

### Purpose

1. This report introduces the Controller of Audit's report on Best Value in The Highland Council for the Commission's consideration, alongside the associated publication arrangements.

### Recommendations

2. The Commission is invited to:
  - Consider the Controller of Audit's report.
  - Approve the proposed publication arrangements.
  - Decide how it wishes to proceed.

### Background

3. The report draws the Commission's attention to the findings set out in The Highland Council's 2023/24 Annual Audit Report (AAR) on how effectively the council demonstrates Best Value through continuous improvement in how it delivers its strategic priorities.
4. Best Value audit work is fully integrated into annual financial audit work to increase its impact and efficiency and reduce the scrutiny burden on councils. Best Value work is reported in AARs and also includes follow-up and thematic Best Value work, providing judgements on the pace and depth of continuous improvements and service performance. This work provides the 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 Best Value audit work.
5. The theme chosen by the Commission for its annual Best Value thematic work for 2023/24 is Workforce Innovation.
6. At least once during the current five-year audit appointment the Controller of Audit is required to report to the Commission on Best Value in each council. These reports are based on the best value audit findings reported in AARs. They replace the Best Value Assurance Reports that were published on all councils between 2017 and 2022.
7. The Best Value thematic report and the AAR for The Highland Council were presented to the council's Standards, Audit and Risk Committee on 26 September 2024 and 28 November 2024 respectively.

## The Controller of Audit's report

8. This report is made by the Controller of Audit to the Commission under section 102(1) of the Local Government (Scotland) Act 1973 (as amended by subsequent legislation including the Local Government in Scotland Act 2003).
9. The legislation enables the Controller of Audit to make reports to the Commission with respect to:
  - The accounts of local authorities audited under the Act;
  - Any matters arising from the accounts of any of those authorities or from the auditing of those accounts being matters that the Controller considers should be considered by the local authority or brought to the attention of the public; and
  - The performance by a local authority of their statutory duties in relation to best value and community planning.
10. The Controller of Audit's report was sent to The Highland Council on 2 April 2025, the same date it was issued to the Commission. The council has been advised that it is obliged to supply a copy of the report and the AAR on which it is based to each member of the council and to make additional copies available for public inspection. Once the Controller of Audit's report is sent to the council it is effectively in the public domain.

## Procedure

11. The legislation provides that, on receipt of a Controller of Audit report, the Commission may do, in any order, all or any of the following, or none of them:
  - direct the Controller of Audit to carry out further investigations
  - hold a hearing
  - state its findings.
12. Findings may include recommendations and the persons to whom those recommendations may be made include Scottish Ministers, who have powers to make an enforcement direction requiring an authority to take such action as is specified in the direction.
13. Members of the audit team will be present at the Commission's meeting and will be available to answer questions on the evidence and judgements presented in the AAR, with a focus on Best Value. This is done in the public part of the Commission meeting.
14. The Commission will then decide in private how it wishes to proceed. The Commission is obliged to inform the council of this decision shortly after the Commission meeting – this is done by the Secretary on the Commission's behalf – before making its decision public.
15. The Commission asks the council for a meeting, preferably in the period between the Commission publishing its report and full council considering it, to do the following:
  - to discuss what the council thinks of the Commission's decision and its findings (if applicable), and what the council will do in response to the Commission's report
  - to confirm any next steps, and review the audit process.

**16.** The council is required to do the following:

- consider any findings of the Commission within three months of receiving them
- publish in a newspaper circulating in the local area a notice stating the time and place of the meeting, indicating that it is to consider the findings of the Commission and describing the nature of those findings (at least seven clear days before the meeting)
- after the council has met, notify the Commission of any decisions made, and publish in a newspaper circulating in the local area a notice containing a summary, approved by the Commission, of the council's decision.

## **Publication arrangements**

**17.** The report is due to be published on 24 April 2025, with the previous day being held for any media interviews. It is anticipated that the Chair will front the media for this report.

**18.** The main communications outputs for each of the new Best Value reports currently include:

- Short animation – key messages for local communities from the annual audit report
- News release – based on the Account Commission's findings, including a quote from the Chair of the Accounts Commission
- Social media – detailed list of key groups to tag within each council area, including community councils, tenant groups, third sector and local third sector interfaces.

**19.** In addition, we will carry out the following communications and engagement:

- Local media – advance engagement to increase the potential for interviews
- Third sector interfaces – provide materials and support to share across their contacts
- Ongoing engagement with the local council.

**20.** The main audiences for our communications are:

- Council and council staff
- Local communities, and third sector groups
- Local and specialist media
- COSLA and the Improvement Service
- Other councils – to share best practice.

## **Conclusion**

**21.** The Commission is invited to:

- consider the Controller of Audit's report on Best Value in The Highland Council
- approve the proposed publication arrangements
- decide in private how it wishes to proceed.