

Audit scope

Local government in Scotland

Financial overview 2019/20



ACCOUNTS COMMISSION 

Background

Each year the Accounts Commission publishes two reports that set out a review of local government in Scotland. The financial overview report assesses the financial position and issues for local government. The second report, Local Government Overview, builds on the financial overview and assesses the wider performance and challenges facing local government.

Why are we doing this audit?

Local government provides a diverse range of important services to the people of Scotland. Councils spend around £15 billion of public money each year and local government is one of Scotland's largest employers with around 243,000 staff. Covid-19 has created an unprecedented set of issues and challenges for councils, their partners and communities. This includes: significant economic and social impacts; additional financial pressures and increased service demand; the need for new service delivery models and negative impacts across communities and groups.

The current and emerging financial pressures facing the Scottish public sector make reporting publicly on how local government in Scotland is managing these challenges, alongside the longer-term impacts of Covid-19 on the economy, communities and public services, more vital than ever before.

What will the audit look at?

In the financial overview for the 2019/20 financial year, we will comment on:

- the 2019/20 funding settlement from the Scottish Government, councils' budget responses and the budget pressures and constraints
- councils' financial performance in 2019/20
- councils' financial positions at 31 March 2020, including levels of reserves and debt
- the financial outlook and early commentary on the additional costs and implications of Covid-19 for medium-term financial planning
- the funding, financial position and financial planning of Integration Joint Boards.

How will we carry out the audit?

Due to the delays in the auditing and accounting timetables for 2019/20, our report will draw on data from unaudited annual accounts. (Unaudited accounts have not yet been scrutinised and approved by the appointed external auditor.) We will also consider annual audit reports of councils, Integration Joint Boards and local government pension funds where available. We do not, however, expect to have access to all annual audit reports by the time the report is published. We will also draw on Audit Scotland's national performance audit reports, Best Value Assurance Reports and information from other sources, including published data.

What impact will the audit have?

The report will provide an independent assessment and assurance to the public about how effectively Scottish local government is managing public

money and responding to the financial challenges it faces. It is also intended to assist councillors and council officials in their preparations for budget-setting for the coming financial year.

Timetable and contact

We will publish the Local government in Scotland – Financial overview 2019/20 in January 2021. The wider Local Government Overview 2021 will be published in spring 2021.

Previous [local government overview](#) reports can be found on the Audit Scotland website.

For further information on the local government overview reports contact Blyth Deans, Audit Manager, on 0131 625 1953 or bdeans@audit-scotland.gov.uk



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

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

