

Auditing Best Value

in councils



A map of Scotland showing the boundaries of its local councils. The map is rendered in a light blue color against a white background. The title 'Auditing Best Value in councils' is positioned at the top left, and the Audit Scotland logo and publication information are at the bottom right.

 **AUDIT SCOTLAND**

Prepared by Audit Scotland

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The duty of Best Value

for councils

1. Councils have a statutory duty, introduced in the [Local Government \(Scotland\) Act 2003](#), to make arrangements to secure Best Value. In summary, under this legislation each council is obliged to:

- work with its partners to identify a clear set of priorities that respond to the needs of the local community
- be organised to deliver those priorities
- meet and clearly demonstrate that it is meeting the community's needs
- operate in a way that drives continuous improvement in all of its activities.

2. [Statutory Ministerial Guidance, published in 2004](#), set out the fundamental framework for councils in delivering the duty and consequently for auditing Best Value. In March 2020, the Scottish Government published [refreshed Best Value guidance](#) to reflect the significantly changed policy and public service delivery landscape, with councils needing to demonstrate a focus on continuous improvement in performance around seven themes:

- 1 Vision and leadership
- 2 Governance and accountability
- 3 Effective use of resources
- 4 Partnerships and collaborative working
- 5 Working with communities
- 6 Sustainability
- 7 Fairness and equality

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3. In response to the enactment of the duty in 2003, on behalf of the Accounts Commission, Audit Scotland began auditing Best Value in 2004. Between 2004 and 2008, we produced Best Value audit reports on all 32 councils.

4. In 2008/09, the Accounts Commission undertook a review and as a result, the approach to auditing Best Value was adjusted to be more proportionate and risk-based. This approach targeted audit resources on councils identified through a risk assessment process as requiring Best Value audit activity on specific Best Value characteristics.

5. In 2015, the Commission undertook a further review of its approach to auditing Best Value. The Commission concluded that a new approach to auditing BV should:

- have a focus on driving the pace and depth of improvement in local government,
- also have a focus on the quality of service experienced by the public and outcomes achieved for communities,
- continue to underline the importance of good governance, including effective scrutiny arrangements,
- produce more frequent assurance on BV across all 32 councils.

6. The revised approach began in October 2016, with the first Best Value Assurance Report (BVAR) being published in June 2017 and the final BVAR published in September 2022.

7. All of the Best Value reports produced since 2004 are available on the [Audit Scotland website](#).

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8. The Best Value audit work is now fully integrated into annual financial audit work to increase efficiency and reduce the scrutiny burden on councils. The work is reported in Annual Audit Reports, including annual risk based, follow-up and thematic Best Value work, providing judgements on the pace and depth of continuous improvements and service performance. Annual audit reports are submitted each year by the auditors to the councillors of each council and to the Controller of Audit for Scotland.

9. The new programme of Best Value reports will cover all 32 councils, starting in October 2023 and concluding by the end of the audit appointments, in August 2027. The Controller of Audit will report to the Accounts Commission on each council's performance on their duty of Best Value at least once over the five-year audit appointment. The Commission will then choose how it wishes to respond.

10. The Accounts Commission's response will be published in the report. The Commission can:

- state its findings on the report
- direct the Controller of Audit to carry out further investigations
- hold a hearing.

11. The Best Value work now includes thematic work which will look at a focused area of Best Value across all 32 councils. The theme is reviewed and revised on an annual basis and is cognisant of the risks and challenges councils face.

12. This work provides the Accounts Commission with the opportunity to offer a national overview of key aspects of Best Value as well as supporting accountability and improvement within individual councils to generate greater impact from the audit work.

13. The Controller of Audit will bring an annual Assurance and Risks report to the Commission. This report will summarise the findings from all audit work, intelligence gathering and risk assessments undertaken across local government by auditors and scrutiny partners.

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