

Accounts Commission: Best Value 2

Proposals for consultation – March 2009

*Please return this questionnaire by
31 May 2009.*

Which organisation(s) do you represent?

East Ayrshire Council

Risk assessment and joint scrutiny planning

1. How do you view our proposals for shared risk assessment and joint scrutiny planning as a basis for streamlining the scrutiny of local government and ensuring that BV2 is more proportionate and risk-based?

2. Are there other factors that we need to take into account?

1. Comments

- The Council welcomes the Commission's proposals for developing proportionate shared risk assessment and joint scrutiny planning as a basis for BV2.
- The principle is sound, planned scrutiny taking account of current audit and inspection intelligence to concentrate on those areas with higher risk of poor performance
- In concentrating only on those areas at risk, or areas that have been assessed as being in need of improvement, reports may become more negative, with areas of good performance overlooked. This may be problematic for councils with regard to the public's perception of final reports and may mitigate against the stated intention of sharing examples of good practice. Some form of continued balance reporting would deal with this
- Much will depend on the relationship that develops between the various Scrutiny Risk Assessment bodies. There must be trust and confidence in each other's audit and inspection frameworks.
- A consistent approach to audit and inspection by all Scrutiny Risk Assessment bodies will be required although this may take some time to settle.

2. Comments

- The Council welcomes the opportunity to review and challenge the scrutiny plans that are produced in order that all stakeholders understand the process by which the key risk areas have been identified.
- The Council also welcomes the activity that is underway to help achieve a more risk based and proportionate approach, including (a) the work of the Accounts Commission's operational group in identifying and linking the scope for immediate improvement to the scheduling of scrutiny activity, and (b) the Scottish Government's commitment to working with the Accounts Commission and other scrutiny bodies to deliver a more streamlined scrutiny landscape by reducing the number of stand-alone scrutiny bodies reporting to Ministers and Parliament, all with the aim of making the landscape more meaningful and easier to understand for service users and the public.

Self evaluation

3. Do you believe self-evaluation should be at the heart of the risk-assessment process?

3. Comments

- Self-evaluation is a sound approach to audit, and the Council welcomes this approach. The important element for councils, and for auditors, becomes the strength of the model that is being used, and the robustness of its application.

Self evaluation

4. How do you view our approach to the use of self evaluation evidence within the BV2 audit process? How might we change or further develop it?

4. Comments

- The Council has used EFQM as the basis for our quality attainment system and continuous improvement arrangements. It has been used annually for all of our services since 1996 and, as with BV1 this provides a sound foundation on which to build for the self-evaluation and risk assessment approach proposed through BV2.
- It is important to ensure that the evidence verification process is not only a “desk top” exercise but that it is complemented and contextualised by discussion with relevant elected members and senior officers.
- It is recognised that there is a need to integrate more fully Equalities and Sustainability into the whole audit.

Good practice / support for improvement

5. How do you view our proposed approach to capturing and disseminating good practice and strengthening improvement support as part of BV2?

6. What other actions should we take beyond those proposed?

5. Comments

- The Council welcomes the proposals to strengthen the dissemination of good practice. There is already much benchmarking in Scottish Local Government at present and the proposals will further enhance this.

6. Comments

- The Commission should ensure that the information is held on a single site, rather than different audit and inspection bodies holding different elements or their own view of guidance. Links to the site from the relevant areas of those of other bodies may assist this.

Single corporate assessment

7. How do you view the proposed corporate characteristics of a Best Value council as set out in appendix 1?

7. Comments

- Setting out the characteristics of a Best Value Council is helpful and is welcomed by the Council.
- There is much concentration on the efficiency of a council and the inclusion of references to the quality of services provided would be helpful.
- There is no mention in this section of Equalities or Sustainability. Given that these are prominent cross-cutting features of Best Value 2 (as they were in BV1), with distinct supporting integrated audit frameworks, these elements should be reflected in the “corporate characteristics”.

Service performance

8. We propose broadening our service and outcome evidence, and relying more on locally available data and improved joint working with inspectorates. What else should we do to improve service reporting within BV2?

8. Comments

- The Council welcomes the Commission's approach to broadening the range of evidence that will be examined as part of the audit.
- The Commission may wish to extend intelligence gathering around service performance and reporting by enhancing its use and/or linking into local residents' panels.

Partnerships

9. What are your views on our proposed approach to auditing partnership performance, and the longer-term direction of travel that we are signalling?

9. Comments

- The immediate approach to the auditing of partnership performance appears to concentrate on the high level attributes of a sound partnership arrangement rather than performance. BV2 provides an opportunity to look beyond the important areas of governance and structure in Community Planning Partnerships and should give prominence to performance and the achievement of positive outcomes.
- The greater focus on the partners' contribution to both the partnership and achievement of outcomes is welcomed.
- The foundation should be the SOA.

SOAs and BV2

10. Is our proposed approach to considering SOAs as part of BV2 an appropriate reflection of their current status and maturity? If not, what more should we be doing?

10. Comments

- The Council welcomes the process described and is of the view that the SOA is fundamental and must be used to inform particular aspects of the audit e.g. public performance reporting.
- There should be more clarity around the fact that, as from April 2009, SOAs are partnership documents that underpin Community Plans. Some of the statements at Section 57 could be interpreted to suggest the SOA is a Council document with input from some partners.
- The consultation document mentions that the SOA will also be used "...to inform the local risk assessment and joint scrutiny process." Again, the Council welcomes this.

Citizen focus

11. What more do you think the Commission should do to take the views of citizens into account as part of BV2?

11. Comments

- The Council welcomes the Commission's plans to develop a framework for auditing the effectiveness of consultation arrangements.
- It is reasonable to expect the results from previous audit and inspection consultations augmented by the Council's own work in this area as noted above, to provide the Commission with the appropriate evidence. However, some caution is required here to ensure that there is no "consultation fatigue" felt by certain groups given the overlap and frequency of certain inspections.
- See comments on the use of Residents' Panels at question 8.

Peer involvement

12. What issues, if any, would you like to raise about our proposals for officer and member peer involvement as part of BV2?

12. Comments

- The Council sees the introduction of peer involvement as a logical development of BV2.
- Consideration will also need to be given to the impact on authorities who give up senior officers and elected members for the time necessary to undertake such an audit.
- There needs to be clarity on how elected members and officers are selected.
- There needs to be in place appropriate support and training for senior officers and elected members.

Grading/scoring

13. What are your views on the proposal to introduce formal judgements on 'direction and pace of change' and 'capacity for future improvement'?

14. Which of the options for reporting set out in Appendix 4 do you favour?

13. Comments

- These are welcome innovations for the Best Value and Community Planning audit process.
- The introduction of qualitative judgements on organisational leadership is logical. It will require to be evidence based, and the Accounts Commission could consider using 'triangulation' as part of the audit approach.

14. Comments

- The options for reporting against these two themes vary considerably in their level of prescription.
- Options 2 and 3 will lead to league tables. It is not clear why Option 1 would make tracking improvements difficult or be difficult for the public to interpret. Given that audits will be bespoke to individual councils there is an argument that judgements should also be bespoke.
- On the other hand Option 2 appears to be consistent with the current approach of other inspection bodies and would provide parameters within which councils can be expected to be assessed, and provide the appropriate balance between national aims and local circumstances. There remains an element of audit judgement and this is to be expected.
- Option 3 appears to offer a more scientific approach providing increased consistency. In some councils these may become performance targets with priorities skewed accordingly.
- East Ayrshire Council favours Option 3, but only slightly over Option 2.

The role of the Accounts Commission

15. What changes, if any, would you like to see in how we handle Best Value audits and our relations with councils?

16. What comments do you have on any other aspects of the Commission's work?

15. Comments

On the basis that BV2 will at least match or even enhance the audit/Council communications relationship, then East Ayrshire Council has no changes to offer.

16. Comments

The Council values the best practice guidelines and key messages that feature in the national study reports. This should continue, as should the annual overview of local authority audits.

Audit fees

17. What changes, if any, would you like to see to the fee regime for BV2?

17. Comments

It is hoped that the enhanced efficiency in Best Value Audit which will flow from the new approach including greater reliance on self assessment and the integration of inspection and audit regimes will result in the fees currently paid by the Council reducing or being held for a period.

Sustainability

18. What further developments of our approach to auditing sustainability would you like to see introduced as part of BV2?

18. Comments

- The Council welcomes the greater prominence that BV2 will give to Sustainability.
- While it is accepted that environmental sustainability is a vitally important element of the audit, to only "...retain an ongoing interest in social and economic sustainability" may not do justice to the importance of this issue.
- Economic sustainability of all services, and particularly in areas of increasing need and demand such as Social Services, is a key objective for this Council. The issue will grow in importance in the coming years and it would be helpful if the audit process could reflect this significance.

Equalities

19. What further developments of our approach to auditing equalities would you like to see introduced as part of BV2?

19. Comments

- The Council welcomes the prominence given to this issue within the audit framework and trusts that in accordance with the SRA approach that its application will be proportionate.
- The Council welcomes the links being made between the Accounts Commission and the Equalities and Human Rights Commission. In particular, it would be helpful if there could be greater clarity as to the reporting and monitoring of Equalities Schemes, as well as appropriate feedback.

Other Comments

In summary, East Ayrshire Council welcomes the proposals set out in the consultation document. The move to more focused and proportionate inspection that reduces the scrutiny burden on Councils is positive.

As one of the five pathfinder local authorities, we look forward to working with the Accounts Commission and Audit Scotland and making a positive contribution to the development of the new audit framework.

For more information on this response please contact Alex McPhee, Executive Head of Finance and Asset Management on 01563 576300 or email alex.mcphee@east-ayrshire.gov.uk

Thank you for taking time to complete this questionnaire.

**Please return the survey by 31 may 2009 to
BV2@audit-scotland.gov.uk**

**or by post to:
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