

REPORT TO: Community Planning Implementation Group

MEETING DATE: 13 November 2006

BY: Chief Executive

SUBJECT: East Lothian Council : Audit of Best Value

1 PURPOSE

- 1.1 To brief partners on the impending Audit of Best Value & Community Planning, which Audit Scotland will be conducting in East Lothian Council.

2 RECOMMENDATIONS

- 2.1 To note the contents of this report, and any subsequent verbal update.

3 BACKGROUND

- 3.1 Partners may be familiar with the Audit of Best Value & Community Planning methodology: some partners may already have participated in Audits of neighbouring councils. A detailed guidance note, produced by Audit Scotland is attached as Appendix 1. The process is not dissimilar to the Peer Review which the Council commissioned in November 2004, and which involved several partner agencies and groups.
- 3.2 Whilst the Audit is of East Lothian Council, partners will be involved in the fieldwork, as Joint Working/Partnership is a key theme of Best Value. As a minimum, Audit Scotland will issue partners with a standard questionnaire.
- 3.3 A preliminary planning meeting has already taken place between the Chief Executive and Audit Scotland officials. That was followed up by 2 formal briefings (to Elected Members, and to Officials) last week (9/11). A verbal update on these sessions will be given at the meeting.
- 3.4 A key component in the Audit process will be a presentation which the Council is expected to make to the Audit team on **20 December**, by which time it will have submitted a detailed self-assessment of how the Council is progressing Best Value.

- 3.5 Experience from elsewhere is clear: we should see this as an opportunity to market East Lothian, by pro-actively engaging with the Audit process, and accentuating the positive.
- 3.6 The Council is therefore keen to demonstrate the strong links which exist across the public sector agencies, and community groups in East Lothian, by involving representatives of Police, ELCHP, and Association of Community Councils in the presentation. Time pressures restrict wider participation at this first meeting, though it is stressed that all partners will have a subsequent opportunity to engage fully with the Audit Team.
- 3.7 Audit Scotland have confirmed a publication date of June 2007 for their final report ie post May Elections.

4 POLICY IMPLICATIONS

- 4.1 The delivery of Best Value, and of Community Planning are statutory duties on local authorities.

5 RESOURCE IMPLICATIONS

- 5.1 Financial - None.
- 5.2 Personnel - The preparation of the Council's submission, and subsequent support for the Audit process will require considerable amounts of managers' time.
- 5.3 Other - None

6 BACKGROUND PAPERS

- 6.1 Audit of Best Value: A Guide for Scottish Councils, Audit Scotland, attached as Appendix 1.

AUTHOR'S NAME	BRIAN DUNCAN
DESIGNATION	Corporate Policy Manager
CONTACT INFO	☎ 7366 bduncan@eastlothian.gov.uk
DATE	2 November 2006



The Audit of Best Value -
A guide for Scottish Councils

Contents

	page
Introduction	2
<i>Local Government in Scotland Act 2003</i>	4
<i>Audit design principles</i>	5
<i>Main stages of the audit</i>	7
<i>Best Value Submission</i>	10
<i>Reporting</i>	15
<i>Appendix A</i> <i>Analysis of Best Value criteria</i>	17
<i>Appendix B</i> <i>Supporting documentation</i>	18

Introduction

Local Government in Scotland Act 2003

1. Among other measures, the Local Government in Scotland Act 2003 established Best Value and Community Planning as statutory duties for local authorities.
2. As a result, the Accounts Commission has introduced new arrangements for the audit of Best Value, which represent a significant change in the approach taken in earlier years. The short hand term “Audit of Best Value” covers arrangements to audit all of the new duties for councils, relating to Community Planning and Public Performance Reporting as well.
3. It will not cover the power to advance well-being, which is an addition to the statutory framework within which councils operate. Concerns regarding councils acting *ultra vires* in relation to this power would be dealt with under the Commission’s existing processes.

Key features of the audit

4. Key features of this new approach to the audit of Best Value and Community planning include:
 - ◆ **Local focus** – Councils have a local democratic basis, with varying priorities. Therefore the audit will take into account the local context. Some discussion on comparisons with other councils will be relevant in order to judge the potential for improvement. But the emphasis will be on local performance trends, rather than simplistic league tables or scores.
 - ◆ **Elected members** – For the first time, elected members will be directly involved in the audit process, reflecting the importance of local democracy, the significance of the Statutory Duty and the key role of members. This includes scrutiny of performance and monitoring the effectiveness of management.
 - ◆ **Performance focus** – Key management processes will continue to be reviewed, but the audit emphasis will be on their effectiveness and impact, seeking evidence of sound performance results.
 - ◆ **3-year cycle** – Normally, the audit of Best Value will only be carried out every three years at each council, with limited follow-up reviews in the intervening years.
 - ◆ **Public reports** – the Best Value reports will be considered by the Accounts Commission and will be published documents. As a result, it is anticipated that they will attract significant public profile.

Best Value Submission

5. The purpose of this Guide is to provide some background for councils when preparing for the audit of Best Value and Community Planning. In particular, it aims to provide clear guidance for the compilation of the council’s Best Value Submission.

6. The Commission's approach to the audit assumes that councils are already managing their performance and monitoring their adherence to the statutory duties. Therefore, a council's own assessment of its performance is a key feature of the audit approach. This should not be seen simply as an exercise to be carried out for the Best Value audit. It should be embedded as part of a council's management processes, providing assurance to councillors and managers and helping to promote a culture of continuous improvement. The Best Value audit will look for evidence of this. Indeed, a self-assessment carried out purely for the purpose of creating a Best Value Submission is likely to place a heavy burden on a council's resources.
7. The audit team will assess evidence that the performance stated by the council about a service is accurate, reasonable and based on sound information, rather than carry out an actual assessment of the performance of that service within the council.

Local Government in Scotland Act 2003

Introduction

8. Among a series of provisions, the Local Government in Scotland Act 2003 gives each local authority a duty to:
 - ◆ secure Best Value, broadly defined as achieving continuous improvement in the performance of their services; and
 - ◆ maintain a Community Planning process, for consultation and cooperation in the provision of local public services.

Ministerial Guidance

9. The Act is supported by more detailed statutory guidance on Best Value and Community Planning, alongside a series of advisory notes on specific topics, such as elected member leadership. This guidance is explicitly intended to reflect a descriptive rather than prescriptive regime, defining the goals which local authorities should aim for, but allowing them local discretion on the methods and routes they use.
10. Most of the key concepts within the Best Value and Community Planning guidance have been adopted by Scottish local authorities since 1997 on a voluntary basis. Other elements, such as equalities and sustainability, are new explicit requirements.

Accounts Commission

11. The Act requires auditors to satisfy themselves that local authorities are complying with its provisions. The powers of the Accounts Commission to carry out studies, and the Controller of Audit's reporting duties, are extended to include Best Value and Community Planning.
12. The Accounts Commission has decided that the audit of Best Value will be carried out by a central specialist team, which will include the local external auditor.
13. The Accounts Commission can hold public hearings to explore issues arising from an audit of Best Value with elected members and senior managers. Ministers have the power to give a local authority a statutory direction to remedy faults, where the Accounts Commission has made such a recommendation or where ministers feel there is a need to protect the public interest.
14. The Accounts Commission will make Findings on each report it receives from the audits of Best Value.

Audit design principles

Introduction

15. The audit of Best Value and Community Planning has been designed to match the requirements and the tone of the Local Government in Scotland Act, which sets a series of high-level goals for councils but leaves considerable local discretion on the methods to be used.
16. The audit should be seen as a new approach to Best Value, moving on from the Performance Management & Planning (PMP) audit while retaining its concern with good management in public services. The new Best Value audits are built on some key defining principles, which are listed below.

Audit objectives

17. The Accounts Commission has developed a strategy for the new audit of Best Value and Community Planning. This recognises some key principles and sets out a number of high-level requirements for the audit.

Local context

Councils have a local democratic mandate, with differing priorities. This is recognised in the Best Value regime which is descriptive, not prescriptive. Each council is free to determine its own arrangements in order to achieve Best Value and respond to the distinctive needs of its local community. While the audits will have an interest in comparisons between councils in order to assess the potential for improvement, the emphasis will be on performance trends within each council.

No league tables or scores

The emphasis on local context recognises the difficulty of making comparisons between councils. In addition, councils are large and complex organisations, with a range of strengths and weaknesses. Therefore, there will not be any use of simplistic league tables or overall labels for each council. Instead, reports should provide a robust assessment of each council's strengths and weaknesses, focusing on the need for specific improvements.

Corporate focus

Councils have a corporate responsibility for Best Value and Community Planning. Therefore, the audit needs to have a corporate focus. The performance of individual services may be examined in some detail, but selected within the context of the council as a whole. As well as senior managers, the audit will directly involve elected members, assessing how they are able to meet their distinctive corporate responsibilities.

Performance

Best Value is essentially concerned with continuous improvement in performance. While the audit will address a council's management arrangements, this will focus on the effectiveness of these processes. The key concern is not with service inputs. It is with results, aiming to obtain evidence on tangible impacts being made on the needs of the community.

Audit approach

18. These high-level objectives for the new approach to auditing Best Value and Community Planning have implications for the way in which the audits are delivered.

Central team

In previous years, responsibility for carrying out and reporting on PMP audits was the responsibility of each local external auditor. However, the audit of Best Value and Community Planning is carried out by a central team within Audit Scotland, with the local external auditor forming part of this team. This approach helps to develop a central audit expertise, but retain an element of local knowledge and continuity.

Three year cycle

A cyclical approach is used, aiming to cover all councils over three years. This should allow more in-depth and challenging reviews to be carried out, while at the same time reducing the burden on councils in the intervening years when brief follow-up reviews will be carried out. These will assess whether sufficient progress has been made in achieving the council's improvement targets.

Other scrutiny processes

Many council services are already subject to professional inspection or some other form of scrutiny. There are some differences in the nature and objectives of audit and inspection. However there can clearly be significant areas of overlap. Where practical, the audit of Best Value aims to draw on these existing arrangements, helping to manage the amount of audit and inspection on councils, and will contribute to an holistic picture of the council being produced.

Where appropriate, issues arising in the audit of Best Value may also be shared with the relevant inspection or scrutiny bodies.

Selective approach

The scope of Best Value is very broad, effectively covering the full range of a council's activities. For practical reasons, therefore, the audit will use a risk assessment to help focus on selected areas, tailored to fit the perceived strengths, weaknesses and context of each council. This means that individual council reports will tend to cover different areas in detail and will not be directly comparable.

Main stages of the audit

Prior notice for councils

19. We will normally use a two-stage process for informing councils about their selection for the audit of Best Value:
- In October each year, around a third of councils will be selected and informed that their audit will commence during the following calendar year. There will be an opportunity for a council to advise of any exceptional event due to occur that would prevent an effective audit.
 - Before the audit is planned to start, the council will be contacted and an initial meeting held to discuss detailed arrangements and agree a timetable. The councils then has around six weeks following the meeting to compile its Best Value Submission.
20. There could be exceptions to this general pattern where the audit needs to react to events. For example, if serious concerns emerged about a council's performance it might be felt to be important, in the interests of public confidence, to carry out an audit at short notice.

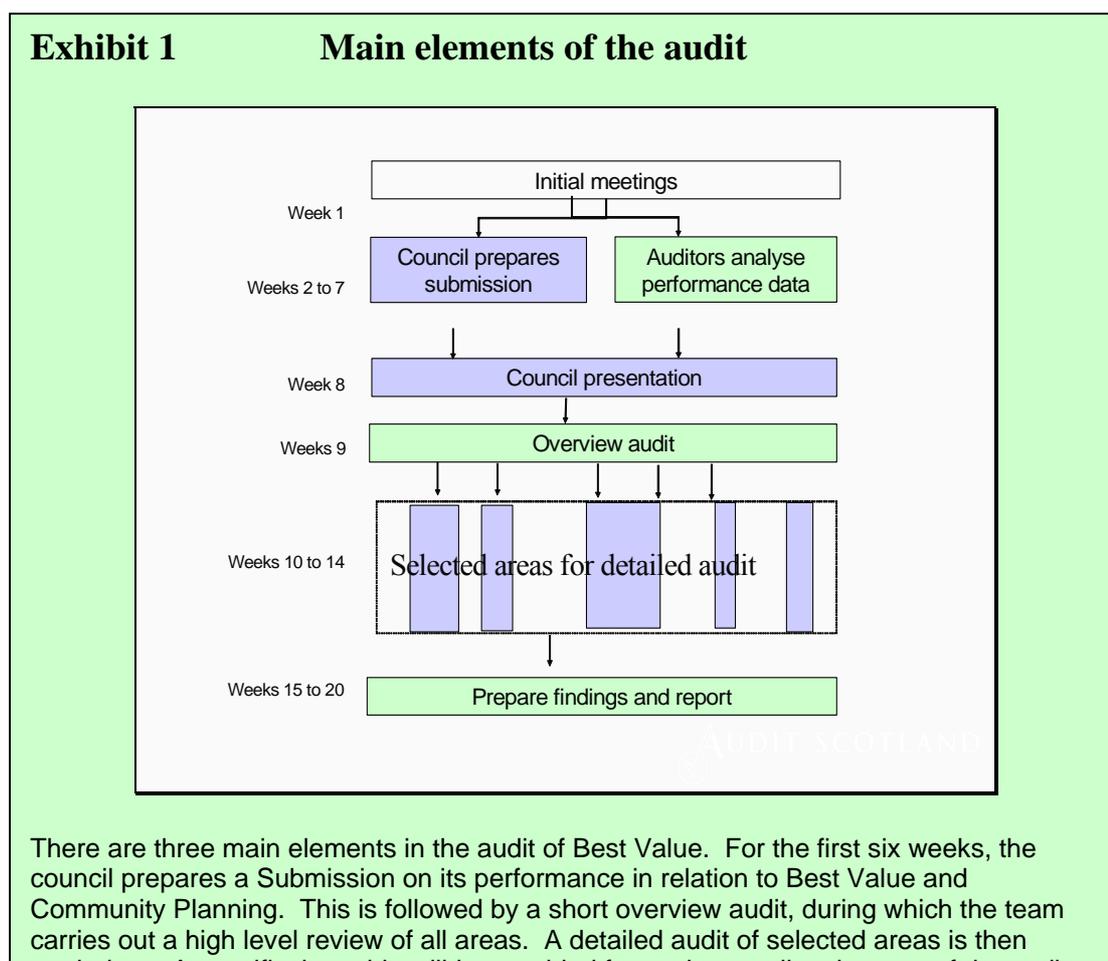
Initial meetings

21. At the initial meeting - perhaps with the Chief Executive, the Leader, and the corporate performance manager - practical arrangements for the audit will be discussed, covering aspects such as:
- A timetable for the main stages of the audit.
 - Arrangements for day-to-day liaison
 - Copies of key documents
 - Best Value Submission
22. At a second meeting, we are also keen to meet with a wider audience, such as the Council Management Team and senior members, to discuss the objectives of the audit and answer any questions they may have at an early stage. In our view, this can help to focus minds on the key requirements for the council's Best Value Submission, saving time later in the process.

Best Value Submission

23. Councils should already have established systems for monitoring Best Value, Community Planning and the performance of their services. A period of six weeks is considered reasonable to allow a council to bring together a summary of information and present it in a coherent and concise document. A timetable will be agreed at the initial meeting, taking into account local factors. Once agreed, this timetable should be strictly adhered to.

24. The council is then expected to make a presentation to the audit team to highlight key issues and to give the auditors an opportunity to seek clarification on the content of the Submission. It is for the council to decide on who should attend this presentation. As a minimum, we would expect it to include the Chief Executive and the Leader, along with the audit team. However, it might also involve wider group of Directors, elected members and other staff who might be expected to be directly involved with the audit.
25. More detailed guidance on the Best Value Submission and presentation is given in the next chapter.



Overview audit

26. Following the presentation, an overview audit will be carried out, aiming to complete a high-level audit of the Council's performance for each of its Services and for each of the Best Value and Community Planning criteria. Essentially, this overview has two objectives:
- To provide some degree of high-level assurance on the full range of performance and management arrangements issues.
 - To help identify areas where more detailed audit work would be useful.

27. The overview will normally be a desk-based exercise, seeking to draw on existing information. Clearly, the council's Best Value Submission will be a key source. In addition, the audit will make use of any other information which is available and felt to be valid. This could include, for example:
 - reports issued by the council's external auditors
 - reports issued by other scrutiny bodies such as HMIE and SWSI
 - the council's performance monitoring reports.
28. Specific aspects will be identified for the detailed audit. This will be based on a number of factors and will not be a simple mechanical process. The main factors that will be considered include:
 - any significant omissions in the Best Value Submission
 - where the assessments in the Submission do not seem to tie in with other information available to the audit team
 - potential examples of good practice of wider interest to the audit team and other councils
 - areas suggested by the council's Chief Executive or Leader
 - national issues of interest to the Controller of Audit or the Commission.
29. Areas where performance is acknowledged by the council in the Best Value Submission as being in need of improvement, may not attract any detailed audit attention, as long as they are matched with appropriate action in the council's Improvement Plan.
30. We will discuss the areas selected for the detailed audit with the council, so that it understands the underlying reasons for the judgements we have made.

Detailed audit

31. The main part of the audit, looking in detail at selected areas, will typically last three or four weeks with an intensive interview period on-site. The audit will be carried out using a mixture of interviews (with managers, administration and opposition members, and others), observation (attending committee meetings, for example), and reviewing key documents.
32. The council will be provided with a list of the people we want to interview, together with the main issues to be discussed in each case. The council is expected to arrange suitable meetings on our behalf. Interviews will take place as far as possible in members/officers own offices.

Best Value Submission

Introduction

33. At the start of the audit Councils will be asked to provide a Best Value Submission. This self-assessment is an important part of the process, helping to provide context for much of the subsequent audit. An effective Submission can help to avoid time being wasted and lead to key issues and improvements being rapidly agreed during the audit. A poor Submission can lead to much frustration and additional time needed by council and audit staff.

Six weeks

34. Normally, councils will be given around six weeks to compile their Best Value Submission. We expect councils to have already established their own monitoring arrangements to provide internal assurance that they are meeting their statutory duties on Best Value and Community Planning. The Best Value Submission simply requires this existing information to be compiled and summarised for the audit. However, there is scope to negotiate variation to the timescale where a council feels it is necessary.

Level of detail

35. Some judgement is needed on the right level to pitch the Submission. Too much detail will lead to a lengthy document, which is time-consuming to produce and to read and which obscures key corporate issues and priorities. Similarly, a Submission that is overly summarised risks being bland and not providing an effective or clear demonstration of performance. In our view, it would be useful for the council's Chief Executive to be involved in scoping the Submission at an early stage. Members of the audit team will be happy to discuss the content of an early draft.
36. The Best Value Submission is not intended to be a document that is written for a public audience. It is an internal part of an audit process that includes constructive challenge and discussion and this may bring a council to vary its view on its performance. It is only seen by members of the audit team and is not provided to other officers in Audit Scotland or to members of the Commission. The important document for a wider audience is the audit report. Obviously, with the introduction of the Freedom of Information arrangements, councils will be aware that most documents in public life are now available for public disclosure.

Corporate ownership

37. The Submission should reflect a corporate view of a council's performance, rather than the opinions of an informed individual. Some evidence of corporate ownership is needed. One way of this being demonstrated would be its being signed by the Chief Executive and the Leader. However, in this example it may be felt that this could lead to the Submission being subjected to public political debate, compromising its usefulness as a robust self-assessment. In these circumstances, some alternative arrangement for demonstrating corporate

ownership would be agreed. The specific arrangements in each council will be discussed at the initial set-up meeting.

Format

38. As much as possible, we are happy for each council to determine the precise format and style of its Submission. However, to help focus the assessment on the key issues, we suggest that it covers the areas summarised in Exhibit 2 and discussed in the following paragraphs.

Exhibit 2		Best Value Submission	
Contextual information		<ul style="list-style-type: none"> ● Local context ● Key strategic objectives & priorities ● Management & political structures ● Description of performance management system 	
Performance		<ul style="list-style-type: none"> ● Clear, balanced, high-level assessments for each service ● Based on the Council's performance management system 	
Statutory criteria		<ul style="list-style-type: none"> ● Structured on the statutory Best Value and Community Planning guidance. ● Clear, balanced, high-level assessments. 	
Draft Improvement Plan		<ul style="list-style-type: none"> ● Reflects the assessments of performance and BV criteria arrangements ● Specific and measurable ● Focus on key priorities 	
Documentation		<ul style="list-style-type: none"> ● Key documents requested by the auditors 	
Presentation		<ul style="list-style-type: none"> ● Members & officers ● Question & answer session 	

Councils will have around six weeks to compile their Best Value Submission. This needs to be a balanced self-assessment, showing gaps and weaknesses, as well as successes.

Contextual information

39. The first part of the Submission should briefly set out the context in which the council operates. For example, an analysis of the key economic and social aspects of the area it serves, explaining local issues and priorities and providing a clear link with the council's key objectives. Similarly, an outline of the council's management and political structures put in place to deliver these

objectives, and the performance management system, should be included. This section should also highlight any major recent or planned changes.

40. We suggest that this part of the submission is limited to no more than two or three pages.

Performance

41. The second part of the submission should assess the current performance of each of the council's main functions and services. We expect this to be credible and balanced, reflecting the realities of finite resources and competing priorities. As well as highlighting successes, it should identify weaker areas in need of improvement.
42. These assessments should not be limited to service developments or initiatives. The emphasis should be on core services being delivered to the public.
43. Particularly for new areas of responsibility, assessments may have to be based on management processes (such as establishing partnerships or plans). Normally, however, the Submission should concentrate on results and outcomes, assessing the performance of services as they are experienced by the public.
44. Councils should use whatever measures and evidence they feel are relevant and valid. However, these should be drawn from existing performance management systems and monitoring reports. Evidence to support performance assessments could include:
 - Targets and actual performance
 - Trends
 - Benchmarking and other comparative information
 - Performance indicators (local and national)
 - Customer survey results
 - Performance against national standards or targets
 - Service/business plan achievements
 - Validated quality assurance system reports.
45. Council services involve extensive and complex activities. It is vital that the Submission provides a clear picture of strengths and weaknesses. In order to achieve this clarity, it would be helpful if each section could conclude with a "bottom line". This might, for example, be expressed on a five-point scale where "one" is major strength and "five" is significant weakness. Of course, if the council has already established some other form of system in its performance management approach, we would be happy for this to be used for the Submission.
46. In the case of large Services that provide a wide range of functions with potentially varying strengths and weaknesses across activities, we would need a clear assessment for each individual area.
47. Initial set-up meetings will agree the approach to be taken in each council reflecting local structures but the Submission must provide clear unambiguous self-assessments.

Best Value Criteria

- 48. Statutory guidance has been prepared to support the Local Government in Scotland Act. This provides a detailed definition of the main elements of Best Value and Community Planning, and suggests ways in which councils can meet these criteria. The main criteria listed in the guidance is shown at Exhibit 3.
- 49. It needs to be stressed that the detailed guidance underpinning each of these criteria is descriptive and not prescriptive. It sets out broad principles and goals but leaves each council to decide on its own local arrangements. The guidance should be seen as a starting point, rather than a template. Therefore, we may find councils using a range of different means to get to the same ends. Effectiveness is more important than conformity.

Exhibit 3 Best Value criteria	
Commitment & leadership	Competitiveness & trading
Responsiveness & consultation	Sustainable development
Sound governance	Equal opportunities
Sound management	Joint working
Review & option appraisal	Accountability

Ministerial guidance has been prepared to support the Local Government in Scotland Act. It uses ten main criteria to define Best Value. Detailed guidance has also been issued on Community Planning.

This guidance sets out broad goals for local authorities. It should

- 50. For each of the ten Best Value criteria, and for Community Planning, the submission should set out the council's arrangements, referring to policies, evidence of performance, and contact names. Generally, no more than two pages should be used for each criterion.
- 51. As with the section dealing with Performance, the Submission has to give a clear picture of strengths and weaknesses. Again, we suggest the use of a five-point scale, but we are willing to consider any other method to help ensure clarity in the self-assessments.
- 52. Some of the Best Value criteria cover a wide range of issues, particularly Sound Governance. We suggest, in order to help the usefulness of the Submission, that some of the criteria are broken down into smaller topics and assessed separately. A suggested analysis of the Best Value criteria is shown at Appendix A, but a council may wish to use some variation on this which is more appropriate to their arrangements or which it is already using. This can be agreed as part of the initial meeting.

Draft Improvement Plan

53. We assume that councils are already committed to and engaged in continuous improvement. There will therefore be a range of improvements already planned across the council.
54. Following on from the council's assessment of its performance, it should set out the action it proposes to take to achieve improvement. We expect these to reflect the areas of weakness that have been identified. Where improvements are already contained in other documents these should be referred to. Each of these actions should be SMART (specific, measurable, achievable, realistic, and time related). The draft Improvement Plan should focus on key priorities (corporate and service-specific) rather than aiming to be a comprehensive list of more detailed improvements.
55. The audit will check that the draft Improvement Plan addresses all of the key issues and that it meets the SMART criteria. It may be added to or amended by the council in the course of the audit as a result of discussions. The final version of the Improvement Plan, agreed with the auditors, will be used as the basis for follow-up in subsequent years.

Copies of documentation

56. Inevitably, copies (preferably electronic) of key documentation, such as corporate policies and service plans, will be needed to support the self-assessment. A list of standard documents is listed in Appendix B, but many of the specific items will vary between councils. In many cases, we will be able to get copies from council web-sites or from the local external auditor. Specific requirements will be discussed with each council.

Presentation

57. The final element of the submission is in the form of a presentation by the council to the audit team, which should take place a few days after the Submission is provided to the Audit Team. This is intended to allow:
 - the council to articulate and highlight what it sees as the key elements of its submission;
 - the audit team to introduce themselves and the audit to the key players within the council;
 - the audit team to ask initial questions and seek clarification on aspects of the submission.
58. It is for each council to decide on who should be present for this event. However, we suggest that, at a minimum, it includes the Chief Executive and the Leader, and that councils should consider inviting Directors and committee conveners.

Liaison and contact

59. The audit team is committed to being available for discussion throughout the process and will be happy to respond to any queries that councils have as they compile their Submission.

Reporting

Public reporting

60. Each Best Value audit will result in a Statutory Report being presented by the Controller of Audit to the Accounts Commission. This is an important change from the previous arrangements relating to Performance Management and Planning (PMP) reports, which were issued by the local auditors to councils. The reports will be public documents and we anticipate that they will attract significant public and media attention. It is important, therefore, that they set out a balanced view on council performance that is accepted as being credible and reasonable.
61. The Commission has indicated that it is particularly interested in audit reports providing them with a clear picture of the quality of services being delivered by each council.

No league tables or labels

62. The main focus of the Best Value report will be on performance trends within the council itself and on the commitments made in the agreed Improvement Plan. The report will not use league tables, scores, or overall labels to rank councils. The emphasis will be on illustrating how a council is performing, with a strong focus on how it has improved and expects to improve in the future. This is in addition to robust evidence to confirm that the council is meeting its Best Value and Community Planning requirements and is achieving continuous improvement.

Proportionate reporting of issues

63. Best Value and Community Planning include some new explicit requirements for local authorities. While in areas such as equalities and sustainability we do not expect councils to have a fully developed approach, we do expect to see firm plans and evidence of progress towards embedding sound policies and procedures in the way the council coordinates all of its business. This level of expectation will be reflected in the Best Value report. While early reports have tended to be more critical where significant weaknesses were found in core aspects of Best Value which have been established for several years, such as performance management, customer focus and employee involvement, reports will increasingly treat all areas equally in future.
64. The report will make clear acknowledgements where gaps and weaknesses have already been identified by the council in its Best Value Submission and matched with clear improvement plans.

Draft report

65. A draft report will be provided to the council, normally within four weeks of the end of the audit. We do not expect this to contain any major surprises for the council since we plan to feedback informally on a regular basis during the course of the audit. At this stage the council will be asked to confirm the factual accuracy of the report, and it will be given an opportunity to suggest amendments, before the report is finalised and issued by the Controller of Audit.

Accounts Commission

66. The Accounts Commission will produce findings on every report. In some cases, it may simply note the audit findings and monitor progress on the implementation of the council's Improvement Plan. In other instances, it may supplement the audit report with further comment or recommendation. Once the report has been published a small group of Commissioners will meet with senior officers and councillors to review the process and to ensure the Council is committed to implementing its improvement plan. In addition, for some authorities, the Commission may also:
- direct the Controller of Audit to carry out further investigations;
 - hold a hearing;
 - state resulting findings, which may include recommendations.

Follow-up audits

67. Over the following year or two, the Council's external auditor will be expected to carry out short follow-up audits in order to establish the progress the council has made in implementing its Improvement Plan. The results of these follow-ups will be reported by the external auditor, and monitored by the Accounts Commission.
68. Normally, each council can expect to have a full audit of Best Value and Community Planning every three years. However, this cycle could vary for individual councils, depending on the results of the follow-up audits.

Analysis of Best Value criteria for Submission

The statutory guidance lists ten Best Value criteria. Separate guidance is also provided for Community Planning.

Some of these criteria cover a wide range of issues, particularly Sound Governance. We suggest, in order to help the usefulness of the Submission, that some of the criteria are broken down into smaller topics and assessed separately. A suggested analysis of the Best Value criteria is shown below, but a council may wish to use some variation on this which is more appropriate to their arrangements or which it is already using. This can be agreed as part of the initial meeting.

1. Commitment & leadership - Strategic direction
2. Commitment & leadership - Scrutiny
3. Commitment & leadership - Conduct
4. Commitment & leadership - Openness
5. *Responsiveness and consultation*
6. Sound governance - Planning and budgeting
7. Sound governance - Performance management system
8. Sound management - Risk management
9. Sound management - Employees
10. Sound management- Fixed assets
11. Sound management - Procurement
12. Sound management - Financial stewardship
13. Review and option appraisal
14. Competitiveness and Trading
15. Sustainable development
16. Equal opportunities
17. Joint working
18. Accountability

Supporting documents

In order to support a council's assessment of its performance, copies of key documents, such as corporate policies and performance plans, will be needed. It is not possible to provide a comprehensive list of all of these documents; this will depend to a large extent on the specific arrangements within each council.

However, an illustration is given below of the type of documents required. These should be common to all councils. Clearly however, the specific titles of documents will vary between councils. Where possible, the Best Value team will get copies from council websites or from the local external auditor.

Plans
<input type="checkbox"/> Community Plan
<input type="checkbox"/> Corporate Plan
<input type="checkbox"/> Service Plans
Performance monitoring reports
<input type="checkbox"/> Performance Management Framework
<input type="checkbox"/> Public Performance Reporting Framework
<input type="checkbox"/> Latest copies of performance monitoring reports (corporate and each service)
<input type="checkbox"/> Public Performance Reports
<input type="checkbox"/> Improvement plans
Consultation
<input type="checkbox"/> Corporate Consultation Strategy
<input type="checkbox"/> Residents' Survey
<input type="checkbox"/> Example of a staff satisfaction survey
Probity & propriety
<input type="checkbox"/> Councillors' Code of Conduct
<input type="checkbox"/> Officers' Code of Conduct
<input type="checkbox"/> Fraud and Whistle Blowing Policy
Equalities
<input type="checkbox"/> Race Equality Scheme
<input type="checkbox"/> Equal Opportunities Policy & monitoring reports
Review
<input type="checkbox"/> Guidelines or framework for Reviews
<input type="checkbox"/> Programme of Reviews
<input type="checkbox"/> Example of a Review Report
Others
<input type="checkbox"/> Self Assessment on compliance with CIPFA's Corporate Governance code
<input type="checkbox"/> Scrutiny Panel terms of reference (if appropriate)
<input type="checkbox"/> Latest copy of corporate budget monitoring report
<input type="checkbox"/> Asset Management Plan
<input type="checkbox"/> Procurement Guidelines
<input type="checkbox"/> Revenue and Capital Budget

Contacts

For further information on the audit of Best Value for East Lothian Council, please contact:

Lesley McGiffen

tel. 0131 625 1807

e-mail lmcgiffen@audit-scot.gov.uk