


Local government financial overview 2017/18

Scrutiny tool for councillors

ACCOUNTS COMMISSION 



This scrutiny tool captures some potential questions for councillors and relates to our report [Local government in Scotland: Financial overview 2017/18](#) . It is designed to provide councillors with examples of questions they may wish to consider to help them better understand their council's financial position and to scrutinise financial performance.

How well informed am I?

Questions for councillors to consider

What do I know?

Do I need to ask further questions?

Financial planning and budget

1. Does your council have a long-term financial strategy (ten years or more) that reflects the anticipated changes in demographics and demands on services?

2. Do medium and long-term financial plans include a range of potential funding and financial scenarios?

3. What is your council's financial position? What particular challenges does the council face?

4. What new financial pressures are there for 2018/19 and 2019/20 and how much will these cost?

Cont.

How well informed am I?

Questions for councillors to consider

What do I know?

Do I need to ask further questions?

5. How do you engage with the budget setting process and ensure you have the opportunity to influence the development and content of a strategic budget?

6. How does annual budget setting link to medium and long-term financial planning in your council?

Savings and transformation plans

7. Does your council have a savings plan? What are the options to close future funding gaps? How well are you kept informed about progress in delivering those savings?

8. Which service areas are under the most pressure to make savings? What impact will savings have on the delivery of services and outcomes for service users, the wider community and the local economy? What are the potential risks?

9. Does your council have a transformation plan? Does it clearly set out the aims and objectives and how and when these will be achieved?

10. Does the transformation programme of work aim to make positive change to improve outcomes for communities? Is it about seeking opportunities to do things differently to maintain or improve performance or is the focus only on making savings?

11. Are projects within the transformation programme achieving their aims in terms of service quality, performance and cost?

12. How effectively are you engaged and informed about the council's transformation programme and kept informed about progress?

13. Are detailed options appraisals or business cases set out for changes to services planned within transformation activity?

How well informed am I?

Questions for councillors to consider

What do I know?

Do I need to ask further questions?

Reserves

14. What is the council's reserves policy?

15. What have reserves been used for in recent years? Supporting services and bridging the funding gap or transforming services?

16. What are the different types of usable reserves your council holds? Do you know what these can be spent on?

17. What is the likely use of unearmarked reserves for 2018/19? How does the remaining unearmarked reserve compare to forecast funding gaps?

18. What are the plans for using the different reserve funds in 2019/20 and beyond? Are these plans appropriate and reasonable?

19. Is it clear that the reserves are needed for the purposes they are assigned? Are the reserves sufficient for those purposes? Could the reserves be better used for something else?

Levels of debt and affordability

20. What is the council's current debt position? Do you have clear information about the potential need for future borrowing when agreeing authorised borrowing limits?

21. What share of the council's budget is taken up with interest payments and debt repayment?

22. What proportion of the council's debt is linked to inflation or at fixed rates? What does this mean for longer-term affordability?

How well informed am I?

Budget outturn reports and management commentaries

23. Do budget monitoring reports clearly explain financial performance against plans and any changes to plans, including the reasons for change?
24. Does the management commentary clearly explain the council's financial performance and the changes to plans and reasons for those changes?

Financial scrutiny

25. What additional training would you like to receive to develop your knowledge and skills for financial scrutiny?

Charging for services

26. Does your council have a charging policy? Is this in line with corporate plans and objectives? When was this last reviewed?
27. Do you receive sufficient information about the potential impact on the service and the wider community when making decisions about changing fees and charges?
28. What information do you need to be able to explain increases in fees and charges to your constituents?

Integration joint board

29. What is the IJB's financial position? Is it financially sustainable?
30. What are the levels of reserves held by the IJB? Are these in line with the IJB's reserve policy?
31. What does the IJB's financial position mean for the council and for the delivery of services?

How well informed am I?

Questions for councillors to consider

What do I know?

Do I need to ask further questions?

EU withdrawal

32. What planning and measures has your council undertaken in preparation for EU withdrawal?

33. What are the risks and potential impacts of EU withdrawal for the function of your council and for the communities of your council area, in terms of workforce, regulation and funding?



Audit Scotland, 4th Floor, 102 West Port, Edinburgh EH3 9DN
T: 0131 625 1500 E: info@audit-scotland.gov.uk
www.audit-scotland.gov.uk

For the latest news, reports and updates, follow us on:

