



**Understanding and managing costs  
in council services**

APSE - 22 January 2010



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**Public audit in Scotland**




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- 3 principles of public audit:
  - Independence
  - Wider scope – finance, governance and performance
  - Report in public
- Audit Scotland's role
- Approach to local government audit
- *'Holding to account, helping to improve'*

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**Why understanding and managing costs?**




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*'Understanding and managing costs in local government services'*

- Previous audits highlighted limited information on costs
- Service managers and elected members need information on costs
- Cost information supports performance management and scrutiny
- Costs as an entry point for further analysis and identifying efficiencies

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## Study Aims



*To assess the nature of cost data held by councils and whether they make effective use of it. We will also examine the benefits achieved through good management of costs, and how this approach can support improvement.*

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## Key Questions



- Understanding cost information
- Using cost information
- Managing cost information
- Good Practice

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## Next Steps



- Questionnaire to all councils
- Focus groups with directors and service managers
- Case study follow-up
- Analysis, reporting, publication

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