

# Audit scope

# Local government in Scotland:

## Financial bulletin and Overview 2023

ACCOUNTS COMMISSION 

Prepared by Audit Scotland

October 2022

### Background

Each year the Accounts Commission publishes two reports that set out a review of Local Government in Scotland.

This year the Accounts Commission has agreed to publish a revised approach to reporting the financial performance in Local Government in Scotland. In January 2023, we will publish a financial bulletin before councils set their budgets, along with the annual local government overview report in May 2023.

The overview report will build on the findings of the financial bulletin and report on the wider performance and challenges facing local government.

In the financial bulletin of the 2021/22 financial year, we will comment on:

- the 2021/22 funding settlement from the Scottish Government, councils' budget responses and the budget pressures and constraints, including consideration of the impact of Covid-19
- councils' financial performance in 2021/22
- councils' financial positions at 31 March 2022, including levels of

reserves, debt and the financial sustainability of councils

- the financial outlook and implications for medium- and longer-term financial planning.

In the Local Government Overview 2023, we will comment on:

- the main socio-demographic and economic issues facing local government
- an analysis of local government performance
- how councils are addressing skills gaps and updating their workforce plans to build a resilient workforce for the future
- how councils are working collaboratively with communities and partners and building on lessons learned during the pandemic, as well as how councils are building back differently
- how councils are addressing inequalities

- how councils are managing backlogs and the plans they have in place to clear these.

## Why is this audit important?

Councils have a critical role in providing vital services which communities depend on. They have played a central role, working alongside communities and partners, to address the unprecedented challenges created by Covid-19.

Councils spend around £20 billion of public money each year and local government is one of Scotland's largest employers, with over 200,000 staff. Demand for services and pressure on budgets continue to increase. These demands, alongside the ongoing impacts of Covid-19, makes good fiscal planning, management and governance as critical as ever.

The current and emerging pressures facing the Scottish public sector mean it is important to report publicly on how Local Government in Scotland is managing these challenges, together with the longer-term impacts of Covid-19 on the economy, communities and public services.

## How will we carry out this audit?

Our report will draw on the audited annual accounts and annual audit reports of councils, where available. We will also draw on information from the local auditors, national performance audit 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 currently performing and responding to the challenges it faces, as well as planning for the future. It will also act as a prompt for councillors to help them with their scrutiny role.

## Timetable

We will publish the Local government in Scotland – Financial bulletin 2021/22 in January 2023 and the Local government in Scotland – Overview 2023 report in May 2023. Alongside the overview report we also intend to provide a checklist of useful questions for councillors.

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

## Contact

For further information on the local government overview reports contact Adam Bullough, Audit Manager, on 0131 625 1865 or [abullough@audit-scotland.gov.uk](mailto:abullough@audit-scotland.gov.uk)

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