

Moray Council

Appendix 2

DRAFT 2018/19 Annual Audit Report



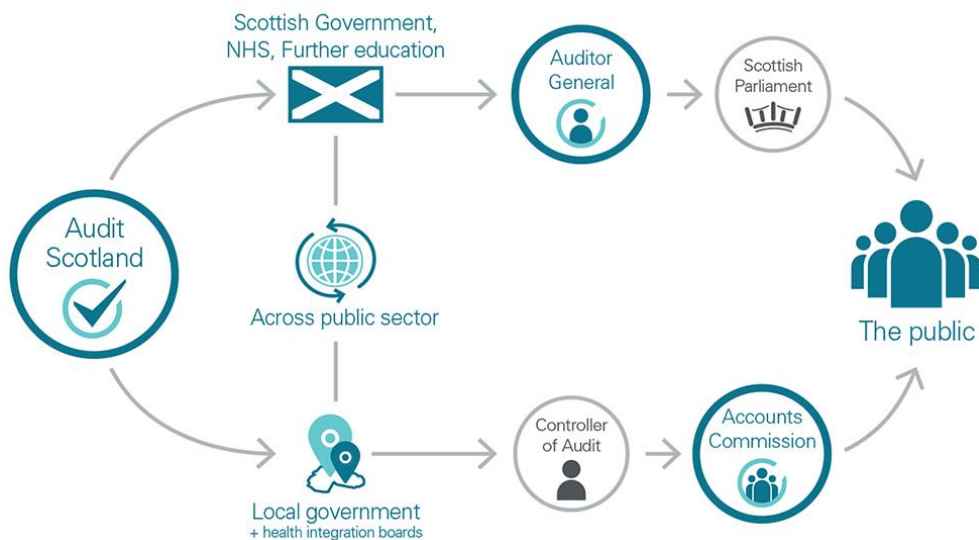
 AUDIT SCOTLAND

Prepared for the Members of Moray Council and the Controller of Audit
September 2019

Who we are

The Auditor General, the Accounts Commission and Audit Scotland work together to deliver public audit in Scotland:

- the Auditor General is an independent crown appointment, made on the recommendation of the Scottish Parliament, to audit the Scottish Government, NHS and other bodies and report to Parliament on their financial health and performance
- the Accounts Commission is an independent public body appointed by Scottish ministers to hold local government to account. The Controller of Audit is an independent post established by statute, with powers to report directly to the Commission on the audit of local government
- Audit Scotland is governed by a board, consisting of the Auditor General, the chair of the Accounts Commission, a non-executive board chair, and two non-executive members appointed by the Scottish Commission for Public Audit, a commission of the Scottish Parliament.



About us

Our vision is to be a world-class audit organisation that improves the use of public money.

Through our work for the Auditor General and the Accounts Commission, we provide independent assurance to the people of Scotland that public money is spent properly and provides value. We aim to achieve this by:

- carrying out relevant and timely audits of the way the public sector manages and spends money
- reporting our findings and conclusions in public
- identifying risks, making clear and relevant recommendations.

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Key messages

2018/19 annual accounts

- 1** All audit opinions for Moray Council, its group and its section 106 charities are unqualified.
- 2** The pensions liability has increased by £10 million following decisions by the UK Supreme Court in June 2019.
- 3** Although the management commentary is consistent with the accounts, it falls short of expectations outlined in the Financial Overview Report in 2017/18.

Financial management & financial sustainability

- 4** Financial management is effective. The 2018/19 budget included the use of reserves (£4.7 million) and a savings target of £6.3 million. Savings were delivered and the actual use of reserves was in line with budget.
- 5** The council continues to rely on lots of small savings and using reserves to balance its 2019/20 budget and is at risk of running out of general fund reserves in 3-4 years.
- 6** A medium-term financial strategy has been developed but this lacks detailed savings plans. A long-term financial plan does not exist.

Governance, transparency and value for money

- 7** Corporate management is being restructured to support strategic leadership capacity.
- 8** The council and its community planning partnership (CPP) partners have yet to develop a performance framework for the LOIP and the council has not produced council-wide performance reports for 2017/18.

Introduction

1. This report summarises the findings arising from the 2018/19 audit of Moray Council and its group (the council). The scope of the audit was set out in our 2018/19 Annual Audit Plan presented to the Audit and Scrutiny Committee on 27 February 2019. This report comprises the findings from an audit of the annual report and accounts and consideration of the four audit dimensions that frame the wider scope of public audit set out in the [Code of Audit Practice 2016](#) as illustrated in Exhibit 1.

Exhibit 1 Audit dimensions



Source: Code of Audit Practice 2016

2. The main elements of our audit work in 2018/19 have been:

- an audit of the key controls operating within the main financial systems and review of governance arrangements
- audit work covering the arrangements for securing Best Value relating to financial management, financial sustainability and vision and leadership
- an audit of the 2018/19 annual accounts of the council and its group and the 30 section 106 charities it administers, including the issue of independent auditor's reports setting out our opinions.

Added value through the audit

3. We add value to the council through the audit by:

- identifying and providing insight on significant risks, and making clear and relevant recommendations for improvements that have been accepted by management

- sharing intelligence and good practice through our national reports ([Appendix 3](#)) and good practice guides
- providing clear and focused conclusions on the appropriateness, effectiveness and impact of corporate governance, performance management arrangements and financial sustainability.

4. In so doing, we aim to help council promote improved standards of governance, better management and decision making and more effective use of resources.

Responsibilities and reporting

5. The council has primary responsibility for ensuring the proper financial stewardship of public funds. This includes preparing annual accounts that are in accordance with proper accounting practices. The council is also responsible for compliance with legislation, and putting arrangements in place for governance, propriety and regularity that enable it to successfully deliver its objectives.

6. Our responsibilities as independent auditor appointed by the Accounts Commission are established by the Local Government in Scotland Act 1973, the [Code of Audit Practice 2016](#) and supplementary guidance, and International Standards on Auditing in the UK. As public sector auditors we give independent opinions on the annual accounts. Additionally, we conclude on:

- the effectiveness of the council's performance management arrangements
- the suitability and effectiveness of corporate governance arrangements, and financial position
- the arrangements for securing financial sustainability and,
- best value arrangements.

7. In doing this we aim to support improvement and accountability. Further details of the respective responsibilities of management and the auditor can be found in the [Code of Audit Practice 2016](#).

8. This report raises matters from the audit of the annual accounts and consideration of the audit dimensions. Weaknesses or risks identified are only those which have come to our attention during our normal audit work and may not be all that exist. Communicating these does not absolve management from its responsibility to address the issues we raise and to maintain adequate systems of control.

9. Our annual audit report contains an agreed action plan at [Appendix 1](#) setting out specific recommendations, responsible officers and dates for implementation. It also includes outstanding actions from last year and the steps being taken to implement them.

10. We can confirm that we comply with the Financial Reporting Council's Ethical Standard. We can also confirm that we have not undertaken any non-audit related services. The 2018/19 audit fee of £235,400, as set out in our Annual Audit Plan, remains unchanged. We are not aware of any relationships that could compromise our objectivity and independence.

11. This report is addressed to both the council and the Controller of Audit and will be published on Audit Scotland's website www.audit-scotland.gov.uk in due course. We would like to thank all management and staff for their cooperation and assistance during the audit.

Part 1

Audit of 2018/19 annual accounts



Main judgements

All audit opinions for the council and its group are unqualified.

All audit opinions for the connected charity trusts are unqualified, though limited progress has been made to rationalise these.

The council's pension liability increased by £10.3 million following decisions by the UK Supreme Court in June 2019.

Although the management commentary is consistent with the accounts, it falls short of expectations outlined in the Financial Overview Report in 2017/18

The council's annual accounts are the principal means of accounting for the stewardship of resources and performance in the use of resources.

The annual accounts received unqualified opinions

12. The annual accounts for the council and its group for the year ended 31 March 2019 were approved by the Moray Council on 26 September 2019 (TBC). We reported, within the independent auditor's report, that:

- the financial statements give a true and fair view and were properly prepared
- the management commentary, annual governance statement and the audited part of the remuneration report were all consistent with the financial statements and properly prepared in accordance with the relevant regulations and guidance.

13. Additionally, we have nothing to report in respect of misstatements in other information presented with the financial statements, the adequacy of accounting records or the information and explanations we received.

Audit opinions on section 106 charities were unqualified

14. A separate independent auditor's report is required for the statement of accounts of each registered charity where members of Moray Council are sole trustees. We received the charities' accounts in line with the agreed timetable and after completing our audit we issued an unqualified audit opinion on the 2018/19 statements

Limited progress has been made with transferring the connected charities into the single trust set up in August 2016

15. Since 2012/13 the council has reduced the number of its trusts from 127 to 58 (28 of the trusts don't have charitable status). It has also set up a single trust 'The Moray Council Charitable Trust' which was registered with OSCR in August 2016. The plan is to transfer the remaining 30 trusts into this single trust. However, due to capacity issues within the council's legal and democratic service only one charity transferred during 2018/19.

Finance staff provided good support to the audit team

16. We received the unaudited annual accounts on 27 June 2019 in line with the audit timetable set out in our 2018/19 Annual Audit Plan. The working papers provided with the unaudited accounts were of a good standard and finance staff provided good support to the audit team during the audit.

17. The accounts document was comprehensively reviewed during 2018/19 in an effort to streamline the annual accounts. We contributed to this process and commend this effort to focus and reduce the length of the financial statements.

No objections were received to the annual accounts

18. The Local Authority Accounts (Scotland) Regulations 2014 require a local authority to publish a public notice on its website that includes details of the period for inspecting and objecting to the accounts. This must remain on the website throughout the inspection period. The council complied with the regulations and there were no objections to the accounts.

We identified and addressed risks of material misstatement

19. [Appendix 2](#) provides a description of those assessed risks of material misstatement in the annual accounts and any wider audit dimension risks that were identified during the audit planning process. It also summarises the work we have done to gain assurance over the outcome of these risks.

Our materiality levels were unchanged from our annual audit plan

20. The assessment of what is material is a matter of professional judgement and involves considering both the amount and nature of the misstatement. On receipt of the unaudited annual accounts we reviewed our materiality levels and concluded that they remained appropriate. These are shown in Exhibit 2.

Exhibit 2 Council materiality values

Materiality level	Amount
Overall materiality	£3.6 million
Performance materiality	£0.9 million
Reporting threshold	£100,000

Source: Audit Scotland, Annual Audit Plan 2018/19

21. We also set separate materiality levels for the Connected Charity Trust Funds as outlined in Exhibit 3.

Exhibit 3

Connected Charity Trust Funds materiality values

Materiality level	Amount
Overall materiality	£19,000
Performance materiality	£11,000
Reporting threshold	£1,000

Source: Audit Scotland



We have significant findings to report in accordance with ISA 260

22. International Standard on Auditing (UK) 260 requires us to communicate significant findings from the audit to those charged with governance, including our view about the qualitative aspects of the body's accounting practices. We have no significant findings to report around the qualitative aspects of the annual accounts including the accounting policies, accounting estimates and judgements in the 2018/19 annual accounts. Significant findings are summarised in Exhibit 4.

Exhibit 4

Significant findings from the audit of the financial statements

Issue	Resolution
<p>1. Pension scheme valuations</p> <p>In January 2017 an employment tribunal ruled that a group of claimant judges had been subject to age discrimination when they were transferred to a new career average scheme, known widely as the McCloud case. The UK Government sought leave to appeal this decision but in June 2019 the appeal was denied by the UK Supreme Court.</p> <p>This issue arose in June 2019 and has been treated as an adjusting event. The actuary, Mercers, produced revised (IAS 19) reports for the council and its associates to take account of the impact of the McCloud case.</p> <p>This has affected all final salary pension schemes across the public sector.</p>	<p>This impact of this post balance sheet adjusting event has been adjusted in the audited annual accounts.</p> <p>The amendments increased the council and its group's pension liability by £10.3 million.</p> <p>In addition, in accordance with IAS 10, a narrative disclosure has been included in Note 9.</p>
<p>2. Classification of the impairment of financial assets</p> <p>The impairment of financial assets had been incorrectly classified as a service cost rather than within Financing and Investment Income as required by the Code.</p>	<p>This misstatement has been adjusted in the audited accounts.</p> <p>The amendment reduced Net Cost of Services and increased Financing and Investment Income and Expenditure by £0.2 million.</p>
<p>3. Capitalisation of borrowing costs</p> <p>The unaudited accounts include £0.1 million of borrowing costs which have been included within Non-Current Assets. The Code permits borrowing costs to be capitalised but requires the council to</p>	<p>The Head of Financial Services does not agree with our interpretation of the Code and has not amended the audited accounts for this misstatement. As a result, Non-Current Assets are overstated and the</p>

Issue	Resolution
<p>borrow funds and use them for the purpose of obtaining a qualifying asset.</p> <p>The council did not borrow to fund its general services capital programme during 2018/19 and so, in our opinion, borrowing costs should not have been capitalised in 2018/19.</p>	<p>deficit on the provision of services is understated by £0.1 million in the audited accounts.</p> <p>This amount is not material to our opinion on the financial statements.</p> <p>We will discuss this further with the council as part of our 2019/20 audit.</p> <p> Recommendation 1</p>
<p>4. Classification and valuation of Common Good Fund asset</p> <p>Cullen Town Hall was approved for sale in January 2019 but was not included in assets held for sale at 31 March 2019, nor had it been revalued to its expected sale price (£30,000).</p>	<p>This misstatement has been adjusted in the audited annual accounts.</p> <p>The amendments reduce the value of Common Good Fund assets by £0.5 million.</p>
<p>5. Group accounts – associates</p> <p>Audit adjustments were made to the unaudited accounts of the Grampian Valuation Joint Board (to reflect the impact of the McCloud judgement £0.6 million) and Moray Leisure Limited. These bodies are consolidated into the council's group accounts and so amendment was also required to the council's group accounts.</p>	<p>The audited accounts have been amended to reflect the changes made to the associates accounts.</p>
<p>6. Management commentary</p> <p>The management commentary that accompanies the financial statements should explain in simple terms and provide clarity to readers in order to help them understand clearly how the council has performed. Last year we recommended that this could be improved.</p> <p>Although the management commentary is consistent with the accounts, our review concluded that it falls short of the expectations outlined in the Accounts Commission's Financial Overview report 2017/18:</p> <p>Is the outturn against the budget position for the year clearly shown with the reasons for the significant variances obvious ?</p> <p>Is the outturn reported in the narrative reconciled to the movement in the General Fund contained in the financial statements with major differences explained ?</p> <p>Is the progress against agreed savings plans/efficiencies reported ? If not, how are they demonstrating to readers that planned savings were achieved ?</p> <p>Although the council's management commentary included narrative on two of these aspects, there is scope to improve the clarity of reporting for readers of the accounts.</p>	<p>The audited management commentary is consistent with the accounts and has been amended to improve disclosure, but the clarity of the outturn against budget and the reconciliation of this to the financial statements outturn could still be improved.</p> <p> Recommendation 2</p>

All material adjustments have been made in the audited statements

23. There was one material (by value) adjustment to the unaudited financial statements due to the requirement to revise the pension liabilities for the impact of the McCloud judgement detailed in Exhibit 4 above. All individual misstatements which exceeded our reporting threshold have been amended in the audited annual accounts except for the adjustment relating to the capitalisation of borrowing costs (see Exhibit 4 for impact of this unadjusted error).

24. In each case we considered whether further audit procedures were necessary. In the case of the McCloud judgement we requested that the council obtain a revised IAS19 valuation from the actuary reflecting this judgement. We also encouraged group auditors to do the same for their audits. The estimate of the total effect was identified in the revised IAS 19 report.

25. We have concluded that the misstatements set out in Exhibit 4 are contained and do not indicate further systematic error within the account areas or more pervasively within the financial statements. It is our responsibility to request that all misstatements, other than those below the reporting threshold, are corrected

Data analytics

26. In 2018/19 we used data analytics as part of our planned audit approach. Data analytics is defined by the International Auditing and Assurance Standards Board (IAASB) as *“the science and art of discovering and analysing patterns, deviations and inconsistencies.... in the data underlying.... an auditfor the purpose of planning and performing the audit”*. Such techniques provide ways of dealing with high volumes of transactions as well as complexity. They also enhance audit quality and efficiency.

27. Reperformance of the trial balance/ accounts classification. We obtained and analysed every general ledger transaction processed in 2018/19. The collected data was used to reperform the trial balance and confirm that the accounts agree to the ledger.

28. Risk tagging of individual transactions. We used a risk-tagging model to review all ledger transactions. The model incorporated factors such as value, timing, context and nature. We investigated high scoring transactions. The results of this testing were satisfactory, and we did not identify evidence of fraud or significant management bias.

Prior year recommendations are being progressed

29. The council has made progress in implementing our prior year audit recommendations with 3 actioned and 5 ongoing. For actions not yet implemented, revised responses and timescales have been agreed with management, and are set out in [Appendix 1](#).

Part 2

Financial management



Main judgements

Financial management is effective. The 2018/19 budget included the use of reserves (£4.7 million) and a savings target of £6.3 million. Savings were delivered, and the actual use of reserves was in line with budget.

Financial system controls are operating effectively in most areas, but we reported some weaknesses in our management report.

Financial management is about financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively

The council's 2018/19 budget included the use of unearmarked reserves (£4.7 million) and savings (£6.3 million)

30. The council approved its 2018/19 budget in February 2018. The revenue budget was set at £199 million with an identified funding gap of £11million. Plans to address this gap included £6.3 million of savings and a transfer of £4.7 million from unearmarked reserves. Council tax was also increased by 3%.

The council used £4.6 million of its general fund balance during 2018/19 in line with budget

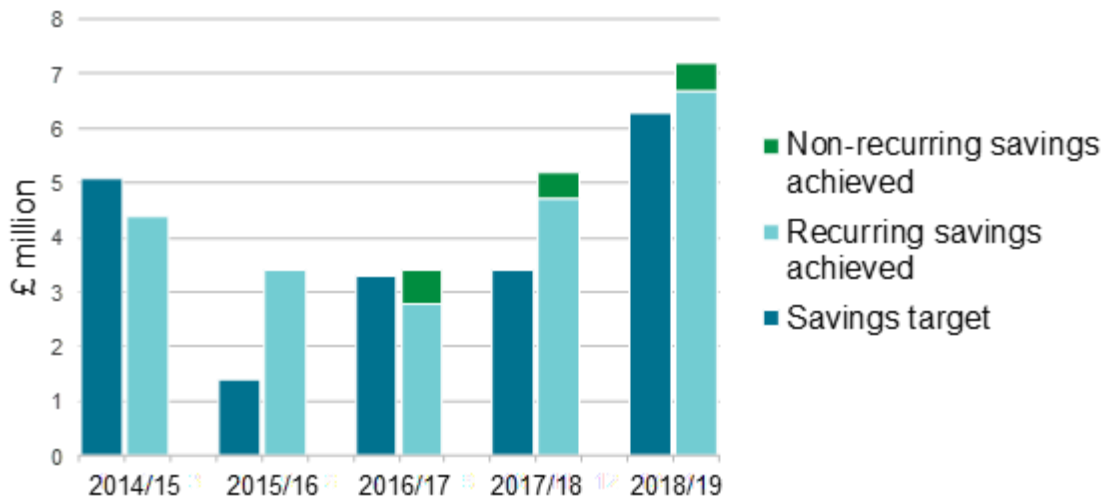
31. The Council reported an overall underspend against its original 2018/19 general fund revenue budget of £0.1 million. This was due to actual expenditure being more than budgeted by £2.7 million but offset by the receipt of additional income totalling £2.8 million (£1.5 million from council tax receipts and £1.3 million from additional government grants).

The council has a track record of delivering savings, but they are becoming increasingly difficult to find

32. The council achieved £7.2 million of savings against a target level of £6.3 million during 2018/19. Most of the approved savings were achieved with additional savings found to replace those not made. As illustrated in [Exhibit 5](#), the council has a successful track record of delivering savings with total cumulative savings since 2014/15 of around £23 million. The outturn report acknowledges, however, that savings are increasingly difficult to find.

Exhibit 5

Savings – target compared to achieved



Source: Moray Council

Financial management and reporting is effective

33. Financial monitoring reports (revenue and capital) are included in a comprehensive financial report monitoring pack and discussed at the Policy and Resources Committee on a quarterly basis. The information presented in the pack is appropriate and sufficiently detailed to support effective scrutiny. In addition, budget monitoring reports are reviewed by budget holders on a monthly basis and reports are provided to the Corporate Management Team on a quarterly basis.

34. Our review of these reports concluded that they provided an overall picture of the budget position at service level. The reports also included a forecast outturn position and good narrative explanations for significant variances against budget.

The council invested £41 million in capital projects during 2018/19

35. In February 2018, the council approved the 2018/19 Capital Plan totalling £73.8 million. Amendments were made to the Capital Plan by the council and the Policy and Resources Committee throughout the financial year to give a final approved Capital Plan of £50 million (£30.7 million for general services and £20 million for HRA). The main changes were due to the decision to defer a number of projects to future years so that the council could review its overall asset base and align it with its corporate priorities.

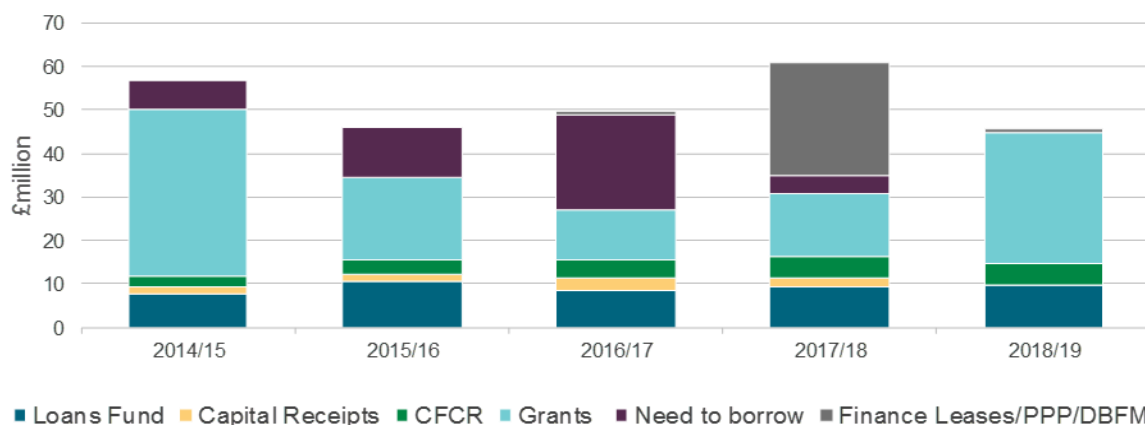
36. The council spent £41 million in capital projects during 2018/19: 80% of its final approved capital programme. Nearly £8 million was invested in new council houses and £5 million in improving the current housing stock. Within general services, the majority of expenditure was within Education Services including the new Lossiemouth High School.

The majority of the capital programme was funded through capital grants from the Scottish Government

37. Exhibit 6 sets out how capital expenditure was funded during the year. For 2018/19, the majority of funding was from Scottish Government grants. This was mainly due to increased capital grant received to fund the new Lossiemouth High School. The council's underlying need to borrow reduced by £5 million during 2018/19.

Exhibit 6

Sources of finance for capital expenditure



Source: Council's Financial Statements

Capital receipts have been used to fund exit packages resulting from the council's transformation projects

38. Scottish Ministers permit councils to use capital receipts to fund projects designed to transform service delivery to reduce costs and/or reduce demand, or both. The council used £0.443 million of its capital receipts to fund exit packages resulting from the council's transformation projects in 2018/19.

Financial system controls are operating effectively in most areas but there were some weaknesses

39. As part of our audit we identify and inspect the key internal controls in those accounting systems which we regard as significant to produce the financial statements. Our objective is to gain assurance that the council has systems of recording and processing transactions which provide a sound basis for the preparation of the financial statements.

40. Our findings were included in our management report which we presented to the Council in August 2019. We concluded that key controls were operating effectively with the exception of payroll validation checks, the completion of the housing rents reconciliation and changes to suppliers' bank details. We revised our audit approach in response to the weaknesses identified to enable us to obtain sufficient assurance to conclude on the 2018/19 annual accounts.

Internal audit operates in accordance with the Public Sector Internal Audit Standards

41. Internal audit was externally assessed during 2018/19 and was found to 'generally conform' with the Public Sector Internal Audit Standards. The assessment identified twelve recommendations for improvement, all of which have been accepted by management. We will monitor progress in implementing the agreed actions as part our 2019/20 audit.

Part 3

Financial sustainability



Main judgements

The council continues to rely on lots of small savings and using reserves to balance its 2019/20 budget

So far, the council reports a small underspend against its 2019/20 budget, and this includes overspends on Social Care services

Moray Council is at risk of running out of general fund reserves in 3-4 years.

A medium-term financial strategy has been developed but this lacks detailed savings plans. A long-term financial plan does not exist.

Financial sustainability looks forward to the medium and long term to consider whether a body is planning effectively to continue to deliver its services or the way in which they should be delivered.

The council continues to rely on lots of small savings and using reserves to balance its 2019/20 budget

42. In February 2019 the council approved a balanced net revenue budget of £204 million for 2019/20. After council tax increases of 4.79%, the resulting budget gap of £15 million was funded from reserves (£5 million) and savings (£10 million). As in previous years, the planned savings for 2019/20 are made up of many small amounts. The more significant savings include:

- £1 million reduction to the roads' maintenance budget
- £0.250 million from the council's Improvement and Modernisation Programme (refer to paragraph 52 below).

So far, the council reports a small underspend against its 2019/20 budget, but this includes overspends on Social Care services provided on behalf of the Integration Joint Board

43. The latest budget monitoring report records that the council had underspent its general services budget by £0.04 million (0.02%) as at 30 June 2019.

44. The report notes that Social Care services delivered on behalf of Moray Integration Joint Board (IJB) are overspent by £0.5 million as at 30 June. The most recent IJB monitoring report (at 30 June 2019) records an overspend against the total IJB 2019/20 budget (including NHS expenditure) of £0.8 million. A The council funds the IJB in partnership with NHS Grampian and is responsible for 37% of any deficit incurred by the IJB.

Unearmarked general fund reserves have been reducing

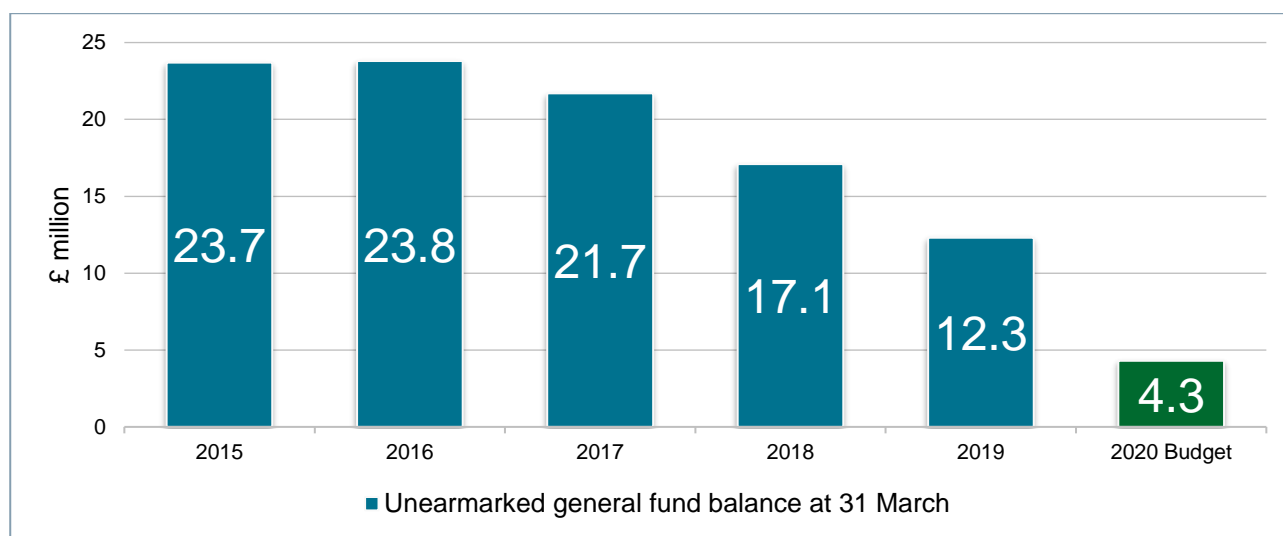
45. The council considers the level of its general fund reserve when setting the budget each year. The council's approved reserves strategy is to hold £5 million as

unearmarked reserves. In, the 2019/20 budget the council agreed to breach this minimum level due to its challenging financial position.

46. Exhibit 7 provides a summary of unearmarked general reserve balances since 31 March 2015. This shows that the unearmarked general fund balance has been reducing since 2015/16 and is budgeted to fall below £5 million (2.5% of gross expenditure) by 31 March 2020.

Exhibit 7

Unearmarked general fund balances



Source: Council's Financial Statements and 2019/20 Budget Report

Moray Council is at risk of running out of general fund reserves in 3-4 years

47. Taking into account the total general fund reserves of the council (which includes earmarked and unearmarked elements) and totals £14.1 million and the average rate of depletion (£4.4 million), the council is at risk of running out of revenue reserves within 4 years (Exhibit 8). If we look only at the unearmarked element of the general fund (£12.3 million) then this might disappear within 3 years, at the current rate (£4.7 million). The planned use of reserves in 2019/20 is £5.1 million. This would leave the council without any contingency balance to meet unforeseen events and may jeopardise existing maintenance and capital plans in general services and in the HRA.

Exhibit 8

The historic balance and use of general fund reserves (excluding HRA)

Reserve	£ million at 31 March 2017	£ million at 31 March 2018	£ million at 31 March 2019
General Fund Balance - unearmarked	21.7	17.1	12.3
General Fund Balance - earmarked	1.1	1.6	1.8
Total general fund reserve	22.8	18.7	14.1
Annual reduction		-4.1	-4.6

Source: unaudited financial statements Moray Council

The council has set aside more in 2019/20 to fund transformation but needs to deliver additional savings

48. In September 2019, members agreed to set aside £2 million in an earmarked reserve to be used to help the council meet the priorities set out in the Corporate Plan. It is intended that any one-off expenditure which assists the achievement of financial sustainability (such as exit packages) will be funded from this earmarked reserve. This is in addition to the £0.7 million set aside in December 2018 to fund transformation projects.

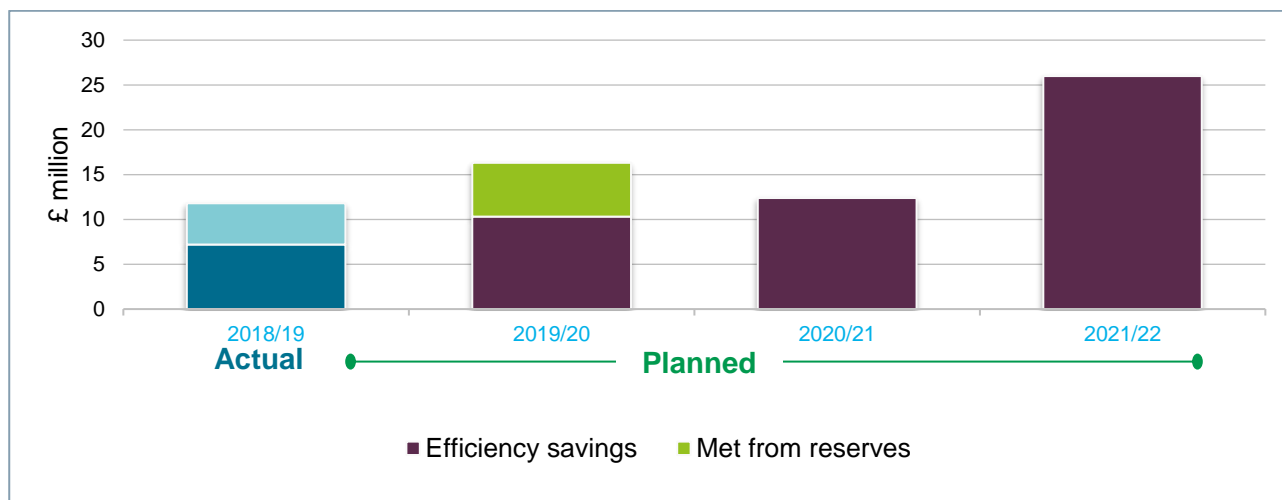
49. Current projections are that the unearmarked balance will be reduced to £7.8 million as at 31 March 2020. Which enables the council to meet the current rate of depletion for just over one more year unless the transformation projects deliver additional savings in that time.

A medium-term financial strategy is in place, but this lacks detailed savings plans. A long-term financial plan does not exist

50. Current projections indicate that the council faces significant funding gaps for 2019/20, 2020/21 and 2021/22. Exhibit 9 shows that the council plans to bridge these gaps from efficiency savings, which is appropriate given the depletion of reserves. The council has yet to detail the actions that will achieve these levels of savings.

Exhibit 9

Identified funding gaps 2018/19 – 2021/22



Source: Council's 2018/19 Outturn Report and Corporate and Financial Planning 2018/19 Report

51. The council acknowledges, in its latest Corporate Plan, that sustainable service delivery will require extensive and detailed consideration of every aspect of what services the council can provide, to what scale and quality, and how services are delivered.

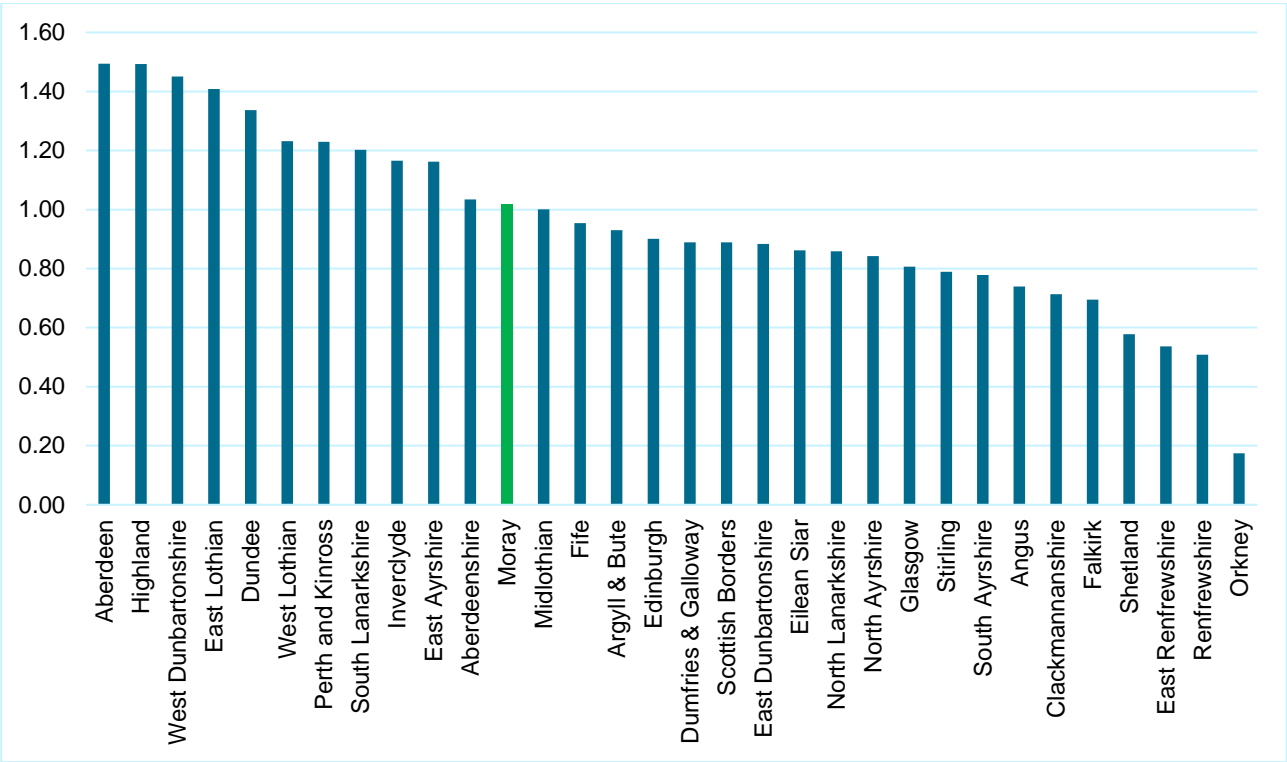
52. We reported last year that work had begun to develop an Improvement and Modernisation Programme to deliver the transformational change required to achieve medium- and long-term financial sustainability. Although work has continued during 2018/19, progress in developing projects to transform Education and Integrated Children's Services has been slower than expected. These services account for nearly half of the council's net expenditure and so transforming how these are delivered is essential to achieving financial sustainability.

The Council's underlying borrowing position is relatively consistent with other councils

53. The Council's total borrowing is £274 million. If the Council is to realise its usable reserves of £21 million, it can call on its cash balance of £18 million, but over time it will need to undertake further borrowing for the rest (£3 million). This represents the underlying borrowing position of £277 million. This is just exceeding the council's total annual revenue of £271 million (1.02 times) which is consistent with a majority of councils that have an underlying borrowing position of between 0.8- and 1.2-times annual revenue (Exhibit 10).

Exhibit 10
Underlying borrowing as a proportion of annual revenue

The underlying borrowing position of councils varies from 0.17 to 1.49 times annual revenue



Source: unaudited financial statements 2018/19

Part 4

Governance and transparency



Main Judgements

Appropriate governance arrangements are in place to support decision making.

Corporate management is being restructured to support strategic leadership capacity.

The council has appropriate arrangements to assess the risk of key supplier dependency and is reasonably prepared for EU withdrawal

Governance and transparency is concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision making and transparent reporting of financial and performance information.

Appropriate governance arrangements are in place to support decision making

54. The Council's committee structure is a sound foundation for good governance and accountability. We attended Audit and Scrutiny Committee meetings and reviewed agendas, papers and minutes from meetings of the Policy and Resources Committee, as well as full Council meetings during 2018/19. The papers provided by officers are generally of a good standard and provide members with a good overview of the issues being covered, together with more detailed information as appropriate. This helps to ensure that issues are debated at committee meetings.

Corporate management is being restructured to support strategic leadership capacity

55. Last year we reported that management capacity was under pressure and recommended that it should be reviewed to ensure that it is sufficient to deliver the transformational change programme required to deliver financial sustainability in addition to 'business as usual'.

56. As part of the Improvement and Modernisation Programme, the council commissioned an external adviser to review the council's corporate management structure. The aim of the review was to ensure that the council is designed and structured to meet the challenges of the future as efficiently and effectively as possible and that it is flexible enough to meet future requirements.

57. The adviser's report was considered by members in June 2019. It noted there was significant strain on the corporate management structure and highlighted the need for changes to current ways of working to support strategic leadership capacity within the council. Members approved the revised management structure, subject to consultation with affected staff, and the transitional arrangements necessary to support the changes to current ways of working. The Chief Executive will provide an update on progress to the September meeting of Moray Council.

The Moray Growth Deal provides £65 million of investment for the Moray economy

58. In July 2019, the Scottish and UK Governments jointly announced £65 million of funding for the Moray Growth Deal to help unlock the region's economic potential. The Moray Growth deal is a regional deal designed to boost economic growth across Moray. It is a long-term plan centred around specific projects designed to transform the economy, address concerns around encouraging young people to live and work in the area, and address gender equality in employment. Moray Council is taking the lead in developing the business cases for the individual projects and is working with partners across the public and third sectors, and private businesses, to invest in a better future for Moray.

There are appropriate standards of conduct for prevention and detection of fraud and error

59. The council has a range of established procedures for preventing and detecting fraud and irregularity including a whistleblowing policy, anti-fraud strategy and codes of conduct for members and officers. We assessed these and concluded that they were appropriate, readily available to staff and are regularly reviewed to ensure they remain relevant and current.

Reasonable progress has been made in investigating NFI matches

60. The National Fraud Initiative (NFI) in Scotland is a counter-fraud exercise coordinated by Audit Scotland. It uses computerised techniques to compare information about individuals held by different public bodies, and on different financial systems, to identify 'matches' that might suggest the existence of fraud or irregularity. The latest position for Moray Council is summarised in Exhibit 11.

Exhibit 11 NFI activity



3,461

Matches



371

Completed/closed
investigations



25

In progress

Source: NFI secure website: www.nfi.gov.uk

61. The council recognises that NFI is an important tool in allowing investigative resource to be targeted at risk areas. In line with the NFI guidance, the council adopted a risk-based approach to the NFI matching exercise, scanning all recommended matches and then testing those assessed as higher risk. To date, a total of four errors (3 housing benefits and 1 duplicate payment) have been found with a cumulative value of £14,630, all of which is being recovered.

Dependency on key suppliers

62. The impact of a failure or collapse of a key supplier can be significant to an organisation and can result in either delays or non-completion of major contracts or, disruptions in the continued provision of vital services. This has brought into focus the risk of key supplier failure and the risk of underperformance in suppliers that are experiencing difficult trading conditions.

63. Our review of the council's key suppliers noted that there have been no issues with the failure of any key suppliers. Procedures are in place to monitor performance and, where required, provide support to suppliers. We concluded that the council has appropriate arrangements in place to address the risk of key supplier failure.

The council is reasonably prepared for EU withdrawal

64. European Union (EU) withdrawal will inevitably have implications for devolved government in Scotland and for public bodies, and so it is critical that public-sector bodies understand, assess and prepare for the likely impact on their business.

65. As part of our interim audit we undertook a high-level review of the council's preparedness for EU withdrawal focusing on three key areas: people, regulations and funding. We reported our findings in our 2018/19 Management Report and concluded that Moray Council has taken reasonable steps to prepare for the impact of EU withdrawal.

Part 5

Value for money



Main judgements

The Best Value Assurance Report for Moray Council is planned for 2020.

The council and its community planning partnership (CPP) partners have yet to develop a performance framework for the LOIP.

The council has not produced council-wide performance reports for 2017/18.

A significant number of the council's properties (mainly schools) are in poor condition and unaffordable.

Value for money is concerned with using resources effectively and continually improving services.

As part of our Best Value approach we reviewed financial planning, financial sustainability, transformation and resource management

66. Best value is 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 in this five-year period. The BVAR report for Moray Council is planned for 2020.

67. The best value audit work carried out this year focussed on the council's arrangements for demonstrating best value in financial planning (see Part 2), financial sustainability, transformation and resource management (see Part 3 and Part 5). The effectiveness of the council's best value arrangements in other areas will be assessed and reported throughout our audit appointment.

The council's strategic priorities are aligned to the LOIP and a revised performance framework has been agreed for the council but a performance framework supporting the LOIP has not been developed

68. The Moray Community Planning Partnership 10-year plan (Local Outcomes Improvement Plan (LOIP)) was approved in February 2018. In our 2017/18 annual report we reported that the LOIP and the corporate plan 2023 will be supported by a number of other plans including a refreshed performance management framework.

69. The council's revised performance management framework was approved in August 2019, with strategic priorities for the council now more closely aligned to those in the LOIP.

70. The LOIP identified four key priorities and strategic partnership groups for each priority were tasked with developing plans to achieve the identified outcomes and to set actions and performance indicators linked to these plans. This has not happened and measuring of performance against the LOIP has, therefore, been

limited. The LOIP was due for review during early 2019 however our audit found no evidence of this having been completed as of September 2019.



Recommendation b/f 4

The council should encourage its Community Planning Partners to develop clear outcome measures and to set clear milestones and targets against which performance can be measured.

Most services are reporting performance information in good time, with the exception of corporate services and the chief executive's office.

71. A variety of local and national performance indicators, both benchmarked and non-benchmarked, are reported to committee on a regular basis: quarterly or half-yearly. Our audit found that the majority of reports are made in good time, however the most recent half-yearly reports for Corporate Services and the Chief Executive's office have still to be submitted to Committee.

72. The Corporate Services report for the period October 2018 – March 2019 was prepared on time for submission to the Policy and Resources committee meeting of 3 September 2019 but was not included due to a full agenda. The report is now due to go to committee in October 2019. The equivalent report for the Chief Executive's office has not been compiled. Our audit identified that this was due to a service plan for 2018/19 for the Chief Executive's office not being in place, as well as staff pressures on the service.

The council has not produced council-wide performance reports for 2017/18

73. The Accounts Commission places great emphasis on councils' responsibility for public performance reporting. The Commission does not prescribe how councils should report this information but expects them to provide the public with fair, balanced and engaging performance information.

74. For 2018/19 two SPIs were prescribed:

- SPI 1: covering a range of information relating to areas of performance such as improving local public services, improving local outcomes, engaging with communities and achieving best value
- SPI 2: relates to the reporting of performance information as required by the [Local Government Benchmarking Framework \(LGBF\)](#).

75. Service level performance reporting is reasonable and together with the "mylocal council" website provide public reporting of SPI data, however annual reports at corporate level are missing for 2017/18 and there is no overall summary of how the council performed on the LGBF indicators. Members and the wider public wishing to scrutinise performance information cannot easily access annual performance information and must either drill down to service level reporting or use the "mylocalcouncil" website.



Recommendation 3

The council should prepare and publish an annual council-wide performance reports and publish it on its website.

A significant number of the council's properties (mainly schools) are in poor condition and unaffordable.

76. We reported in our Management report that a significant number of the council's properties (mainly schools) are in poor condition. The Property Asset Management Appraisal (PAMA) report estimates that it would cost £151 million to bring all of the current property portfolio up to a satisfactory (B condition) standard of which £142 million relates to schools. The council cannot afford this level of investment and so must reduce, replace, and reconfigure its property portfolio if it is to protect front-line services and deliver sustainable schools for the future.

77. An improvement plan has been developed to address the recommendations included in the PAMA. This focuses on quick wins, highest financial returns and longer-term strategic objectives.

National performance audit reports

78. Audit Scotland carries out a national performance audit programme on behalf of the Accounts Commission and the Auditor General for Scotland. During 2018/19, Audit Scotland published reports that are of direct interest to the council. These are outlined in [Appendix 3](#).

79. The council has a process in place to ensure that findings from national reports are reviewed, and where relevant, presented to the Audit and Scrutiny Committee. This reporting includes an assessment of current arrangements and the identification of actions to be taken to apply good practice examples highlighted in the reports.

Appendix 1

Action plan 2018/19

No.	Issue/risk	Recommendation	Agreed management action/timing
1	<p>Capitalisation of borrowing costs</p> <p>The council capitalised borrowing costs in 2018/19 but did not borrow to fund any assets which is a requirement of the accounting Code.</p> <p>Risk: the council's financial statements do not comply with the accounting Code.</p>	<p>The council should review its procedures for the capitalisation of borrowing costs to ensure that they meet the requirements of the Code.</p>	<p>Agreed to review</p> <p>Responsible officer: Head of Financial Services</p> <p>Agreed date: 31 March 2020</p>
2	<p>Management Commentary</p> <p>The management commentary falls short of the expectations outlined in the Accounts Commission's Financial Overview report 2017/18.</p> <p>Risk: the management commentary is not transparent and does not help the reader to understand clearly how the council has performed against budget and how this is reconciled to the accounts.</p>	<p>The council should review its management commentary against the expectations set out in Audit Scotland's Financial Overview 2017/18 report and the recommended good practice example (Comhairle Nan Eilean Siar). We also note that the Highland Council reports this information in a more graphical presentation.</p>	<p>The three areas identified as key in the report- outturn against budget and significant variances; outturn in narrative reconciled to movement in General Fund; report on agree savings achieved – will be expanded upon in next year's Management Commentary.</p> <p>Responsible officer: Head of Financial Services</p> <p>Agreed date: 30 June 2020</p>
3	<p>Public Performance Reporting</p> <p>No overall summary of how the council performed against the LGBF indicators was provided to members and a Public Performance Report has not been produced for 2017/18. Members and the wider public wishing to scrutinise performance information cannot easily access annual performance information and must drill down to service level reporting which may be beyond the level of detail required by service users</p>	<p>The council should prepare and publish an annual council-wide performance reports and publish it on its website.</p>	<p>This was previously incorporated in the Management Commentary but was removed following recommendation from Audit Scotland to slim this down.</p> <p>Responsible officer: Corporate Management Team</p> <p>Agreed date: 31 March 2020</p>

**No. Issue/risk****Recommendation****Agreed management action/timing**

Risk: members and the wider public wishing to scrutinise the council's performance cannot easily access annual performance information.

Follow up of prior year recommendations**b/f 1 Compliance with the charity test**

The Council should progress the transfer of trusts into the new trust set up in August 2016 so that available funds can be used for the public benefit.

Ongoing

The council transferred one of its 31 charitable trusts to the new trust during 2018/19.

Responsible officer:

Legal Services Manager

Agreed date:

As resources permit

b/f 2 Accounts preparation

Accounts preparation processes should be reviewed prior to the preparation of the 2018/19 annual report and accounts.

Completed

Accounts preparation processes were reviewed together with a comprehensive review of the accounts document

b/f 3 Financial sustainability

The Council needs to agree a medium- and long-term financial plan for the delivery of sustainable services. In order to achieve this, it needs to build on the existing strands of work and the reform matrix to agree a significant and cross-Council transformation plan.

Partially completed

The council has identified its funding gaps over the medium term and that it will need to fund these from savings. It has yet to identify what these savings will be.

Long term financial plans have not been developed.

Responsible officer:

Head of Financial Services

Agreed date:

28 February 2020

b/f 4 Performance measures

The Council should review its outcome measures and develop clear milestones and targets against which to measure its performance in delivering its priorities. Supporting plans should also be developed which clearly link to the LOIP and Corporate Plan 2023 and which support the Council's

Partially completed

The council has recently approved a revised performance management framework which sets out how the LOIP will link to the Corporate Plan and supporting plans.

There remains scope to improve the outcome measures included in the LOIP and Corporate Plan


No. Issue/risk

Recommendation

Agreed management action/timing

		need for transformation and redesign of services.	<p>2023 and set clear milestones and targets against which the council and its partners can measure performance.</p> <p>Responsible officer:</p> <p>Corporate Director (Corporate Services)</p> <p>Agreed date:</p> <p>31 March 2020</p>
b/f 5	Management capacity	Management capacity should be reviewed to ensure that it is sufficient to deliver the transformational change programme required to deliver financial sustainability in addition to 'business as usual'.	<p>Partially completed</p> <p>Following external review, members have approved a management restructure to support strategic leadership capacity within the council. It is recognised that this will take some time to implement and transitional arrangements have been agreed until the permanent structure can be implemented. We will continue to monitor progress in this area as part of our 2019/20 audit.</p> <p>Responsible officer:</p> <p>Chief Executive</p> <p>Agreed date:</p> <p>31 March 2020</p>
b/f 6	External assessment of Internal Audit	An external assessment of the internal audit function should be undertaken, and the results reported to the Audit and Scrutiny Committee.	<p>Completed</p> <p>The results of the external assessment were reported to the Audit and Scrutiny Committee in April 2019. The assessment identified twelve recommendations for improvement.</p>
b/f 7	Business continuity planning	The Council should review its business continuity planning arrangements to ensure that they are up to date and fit for purpose.	<p>Partially completed</p> <p>The council maintains or is in the process of updating a number of business continuity plans that cover critical functions. Securing operational continuity is recognised as a high-risk area in the current corporate risk register.</p>



No. Issue/risk



Recommendation



Agreed management action/timing

Staff resources to take this forward have been limited given competing priorities and there is currently a staff vacancy in this area. The intention is to fill the post in early course to provide capacity to ensure the suite of plans for critical functions is complete.

Responsible officer:

Head of Service (Housing and Property)

Agreed date:

31 March 2020

b/f 8 Internal recharges

Management should review how they account for internal recharges within the CIES.

Completed

Internal recharges have been excluded from gross income and expenditure in the CIES as required by the 2018/19 Code. Prior year figures have been restated to exclude internal recharges.

Appendix 2

Significant audit risks identified during planning

The table below sets out the audit risks we identified during our planning of the audit and how we addressed each risk in arriving at our conclusion. The risks are categorised between those where there is a risk of material misstatement in the annual accounts and those relating our wider responsibility under the [Code of Audit Practice 2016](#).

Audit risk	Assurance procedure	Results and conclusions
Risks of material misstatement in the financial statements		
1 Risk of management override of controls ISA 240 requires that audit work is planned to consider the risk of fraud, which is presumed to be a significant risk in any audit. This includes consideration of the risk of management override of controls to change the position disclosed in the financial statements.	Detailed testing of journal entries. Review of accounting estimates. Focused testing of accruals and prepayments. Identification and evaluation of significant transactions that are outside the normal course of business.	Results We did not identify any significant issues within our work on journals or accounting estimates. Our testing of accruals and prepayments did not identify any errors and there were no significant transactions outside the normal course of business Conclusion No issues were identified that would indicate management override of controls.
2 Risk of fraud over income Moray Council receives a significant amount of income from several sources including income from fees and charges. The extent and complexity of income means that, in accordance with ISA240, there is an inherent risk of fraud.	Analytical procedures on income streams. Detailed testing of revenue transactions focusing on the areas of greatest risk. Review of arrangements for the financial assessment of those requiring care	Results We did not identify any significant issues from our testing of income controls and transactions. Our work on financing of care arrangements did not identify any significant issues. Conclusion No fraud issues were identified.
3 Risk of fraud over expenditure The Code of Audit Practice expands the ISA assumption on fraud over income to aspects of expenditure. The council incurs significant expenditure in areas such as welfare benefits, and social care payments where there is an inherent risk of fraud.	Walkthrough of controls over social care payments. Detailed testing of expenditure including social care payments and housing benefit transactions.	Results We did not identify any significant issues from our testing of expenditure controls, although we reported areas in our Management report where controls could be strengthened including around processes for updating supplier bank details. Our testing of expenditure transactions did not identify any issues. Conclusion No fraud issues were identified.

Audit risk	Assurance procedure	Results and conclusions
<p>4 Estimation and judgements</p> <p>There is a significant degree of subjectivity in the measurement and valuation of the material account areas of non-current assets and pensions. This subjectivity represents an increased risk of misstatement in the financial statements.</p>	<p>Assessment of the scope, independence and competence of the professionals engaged.</p> <p>Review appropriateness of actuarial results including comparison with other councils.</p> <p>Assessment of the appropriateness of the actuarial assumptions.</p> <p>Establish officers' arrangements for assessing the impact of any movement in fund values between the IAS19 valuation date and the year end.</p> <p>Substantive testing of journals and disclosures in connection with these estimates.</p> <p>Review actual experience of significant estimates at previous year end.</p>	<p>Results</p> <p>We did not identify any issues with the scope, independence or competence of management's experts.</p> <p>No issues were identified in our work on the appropriateness of actuarial assumptions. We requested revised IAS19 reports for the council and its subsidiaries to reflect the changes resulting from the McCloud judgement.</p> <p>Our audit testing did not identify any issues with the valuation of non-current assets</p> <p>We did not identify any issues from our substantive testing of journal entries.</p> <p>Conclusion</p> <p>No issues were identified relating to estimates and judgements that would impact on our audit opinion.</p>
<p>5 Accounts preparation</p> <p>In 2017/18 we identified a number of errors in how transactions were classified within the unaudited financial statements. There is a risk that the accounts do not give a true and fair view of the financial position and net expenditure of the council and its group.</p>	<p>Review of revised procedures and detailed testing of areas where misclassification of transactions was identified in the 2017/18 financial statements.</p>	<p>Results</p> <p>The finance team reviewed their accounts preparation processes, during 2018/19. Our detailed testing of transactions noted one misclassification in the unaudited accounts (see Exhibit 3 for details).</p> <p>Conclusion</p> <p>The misclassifications reported in 2017/18 were not repeated in 2018/19. A further misclassification was identified as part of the 2018/19 audit and corrected in the audited financial statements.</p>
<p>6 Compliance with the charity test</p> <p>20 of the council's 31 charitable trusts have not disbursed any funds in the last five years and so it is unclear how they meet the public benefit requirement set out in guidance issued by the Officer of Scottish Charity Regulator (OSCR).</p>	<p>Review progress with the reorganisation of existing trust funds, identify those that do not meet the public benefit requirement and report through the Annual Audit Report and to OSCR as appropriate.</p>	<p>Results</p> <p>Only one of the charitable trusts was transferred into the 'The Moray Council Charitable Trust' during 2018/19.</p> <p>Conclusion</p> <p>Limited progress has been made in this area during 2018/19.</p>

Audit risk	Assurance procedure	Results and conclusions
Risks identified from the auditor's wider responsibility under the Code of Audit Practice		
<p>4 Financial sustainability</p> <p>The council does not have a medium or long-term financial plan for revenue resources. The current level of service provision is not financially sustainable, and the council has relied on reserves to bridge its annual funding gap for the last 3 years. This cannot continue as general fund reserves are projected to be reduced to the minimum level considered prudent by the Head of Financial Services by 31 March 2020.</p> <p>As at January 2019, savings of £14.8 million are required to balance the 2019/20 budget and further substantial savings will be required for 2020/21 (£11.2 million) and 2021/22 (£8.4 million).</p> <p>In addition, the majority of the council's current 10-year Capital Plan is not directly linked to the council's priorities but arises from the need to invest in the council's current asset base to bring it up to, or maintain it at, the approved standard for the asset type.</p> <p>There is a risk that the council is unable to agree and implement a sustainable financial model for service delivery.</p>	<p>Undertake specific audit work on financial planning including review of the 2019/20 budget setting process and the progress made with developing medium- and longer-term financial plans.</p> <p>Review progress made in developing the council's Modernisation and Improvement Programme for the redesign and transformation of council services.</p>	<p>Results</p> <p>As reported in our 2018/19 Management report the immediate financial position remains extremely challenging, and the council continues to rely on reserves to balance its 2019/20 budget and it risks ruining out of general fund reserves in 3- 4 years and needs to generate transformational savings.</p> <p>The council is developing an Improvement and Modernisation Programme but has yet to identify how it will transform service delivery within Education and Integrated Children's Services which accounts for nearly half of its net expenditure.</p> <p>A report to Council in June 2019 sets out proposals to strengthen the support for transformational change with a particular focus on Education. Additional resource has already been allocated to review contracts for Integrated Children's Services.</p> <p>Conclusion</p> <p>The council has yet to agree and implement a sustainable financial model for service delivery.</p> <p>Progress in transforming key services such as Education and Integrated Children's Services has been slow.</p> <p>The council has yet to develop long-term financial plans.</p>
<p>5 Financial management</p> <p>The approved budget for 2018/19 includes £6.5 million of savings and uses £4.5 million of reserves to bridge the funding gap. The latest budget monitoring report to 30 December 2018 forecasts an overspend against budget of £2.1 million at the year-end which will require to be funded from reserves. As there are limited reserves available, any overspend in 2018/19 is a risk</p>	<p>Review financial monitoring reports and the financial position at the year end with reference to the reserves position, scale of savings plans and any continued reliance on reserves to support the revenue budget.</p> <p>Consider the robustness and completeness of financial monitoring during the year.</p> <p>Review the council's progress in achieving its planned savings.</p>	<p>Results</p> <p>The 2018/19 outturn resulted in the use of £4.6 million of reserves instead of £4.7 million required to balance the original budget. In addition, the council made savings of £7.2 million against a saving target of £6.3 million.</p> <p>Conclusion</p> <p>Financial management is effective.</p>

Audit risk	Assurance procedure	Results and conclusions
to the council's future financial sustainability.		
<p>6 EU withdrawal</p> <p>There are considerable uncertainties surrounding the implications of EU withdrawal and public bodies should assess the potential impact on their operations and identify specific issues and planned responses. There is a risk that the council is not prepared for the impact of EU withdrawal on the delivery of services.</p>	<p>Assess how the council has prepared for EU withdrawal, including the impact on its workforce and its dependency on key suppliers.</p> <p>Consider how the council responds to any emerging issues after March 2019.</p>	<p>Results</p> <p>We undertook a high-level review of the council's preparedness for EU withdrawal focussing on three key areas: people, regulations and funding. The council recognises that the loss of EU funding will place additional pressure on its ability to achieve financial sustainability and that the impact on the wider Moray economy is likely to be significant.</p> <p>Conclusion</p> <p>The council has taken reasonable steps to prepare for the impact of EU withdrawal.</p>
<p>7 Dependency on key suppliers</p> <p>Dependency on a key supplier could expose the council to service delivery issues should the supplier fail. Where a significant supplier dependency exists, there should be monitoring and business continuity arrangements to ensure the council is able to respond to significant issues. There is a risk that the council is unable to deliver services if it is not aware of its key supplier dependencies and / or fails to have sufficient business continuity arrangements in place.</p>	<p>Undertake work to establish the extent, value and nature of key supplier dependencies, including considering the council's planning for EU withdrawal.</p> <p>Where issues are identified consider the robustness of the business continuity arrangements in place.</p>	<p>Results</p> <p>Our review of the key suppliers identified there have been no issues with the failure of any key suppliers. Procedures are in place to monitor performance and, where required, provide support to the supplier.</p> <p>Conclusion</p> <p>The council has appropriate arrangements in place to address the risk of key supplier failure.</p>

Appendix 3

Summary of national performance reports 2018/19

 2018/19 Reports		
Local government in Scotland: Challenges and performance 2018		Apr
Councils' use of arm's-length organisations		May
Scotland's colleges 2018		Jun
		Jul
		
Forth Replacement Crossing		Aug
		
Children and young people's mental health		Sept
		
NHS in Scotland 2018		Oct
Health and social care integration: update on progress		Nov
		
		Dec
		Jan
		Feb
		Mar
		Local government in Scotland: Challenges and performance 2019

Local government relevant reports

[*Local government in Scotland: Challenges and performance 2018*](#) – April 2018

[*Councils' use of arm's-length organisations*](#) – May 2018

[*Health and social care integration: update on progress*](#) – November 2018

[*Local government in Scotland: Financial overview 2017/18*](#) – November 2018

[*Local government in Scotland: Challenges and performance 2019*](#) – March 2019

Moray Council

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