

# ***Best value in the Scottish Police Authority and the Police Service***

## **Introduction**

1. At its meeting on 15 September 2020, the Audit, Risk and Assurance Committee expressed an interest in better understanding the role of audit in relation to the Scottish Police Authority's ('the Authority') and Police Scotland's arrangements for best value. This paper provides a summary of the audit aspect of the committee's interest.

## **Background**

2. The duty of best value for the Authority and Police Scotland is set out in [Chapter 5 \(section 37\) of the Police and Fire Reform Act \(Scotland\) 2012](#) ('the Act'). The Act states that it is the duty of:
  - the Authority to make arrangements which secure best value for the Authority (that is, a continuous improvement in the carrying out of the Authority's functions).
  - the chief constable to make arrangements which secure best value for the Police Service (that is, a continuous improvement in the carrying out of police functions).
3. [Section 38](#) of the Act provides that, in carrying out their duties in regard to best value, the Authority and the Chief Constable must have regard to: (a) any relevant guidance issued by the Scottish Ministers; and (b) anything regarded as proper arrangements for the purposes of securing best value. The Scottish Public Finance Manual (SPFM) includes [a section](#) that sets out what accountable officers should be able to demonstrate in fulfilment of their best value duty to secure continuous improvement in the performance of the organisations' functions – the section is included at Appendix 1 of this paper. The section also highlights additional guidance, '[Best value in public services: guidance for accountable officers](#)'.

## **Role of audit**

4. There is no legislative requirement for the Auditor General for Scotland ('the AGS') to carry out a specific audit of best value of Scottish Police Authority or Police Scotland. However, under [Section 23 of the Public Finance and Accountability \(Scotland\) Act 2000](#) ('the PFA Act'), the AGS could choose to examine the arrangements made by the Authority to secure best value. [Section 42 of the Police and Fire Reform Act](#) provides the AGS with the specific power to examine the police service, as well as the arrangements put in place by the Chief Constable to secure best value, under Section 37(2) of the Act. [Section 43 of the Act](#) provides for an examination under Section 23 of the PFA Act to also consider the authority's arrangements to secure best value under

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Section 37(1) of the Act. Sections 42 and 43 are reproduced at Appendix 1 of this paper.

5. It is important to note that the decision to undertake any such audit is entirely at the discretion of the Auditor General for Scotland. To date, the AGS has not requested that Audit Scotland undertake best value audit work in relation to the police and, as such, there is currently no specified process or criteria for undertaking such an audit.
6. While no specified process currently exists, any audit of best value would be likely to focus on the arrangements put in place by the Authority and/or the Police Scotland, including the extent to which these reflected guidance issued by Scottish Ministers. Any audit would draw on both the work of the local audit team, to identify areas of higher risk, and on the work done by the Authority and Police Scotland to provide themselves with assurance that they were meeting their best value duties. Again, the precise scope of any work would be determined by the AGS.

### **Role of HMICS**

7. HM Inspectorate of Constabulary in Scotland (HMICS) is established under the Police and Fire Reform (Scotland) Act 2012 and has wide ranging powers to look into the 'state, effectiveness and efficiency' of both Police Scotland and the Scottish Police Authority. It has a statutory duty to inquire into the arrangements made by the Chief Constable and the Authority to meet their obligations in terms of best value and continuous improvement. If necessary, HMICS can be directed by Scottish Ministers to look into anything relating to the Authority or Police Scotland as they consider appropriate. [Section 74\(2\) of the Police and Fire Reform Act](#) (see Appendix 1 of this paper) provides the legislative basis for HMICS's work on best value.

### **Previous audit work**

8. Audit Scotland and HMICS jointly prepared a report on [Best Value in police authorities and police forces in Scotland](#) in November 2012, when the police service was a part of local government. That report examined and reported on the arrangements in place, under the themes of governance and management; use of resources; and service performance.
9. The Authority's internal audit team carried out work in relation to best value readiness in 2019. At that time, internal audit concluded that the governance framework and performance arrangements in place were

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not sufficiently developed to enable the SPA to demonstrate that it was achieving best value. The year-end annual report by internal audit highlighted the improvements required to comply with Scottish Government guidance in this area. Audit Scotland's Annual Audit Report on the Authority's 2018/19 financial statements noted that "The Scottish Police Authority is not in a position to demonstrate that it achieves best value due to the absence of a number of key strategies. In particular, it must develop a corporate plan as a matter of urgency".

10. Management routinely inform the Audit and Risk Assurance Committee of progress against audit recommendations.

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### **Appendix 1 – Relevant extracts from the Police and Fire Reform (Scotland) Act 2012**

#### **Section 42: Examination of Police Service by Auditor General**

- (1) The Auditor General may initiate examinations into—
- (a) the economy, efficiency and effectiveness of the Police Service, and
  - (b) the arrangements made by the chief constable under section 37(2).
- (2) In determining whether to initiate an examination, the Auditor General must take into account any proposals made by the Scottish Parliament.
- (3) It is for the Auditor General personally to initiate an examination under this section and to decide who is to carry it out.
- (4) In carrying out the examination that person (“the examiner”)—
- (a) is not entitled to question the merits of the policy objectives of the chief constable or the Police Service, but
  - (b) may consider the appropriateness of any criteria used to assess the use of resources available to the Police Service.
- (5) The examiner (if not the Auditor General) must report the results to the Auditor General, who may report the results to the Scottish Parliament and the Authority.
- (6) The Auditor General may publish the results of an examination.
- (7) Sections 23A and 24 of the Public Finance and Accountability (Scotland) Act [2000 \(asp 1\)](#) apply in relation to an examination under this section as they apply in relation to an examination under section 23 of that Act.

#### **Section 43: Examinations of Scottish Police Authority by Auditor General**

The reference in section 23 of the Public Finance and Accountability (Scotland) Act 2000 to examinations into the economy, efficiency and effectiveness with which resources have been used is, in relation to the Authority, to include a reference to examinations into the arrangements made by the Authority under section 37(1).

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### **Section 74: Functions of inspectors**

- (1) The Scottish Ministers may direct the inspectors of constabulary to make inquiries about any matter relating to the Authority or the Police Service as they consider appropriate.
  
- (2) The inspectors of constabulary may make such other inquiries as they think fit about—
  - (a) the state, efficiency and effectiveness of the Authority and the Police Service, and
  - (b) the arrangements made by the Authority and the chief constable under section 37(1) and (2).

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### **Appendix 2: Extract from the Scottish Public Finance Manual (Best Value)**

#### **Scope**

1. This section describes the duty of Best Value in Public Services and contains guidance to Accountable Officers on what their organisations should be able to demonstrate in fulfilment of their Best Value duty to secure continuous improvement in the performance of the organisations' functions.

#### **Key points**

2. Accountable Officers appointed by the Principal Accountable Officer for the Scottish Administration (PAO) have a specific responsibility to ensure that arrangements have been made to secure Best Value.

3. The Scottish Ministers expect all Accountable Officers to comply with the duty of Best Value placed upon them.

4. The Boards (or equivalents) of relevant public service organisations have corporate responsibility for promoting the efficient and effective use of staff and other resources by the organisations in accordance with the principles of Best Value.

#### **Background**

5. Best Value provides a common framework for continuous improvement in public services in Scotland, and is a key foundation of the Scottish Government's Public Service Reform agenda. Accountable Officers appointed by the Principal Accountable Officer for the Scottish Administration (PAO) have a specific responsibility to ensure that arrangements have been made to secure Best Value. The Scottish Ministers expect all Accountable Officers to comply with the duty of Best Value placed upon them. In addition the Boards (or equivalents) of relevant public service organisations have corporate responsibility for promoting the efficient and effective use of staff and other resources by the organisations in accordance with the principles of Best Value. Under the terms of the Public Finance and Accountability (Scotland) Act 2000 the implementation of the duty of Best Value by relevant public service organisations is subject to scrutiny by the Auditor General for Scotland. Guidance on the implementation of Best Value (see paragraph 8 below) has been produced following extensive consultation with Scotland's public service organisations.

#### **The duty of Best Value**

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6. The duty of Best Value in Public Services is as follows:

- To make arrangements to secure continuous improvement in performance whilst maintaining an appropriate balance between quality and cost; and in making those arrangements and securing that balance,
- To have regard to economy, efficiency, effectiveness, the equal opportunities requirements, and to contribute to the achievement of sustainable development.

7. Best Value characteristics have been recently regrouped to reflect the key themes which will support the development of an effective organisational context from which public services can deliver key outcomes and ultimately achieve best value:

- Vision and Leadership
- Governance and Accountability
- Use of resources
- Partnership and collaborative working
- Working with Communities
- Sustainability
- Fairness and equality

### **Implementing the duty of Best Value**

8. [Guidance for Accountable Officers on the Duty of Best Value](#) is available on the Scottish Government website. The guidance identifies the themes which an organisation needs to focus on in order to deliver the duty of Best Value. The guidance is not prescriptive of the approach which should be taken, nor does it specify process. It does not seek to create a "one-size fits all" approach but rather it provides detail on what organisations should be aiming for and also points to related support and guidance material. Best Value should be appropriate to, and proportionate to, an organisation's priorities, operating environments and scale / nature of business and should be implemented accordingly. Any enquiries on the content and application of the guidance should be addressed to the Scottish Government's Public Bodies Unit.