

MEETING: 8 SEPTEMBER 2022

REPORT BY: SECRETARY TO THE COMMISSION

BEST VALUE ASSURANCE REPORT: COMHAIRLE NAN EILEAN SIAR

Purpose

1. The purpose of this paper is to introduce for the Commission's consideration the Controller of Audit's Best Value Assurance Report (BVAR) for Comhairle nan Eilean Siar.

Background

2. A key objective of auditing Best Value is to allow the Commission to provide regular assurance to the public about how councils are performing in relation to their Best Value statutory duties. It is intended that this will be achieved by the Controller of Audit submitting a Best Value Assurance Report on each council at least once during the five-year audit appointment and by Best Value being reported in annual audit reports.
3. The attached BVAR (**Appendix 1**) is on Comhairle nan Eilean Siar. This is the first BVAR on the Comhairle and it reports on the progress made by the Comhairle since previous Best Value reporting.
4. Accounts Commission Audits of Best Value and Community Planning of Comhairle nan Eilean Siar took place in 2006 and 2011. Follow up reports on the [2011 report](#) were published in [December 2012](#) and [May 2014](#) (the findings on which are set out in **Appendices 2 to 4** respectively). Aspects of Best Value work have also been reported within the annual audit since that time.
5. We recognise the importance of the Gaelic language to the Western Isles and note that the Comhairle publishes key documents in Gaelic. Our publicity around this report is therefore available in both English and Gaelic, including a Gaelic version of the Controller's report on the Commission website as part of today's meeting papers. Also, our website supports translation into many different languages, including Gaelic. We will discuss with the Scottish Government and/or Bòrd na Gàidhlig any further good practice to make the report accessible.

The Controller of Audit report

6. The BVAR 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).
7. 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.

8. A copy of the report is being sent to the Comhairle, which is obliged to supply a copy to each elected member of the Comhairle and to make additional copies available for public inspection. Once the Controller of Audit's report is sent to the Comhairle it is effectively in the public domain.
9. The report concludes with a series of recommendations made by the Controller of Audit which are to be part of the Commission's considerations.

Procedure

10. 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.
11. 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.
12. 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 report. This is done in the public part of the Commission meeting.
13. The Commission is then expected to consider in private how it wishes to proceed. Subsequently, the Commission is obliged by statute to inform the Comhairle of its decision, which the Commission does before making the decision public.

Conclusion

14. The Commission is invited to:
 - a) consider the Controller of Audit's BVAR on Comhairle nan Eilean Siar
 - b) decide in private how it wishes to proceed.

Paul Reilly
Secretary to the Commission
31 August 2022

BEST VALUE ASSURANCE REPORT: COMHAIRLE NAN EILEAN SIAR

See separate paper.

COMHAIRLE NAN EILEAN SIAR: THE AUDIT OF BEST VALUE AND COMMUNITY PLANNING

COMMISSION FINDINGS

NOVEMBER 2011

1. The Accounts Commission accepts this report from the Controller of Audit on the performance of Comhairle nan Eilean Siar in relation to its statutory duties on Best Value and Community Planning. The Commission notes that, in respect of these duties, the overall performance of the comhairle is satisfactory and that it has fair prospects for future improvement.
2. The Commission finds that most services perform well and the comhairle recognises where improvements are needed and has recently increased its pace of change. It is encouraged that this is supported by strong political and community leadership, prudent financial management and sound governance arrangements.
3. The Commission has, however, serious concerns about the overall slow progress of the comhairle since the first Best Value audit in 2006. While some of the basic building blocks of Best Value are in place, there are significant aspects where better progress is needed. In particular, the culture of challenge and improvement remains underdeveloped. The comhairle, while responding well to external appraisal through audit and inspection, remains reactive rather than proactive in identifying and implementing improvements. It needs to put in place a corporate systematic approach to continuous improvement activity supported by an effective self-evaluation and performance management framework.
4. The Commission urges the chief executive and corporate management team to provide clearer and more visible leadership, in order to demonstrate that the comhairle is fully ready for the future challenges that it faces. It needs to develop a longer-term strategic financial plan and councillors need to play a more active role in the improvement agenda.
5. The Commission believes that the comhairle needs to make early progress with these improvements. The Commission requires a further report by the Controller of Audit in around 12 months' time on the progress made by the Comhairle

COMHAIRLE NAN EILEAN SIAR: THE AUDIT OF BEST VALUE AND COMMUNITY PLANNING – A FOLLOW UP REPORT

COMMISSION FINDINGS

DECEMBER 2012

1. The Commission accepts the Controller of Audit's report of the progress made by Comhairle nan Eilean Siar (the comhairle) in responding to its findings in relation to the report of the Best Value audit of the comhairle published in November 2011.
2. The Commission recognises the progress made by the comhairle. It is encouraged by the improvements in the comhairle's arrangements for managing performance and finance. In particular, it notes the potential of the performance management system in supporting elected members to monitor and scrutinise the comhairle's performance and impact more effectively. This potential has yet to be fully realised.
3. The Commission, however, notes with concern that some areas have not progressed. It is concerning that the comhairle is still not able to gauge effectively the satisfaction of customers. Significantly, it also needs to make more progress in how it manages its workforce. Completion rates for performance appraisals need to improve further and the comhairle needs to address more clearly the rising sickness absence levels. It is also important that the comhairle delivers its improvement plan that it has put in place to respond to the findings of its staff survey.
4. This report represents a baseline for improvement. The Commission encourages the comhairle to increase the momentum of improvement. To this end, the Commission asks the Controller of Audit to monitor progress and report on progress at an appropriate time within the next 18 months.

COMHAIRLE NAN EILEAN SIAR: THE AUDIT OF BEST VALUE AND COMMUNITY PLANNING – A FOLLOW UP REPORT

COMMISSION FINDINGS

MAY 2014

1. The Controller of Audit made his report to update the Accounts Commission on Comhairle nan Eilean Siar's progress against the Commission's findings on previous Best Value audit work in the council published in December 2012. In those findings, the Commission recognised that the council was making progress but not in all areas. The Commission asked the Controller of Audit to monitor progress and report back to the Commission. Previously, in findings published in November 2011, the Commission had expressed serious concerns about the overall progress of the council since the first Best Value audit in 2006.
2. The Commission accepts the Controller of Audit's report and welcomes the progress made by the council against our previous findings.
3. We are encouraged by the increased scrutiny and challenge of performance by councillors and by the progress made in how the council manages its workforce, notably in the performance, learning and development of individual employees. We note that the council recognises the need to evaluate and act upon customer and citizen views more effectively.
4. The existing structure of local government has been in place since 1995 and in the islands since 1975. Set against that timeframe it is wholly reasonable for the public to expect its council to have become a customer-focused organisation which demonstrates the principles of best value and is consistently improving its performance. While we therefore welcome the significant progress made in developing a culture of continuous improvement in the council, the key challenge for the council will be to ensure this culture becomes a permanent feature and is not compromised by events such as changes in political or officer leadership. Clear and effective shared leadership between members and officers, adherence to principles of best value, and a strong corporate capacity to support improvements are the essential ingredients to make the culture permanent.
5. There is positive momentum in the council, and it needs to maintain this momentum to ensure it delivers continuous improvement.