

Report

Report to:	Performance and Review Scrutiny Forum
Date of Meeting:	21 March 2023
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Accounts Commission - New Approach to the Audit of Best Value
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ advise the Forum of the Accounts Commission's new approach to auditing and reporting on councils' performance against their duty of Best Value

2. Recommendation(s)

2.1. The Forum is asked to approve the following recommendation(s):-

- (1) that the key messages and recommendations within the report be noted.

3. Background

- 3.1. With the publication of the Best Value Assurance Report (BVAR) on Comhairle nan Eilean Siar in September 2022 (reported to the Forum on 29 November 2022), the Accounts Commission concluded its programme of Best Value audits which was initiated in 2018.
- 3.2. The Commission has indicated that the programme of BVARs will not be repeated; instead, there will be a new approach to the audit of Best Value and community planning for the period 2023 to 2027.
- 3.3. This report outlines the new approach as intimated to local authorities by the Chair of the Accounts Commission in a letter received November 2022.

4. New Approach

- 4.1. Following the Commission's appointment of a new round of auditors for the next five years, all auditors will be required to begin reporting on Best Value from the current financial year. This means the new approach will first be reported in annual audit reports in autumn 2023 and annually thereafter.
- 4.2. Auditors are required to report progress against previous Best Value audit reports and Commission findings. Part of the new approach is a requirement for the Controller of Audit to report on every council across the audit appointment round, covering the period October 2023 to August 2027.

- 4.3. Unlike the previous approach where Best Value Assurance Reports were based on a separate piece of audit work, the new approach will consist of brief Controller of Audit reports accompanied by and reflecting on published annual audit reports. As with the current approach, these Controller of Audit reports will be considered by the Commission in public and reported publicly.
- 4.4. At its August meeting, the Commission agreed that the following councils be included in the first year of Controller of Audit reports (i.e. from October 2023):-
- ◆ Clackmannanshire Council
 - ◆ Dumfries and Galloway Council
 - ◆ Dundee City Council
 - ◆ Falkirk Council
 - ◆ Moray Council
 - ◆ Orkney Islands Council
 - ◆ South Ayrshire Council
 - ◆ West Dunbartonshire Council
- 4.5. The eight councils included in year one of the new approach have been selected on the basis that a mix of council types will be covered each year. For example, a split of urban/rural/island authorities, as well as variation in size and geographical spread. In addition, priority has been given to early reporting on those councils where Best Value Assurance Reports and/or local Best Value follow up work have identified that progress needs to be made more quickly.

5. Next Steps and Recommendations

- 5.1. As with the BVAR process, officers of the Council will review the published audit reports on the 8 councils in the first tranche of the new approach to learn any lessons for the Council. Reports on any significant findings and key messages will be brought to the Forum for information.

6. Employee Implications

- 6.1. There are no direct employee implications.

7. Financial Implications

- 7.1. There are no direct financial implications.

8. Climate Change, Sustainability and Environmental Implications

- 8.1. There are no implications for climate change, sustainability or the environment in terms of the information contained in this report.

9. Other Implications

- 9.1. Considering the detail of the report and identifying actions as appropriate contribute towards effective risk management.

10. Equality Impact Assessment and Consultation Arrangements

- 10.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and therefore no impact assessment is required.

10.2. There is no requirement for consultation on the content of the report.

Paul Manning
Executive Director (Finance and Corporate Resources)

23 February 2023

Link(s) to Council Values/Priorities/Outcomes

- ◆ Ambitious, self-aware and improving

Previous References

- ◆ None

List of Background Papers

- ◆ None

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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