

Auditing Best Value in central government bodies



	Day	Week	Month
1	25,04	23,72	13,37
2	18,15	38,22	32,89
3	13,26	35,00	6,4
4	43,55	3,07	4

“Achieving Best Value is about ensuring sound governance, good management, public reporting on performance and a focus on improvement.”

Background

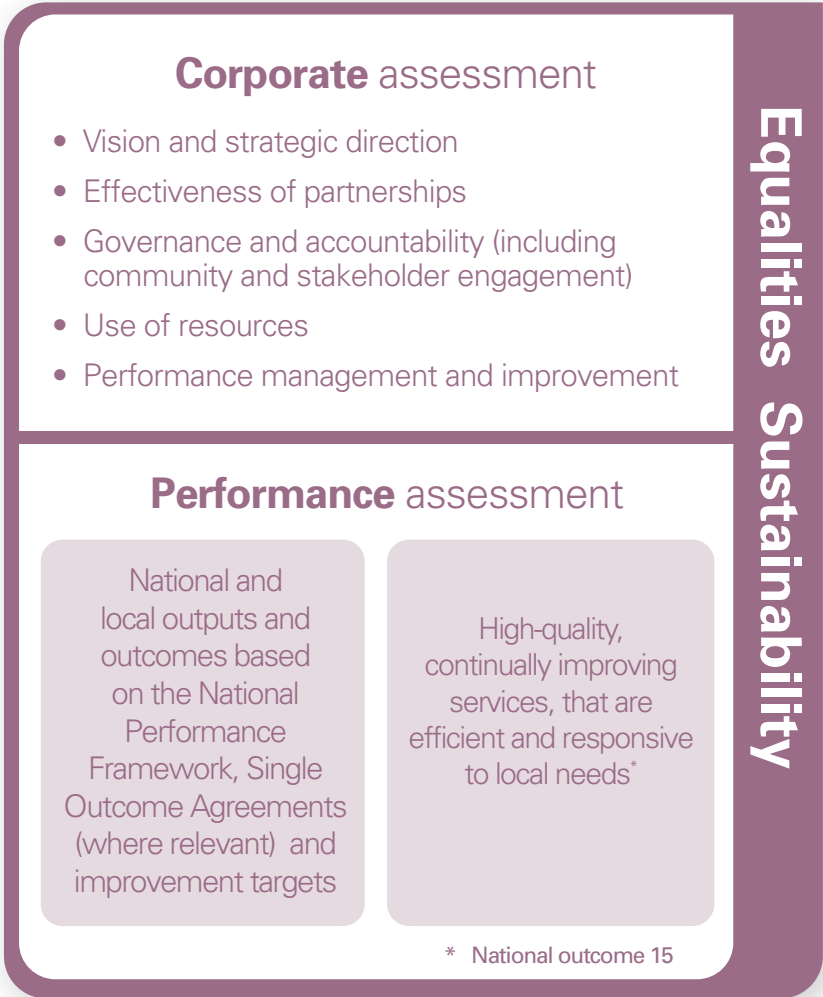
Best Value (BV) duties apply across the public sector. In central government, all Accountable Officers – chief executives of non-departmental public bodies (NDPBs), executive agencies, public corporations and non-ministerial departments (NMDS) – are accountable for the delivery of BV.

Audit Scotland has adopted a generic framework for BV for all public bodies. This will enable a consistent approach to auditing against BV principles across the public sector ([Exhibit 1](#)). Sustainable development and equalities are themes that run through the framework.

We are committed to ensuring that BV auditing across the public sector adds value to existing arrangements. It will be risk-based, build on our knowledge of individual bodies and recognise the increasing focus on partnership working. Specifically we aim to:

- report on overall governance and management arrangements
- report on the delivery of outcomes
- protect taxpayers’ interests by examining the use of resources
- put an increasing emphasis on self assessment by public bodies with audit support and validation.

Exhibit 1. Framework for a BV audit of a public body



Building on current reporting arrangements

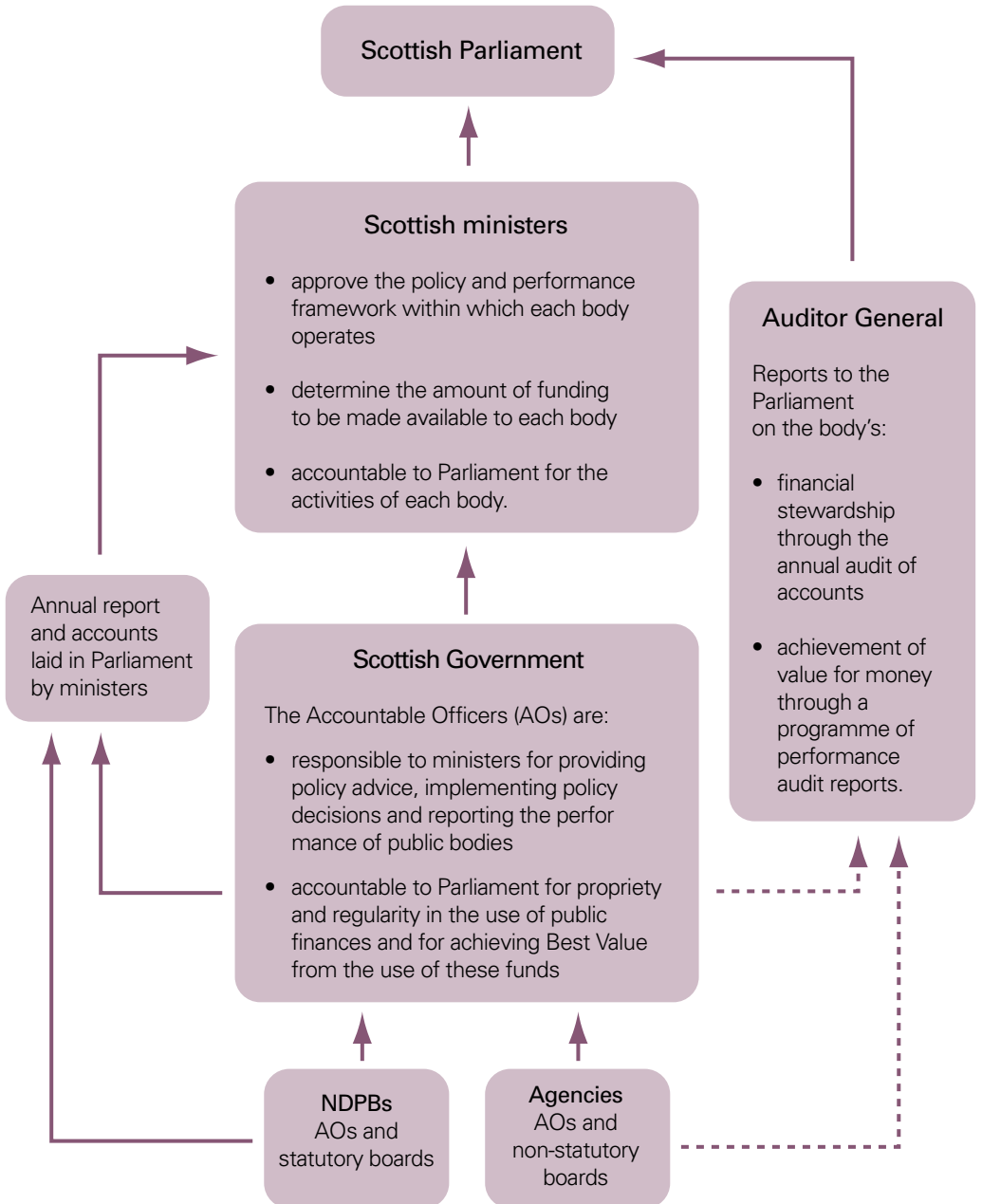
Audit Scotland will apply the audit of BV in central government bodies in ways that reflect their different accountability arrangements compared to other parts of the public sector. This will involve developing a flexible approach which takes full account of the different statutory and governance arrangements in place for central government bodies (Exhibit 2).

The building blocks for a BV assessment of central government bodies are already in place. These include:

- an annual audit that is based on key priorities and risks in the sector. Final audit reports are considered at board meetings and are published on Audit Scotland's website
- national performance audit reports on specific services carried out by Audit Scotland for the Auditor General. These are presented to the Parliament's Public Audit Committee
- thematic reports on cross-government issues, such as procurement
- short reports on the accounts where the Auditor General wants to bring issues arising from the accounts to the attention of Parliament (Section 22 reports).

Our approach will take account of the developing work on the National Performance Framework and Scotland Performs, and where possible align with this work.

Exhibit 2. Lines of accountability and reporting for central government, NDPBs and agencies



What does this mean in practice?

Our aims are to coordinate the range of reports more effectively, and develop our audit approach to ensure that all the BV principles are covered and reported on over time.

To this end, Audit Scotland is developing audit toolkits to cover the key BV principles. Our first priority is developing a range of 'use of resources' audit tools covering areas such as financial management, information management and procurement. These will be applied across the public sector so that we take a consistent approach to auditing BV, but they will be:

- reported differently taking account of the different accountability arrangements for parts of the public sector
- sensitive to differences in the scale and responsibilities of central government bodies.

The toolkits are being developed so that they can be used both by auditors and by public bodies themselves for self-assessment purposes.

The annual audit report will make reference over the five-year period of the audit appointment to specific work on BV.

National performance audits and performance information will form part of the evidence on the extent to which central government bodies are improving. Some studies will directly link to BV principles by looking at thematic areas, such as procurement. Others will look at service performance.

Selective reports on the laid accounts (Section 22 reports) and in-depth performance reports on individual bodies (Section 23 reports) are options that can be used for examining bodies where a number of risks have been identified.

Auditing partnerships

Increasingly, services are being delivered through partnerships, many of which have central government bodies as key players. Audit Scotland is in the unique position of auditing the whole public sector, and we aim to maximise this advantage by building a robust approach to the audit of partnerships. This will look at the overall partnership objectives and the contribution that all partners play in achieving these through:

- clear leadership
- strong governance arrangements with clear lines of accountability
- joint planning
- effective use of joint resources
- processes to monitor and report on the achievement of outcomes.

Involving central government bodies

As we develop our approach to auditing BV in central government, we are keen to involve NDPBs and agencies and take account of your views. We will set up a formal reference group made up of representatives from NDPBs, agencies and the Scottish Government.

In addition, if you have any comments, either on our approach as outlined in this leaflet or additional areas that we should cover, please talk to your external auditor or email us at cgbestvalue@audit-scotland.gov.uk



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