

# Local government financial overview 2018/19

Scrutiny tool for councillors

ACCOUNTS COMMISSION 



This scrutiny tool captures some potential questions for councillors and relates to our report [Local government in Scotland: Financial overview 2018/19](#) . It is designed to provide councillors with examples of questions they may wish to consider, to help identify how informed they are of their council's financial position in order to support them to scrutinise financial performance.

Questions for councillors to consider	What do I know?	Do I need to ask further questions?
<b>Income</b>		
1. How dependent is your council on the various sources of income compared to other councils – Scottish Government funding, grants, council tax and receipts from customers/clients?		
<b>Council and IJB budgets</b>		
2. Is a budget agreed before the start of the financial year? If not, why not?		
3. How big is the funding gap for your council/ IJB relative to the total budget?		
<b>Cont.</b>		

Questions for councillors to consider	What do I know?	Do I need to ask further questions?
4. What are your council's plans for meeting the current and future funding gaps – savings plans, efficiencies, reduction in services or transformation, increased charges, use of reserves?		
5. Are there significant elements of unidentified savings in the agreed budget or are all planned savings actions clearly identified?		
6. How well are you kept informed about progress against savings plans?		
7. Does your council/IJB have a transformation plan? Does it clearly set out the aims and objectives and how and when these will be achieved?		
8. How effectively are you engaged and informed about the transformation programme and kept informed about progress?		
<b>Reserves</b>		
9. What is the council's/IJB's reserve policy?		
10. Do committed/earmarked/specific reserves have clear purposes and projected cashflows or are they part of the general contingency or uncommitted general fund?		
11. Are these commitments reviewed annually to ensure they reflect the best use of the council's/IJB's reserves?		
12. Is the council/IJB using up its reserves and is it likely to deplete these over the medium or long term (within 5 or within 10 years)?		

Questions for councillors to consider	What do I know?	Do I need to ask further questions?
<b>Capital</b>		
13. What are your council's medium- and long-term plans for capital spending?		
14. How well are you kept informed about progress against capital plans and how well do you understand the reasons for any underspend against the annual capital budget?		
<b>Debt</b>		
15. What is your council's current debt position relative to its annual revenue?		
16. How much of the council's budget is used to pay interest and debt repayments?		
17. Are you given clear and sufficient information to understand risks and support decisions about future borrowing?		
<b>Business cases for severance</b>		
18. Does the council prepare business cases for severance proposals and are these reported to councillors?		
<b>Transparency in accounts</b>		
19. Does the management commentary of the council and IJB accounts show the outturn against budget reconciled to movement in the general fund and progress against agreed savings plans?		
<b>Cont.</b>		

Questions for councillors to consider	What do I know?	Do I need to ask further questions?
<b>Financial planning</b>		
<p>20. Does your council have medium- and long-term financial plans, and do they include a range of potential funding and financial scenarios?</p>		
<p>21. Does the medium-term plan provide sufficient information on estimated Scottish Government funding (or host partner funding), projected net expenditure (in total and for each service), projections for service income, projections for cost of borrowing?</p>		



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) 

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