



## AUDIT & PERFORMANCE SYSTEMS COMMITTEE

<b>Date of Meeting</b>	28.05.199
<b>Report Title</b>	Audit Scotland Reports
<b>Report Number</b>	HSCP.19.013
<b>Lead Officer</b>	Alex Stephen, Chief Finance Officer
<b>Report Author Details</b>	Alex Stephen, Chief Finance Officer
<b>Consultation Checklist Completed</b>	Yes
<b>Appendices</b>	a) Local Government in Scotland – Challenges and Performance 2019 b) Safe Guarding Public Money: Are you Getting it Right?

### 1. Purpose of the Report

- 1.1. This report provides the Audit & Performance System Committee with the opportunity to discuss and comment on Audit Scotland's Reports 'Local Government in Scotland – Challenges and Performance 2019' and 'Safeguarding Public Money: Are You Getting It Right?',

### 2. Recommendations

- 2.1. It is recommended that the Audit & Performance Systems Committee:

- a) Reviews, discusses and comments on the reports "Local Government in Scotland – Challenges and Performance 2019', as attached at Appendix A and 'Safeguarding Public Money: Are You Getting It Right?' as attached at Appendix B.

### 3. Summary of Key Information

#### Local Government in Scotland – Challenges and Performance 2019

- 3.1. This report highlights that councils must continue to change to address the gap between demand and resources.



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- 3.2.** It emphasises how Scotland's councils are managing to improve and maintain most services. But Scottish Government funding to councils is likely to reduce in future; this, combined with increased demand and less flexibility over spending decisions, means councils need to think differently about how they deliver services to the public.
- 3.3.** The Local Government Overview 2019 report by the Accounts Commission, the local authority watchdog, says some services are beginning to show signs of pressure and change is needed to tackle a growing gap between demand and resources.
- 3.4.** Nearly 70 per cent of councils' spending is on social care and education, and more money is being committed to Scottish Government priorities. This leaves councils less flexibility in where to spend and where to save.
- 3.5.** At the same time councils are facing increased demand. All councils will see a continued rise in the number of people aged 65 and over, and ten councils an increase in the number of children under 15.

### Safe Guarding Public Money

- 3.6.** This report aims to reinforce the importance of councils having effective internal controls.
- 3.7.** Although these may have a low profile, they are fundamental to maintaining a council's finances; securing its core values; safeguarding public money; and minimising the reputational impact on a council if things go wrong. In places, anonymised, real-life case studies illustrate the importance of internal controls and the consequences if they fail.
- 3.8.** The report highlights that there are signs from councils' internal auditors and the work of councils' external auditors that standards of internal controls may be strained. Some recurring weaknesses are becoming apparent among councils and the consequences could be serious, including the loss of significant amounts of public money, impacts on services and reputational damage.
- 3.9.** Checklists are featured to help councillors and officers assess their council's situation and, where necessary, to identify and plan improvements.



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### 4. Implications for IJB

Whilst the reports do not directly relate to the Integration Joint Board, as Aberdeen City Council is one of our key partners, it is important to have an understanding of the local authority's performance, challenges and how we can influence these. Many learning opportunities identified in the report are applicable to the IJB.

- 4.1. Equalities – there are no direct equalities implications arising from the recommendations of this report.
- 4.2. Fairer Scotland Duty - there are no direct implications for the Fairer Scotland Duty arising from the recommendations of this report.
- 4.3. Financial – the financial implications are outlined throughout the Audit Scotland Report.
- 4.4. Workforce – there are no direct workforce implications arising from the recommendations of this report
- 4.5. Legal - there are no direct workforce implications arising from the recommendations of this report.
- 4.6. Other - there are no other implications arising from the recommendations of this report.

### 5. Links to ACHSCP Strategic Plan

- 5.1. Ensuring that the APS committee has full awareness of Audit Scotland recommendations which relate to both the IJB and its key partners will help to ensure the IJB successfully delivers on its strategic plan.

### 6. Management of Risk

- 6.1. **Identified risks(s)** There is a risk of financial failure, that demand outstrips budget and IJB cannot deliver on priorities, statutory work, and projects an overspend.
- 6.2. **Link to risks on strategic or operational risk register:** Strategic Risk 2
- 6.3. **How might the content of this report impact or mitigate these risks:** Ensuring that the IJB has an oversight of Audit Scotland reports relating to



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its partners will provide the IJB assurance that it is learning from best practice.