

From: [Laurence Rockey](#)
To: [Chief Executive](#); [Kirsty-Louise Campbell](#)
Cc: [Andy Nichol](#); [Gavin King](#); [Laura Callender](#)
Subject: RE: Audit Scotland - Performance Audit on ALEOs
Date: 10 July 2017 15:58:39

Thanks [REDACTED]. Its Andy Nichol's area actually. **Gavin, Laura**, grateful if you could follow up with Audit Scotland. [REDACTED] would be good to get 30 minutes to discuss this with Laura when Andy is back from leave.

Laurence

Laurence Rockey, Head of Strategy and Insight, Chief Executive, The City of Edinburgh Council,
2.1 Waverley Court, 4 East Market Street, Edinburgh EH8 7BG Tel: 0131

From: On Behalf Of Chief Executive
Sent: 10 July 2017 15:29
To: Kirsty-Louise Campbell
Cc: Laurence Rockey
Subject: FW: Audit Scotland - Performance Audit on ALEOs

Kirsty,

Please see email below for your attention.
Please let me know if you are the correct person to deal with this matter.

Many thanks,
xxx | Modern Apprentice | Resources | Customer | Business Support | Level 2.7 Waverley Court,
4 East Market Street, Edinburgh EH8 8BG |

From: [REDACTED] [@audit-scotland.gov.uk](mailto:[REDACTED]@audit-scotland.gov.uk)
Sent: 10 July 2017 14:17
To:
Subject: Audit Scotland - Performance Audit on ALEOs

Sent on behalf of xxxx

Dear Chief Executive

As you may know, Audit Scotland is currently carrying out a performance audit of Scottish councils' use of arms-length external organisations (ALEOs). The [Scope](#) for this exercise is on our website [here](#). Our aim is to support councils by identifying good practice and also lessons learned, and give assurance to the public over this means of service delivery. The audit is planned to be reported in Spring next year and it will examine:

- the extent to which councils can demonstrate ALEOs are meeting their objectives and demonstrating VFM

- the reported performance of ALEOs in specific areas including leisure, culture, older people's care, and examples of commercial activities
- the effectiveness of ALEO governance, building on the messages from our [How Councils Work report on ALEOs](#)

You will appreciate that It is not possible for us to look in detail across all councils and their ALEOs. Instead we will look at a sample of councils in more depth. This will give a cross-section of councils that make significant use of ALEOs in terms of their numbers or scale. It will also help to give insight into councils' rationale for their delivery choices. For the sample, we are interested in the different types of ALEOs used by councils, including new and emerging ALEO models such as those providing care services.

The councils that we have chosen for our sample are: **Aberdeen City, Edinburgh, Dundee, Fife, Glasgow, Highland, North Lanarkshire, Scottish Borders, Stirling.**

We will not examine all of the ALEOs in each of the sample council portfolios. Instead we will comment on the council's overall approach and look at specific examples from a small number of their ALEOs. We will of course also remain open to wider examples and issues from across all Scottish councils, drawing on the work of our appointed auditors as appropriate.

We aim to limit our on-site work across the sample group. Much of our research will be carried out remotely, reviewing committee papers, reports and other documentation. We will however, supplement this with document requests and on-site interviews with council / ALEO representatives as required. Any on-site work is likely to involve interviews with key representatives including councillors, finance / governance managers and ALEO representatives. Typically this will involve 1-2 days on-site plus follow-up discussions/information requests. However, for a small group of 2-3 councils we would welcome the opportunity to hold additional focus groups to explore issues in more depth. We will discuss this with councils from our chosen sample group. We are starting to contact councils now and we hope to complete the majority on-site visits by the end of October.

I hope this information is helpful and I would be grateful if you could share this with relevant personnel across your organisation. I'd also welcome your recommendation on the best contact person(s) in your council to help us co-ordinate our approach.

I look forward to hearing from your council, and please do not hesitate to contact me with any queries.

With thanks,

[Redacted]

[Redacted]
Audit Manager

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