

**LOCAL SCRUTINY PLAN 2017/18 – AUDIT SCOTLAND**

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**1. INTRODUCTION**

- 1.1 This report introduces the Local Scrutiny Plan (LSP) 2017/18 and is for members' information. The Local Scrutiny Plan sets out the planned scrutiny activity in Argyll and Bute Council during financial year 2017/18 and is based on a shared risk assessment undertaken by a Local Area Network (LAN), comprising representatives of all scrutiny bodies who engage with the Council.

**2. RECOMMENDATIONS**

- 2.1 The Audit Committee is asked to note the content of the Local Scrutiny Plan 2017/18.

**3. DETAIL**

- 3.1 The LSP provides commentary on the risk areas that the LAN has identified as requiring scrutiny. Details of planned scrutiny activity is outlined in the Plan, attached as Appendix 1 to this report. In addition, routine scheduled audit and inspection work will take place through the annual audit process and the on-going inspection of School and care establishments by Education Scotland and the Care Inspectorate respectively. Individual agencies will continue to monitor developments in key areas of Council activity and will provide support and challenge as appropriate.
- 3.2 Sections 3 to 11 of the Plan provides detail on scrutiny risk areas and action taken or plans in place to address or mitigate these. Amongst other things, there is commentary on areas such as financial sustainability. The report highlights that Councils are facing significant financial pressures with reductions in funding and the need to reconfigure services. It further notes that the Council has recognised this risk as part of its risk management process, and has formally agreed that officers should develop a medium to longer term financial strategy to address indicative funding gaps and savings targets for the years 2018/19, 2019/20 and beyond, in accordance with a defined set of budgetary principles.
- 3.3 The report also notes the recent Strategic inspection of the Council's education functions which identified areas of strength as well as areas which require improvement. Education Scotland will provide support and monitor the Council's progress towards improvement on the agreed actions. Education Scotland will carry out further inspection visits within the timescales specified in the published report.
- 3.4 Section 16 of the report notes that a new approach to auditing Best Value was agreed in June 2016 whereby Best Value will be now be assessed over the five

year audit appointment, as part of the annual audit work. A Best Value Assurance Report (BVAR) for each council will be considered by the Accounts Commission at least once during this five year period. The BVAR report for Argyll and Bute is not planned in the period covered by this scrutiny plan.

- 3.5 The audit work planned this year will focus on the Council's arrangements for demonstrating Best Value in financial and service planning, financial governance and resource management. Audit Scotland will report the results of this work in the 2016/17 annual audit report.

#### **4. CONCLUSION**

- 4.1 The Local Scrutiny Plan highlights risk areas identified by the LAN as requiring scrutiny; it does not identify or address all risks in the Council. The Council will be subject to planned scrutiny activity supported by routine Audit and Inspection activity.

#### **5. IMPLICATIONS**

- 5.1 Policy - None
- 5.2 Financial -None
- 5.3 Legal -None
- 5.4 HR - None
- 5.5 Equalities - None
- 5.6 Risk – The Local Scrutiny Plan and any findings may inform future year Audit Plan.
- 5.7 Customer Service - None

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27 June 2017**

#### **For further information contact:**

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#### **APPENDICES**

Appendix 1 – Local Scrutiny Plan 2017/18