

Agenda Item	
Report No	

**Best Value 2 Audit – progress report**  
Report by the Chief Executive

Summary

This report advises members of the process underway for the Best Value 2 (BV2) audit of the Council.

**1. Introduction**

- 1.1 At the Council meeting in June 2009 members were provided with [further information](#) about the Council being one of five Councils path finding the Best Value 2 audit. A presentation was provided by Audit Scotland on the purpose of the audit and the process involved.
- 1.2 Since then the Council has submitted a self-evaluation of its performance with evidence hyperlinked. This was approved by the cross-party group identified at the Council meeting.
- 1.3 Audit Scotland has provided an early indication of the themes emerging for the audit. This report advises members of these themes and of the next steps.

**2. Audit themes**

- 2.1 Members will recall that the purpose of the audit is to assess whether the Council is securing best value and is complying with community planning duties. By working with other inspection agencies, Audit Scotland has identified initially the following key themes for the BV2 audit:

1. Corporate and outcome assessment activity

With audit work in the areas of: vision and strategic direction (and how that links with resource planning); performance management and how that links to a corporate improvement agenda; and equalities in terms of how our processes lead to the social outcomes expected.

In addition areas of good practice to highlight are likely to be in: partnership working and community leadership; community engagement; and sustainability.

2. Thematic cross-cutting audit activity

Audit work is likely to focus on the impact in three outcome areas described in the [Single Outcome Agreement](#) (SOA 2) focusing on: sustainable Highland communities, safeguarding our environment and a competitive, sustainable and adaptable Highland economy<sup>1</sup>. The focus for the audit in this area is still to be agreed given the broad range of services in place to deliver these outcomes.

3. Joint scrutiny arrangements

Short focussed pieces of work are likely to be done to inform not only the BV2

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<sup>1</sup> See pages 40 and 41 of the SOA2 for the range of priorities to be addressed in these outcomes. In summary they relate to access to services, community safety, community and voluntary action, efficient and effective joined up public services, the natural environment, climate change actions, moving out of recession, housing, transport and high speed broadband to support economic growth and supporting people into employment.

audit findings, but also the timetable for external audit and inspection over the next three years by Audit Scotland, Her Majesty's Inspectorate of Education (HMIE), the Social Work inspection Agency (SWIA) and the Scottish Housing Regulator (SHR). The areas identified are: the commissioning of care services (by SWIA); pre-work for the child protection inspection in January 2010; and evidence required by the SHR to inform their future inspection work.

2.2 Members will recall that Northern Constabulary and the Joint Police Board are also undergoing a BV audit. Efforts will be made to integrate processes where possible with the audit of the Council.

### **3. Next steps**

3.1 The scope of the audit will be finalised in early September. The Council can provide further information to assist with this process and this is planned for discussion with auditors on 2.9.09. During September and October auditors will observe at a number of meetings (notified in advance) and during October interviews will be arranged with identified officers, elected members and partners. In order to gauge the views of all elected members and a sample of community planning partners, electronic surveys will be conducted. In early September members can expect to receive a questionnaire to complete and return by e-mail.

3.2 The final audit report of the Council is scheduled for December 2009. It will be publicised widely and draw on information from:

- surveys (of members and partners);
- observation; and
- a range of quantitative and qualitative performance information.

### **4. Resource implications**

4.1 Currently the costs of the audit are being absorbed in terms of staff time and in the annual fee paid to Audit Scotland. In the Council's consultation response to BV2 it recommended that BV2 audit costs and all other external inspection costs were quantified to provide base-line data against which future audit costs can be compared. This is with the view of supporting the Government's intention to reduce the cost of external scrutiny and to transfer resources appropriately across the public sector.

### **5. Recommendation**

5.1 Members are asked to note:

1. the work produced for the BV2 audit to date;
2. the key themes identified initially by audit and inspection agencies;
3. that surveys of members and partners as well as observation and interviews will be arranged;
4. that the audit report, expected in December 2009 will be made available widely.

Signature:

Designation: Chief Executive

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