

**REPORT TO:           AUDIT & RISK MANAGEMENT SUB-COMMITTEE - 7 JUNE 2010**  
**REPORT ON:           AN OVERVIEW OF LOCAL GOVERNMENT IN SCOTLAND 2009**  
**REPORT BY:           DIRECTOR OF FINANCE**  
**REPORT NO:           295-2010**

**1       PURPOSE OF REPORT**

To provide elected members with a summary of the above national study that has recently been undertaken by Audit Scotland on behalf of the Accounts Commission.

**2       RECOMMENDATIONS**

It is recommended that elected members note the key findings arising from this national study, including Appendix 1 which identifies a range of key issues for elected members to help them to consider and assess how key issues are being dealt with and, in particular, to identify where further action may be required.

**3       FINANCIAL IMPLICATIONS**

There are no direct financial implications arising from this report.

**4       MAIN TEXT**

4.1 Each year the Accounts Commission asks the Controller of Audit (Audit Scotland) to produce an overview report on issues arising from annual local authority audits. The attached report 'An Overview of Local Government in Scotland 2009' provides an overview of how Councils have performed during 2008/09, how services are planned and delivered along with how resources have been used. The key message of the report is that Councils and services are improving although, given the significant budget challenges ahead, urgent action will have to be taken to develop and implement plans that will allow Councils to continue to provide services during the tough times that lie ahead.

4.2 The report is divided into the following three main areas:

Controller of Audit's Foreword

This section includes an introduction and provides a summary of the key issues facing Councils based upon the local government audit work carried out and other performance information that was published during the last year.

Using Resources

This section provides an analysis of Councils' aggregate finances for financial year 2008/09 including both revenue and capital expenditure, pensions and reserves and balances. In addition, details of performance in key areas such as efficiency savings, financial reporting and management, workforce requirements and asset management are included.

### Outcomes for Communities

This section provides information on how Councils are delivering outcomes in partnerships and the introduction of Single Outcome Agreements during 2009. In addition, progress being made by Councils towards achieving key performance outcomes is included. The report provides various examples including older people's healthcare, community safety, homelessness, economy and improving the environment.

4.3 In addition, the report also includes a list of key questions for elected members (see Appendix 1) to help them to consider and assess how key issues are being dealt with and, in particular, to identify where further action may be required.

### 4.4 Conclusion

Council's should take encouragement from the following findings of the overview report:

- a relatively stable financial position for 2008/09 is noted
- commitment has been made towards making more significant trading operations profitable
- almost all Councils achieved clean audit certificates on their 2008/09 financial statements
- the substantial commitment that Councils have made in responding towards their Best Value duty to secure continuous improvements
- good quality outcomes for citizens are being provided
- consideration of shared services development has been significant

4.5 It should be noted that the Council's appointed local external auditor (Audit Scotland) submitted their detailed report on the findings of their audit of Dundee City Council for 2008/09 to the Policy & Resources Committee on 7 December 2010 (please refer to 575-2009). The matters raised in this report have already been considered by the Council and an action plan has been agreed incorporating any "planned management action". The progress on implementing the agreed action points is ongoing and will be monitored through the Council's established procedures for dealing with external audit reports and reviewing previously agreed action plans.

## 5 **POLICY IMPLICATIONS**

This report has been screened for any policy implications in respect of sustainability, Strategic Environmental Assessment, Anti-Poverty and Equality Impact Assessment and Risk Management.

There are no major issues.

## 6 **CONSULTATIONS**

The Chief Executive and Depute Chief Executive (Support Services) have been consulted on the content of this report.

## 7 **BACKGROUND PAPERS**

None.

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**01 JUNE 2010**