



# Local Government Scrutiny Plan

To: All Chief Executives, Main Contacts and APSE Contacts in Scotland

For information only to England, Northern Ireland and Wales

## Key Issues

- The Accounts Commission for Scotland together with the Local Government Strategic Scrutiny Group has now produced the national Local Government Scrutiny Plan for the sector
- The National Scrutiny Plan reflects the work of the Crerar report and findings which established the need for a streamlined and proportionate approach to external scrutiny in local government
- The approach to scrutiny in Scottish local government is now more coherent and co-ordinated
- Each council now has to prepare for discussion with the appropriate audit and regulation organisations, an Assurance and Improvement Plan which is based on self assessment processes/exercises
- The respective plan(s) highlights areas of concern, uncertainty and risk together with mitigating actions. This process influences the amount of external scrutiny a Council will receive in a given year.

## 1. Introduction

- 1.1 The National Scrutiny Plan has been issued by Audit Scotland. The National Scrutiny Plan is jointly prepared by the Local Government Strategic Scrutiny Group in Scotland. The Group is organised by the Accounts Commission through Audit Scotland and consists of Education Scotland, Care Inspectorate (SCSWIS), the Housing Regulator, Her Majesty's Inspectorate of Constabulary for Scotland (HMICS) and Health Care Improvement Scotland.

- 1.2 The plan is based on risk assessments of each Council and agreed national and local priorities. The National Scrutiny Plan is supported by Assurance and Improvement Plans for each of Scotland's 32 Councils.

## **2.0 Background**

- 2.1 The publication of the Crerar Report<sup>1</sup> in 2007 addressed the need for Independent Review and Regulation, Audit, Inspection and Complaints handling in Public Services and encouraged a review of scrutiny in Scottish Local Government. For its part the Scottish Government undertook to develop a more simplified, streamlined and more coherent approach to local government scrutiny as part of its wider approach to improving the arrangements for external scrutiny of public services.
- 2.2 A key aspect of the review was the need to better co-ordinate and streamline strategic scrutiny work at corporate and service levels, whilst continuing to provide assurances to the public. Such an approach marked a fundamental shift for scrutiny which had typically been based on standard audits and inspections done on a routine cyclical basis, to a more risk based and proportionate approach.
- 2.3 In March, the Cabinet Secretary for Finance and Sustainable Growth requested the Accounts Commission undertake a transitional "co-ordinating and gate keeping role" in the planning of scrutiny in local government in Scotland. The Accounts Commission's transitional role was subsequently placed on a permanent footing by the Cabinet Secretary for Finance and Sustainable Growth in March 2011.

## **3.0 Approach to Scrutiny Planning**

- 3.1 The National Scrutiny Plan for Local Government has been jointly prepared by the Local Government Scrutiny Co-ordination Group. This group includes the Accounts Commission, Audit Scotland, Education Scotland, the Care Inspectorate, Scottish Housing Regulator, Her Majesty's Inspectorate of Constabulary for Scotland and Healthcare Improvement Scotland. In addition, COSLA and SOLACE have been agreed in the development of the plan.
- 3.2 To support this each local Council receives/develops an assurance and risk plan which assesses "the strategic and operational risks" they face.
- 3.3 In preparing the Assurance and Improvement Plans Councils look at a range of factors including:
- Vision and Strategic Direction/Leadership and Culture
  - Governance and Accountability
  - Community Engagement
  - Customer Focus and Responsiveness
  - Financial Management
  - Information Management
  - Efficiency
  - People Management
  - Performance Management

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<sup>1</sup> The report of the Independent Review of Regulation, Audit, Inspection and Coamplaints Handling of Public Services in Scotland, September 2007.

- Procurement
- Risk Management
- Planning and resource alignment
- Partnership working and community leadership
- Public Performance Reporting
- Sustainability
- Equalities
- Asset Management

3.4 Each Council's Assurance and Improvement Plan provides information on context and the specific challenges they face. The Plans then make an assessment of the specific challenges each Council faces and the progress being made on achieving positive outcomes. The Plans also identify particular "risks", areas of uncertainty and concerns the Council is facing. Based on an overall analysis the level of scrutiny a Council will be subject to is determined. In addition, the Plans take the opportunity to highlight what improvements the Council will pursue over the period 2012/15.

## 5.0 **APSE Comment and Conclusion**

5.1 The approach to audit the scrutiny in Scottish Local Government has been developed in a consensual manner. The approach being adopted takes full cognisance of the issues facing the local government sector and individual Councils. The methodology employed also incorporates and builds upon the key elements of Best Value. The subsequent scrutiny activity is based on how a Council sees itself which in turn is based on the results of both corporate and service based self evaluation exercises. The process tries to build a degree of consensus between the Councils and the external audit, inspection and regulatory organisations about areas of uncertainty, risk and concern. This then determines the nature and volume of external scrutiny a Council will receive. The amount of scrutiny is therefore proportionate to a Council's overall position in both corporate and service terms. APSE endorses the approach being adopted by the Local Government Strategic Scrutiny Group as it recognises the need for public services to be subject to a degree of audit and regulation. In addition, APSE welcomes the joint work between this group and the local government sector in that the model recognises proportionality. For its part APSE has recently worked with Audit Scotland on key elements of the scrutiny framework in terms of producing a report which encourages Council's to have a greater focus on costs. The report address the need for effective financial and performance management with a focus on benchmarking APSE has a wealth of experience in this area through its Performance Network service.

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