

Audit scope

Local government in Scotland

ACCOUNTS COMMISSION 

Prepared by Audit Scotland

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Background

The Accounts Commission publishes annual reports on the performance of, and challenges faced by, councils and other local government bodies in Scotland.

In recent years, these reports focused on the response to, and recovery from, the Covid-19 pandemic.

In 2024, rather than a single annual overview report, the Accounts Commission moved to introduce a new multi-output programme of overview reporting. This new approach involved moving from large annual overview reports to a broader suite of local government outputs that were shorter and were published throughout the year.

Each output was intended to be focused on a specific aspect of traditional overview reporting with the overall programme of work fitting together to provide a more comprehensive overview of the key policy and performance issues facing the local government sector.

This saw a series of reports and briefing published throughout the year, supported by blogs from the Accounts Commission. It allowed for an increased focus on funding and financial performance, position and sustainability; analysis of service performance; and progress on wider reforms and transformation aimed to ensure services remain sustainable.

A revised approach to overview reporting

From 2025 onwards we are committing to producing three main reports that provide an overview of the financial and operational performance of Scotland's 32 councils at key points throughout the year:

- *Local government in Scotland: Financial bulletin.* A report covering the financial performance and position of Scotland's councils.
- *Local government in Scotland: council budgets.* A report covering budgetary issues both nationally and locally, published just after council budgets are set at the start of the financial year, and the decisions made by Scotland's councils when setting their budgets.
- *Local government in Scotland: Spotlight.* A two-part report outlining how council services have been performing across Scotland, and either a focus on a specific council service or an issue of national significance.

Why is this audit work important?

The way public services were delivered before the pandemic was already unsustainable and this was exacerbated by the impact of Covid-19.

Growing financial pressures have underlined the increasingly urgent need for system-wide reform and transformation across Scotland's councils.

Local government provides some of our most important public services, from the schools Scotland's children and young people attend, to the community and leisure facilities that play a key role in supporting our local communities.

Their services protect the most vulnerable in our society and councils are also large employers, playing a crucial role in their local economies, both in terms of supporting the wider economy and by employing thousands of people.

Wider policy aims, like reducing child poverty and reaching climate change targets will rely on councils. In this context, it is important to report publicly on how local government is performing and what action is being taken to plan over the medium- and longer-term.

How will we carry out this work?

We will review and analyse information from a wide range of published reports, strategies, and data. We will also draw on the audited annual accounts of Scotland's councils, annual audit reports and wider audit intelligence.

This will be supplemented by review and analysis of a range of national performance data, including the Improvement Service's Local Government Benchmarking Framework, and through interviews with senior officials in the Scottish Government and from across local government.

What do we want to happen as a result?

This work will provide an analysis of financial performance and an update on service performance and recovery. It is also intended to inform wider assessments about the sustainability of local government in Scotland.

Our work aims to provide assurance to the public, the Scottish Parliament, and other stakeholders, by increasing transparency and enabling greater scrutiny of Scottish councils' performance and finances.

Timetable

It is our aim that the three major outputs, and any accompanying blogs, will be published annually at key times to support scrutiny, understanding and improvements across local councils:

- the financial bulletin will publish early in the calendar year (before the end of the next financial year/council budget setting processes)
- the budget analysis will publish as early as practicable after budgets are set (to maintain currency)
- and the spotlight will publish in the autumn (to inform the Scottish Parliament's Pre-budget Scrutiny and preceding Scottish Government budget processes).

Following each publication, the Accounts Commission will welcome engagement with key stakeholders.

Contact

If you have any questions or would like more information about our programme of overview reporting please contact Blyth Deans, Audit Director, or Martin McLauchlan, Senior Manager, by email at

bdeans@audit-scotland.gov.uk
mmclauchlan@audit-scotland.gov.uk.

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

T: 0131 625 1500

E: info@audit.scot W: www.audit.scot