

## ABERDEEN CITY COUNCIL

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<b>COMMITTEE</b>	Audit, Risk and Scrutiny
<b>DATE</b>	9 October 2020
<b>REPORT TITLE</b>	Best Value Assurance Report
<b>REPORT NUMBER</b>	COM-20-177
<b>CHIEF OFFICER</b>	Fraser Bell
<b>REPORT AUTHOR</b>	Vikki Cuthbert
<b>TERMS OF REFERENCE</b>	Remit – 6.4

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### 1. PURPOSE OF REPORT

To provide an update on the forthcoming Best Value audit of Aberdeen City Council.

### 2. RECOMMENDATIONS

It is recommended that the Committee:

- a) note the update regarding the forthcoming Best Value audit; and
- b) instruct the Chief Officer - Governance to write to the Accounts Commission to agree arrangements for notifying the London Stock Exchange of the outcome of the Best Value Audit.

### 3. BACKGROUND

3.1 Each local authority in Scotland receives a Best Value audit every 5 years as part of a rolling programme of audits established by the Accounts Commission. The purpose of the audit is to provide assurance that the Council is meeting its statutory duties in respect of Best Value, defined within the Local Government in Scotland Act 2003 as:

- continuous improvement in performance, while maintaining an appropriate balance between quality and cost;
- achieving break-even trading accounts;
- observing proper accounting practices;
- making arrangements for the reporting to the public of the outcome of the performance of functions.

3.2 The Council was last audited in 2014, reporting to the Accounts Commission in [July 2015](#). Members will also be aware that the annual external audit reports include an assessment of 'Wider Scope' that is built around four dimensions. In addition, more focused auditing takes place annually on a cyclical basis on specific

areas of audit focus. The dimensions and areas of audit focus for the last two years are set out in the table below. That work which has been undertaken annually will inform the Best Value Audit.

Core themes	Wider scope	
	2019	2020
Financial Management		
Financial Sustainability		
Governance and Accountability		Preventing Fraud and Corruption in Procurement
Best Value and Value for Money	Performance Improvement and Outcomes	Equalities

3.3 Audit Scotland have appointed KPMG to complete the 2020 audit, which is scheduled to report Aberdeen City Council's Best Value Assurance Report to the Accounts Commission in June 2021. The report will also be presented to this Committee at that time.

3.4 KPMG advise that they are awaiting confirmation of some details from Audit Scotland but that they expect to begin fieldwork in November, running into the early months of 2021. Whilst further details are awaited, we are so far advised that:

- The audit will be completed according to revised [Best Value guidance](#) which is built around a number of audit themes (see below);
- Fieldwork will be completed remotely using enabling technology such as Microsoft Teams;
- Evidence will be reviewed and follow up meetings arranged with elected members, the Corporate (and extended) Management Team, third tier officers and frontline staff. This will include some 1-2-1 sessions as well as focus groups of staff.
- The report will be shared with us as a draft for comments prior to final publication by the Accounts Commission

3.5 Officers have commenced preparation for the audit whilst formal notification is awaited. Sponsors have been identified for each theme, as below:

Audit Theme	Audit Sponsor
Vision and Leadership	Angela Scott
Governance and Accountability	Fraser Bell
Effective Use of Resources	Steve Whyte
Sustainable Development	Gale Beattie
Partnerships and Collaborative Working	Michelle Cochlan and Alison Macleod
Working with Communities	Neil Carnegie
Fairness and Equality	Jacqui McKenzie and Isla Newcombe
Service Performance and Improvement	Martin Murchie

3.6 Each sponsor has established a team of support staff to assist with self-assessment of performance against the requirements expected for the audit.

The Leadership Forum are a key participant in the process and will take ownership of the self-assessment alongside the theme sponsors. It is important that all staff feel they have contributed to the audit process and to the audit outcomes as this is an audit of our performance as an organisation

#### 4. FINANCIAL IMPLICATIONS

4.1 There are no direct financial implications arising from this report however the nature and scope of the audit focuses on the Council's statutory duty of best value.

#### 5. LEGAL IMPLICATIONS

5.1 There are no direct legal implications arising from this report. The purpose of the audit is to seek assurance on the extent to which we are fulfilling legal obligations under the Local Government in Scotland Act 2003. Consideration will be given to the timing of the disclosure of the Best Value report through the London Stock Exchange in order to coincide with the proposed timing of publication on the Audit Scotland website.

#### 6. MANAGEMENT OF RISK

Category	Risk	Low (L) Medium (M) High (H)	Mitigation
<b>Strategic</b>	Failure to effectively audit the Council results in a lack of assurance in the controls in place.	L	External audit provides valuable assurance that the Council is effectively managing its risk profile.
<b>Compliance</b>	As above	L	As above
<b>Operational</b>	As above	L	As above
<b>Financial</b>	As above	L	As above
<b>Reputational</b>	As above	L	As above
<b>Environment / Climate</b>	As above	L	As above

#### 7. OUTCOMES

7.1 The recommendations within this report have no direct impact on the Council Delivery Plan.

#### 8. IMPACT ASSESSMENTS

Assessment	Outcome
<b>Impact Assessment</b>	Full impact assessment not required.
<b>Data Protection Impact Assessment</b>	Not required.

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**9. BACKGROUND PAPERS**

Relevant background papers are linked within the report.

**10. APPENDICES**

None.

**11. REPORT AUTHOR CONTACT DETAILS**

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