

**Accounts Commission Consultation on the Audit of Best Value and  
Community Planning**

**Response from West Dunbartonshire Council**

**1. How well are current audit methods working?**

**1.1 Is the balance of attention between members and officers right?**

*Yes – this would seem to be appropriate, although there should be greater recognition of the political impact of the Audit process in areas where political differences are high profile. This may be a more significant issue following the elections in May 2007, when there is an expectation that there will be fewer majority administrations.*

**1.2 How well is community planning covered?**

*We do not believe that appropriate measures have been identified to assess the implementation or impact of Community Planning.*

*In addition, in the current situation, where Community Planning is still in its infancy, the audit teams do not appear to have had the opportunity to develop any in-depth experience of community planning issues. We believe that this had an impact on the level of understanding of the factors which impact on Community Planning processes.*

**1.3 Do you have any comments on the use of survey material?**

*In WDC the audit team placed considerable weight in their report on the conclusions they drew from a survey that they carried out on staff. This technique was not used in any previous Best Value Audits –even with Councils that themselves had not carried out staff surveys. The survey in West Dunbartonshire had a low response rate (17%) and lacked a true demographic sampling basis. In the Best Value report of Inverclyde Council the auditors describe that Council's own survey response rate of 27% as disappointing. The Auditors did not seek a balanced sample of employees to be selected either on the basis of age, gender, grade, department, or any other criteria. Furthermore, they based conclusions on claims that were merely allegations which could not be substantiated.*

*This method of surveying staff has led to selection bias, where staff with the greatest motivation respond and those with less motivation do not. This in turn lead to an over-representation of extreme views, so that the results gave an unrepresentative depiction of the views of a minority. It is our view that in order to produce reliable results any future surveys would need to be more carefully designed. It would need to adhere to a more robust sampling strategy such as a stratified random sampling*

*approach with response rate quotas linked both to service departments and grade of response groups*

*A review of the survey by independent experts concluded that mixing and juxtaposing qualitative results from open-ended questions and individual interviews with quantitative results may not be legitimate and is a potential methodological minefield resulting in a selection of responses that may not reflect the balance of the quantitative results. To achieve a more reliable outcome, the results should be cross-referenced with results from a local authority with a similar socio-economic profile to produce a baseline comparison. The format and content of survey should be reviewed by an independent expert before it is circulated – and an independent validation of the results and conclusions should be undertaken.*

#### **1.4 How can the citizen viewpoint be taken into account?**

*Based on West Dunbartonshire's experience, the citizen viewpoint was overly influenced by the audit team's experience of some community activists who were not necessarily representative of the wider population's view of the Council and its services, (as evidenced by mechanisms such as the Citizens' Panel).*

*Attempts should be made to incorporate the latest information from Citizens Panel surveys. By liaising early with Councils, some standardised customer satisfaction questions could be worked into a Citizens Panel survey planned at around the time of the audit.*

#### **1.5 Are links with annual audits effective?**

*There would be merit in the Best Value Audit stating more clearly the evidence drawn from External Auditors to clarify the findings or impressions that have been reported. The External Auditors, who in West Dunbartonshire's case were staff of Audit Scotland, were part of the Audit team, but their working relationship with the Council was part of the evidence.*

*In general, it is not clear how the Best Value audits fit with PRF Audits, Annual Audits of Accounts etc. West Dunbartonshire Council had local external auditors asking similar questions to the Best Value audit team at roughly the same time.*

#### **1.6 Are links with inspectorates effective?**

*One specified aim of the Audit is to avoid duplication, especially where council services are subject to audit from another regulatory body. In West Dunbartonshire's case the audit concentrated on services which had been inspected recently by other bodies. The scope of the Best Value Audit is determined in part by the results of these other scrutiny processes. Although there had been good performance evidenced, e.g. by HMle and other bodies, this was not sufficiently emphasised in the*

*Best Value report. The focus is on perceived weakness. This makes for unbalanced reporting.*

*There is the potential for considerable overlap, duplication and misrepresentation. It might better if service areas were selected more randomly.*

**1.7 Do audits engage appropriately with non-council bodies e.g. health service, voluntary sector?**

*In West Dunbartonshire's case, the auditors opinion seems to have based on survey of community planning partners (single individuals) and a small number of interviews. We do not believe this was comprehensive, rigorous or objective. For example, if the NHS had been asked directly we believe they would have been very supportive, but this was not reflected in the report.*

**1.8 Would some form of peer input improve the process?**

*Yes, we believe that peer involvement, as used in other inspections, would be of tremendous value, particularly as the range of issues involved in the Best Value audit makes it unlikely that the auditors will have had direct experience of many. It may also be useful to involve the Improvement Service*

**1.9 Do you have any other comments on the audit method?**

*West Dunbartonshire has made a number of comments on the audit process and method both in the written and verbal submissions to the Hearing. Paragraph 8 of the Accounts Commission's findings following the Hearing acknowledges that, "Some of these criticisms are appropriate for inclusion in our current review of the Best Value audit process". These comments relate to:*

- *the publication arrangements – and the fact that these differed from all other Audits*
- *the timescales and deadlines applied and lack of opportunity for final comment*
- *the fact that Audit Scotland did not meet its own deadlines throughout the audit process*
- *the lack of evidence to support many of the assertions made in the Audit report*
- *the weight attached to the findings of the staff survey, despite concerns raised about the methodology*

*The detail is contained in the Hearing submission particularly pages 6 – 12), and in the transcript of the Hearing, available on the Accounts Commission website, (particularly pages 53 – 61)*

*Additionally, the audit aims to address every aspect of the council's activities to some degree; yet many of the services carried out by councils are not mentioned.*

*The audit process begins with a period of desk based research. It would be useful if the areas for improvement identified at this stage were communicated to Councils, to allow the preparation of evidential information.*

*The lack of a simple objective assessment framework is a fundamental weakness in approach, leading to a lack of rigour and the use of techniques that have not been tried and tested. It would be far better if a series of prompts were developed (as used in the PRF) and these scored (and made available for scrutiny) for each of the 10 Best Value Criteria. Services should be scored (like in England) using a star rating.*

## **2. How effective are Best Value audit reports?**

### **2.1 Are reports fair and consistent?**

*As reports often appear very subjective in nature, then their fairness must be doubtful. A lack of consistency is a key feature of the reports so far. The larger Councils seem to have had a lighter touch. There may be a case for re-examining the audit resources required for different sizes of Councils.*

*The Best Value Audit relies heavily on the credibility and performance of 'witnesses' – people who are convincing might still be wrong, or misinformed. There should be a more objective appraisal of the contribution of vested interests to the process, and, while it is accepted that the prevailing Administration and senior officers will also have vested interests, it would appear that in West Dunbartonshire's case these were subjected to challenge, where other views were not.*

*The use of entirely subjective allegations in the audit process does not help produce a fair and balanced report*

*Audit Scotland states in its guidance, (July 2004): "The Commission's main interest is in how each council is performing compared with how it performed in the past and where it plans to be in the future." The Commission should assess whether or not all audit reports comply with this guidance.*

## **2.2 Do they cover the local context well?**

*The audit should take account of local context, but the reports to date provide a little local context before going on to compare and contrast performance across all 32 Scottish councils. There should be more use made of the findings of the Scottish Index of Multiple Deprivation and performance should be compared with similar 'comparator' authorities (e.g. in West Dunbartonshire's case, Family C as defined by Audit Scotland or the HMIE groupings).*

## **2.3 Should a scoring or rating system be introduced?**

*The audit was intended to make no reference to league tables, simple scores or comparison to others. The reports, however, make frequent reference to SPI rank position across the 32 councils. In many cases rank is meaningless especially if everyone is close to 100%. West Dunbartonshire Council does not believe that this type of league table (official or unofficial) is helpful, however we do recognise that there is a need to measure the improvement of each local authority against its own past performance.*

*The reporting of rank in relation to SPI performance is over-done; however some form of overall assessment could be useful. By trying too hard to make the reports non-comparable the audit process has shown itself to lack consistency and credibility. An assessment system (eg for the corporate Best Value Criteria and also for each main service) could focus attention more and increase public awareness. It would also concentrate attention on service managers who so far have been distant and uninvolved in the audit process. Councils could be asked to self-assess based on this type of system which the audit then challenges.*

## **2.4 How well do they cover services as opposed to processes?**

*The Audit seems to have moved towards corporate governance issues and away from the original concept of best value which was about individual services assessing themselves for 'best-value' following the demise of CCT. In the early days of Best Value, services were encouraged to self-assess for the 4C's (challenge, consult, compare, and compete). It would be better if the service side of the audit could be more comprehensive and audit these aspects rather than overly concentrating on SPIs. Each service should be mentioned in the reports and a commentary provided on how well the service management had challenged the premise for providing the service, had consulted with stakeholders, had benchmarked themselves with others and had carried out option appraisal and competitiveness testing.*

**2.5 Do they provide adequate coverage of community planning, equalities, sustainability?**

*The emphasis given to Community Planning and joint working in the West Dunbartonshire audit was appropriate, however we have commented above (1.2) on the lack of appropriate measures.*

*The coverage of both equalities and sustainability did not recognise that these are underpinning elements of a wide range of activity, but rather focussed on a few statutory requirements.*

*For example, in West Dunbartonshire the audit did not recognise the importance of initiatives such as Integrated Impact Assessment, and in terms of sustainability it should at least consider compliance with wider statutory obligations (e.g. Strategic Environmental Assessment, Duty of Biodiversity) as well as other key areas such as development of sustainable development strategies, (e.g. Fairtrade, carbon-management programmes, development of green networks, sustainable communities as well as recycling, cleanliness, energy efficiency, green travel plans, eco-schools).*

**2.6 Do they provide adequate coverage of the other Best Value Criteria?**

*As noted in paragraph 2.4, there is not enough focus on the 4Cs. The audits focus on corporate approaches to performance measurement, consultation, benchmarking, option appraisal but do not take into account individual services' approaches. While the corporate governance issues are important, it is the services which matter most to the citizens of the area. It may be that this approach signals a government concern to accelerate the move away from direct service provision by local authorities?*

**2.7 Are there gaps in coverage of other key subjects?**

*In general, comparisons with best practice are made where there is nothing to compare against.*

*Assessment of the progress of Joint Working is subjective, there are no agreed measures. At this stage the audit should describe the current position, acknowledge good or novel practice, and comment on outputs and the position regarding agreement of outcomes.*

**2.8 Are Statutory Performance Indicators used well in reports?**

*The Audit Reports rely too heavily on the Statutory Performance Indicators which are widely regarded as not being representative measures of outcomes for the public or internal efficiency. The audit should attempt to comment only on the indicators that provide*

*information on the comparative costs of service delivery and provide some commentary on service standards.*

*The guidance emphasises the use of performance trends, yet much of the SPI performance noted in the report is based on a single year 'snapshot' and long-term trends are rarely mentioned. More balance is required between quantitative and qualitative assessments.*

*The Commission should review all audit reports to establish if SPIs have been used to compare current performance against past performance since a consistent methodology is necessary.*

## **2.9 Is material from other scrutiny bodies used appropriately?**

*The material from HMle was used appropriately, but in West Dunbartonshire's case was given insufficient emphasis. Information from Communities Scotland was misrepresented by the editing of a table to show only the negative side of the picture.*

*The Commission should review all audit reports to identify if data is being used in an appropriate fashion.*

## **2.10 Do you have any comments on the length and readability of reports?**

*The reports are of about the right length and readability to present the quantity of complex information involved. However greater care should be taken to ensure that the summaries of reports provide an appropriate balance. This is particularly in the light of the fact that many – particularly the press – may only read this summary*

*There appear to be variations in the quality of reports therefore the Commission should undertake a review of all reports to identify common themes.*

## **2.11 Do you have any other comments on the audit reports?**

*The Audit reports contain numerous subjective comments on the structure and processes required to deliver continuous improvement given that there is no ideal or comparative model to use as a benchmark.*

*The Guide for West Dunbartonshire Council states the following:  
Para 60-“it is important, therefore that they set out a balanced view of council performance that is accepted as being credible and reasonable.”*

*Para 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”.*

*Para 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 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.”*

*If this guidance is issued to all councils subject to the audit, the Commission should undertake research to establish if auditors adhere to the guidance.*

### **3. What are the views on the role of the Accounts Commission?**

#### **3.1 What issues arise from the distinction between Commission findings and Controller of Audit report?**

*The distinctions between the two are very unclear, and not just for those outwith the local authority environment. The Auditors report should not be made public until after consideration by the Accounts Commission, - as happened in West Dunbartonshire.*

*The relationship between the 2 bodies is very close, (including the use of the same premises, press office, and some staff with joint responsibilities). This must mean that it is very difficult for the Accounts Commission to publicly criticise Audit Scotland, and therefore any disputes should be resolved before information reaches the public arena.*

*The linkage between the two should be reviewed.*

#### **3.2 How effective are Commission meetings with councils following the Best Value audits?**

*In West Dunbartonshire the meeting took the form of a public hearing. Inevitably this led to a polarisation of the issues, with much of the detail which needed to be resolved lost. While public forums are important, there is no doubt that other mechanisms are required to consider detail. The approach in West Dunbartonshire meant that many serious issues were reduced to soundbites.*

#### **3.3 Do you have any comments on improvement plans?**

*On the one hand we believe that, in an ideal world, these could be more rigorous and comprehensive, (e.g. the internal process in West Dunbartonshire identified a number of issues which were not covered in the audit). . Nevertheless, the practicalities of implementation of improvement, and in particular, the timescales required where the outcome has been negative, create challenges for the effective use of the available resources. There is a case for further examination of the scope for supporting the implementation of Improvement Plans.*



### **3.4 Do you have any other comments on the powers and roles of the Commission and the Controller of Audit?**

*One of the key features of the approach is rigorous moderation by 12 members of the independent Accounts Commission. This should happen prior to the report being put into the public domain*

*The Hearing process requires review. Although indicative time allocations were given to participants, the Commission should review the effectiveness of these guidelines. The Commission should consider the need for balance in relation to witnesses; e.g. in West Dunbartonshire's case, a very significant proportion of the time was allocated to critics of the Council.*

## **4. What is the impact on citizens, service users and other stakeholders?**

### **4.1 What evidence is there about the impact of Best Value audits on citizens and service users?**

*In general, the lack of emphasis on services in the audit process seems to reduce the public interest in the results.*

*The position in West Dunbartonshire was somewhat different due to the political dimension, and the local press seized on sensationalist aspects. Audit Scotland underestimated the local impact of headline grabbing sound bites. This was not supportive of an emphasis on service delivery.*

*Nevertheless, despite substantial press coverage there appears to have been little response from citizens or service users.*

### **4.2 What evidence is there about the impact on the Scottish Parliament, the Scottish Executive and any other public bodies?**

*The Audit has 'branded' WDC as a failing council in the eyes of individuals in other public bodies, which is unfortunate. The audit report has overly concentrated on a few high-profile corporate governance issues which have masked the good work which is happening.*

*In a climate where the Scottish Executive is promoting shared service arrangements, the 'branding' of any agency in this way will make it difficult to develop this agenda.*

## **5. How should the Best Value Audit develop in future?**

### **5.1 How should community planning and increasing joint/shared services be covered?**

*As noted above, there is a need to standardise the efficiency measures which will assess these issues. This would allow the audit process to be*

*standardised, with a series of prompts which would be the same for all councils.*

**5.2 What implications does the efficient government project have for the Best Value audits?**

*Again, a standardised set of questions should be asked, the assessments are currently subjective. No councils are currently doing Efficient Government well. Until the national measures are tested and bedded in with benefits tracking systems in place, it is difficult to do anything except provide some commentary on process.*

**5.3 How should Best Value audits be developed in relation to other forms of scrutiny?**

*The 'Crerar Review' should be well placed to consider this issue. There is no doubt – as Ministers recognise – that inspection regimes require rationalisation. Efforts should be concentrated on establishing a more realistic model rather than expanding the role of audits*

*At the very least, there is a need to develop the timetable, to try synchronise with other activities.*

**5.4 How can the Best Value audits provide added value, for example through other products such as an annual digest of good practice, possibly with the Improvement Service and COSLA?**

*A digest, (whether annual or otherwise), of good practice may be worthwhile, but it will only be relevant if Best Value Audits have regard to them and recognise the caveats which are applicable to individual councils. One useful approach may be to create case studies developed from good practices observed in the audits, then publish on the Improvement Service website.*

*The Accounts Commission and Audit Scotland should work with the Improvement Service and CoSLA on these issues, for while it is recognised that Audit Scotland do not provide a consultancy service, the improvement agenda must be based on a standardised view of good practice (as far as is compatible with the variety of local needs).*

**5.5 Do you have any other views on future developments?**

*Best Value reviews are intended to focus on a balance between quality and cost. The current focus on SPIs does not facilitate this. In general, there should be a greater attempt to balance the qualitative and quantitative.*

*Arthur Midwinter's comments are appropriate to this question:*

*“... there is a need to spell out the evidence base that underpins judgements on a local authority’s performance, as too often it is asserted, not demonstrated. “*

*“The current approach needs greater analytical rigour, and a more realistic audit model.....”*

<b>6. And for Councils who have undergone a Best Value audit:- What is the impact on councils?</b>
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**6.1 What are councils’ experiences of the resource demands created by Best Value audits?**

*There is no doubt that – even outwith the particular circumstances in West Dunbartonshire -this was a major project and the demands of the submission were significant despite the Audit Scotland guidance that it should not be so. This is particularly the case in a smaller council which has fewer resources. Again, the resource demands should be one of the factors considered by Professor Crerar during his review.*

**6.2 How effective is the coordination with other scrutiny bodies?**

*There seemed to be little evidence presented of communication with HMle, Communities Scotland, prior to, or during the ‘on site’ stage, apart from Audit Scotland having read the published reports.*

**6.3 How effective is the communication between Commission/Audit Scotland and councils – before, during and after the audit?**

*There were a number of concerns in West Dunbartonshire about communication, from the initial information about timescales for the audit process – which were subject to change at almost every stage, to the final publication arrangements and beyond.*

*Adequate time should be set aside for Councils to fully discuss all aspects of the report. In West Dunbartonshire’s case, consultation on the conclusions and improvement agenda sections did not happen, and the report was published without our input and comments being considered. The timescales also make it difficult to ensure that all Council members are involved at every stage – a point which became a particular issue in West Dunbartonshire. If the Accounts Commission believes it is important to involve full Council, then more time is required. It maybe that there is a need for Audit Scotland to review its overall programme.*

**6.4 How transparent is the process?**

*As noted above, the audit reports included a number of assertions for which there was no clear evidence. West Dunbartonshire raised a number of these instances with the audit team, but the information was not made available. There is a need to see more of the evidence on*

*which the auditors base their conclusions, including the results of primary, desk based research. In practice, there seems to be a propensity to make assertions and reach conclusions without presentation of any evidence apart from auditors explaining that if one person says something that agrees with something someone else says then it must be true.*

**6.5 Do you have any comments on publication and media arrangements?**

*The situation in West Dunbartonshire was, as far as we are aware, unique. Publication of a Best Value Audit document to the press and public prior to its consideration by the Accounts Commission had not happened before. The previous reports had all been through the due process of consideration by the Accounts Commission and then made public as a booklet with their findings included some 6 weeks later with strict publication embargo conditions attached. This added to the difficulties in West Dunbartonshire.*

**6.6 How well do the audits support improvement?**

*In general, their high-profile, (albeit not necessarily with the general public), has proved to be a catalyst; it is possible that we would have been less far down the continuous improvement road if the audit didn't exist*

*Although many of the findings were consistent with our own Improvement Plan in West Dunbartonshire, there is no doubt that the audit has given them a higher profile within the organisation and with partners. Nevertheless, our specific experience of the Best Value Audit process has deflected energy away from this work.*

*They may well identify the need for, but they do not support, improvement. The audit offers no guidance on methods which might be used to improve performance. As noted above, this may be an area where there is scope for much better links between the Accounts Commission/Audit Scotland and the Improvement Service/ CoSLA.*

**6.7 Do you have any other comments in relation to the impact of the audit on councils?**

*Overall, although we are committed to moving forward with the improvement plan, the audit process has not been the most positive experience in West Dunbartonshire.*

*The preparation for the audit did provide an important opportunity for self assessment, and the public nature of the exercise did support a culture of greater transparency. We hope that the support available following the audit will allow us to develop further, but there is no doubt that the process throws up resource issues which are not easily resolved.*

*As noted at various points above, it would be helpful if the role of Audit Scotland were reconsidered in terms of the support which might be offered for improvement.*