how scrutiny bodies identify risks and share intelligence.

Our members

The Accounts Commission members are appointed by Scottish ministers. The Commission meets monthly and its meetings are open to the public.



Graham Sharp

Chair
*(Member
Mar – Oct 2017)*

Register of interests



Ronnie Hinds

Deputy chair
*(Acting chair
Mar – Oct 2017)*

Register of interests



Andrew Burns

Register of interests
*(Appointed from
Aug 2018)*



Andrew Cowie

Register of interests
*(Appointed from
Aug 2018)*



Sophie Flemig

Register of interests



Sheila Gunn

Register of interests



Christine Lester

Register of interests
*(Appointed from
Jan 2019)*



Tim McKay

Register of interests



Stephen Moore

Register of interests



Sharon O'Connor

Register of interests
*(Appointed from
Oct 2018)*



Pauline Weetman

Register of interests



Geraldine Wooley

Register of interests

Secretary to
the Accounts
Commission



Paul Reilly

Members who have left office



Christine May

*(Acting
Deputy chair
May – Oct
2017)*
*(Appointed from
Oct 2009- March 2018)*



Alan Campbell

*(Appointed from
Jan 2011-Dec 2018)*



Sandy Cumming

*(Appointed from
Mar 2011-Sept 2018)*

Progress report

Action plan 2018/19

Here we report on progress against those actions that we committed to in our annual action plan 2017/18.

Key to progress:



Complete:
This action has been completed



Complete and continuing:
While an action has been completed, it continues as part of further ongoing activity



Continuing:
This action has started but will require further input from the Commission.

Action	Progress at end March 2019
--------	----------------------------

Publish our overview reports

Set out our assessment of local government, based upon all of our audit work in our overview reports.



Complete

We published two overview reports:

- [Local government in Scotland: Financial overview 2017/18](#)  published November 2018.
- [Local government in Scotland: Challenges and performance 2019](#)  published March 2019.

Take the audit forward by:

Reporting our planned schedule of Best Value Assurance Reports (BVARs).



Complete

We published findings on BVARs as follows:

- Fife Council (May 2018)
- East Ayrshire Council (May 2018)
- West Dunbartonshire Council (June 2018)
- Glasgow City Council (August 2018)
- Dumfries and Galloway Council (November 2018)
- East Lothian Council (November 2018)
- South Lanarkshire (March 2019).

All audits had a local promotion strategy, using newsletters, podcasts and news releases to communicate with residents, local community groups and the media. We will monitor councils' progress on the report recommendations through our annual audit.

Action	Progress at end March 2019
--------	----------------------------

Take the audit forward by:	
-----------------------------------	--

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.	 Complete All annual audit reports provide an update on councils' progress with their Best Value obligations in our new integrated audit. This includes updates on progress made by councils following a BVAR. Auditors present these reports to each council in autumn each year. The Controller of Audit report on Annual Assurance and Risks, endorsed by the Commission in January 2019 highlighted significant issues arising from the council audit, and progress against the Commission's strategic audit priorities.
--	--

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.	 Continuing The Scottish Government and COSLA continue with this review.
---	---

Undertake national performance audits on:	
--	--

Children and young people's mental health	 Complete Published September 2018
---	---

Health and social care integration (part 2)	 Complete Published November 2018
---	--

Value for money of non-profit distributing models	 Continuing Due to be published Autumn 2019
---	--

Council's use of arm's-length organisations (identified in previous year programme)	 Complete Published May 2018
---	---

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.	To keep informed of current issues, we considered briefings on a diverse range of topics throughout the year, including: <ul style="list-style-type: none"> • EU withdrawal • The UK and Scottish response to the Grenfell Tower tragedy • Housing • Public health • Rural issues • Reducing child poverty. We made these public and share them with stakeholders.
--	--

Action	Progress at end March 2019
Report the impact of previous performance audits on:	
Roads maintenance	 Complete Published June 2018
Community planning: an update	 Complete Published August 2018
Social work	 Complete Published December 2018
Follow the public pound by:	
<ul style="list-style-type: none"> • Undertaking a performance audit of 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 our national performance audits, reflect councils' leadership roles in partnership working. 	 Complete and continuing These reports have all been completed and include recommendations on leadership and collaborative working. The timing of the next integration of health and social care performance audit in 2023/24 is planned to allow time for changes to be implemented following our 2018 report. We will continue to monitor this important area through the annual audit of integration authorities, our NHS overview reporting, and our Best Value audit work in councils.
Continue to work with our strategic scrutiny partners by:	
Coordinating and refining our approaches to the scrutiny, audit and inspection of councils.	 Complete and continuing The National Scrutiny Plan for Local Government and 32 local scrutiny plans for 2018/19 were published in April 2018. We chair the Strategic Scrutiny Group (see page 19), responsible for coordinating local government scrutiny activity. This has identified actions, in consultation with councils, to better coordinate its activities including sharing audit intelligence.

Action	Progress at end March 2019
--------	----------------------------

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

<ul style="list-style-type: none"> • 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. 	<div style="display: flex; align-items: flex-start;">  <div> <p>Complete and continuing</p> <p>We published a three-yearly Statutory Performance Information Direction in December 2018.</p> <p>Our local government overview report and performance audits on integration joint boards, arm's-length external organisations (ALEOs), and children's mental health included recommendations highlighting the need to involve communities and to provide accessible information.</p> <p>All our Best Value Assurance Reports referred to customer and citizens' views of council performance. Local promotion strategies targeted local groups including community councils, third sector, tenants' associations and businesses.</p> <p>The Commission will continue working with its scrutiny partners to develop its audit response to community empowerment.</p> </div> </div>
---	--

Promote good practice and innovation:	
--	--

<ul style="list-style-type: none"> • Publishing a report in our How Councils Work (HCW) series on internal controls and scrutiny. • Ensuring that every performance audit: <ul style="list-style-type: none"> – contains practical advice for councillors and officers – makes background data available for use by councils and citizens. 	<div style="display: flex; align-items: flex-start;">  <div> <p>Complete and continuing</p> <p>All our published performance audits and overview reports have fulfilled this objective. Examples are:</p> <ul style="list-style-type: none"> • Both local government overview reports include supplementary checklist tools to help councillors understand their council's financial position and scrutinise performance and take difficult decisions. • The HCW report on risks includes good practice checklists for councillors and officers. <p>Our performance audits contain links to background data to exhibits and highlight good practice for example using checklists for councillors and officers. Our website includes additional information resources including:</p> <ul style="list-style-type: none"> • exhibits to visualise complex information • animations on the key facts and messages from reports • ready access to published reports and planned work • special interest 'hubs' including health and social care, and digital services. </div> </div>
---	---

Commission publications 2018/19

Publication	Publication date	Report downloads/ podcasts
Overview reports		
Local Government in Scotland: Challenges and performance 2018	April 2018	Report downloads: 6579 Podcasts: 141
Local government in Scotland: Financial overview 2017/18	Nov 2018	Report downloads: 2094 Podcasts: 78
Local Government in Scotland: Challenges and performance 2019	March 2019	Report downloads: 806 Podcasts: 41
Best Value Assurance Reports		
Fife Council	May 2018	Report downloads: 2175 Podcasts: 48
East Ayrshire Council	May 2018	Report downloads: 2002 Podcasts: 104
West Dunbartonshire Council	June 2018	Report downloads: 1291 Podcasts: 21
Glasgow City Council	August 2018	Report downloads: 1673 Podcasts: 71
Dumfries and Galloway Council	November 2018	Report downloads: 1028
East Lothian Council	November 2018	Report downloads: 1111 Podcasts: 78
South Lanarkshire	March 2019	Report downloads: 149
Statutory reports		
Report on Edinburgh schools (re Oxgang primary school)	April 2018	Report downloads: 1233 Podcasts: 137
Performance audits		
Councils use of arms-length companies	May 2018	Report downloads: 2085 Podcasts: 62
Children and young people's mental health	September 2018	Report downloads: 5716 Podcasts: 180
Health and social care integration (part 2)	November 2018	Report downloads: 7730 Podcasts: 256

Publication	Publication date	Report downloads/ podcasts
Impact reports (Downloads only)		
Roads maintenance	June 2018	Report downloads: 928
Community planning: an update	August 2018	Report downloads: 736
Social work in Scotland	December 2018	Report downloads: 657
Annual reports and strategies (Downloads only)		
Accounts Commission Annual report 2017/18	June 2018	Report downloads: 574
Engagement plan 2017/18: Progress report	June 2018	Report downloads: 47
Accounts Commission Strategy and annual action plan 2018-23	June 2018	Report downloads: 749
Accounts Commission Engagement strategy and engagement plan 2018/19	June 2018	Report downloads: 581

All figures as at 31 March 2019.

Podcasts are shown where applicable.

Annual report

2018/19

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

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 

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



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

T: 0131 625 1500 E: info@audit-scotland.gov.uk 

www.audit-scotland.gov.uk 

ISBN 978 1 911494 90 4