

Public Document Pack

Argyll and Bute Council
Comhairle Earra Ghaidheal agus Bhoid

Corporate Services
Director: Nigel Stewart



Kilmory, Lochgilphead, PA31 8RT
Tel: 01546 602127 Fax: 01546 604444
DX 599700 LOCHGILPHEAD
e.mail –nigel.stewart@argyll-bute.gov.uk

26 August 2005

NOTICE OF MEETING

A meeting of the **AUDIT COMMITTEE** will be held in the **COUNCIL CHAMBER, KILMORY, LOCHGILPHEAD** on **FRIDAY, 2 SEPTEMBER 2005** at **2:30 PM**, which you are requested to attend.

Nigel Stewart
Director of Corporate Services

BUSINESS

1. **APOLOGIES FOR ABSENCE**
2. **DECLARATIONS OF INTEREST (IF ANY)**
3. **MINUTES**
Audit Committee 3 June 2005 (Pages 1 - 4)
4. **STRATHCLYDE PENSION FUND**
Extract from Minutes of Strategic Policy Committee of 11 August 2005 (Pages 5 - 6)
5. **PROGRESS REPORT ON INTERNAL AUDIT PLAN 2005-2006**
Report by Internal Audit Manager (Pages 7 - 10)
6. **ADAPTING TO THE FUTURE 2003-2004**
Report by Internal Audit Manager (Pages 11 - 16)
7. **MAINTAINING SCOTLAND'S ROADS**
Report by Internal Audit Manager (Pages 17 - 22)
8. **RECENT EXTERNAL AUDIT REPORTS 2004-2005**
Report by Internal Audit Manager (Pages 23 - 48)
9. **EXTERNAL & INTERNAL AUDIT REPORT FOLLOW UP 2004-2005**
Report by Internal Audit Manager (Pages 49 - 74)

10. FERRY SERVICES REVIEW

Report by Director of Operational Services (Pages 75 - 80)

11. ASSET MANAGEMENT STRATEGY

Report by Chief Asset Manager (Pages 81 - 82)

12. HMIE REPORT 2004-2005

Report by Internal Audit Manager (Pages 83 - 86)

E1 13. ICT INFORMATION SECURITY

Report by Internal Audit Manager (Pages 87 - 104)

The Committee will be asked to pass a resolution in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973 to exclude the public for items of business with an "E" on the grounds that it is likely to involve the disclosure of exempt information as defined in the appropriate paragraph of Part 1 of Schedule 7a to the Local Government (Scotland) Act 1973.

The appropriate paragraph is:-

E1 Paragraph 14 Any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

AUDIT COMMITTEE

Councillor Donald MacMillan
Councillor Gary Mulvaney (Chair)
Ian M M Ross
Christopher Valentine

Councillor John McAlpine
Councillor Elaine Robertson
Councillor John Tacchi

Contact: Fiona McCallum

Tel. No. 01546 604401

**MINUTES of MEETING of AUDIT COMMITTEE held in the COUNCIL CHAMBER, KILMORY,
LOCHGILPHEAD
on FRIDAY, 3 JUNE 2005**

Present: Councillor Gary Mulvaney (Chair)

Councillor John McAlpine
Councillor John Tacchi

Ian M M Ross
Christopher Valentine

Attending: Charles Reppke, Head of Democratic Services and Governance
Bruce West, Head of Strategic Finance
Ian Nisbet, Internal Audit Manager
Steve Keightley, KPMG
David Jamieson, Audit Scotland
Martin Gorringe, Operations Manager – Marine and Airfield (for items 3 and 4)

Apologies: Councillor Donald MacMillan
Councillor Elaine Robertson

The Chair welcomed everyone to the meeting and extended a special welcome to Dr Bill Stein and Mrs Marjorie Crawford, Research Students from Glasgow Caledonian University, who had come to observe the operation of the Audit Committee.

1. MINUTES

The minutes of the Audit Committee of 4 March 2005 were approved as a correct record.

2. STRATHCLYDE PENSION FUND - FURTHER INFORMATION

The Audit Committee at their meeting on 4 March 2004 requested that the Head of Strategic Finance nominate an officer to maintain a watching brief over the Strathclyde Pension Fund and provide details on the process for the review of the Pension Sub Committee by Glasgow City Council.

Decision

To note the content of the report.

(Reference: Report by Head of Strategic Finance dated 24 May 2005, submitted)

3. MAINTAINING SCOTLAND'S ROADS

Audit Scotland issued a national report towards the end of November 2004 entitled "Maintaining Scotland's Roads" which contained the findings of a recent study of the steps taken by the Scottish Executive and Councils to monitor the condition of Scotland's road network and to manage structural maintenance.

The Audit Committee at their meeting on 4 March 2005 requested that the Strategic Policy Committee be asked whether they were satisfied that the Council had the necessary resources to address the issues highlighted in the Audit Scotland National Report.

A report detailing the Council's progress in addressing the issues was considered along with an extract from the Strategic Policy Committee of 13 April 2005 at which the question posed by the Audit Committee was raised as well as an update report prepared by the Head of Roads and Amenity Services for Strategic Policy Committee on 5 May 2005.

Concerns were expressed by the Audit Committee that the questions raised with the Strategic Policy Committee had not been addressed

Decision

1. To note the contents of the report and request this be followed up by Internal Audit.
2. To advise the Strategic Policy Committee that a response to the questions raised was still expected.

(Reference: Report by Internal Audit Manager dated 22 April 2005, submitted)

4. EXTERNAL & INTERNAL AUDIT REPORT FOLLOW UP 2004-2005

A report setting out the results from a review performed by Internal Audit for recommendations due to be implemented by 31 March 2005 was considered.

The Audit Committee at their meeting of 4 March 2005 requested that the Chief Executive provide reasons for the delay encountered with the Ferry Services Review and a report setting out the reasons for the delay was also considered.

Decision

1. To note the contents of the report and request this be followed up by Internal Audit.
2. To note the reasons for the slippage in the Ferry Services Review.
3. To request that a report be brought to the next Audit Committee detailing the monitoring arrangements which have been put in place to ensure the operators of the Jura and Lismore are adhering to the terms of their contracts.
4. To request that a report be brought to the next Audit Committee on the process being followed for the production of the Asset Register.

(Reference: Report by Internal Audit Manager dated 13 May 2005, submitted)

5. ANNUAL INTERNAL AUDIT REPORT 2004-2005

The Internal Audit Annual Report for 2004/2005, which outlined duties and audits carried out by Internal Audit during this period, was submitted for approval.

Decision

To approve the Internal Audit Annual Report for 2004/2005.

(Reference: Report by Internal Audit Manager dated 27 April 2005, submitted)

6. INTERNAL FINANCIAL CONTROL STATEMENT 2004-2005

The Council's senior management have a responsibility to establish an appropriate and sound system of internal control and to monitor the continuing effect of this system. Internal Audit have provided an annual overall assessment of the robustness of the Internal Financial Control System for the financial year 2004/2005 for the Head of Strategic Finance and this was submitted for consideration.

Decision

To note the contents of the report.

(Reference: Report by Internal Audit Manager dated 18 May 2005, submitted)

7. ADAPTING TO THE FUTURE 2003-2004

A report detailing progress by Community Services Management with the implementation of recommendations contained within the national report entitled "Adapting to the Future" which had been issued by the Accounts Commission – Audit Scotland was considered.

Decision

To note the content of the report and request this be followed up by internal audit.

(Reference: Report by Internal Audit Manager, submitted 18 May 2005)

8. AUDIT SCOTLAND REVIEW OF INTERNAL AUDIT (FOLLOW UP)

In July 2004, Audit Scotland had issued national and local reports on their review findings, which concentrated on assessing internal audit compliance of the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Internal Audit in Local Government. Details of the progress made regarding the implementation of the local report recommendations was outlined.

Decision

To note that as at 18 May 2005 all of the 15 recommendations contained in Audit Scotland's local report have been addressed.

(Reference: Report by Internal Audit Manager dated 18 May 2005, submitted)

9. RECENT EXTERNAL AUDIT ISSUED REPORTS 2004-2005

A report containing an executive summary and action plan for a new report issued by Audit Scotland since the last Audit Committee together with details of the progress made by management on implementing the report's recommendations was considered.

Decision

To note the contents of the report and that an update on this will be brought to the next meeting of the Audit Committee.

(Reference: Report by Internal Audit Manager dated 22 April 2005, submitted)

10. ANNUAL INTERNAL AUDIT PLAN 2005-2006

The Committee considered a report outlining in detail the areas that will be audited in 2005/2006 which comply with recommendations made by Audit Scotland to provide information to auditees.

Decision

1. To approve the Audit Plan for 2005/2006.
2. To request that a report on ICT Security be brought to the next meeting of the Audit Committee.

(Reference: Report by Internal Audit Manager dated 22 April 2005, submitted)

ARGYLL AND BUTE COUNCIL

CORPORATE SERVICES

**EXTRACT OF MINUTE OF THE STRATEGIC POLICY COMMITTEE OF 11 AUGUST
2005**

12. STRATHCLYDE PENSION FUND - AUTHORITY REPRESENTATION

A review on the representation of member organisations within Strathclyde Pension Fund's governance structures was underway and a proposed response to a Consultation Document that re-shapes representation within the Fund was before the Committee for consideration.

Decision

To agree the proposed response to the consultation document received from Glasgow City Council.

(Ref: Report by Head of Strategic Finance dated 3 August 2005, submitted).

This page is intentionally left blank

ARGYLL & BUTE COUNCIL
STRATEGIC FINANCE

AUDIT COMMITTEE
2 SEPTEMBER 2005

PROGRESS REPORT ON INTERNAL AUDIT PLAN 2005 - 2006

1. SUMMARY

An interim progress report has been prepared covering the audit work performed by Internal Audit up to the 22nd of July 2005. The objective of the report is to advise members of the progress of the Annual Audit Plan. (See Appendix 1).

2. RECOMMENDATION

2.1 The Audit Committee is asked to approve the progress made with the Annual Audit Plan for 2005 - 2006.

3. BACKGROUND

3.1 The progress report contained in Appendix 1, lists the audits scheduled for the financial year 2005 –2006 and are ordered by section and level of completion.

3.2 As at the 22nd of July 2005, of 18 core financial systems audits set out in the audit plan, 2 have been completed with reports issued. Of the remaining 16 audits, 3 have been started leaving 13 audits still to be commenced.

3.3 A total of 13 non-financial audit areas were identified for this years audit plan. As at the 22nd of July 2005, one audit has been completed with a report issued. Of the remaining 12 audits, one has been started with the remaining 11 audits yet to be commenced.

3.4 As set out in the Annual Audit Plan a total of 80 days have been set aside for Other Areas – Follow Up work. As at the 22nd of July 2005, a total of 26 days have been expended. A total of 80 days have been set aside in the audit plan for Special Investigations / Contingency audit work. As at the 22nd of July, a total of 41 days have been expended on Special Investigation work.

4. SUMMARY OF AUDIT ACTIVITIES FOR 2005 - 2006

4.1 It can be said that by the end of the 1st Quarter, reasonable progress has been made with the Annual Audit Plan. In this quarter audit resources were directed to year end audit work involving stock taking, Council grant certification and working jointly with Audit Scotland on the auditing of the Council's, Performance Indicators (PIs).

4.2 Towards the end of May 2005, Special Investigation work was requested by the Community Services Department. This work was unplanned and took priority over the audits set out in the Annual Audit Plan for June 2005. In order to maintain progression with the Annual Plan, the decision was taken to obtain the services of a contract auditor for a temporary period to assist with the audit of Council PIs. This work was largely completed by the contract auditor and as at

the 22nd of July, we are in the process of finalising outstanding issues prior to issuing a final report.

- 4.3 As a direct result of the special investigation work, the focus for the Cash & Income Banking audit planned for July 2005 will now be based solely within the Community Services Department.

CONCLUSION

Progress is being made on audits planned for 2005 – 2006.

6. IMPLICATIONS

- | | | |
|-----|----------------------|---|
| 5.1 | Policy: | Update on audit plan for 2005 – 06. |
| 5.2 | Financial: | The audit plan is based on existing budgeted provision. |
| 5.3 | Personnel: | None |
| 5.4 | Legal: | None |
| 5.5 | Equal Opportunities: | None |

For further information please contact Ian Nisbet, Internal Audit Manager (01546 604216)

Ian Nisbet
Internal Audit Manager 18 August 2005.
18Augprogreport18Aug

APPENDIX 1

Assessment of audit days: 2005-2006 strategic plan

AUDIT WORK SCHEDULE at 22ND JULY 2005	Year Last Audited	Risk Ranking	Estimated Audit Days 2005-2006	Expended Audit Days 2005 - 2006	Balance
CORE FINANCIAL SYSTEMS					
COMPLETE					
Stock taking	2005	2	25	16	9
Government & European Grants	2003	1	30	26	4
STARTED					
Purchasing e-Procurement	2004	2	25	8	17
Cash & Income Banking	2004	2	30	5	25
Budgetary preparation & control	2005	1	20	15	5
NOT STARTED					
Capital Accounting	2005	1	20	0	20
Capital Contracts	2005	1	20	0	20
Contract Hire & Operating Leases	2003	2	20	0	20
Council Tax & NDR	2003	2	30	0	30
Creditor Payments	2004	2	25	0	25
Debtor Accounts	2004	2	20	0	20
Unified Benefits System	2004	2	30	0	30
Housing Rents	2005	2	20	0	20
General Ledger Operations	2005	2	25	0	25
Payroll	2004	2	30	0	30
Treasury management	2005	2	20	0	20
Tendering Procedures	2004	1	30	0	30
Following Public Pound Voluntary Organisations	2005	2	20	0	20
STARTED					
SECTION TOTAL			440	70	370
NON- FINANCIAL AUDITS					
COMPLETE					
Council Wide Corporate Governance	2004	1	30	25	5
STARTED					
Council Wide Pls	2004	1	60	44	16
NOT STARTED					
Chief Executives Unit - Best Value	2004	1	30	0	30
Corporate Services - ICT - Security	NEW	2	25	0	25
Community Services - Care Services	NEW	2	30	0	30
Community Services - NPDO Contract Monitoring	2003	1	30	0	30
Development Services Transport & Infrastructure	NEW	1	30	0	30
All Depts - Partnership Working	2004	1	30	0	30
All Depts - Strategic Asset Management	2004	1	30	0	30
All Depts - Property asset Management	NEW	1	30	0	30
All Depts - Recruitment & Retention of Staff	NEW	2	25	0	25
All Depts - Business Continuity Planning	NEW	1	30	0	30
All Depts - New Legislation	NEW	1	30	0	30
Section Total			410	69	341
TOTAL DIRECT AUDIT DAYS			850	139	711
SPECIAL INVESTIGATIONS CONTINGENCY					
Community Services	-	-	80	41	39
Section Total			80	41	39
OTHER AREAS					
Risk assessment, strategic plan, annual plans	-	-	20	0	20
Follow-up External & Internal Audit Recommendations	-	-	60	30	30
Section Total			80	30	50
TOTAL			1010	210	800

This page is intentionally left blank

ARGYLL & BUTE COUNCIL
STRATEGIC FINANCE

AUDIT COMMITTEE
2 SEPTEMBER 2005

ADAPTING TO THE FUTURE 2003 – 2004.

1. SUMMARY

The Accounts Commission - Audit Scotland issued a national report towards the end of August 2004 entitled, "Adapting to the future". As there were no implementation dates assigned to the report recommendations, Internal Audit drew up an action plan covering the recommendations and asked the Community Services Department management to prepare a position paper so that, it could be determined where the Council was in terms of compliance with the recommendations outlined in the national report.

2. RECOMMENDATIONS

2.1 The contents of this report are noted and to be followed up by Internal Audit.

3. DETAILS

3.1 The Action Plan for this report listed 21 recommendations. As at the 18th of August 2005 it can be reported that 5 are complete. (See Appendix 1).

3.2 The remaining 16 recommendations have implementation dates stretching from September to November 2005. Community Services management have reported to Internal Audit that ongoing progress is being made with all of the remaining recommendations. They state that they are confident that as most of those targets dated November 2005, will be addressed by the Project Manager within this timescale as, 'Adapting to the Future' is an integral part of the full joint project.

Management has also stated that actions which refer to a feasibility study are on track as evaluation has already taken place of submissions by consultants and an appointment is imminent.

4. CONCLUSIONS

Progress with the implementation of the reports recommendations will continue to be reported by Internal Audit.

5. IMPLICATIONS

5.1	Policy:	None
5.2	Financial:	None
5.3	Personnel:	None
5.4	Legal:	None
5.5	Equal Opportunities:	None

For further information please contact Ian Nisbet, Internal Audit Manager (01546 604216)

Ian Nisbet
Internal Audit Manager 18 August 2005
18Augfinalreport18Aug

Main Report - Action Plan: Adapting to the future

No	Recommendation	Responsible Officer	Community Services Management Response	Implementation Progress as at 18th of August 2005.
	Person-centred services Councils and NHS bodies should			
1	Jointly publish comprehensive information on community equipment and adaptations, covering: <ul style="list-style-type: none"> • What help is available • Who to contact • Eligibility criteria • Who needs to pay and how much • What service people can expect, using information such as local targets for response times. 	Jim Robb Head of Integrated Development.	A joint meeting was held with Occupational Therapy staff on May 11 th to re-write practice guidance and produce information leaflets. This exercise will be concluded by the end of May 2005.	May 2005. Complete. The leaflet has now been produced and arrangements are now in place for the Sensory Impairment Team to transcribe on demand into large print and on to tape.
2	The information in 1 above should be published in different formats and in other languages as needed by local communities	Jim Robb Head of Integrated Development.	Information above will be produced in large print and audio tape and other languages as required.	June 2005. Complete. The leaflet has now been produced and arrangements are now in place for the Sensory Impairment Team to transcribe on demand into large print and on to tape.
3	There should be a review regarding the level of demand for out-of-hours services.	Jim Robb Head of Integrated Development.	Overall service requires to be reviewed. Feasibility study proposed and being presented at next Joint Strategy meeting. Out of hours services would be examined within the study.	November 2005. Ongoing.
	How are services organised Councils and NHS bodies should			
4	Work towards joint information systems that provide good management information on the community equipment and adaptation services within their partnership area.	Jim Robb Head of Integrated Development.	Re-implementation of Carefirst should provide more robust information. IT provision will be examined within a feasibility study as to best joint systems.	This will be progressed through co-operation with ICT in their long term strategy.

APPENDIX 1

No	Recommendation	Responsible Officer	Community Services Management Response	Implementation Progress as at 18th of August 2005.
5	Clarify partnership arrangements for the assessment and provision of community equipment and adaptations ensuring that all relevant partners are involved; and formalise these arrangements in agreed policies and procedures.	Jim Robb Head of Integrated Development.	Feasibility study will identify required policies and procedures.	November 2005. Ongoing.
6	Ensure all relevant staff across the respective partner organisations are aware of the agreed policies and procedures.	Jim Robb Head of Integrated Development.	Training for staff would be carried out when policies and procedures are in place.	November 2005. Ongoing.
7	Ensure that community equipment and adaptation services are developed as part of their overall community care strategy.	Jim Robb Head of Integrated Development.	Community care strategies will be reviewed to ensure community equipment and adaptations services are included as part of the feasibility study.	September 2005. Ongoing.
8	Develop protocols, which maximise the ability of staff from different partnership organisations to access equipment and adaptations and reduce the waiting time for users.	Jim Robb Head of Integrated Development.	Protocols would be developed following the feasibility study.	November 2005. Ongoing.
	How are services organised Councils and NHS bodies should			
9	Jointly review budgets for community equipment and adaptations and HIG's to ensure that they are set at a realistic level to meet need.	Jim Robb Head of Integrated Development.	Budgets will be regularly reviewed through Joint Strategy group.	June 2005. Regular monitoring by each partner has commenced. The Strategy Group has adopted the pursuit of Joint Occupational Therapy Services (incl. equipment) as a major project of the Joint Single Management process. This work is being supported by the Joint Improvement Team of The Scottish Executive.
10	Monitor the performance on equipment and adaptation services by collecting and using robust management information on: <ul style="list-style-type: none"> • Cost • Activity, including waiting times • Quality of services, including users' views. 	Jim Robb Head of Integrated Development.	Robust systems for collecting information will be identified from recommendations of feasibility study.	November 2005. Ongoing.

APPENDIX 1

No	Recommendation	Responsible Officer	Community Services Management Response	Implementation Progress as at 18th of August 2005.
11	Record and monitor activity and expenditure associated with third parties, such as Care and Repair, RSLs and voluntary organisations, as charges in these areas are likely to impact significantly on future service delivery and resourcing.	Jim Robb Head of Integrated Development.	A charge monitoring system will be set up to address this recommendation.	November 2005. Ongoing.
12	Develop joint performance indicators so that the service can be evaluated across a partnership area.	Jim Robb Head of Integrated Development.	Following feasibility study- joint performance indicators will be developed.	November 2005. Ongoing.
13	Councils and schools should ensure that there is training on the inclusion of pupils with SEN and for class and subject teachers and SNAs, in particular, that there is effective development and training to support the needs of pupils with SEBD.	Ronald Gould Head of Secondary Education	Wilma Lawn QIO ASN. An annual needs analysis informs the provision of our in-service training for teachers and SEN assistants relating to pupils with SEN or SEBD. The annual strategy is included in the education policy file Supporting Children: Supporting Effective Learning.	Complete.
14	Once trend information is available, benchmark with other partnerships using like-for-like performance measures to drive forward continuous improvement.	Jim Robb Head of Integrated Development.	Benchmarking with other similar local authorities will take place once information available.	Complete.
15	Work together to assess need for major adaptations in the future.	Jim Robb Head of Integrated Development.	Develop close working links with Housing, RSLs, Care & Repair to monitor trends to assist in assessing for future adaptations.	November 2005. Ongoing.
	Managing Risk Councils and NHS bodies should			
16	Ensure stock control systems are in place to track and locate equipment.	Jim Robb Head of Integrated Development.	Robust systems for managing equipment will be identified by feasibility study.	November 2005. Ongoing.
17	Ensure that written instructions on using equipment and adaptations are always provided for users and carers, and trained staff always demonstrate their use.	Jim Robb Head of Integrated Development.	A joint meeting was held with Occupational Therapy staff to re-write practise guidance and produce information leaflets on May 11 th . The whole exercise should be concluded by October 2005.	October 2005. Ongoing.

APPENDIX 1

No	Recommendation	Responsible Officer	Community Services Management Response	Implementation Progress as at 18th of August 2005.
18	Consider how best to provide advice and support to people in private housing market who install major adaptations.	Jim Robb Head of Integrated Development.	A joint meeting was held with Occupational Therapy staff to re-write practise guidance and produce information leaflets on May 11 th . The whole exercise should be concluded by October 2005.	October 2005. Ongoing.
19	Agree and implement formal policies and procedures that include: <ul style="list-style-type: none"> • Recall of faulty equipment • Maintenance and repair arrangements • Recycling, including infection control procedures • Emergency arrangements. 	Jim Robb Head of Integrated Development.	Robust systems for managing equipment will be identified by feasibility study.	November 2005. Ongoing.
20	Ensure management information systems contribute to the effective management of risk.	Jim Robb Head of Integrated Development.	Robust systems for managing equipment will be identified by feasibility study.	November 2005. Ongoing.
21	Review user needs once equipment and adaptations have been supplied.	Jim Robb Head of Integrated Development.	Methods of monitoring and evaluation of service require to be identified following feasibility study.	November 2005. Ongoing.

ARGYLL & BUTE COUNCIL
STRATEGIC FINANCE

AUDIT COMMITTEE
2 SEPTEMBER 2005

MAINTAINING SCOTLAND'S ROADS

1. SUMMARY

Audit Scotland issued a national report towards the end of November 2004 entitled, "Maintaining Scotland's Roads". The report contained the findings of a recent study of the steps taken by the Scottish Executive and councils to monitor the condition of Scotland's road network and to manage structural maintenance. The national report did not have any implementation dates assigned to its 9 recommendations. The Head of Roads & Amenity Services prepared an action plan incorporating the reports recommendations and added a further 3 to reflect dependent issues. In December 2004, the Head of Service commenced reporting to the Strategic Policy Committee (SPC).

2. RECOMMENDATIONS

2.1 The contents of this report are noted and to be followed up by Internal Audit.

3. DETAILS

3.1 As at the 22nd of July 2005, of the 12 recommendations reported by the Head of Roads & Amenity Services to the SPC in December 2004 only 3 now remain to be implemented. Of these 2 have an implementation date of December 2005 with the remaining one being March 2006. Management have reported to Internal Audit that implementation for these recommendations remains ongoing. See Appendix 1.

3.2 The Audit Committee on the 4th of March 2005 requested that the SPC be asked whether they were satisfied that the Council had the necessary resources to address the issues highlighted in the national report. A response was provided to the Audit Committee on the 3rd of June 2005. However, the Audit Committee decided to request that the SPC give further consideration to their initial questions. Attached in Appendix 2, is an extract from the SPC meeting of the 7th of July 2005, this advises the Audit Committee of the budget resource position and proposed action.

3.3 The Head of Roads & Amenity Services has informed Internal Audit that he will be preparing an update report for the SPC in December 2005. A copy will be made available to the Audit Committee.

4. CONCLUSIONS

Progress with the implementation of the reports recommendations will continue to be reported by Internal Audit.

5. IMPLICATIONS

- | | | |
|-----|------------|------|
| 5.1 | Policy: | None |
| 5.2 | Financial: | None |
| 5.3 | Personnel: | None |

5.4 Legal: None

5.5 Equal Opportunities: None

For further information please contact Ian Nisbet, Internal Audit Manager (01546 604216)

Ian Nisbet

Internal Audit Manager 22 July 2005.

22Julfinalreport22Jul

Maintaining Scotland's Roads Action Plan

APPENDIX 1

No.	Recommendations	Current Position	Proposed Action	Timescale	Update as at 8th August 2005
1	Report on the condition of roads and maintenance backlog.	Reported to SPC 9th Dec 2004	Continue to report on annual basis.	December 2005	Ongoing
2	Determine the size of the structural maintenance backlog.	SCOTS figures shown in Appendix 2	Determine the cost, in accordance with Scottish Executive approved techniques.	March 2005	Complete
3	Establish a long-term strategy for road maintenance in the overall context of transportation and roads asset management strategies.	May 2004 - Roads Asset Management Plan produced; requires annual update	Implement further action in association with Asset Management Unit.	December 2005	Ongoing
4	Meet the recommendations stated in "Delivering Best Value in Highway Maintenance – Code of Practice for Maintenance Management".	Road Asset Maintenance Plan introduced by Council in May 2004.	Continue to monitor.	-	-
5	Review budget setting procedures ensuring appropriate priority to structural maintenance to achieve long-term value for money.	4 year capital resurfacing programme compiled	Review Audit Scotland's recommendation.	March 2005	Complete
6	Conduct an option appraisal for procuring and financing road maintenance services.	No action.	Undertake recommendation.	March 2006	Ongoing
7	Improve inventory information on the roads assets.	Completed Feb 2005	Maintain inventory each financial year.	March 2005	Complete
8	Use asset management system linked to GIS and financial system.	On Going – Lighting information in place and Roads to be input 18/04/2005	Refine the Roads Maintenance Management System.	May 2005	Complete
9	Consider joint working with other Councils	Collaborative buying contracts with neighbouring Councils, for Bitumen Products and Coated and Uncoated Roadstone, have been undertaken.	Maintain each financial year.	March 2005.	Complete but an ongoing practice
10	Review unit costs of various service elements.	Re costed Feb 2005 – complete for March 2005	Maintain each financial year	March 2005	Complete
11	Develop a framework of performance indicators and outcome targets against which to measure the performance of the road maintenance system.	The performance indicators within the plan have been reviewed. See Appendix 3	Review Performance Indicators in light of Audit Scotland's Report.	April 2005	Complete
12	Complete the Best Value Road Maintenance Service Checklist.	On Going – on target	Complete recommendation.	May 2005	Complete

This page is intentionally left blank

ARGYLL AND BUTE COUNCIL**CORPORATE SERVICES**

EXTRACT OF MINUTE OF THE STRATEGIC POLICY COMMITTEE OF 7 JULY 2005

9. MAINTAINING SCOTLAND'S ROADS

The Audit Committee had, at their meeting of 4 March 2005 requested that the Strategic Policy Committee be asked if the Council had the necessary resources to address the issues highlighted in the Audit Scotland Report. The Head of Roads and Amenity Services provided an update on the available budget for roads maintenance work in order that this issue could be addressed.

Decision

To advise the Audit Committee that there is insufficient budget resource available to address the roads maintenance backlog but that a request has been made to the Scottish Executive, through COSLA, for further measures to be taken in an attempt to increase funding to address the roads maintenance backlog.

(Ref: Report by Head of Roads and Amenity Services dated 28 June 2005 and extract from the Audit Committee of 3 June 2005 and 4 March 2005, submitted)

This page is intentionally left blank

RECENT EXTERNAL AUDIT ISSUED REPORTS 2004 – 2005.

1. SUMMARY

This report contains the executive summary and action plan for new reports issued by Audit Scotland since the last Audit Committee. Where Internal Audit has performed a review of the progress made by management in implementing report recommendations, this has been reported below. (See Appendix 1). These reports will be incorporated into the new reporting system for the next Audit Committee.

2. RECOMMENDATIONS

2.1 The contents of this report are noted and are to be followed up by Internal Audit.

3. DETAILS

3.1 On the 3rd of June 2005 a draft Audit Scotland report entitled, “Information Management Review”, was provided to the Audit Committee. The report covered, Information Management, Data Protection and the preparedness of the Council for the introduction of Freedom of Information legislation. The finalised executive summary and action plan are provided in Appendix 1. Internal Audit can report that as at the 8th of August 2005 out of the 7 recommendations contained in the Action Plan, only one remains to be implemented. Internal Audit has been advised that for the remaining recommendation the implementation date will move from June to September 2005, as new regulations issued by the Government are to be incorporated into the Council’s Data Protection Policy.

3.2 Audit Scotland issued a report in April 2005 entitled, “Improving customer service through better customer contact”. The report was the result of a national examination of the efforts of councils to improve customer service through better customer contact. Internal Audit is discussing with the management of both Policy & Strategy and Democratic Services & Governance, how best to address the report’s recommendations. Once an approach to identifying those report findings that require implementation is defined, Internal Audit will report back to the Audit Committee. The key findings of this national report are provided in Appendix 2.

3.3 At the beginning of August 2005, Audit Scotland issued a report entitled, “Web Overview”. The report was produced after an audit of the Council website. The overall conclusion from the report was that the Council website encourages interaction between the public and the Council. The review identified several areas where further improvements to the management and operation of the website could be made. As a result an Action Plan accompanies the report detailing 9 recommendations for improvement. Implementation dates stretch from the end of September 2005 to March 2006. As at the 18th of August 2005, management have advised Internal Audit that implementation of all recommendations is progressing to timetable. The Executive Summary and Action Plan are given in Appendix 3.

4. CONCLUSIONS

Implementation of recommendations will continue to be monitored by Internal Audit.

5. IMPLICATIONS

5.1	Policy:	None
5.2	Financial:	None
5.3	Personnel:	None
5.4	Legal:	None
5.5	Equal Opportunities:	None

For further information please contact Ian Nisbet, Internal Audit Manager (01546 604216)

Ian Nisbet
Internal Audit Manager 18 August 2005
18Augfinalreport18Aug

1. Executive Summary

Introduction

This report summarises the findings from our 2004/05 review of aspects of Argyll & Bute Council's controls relating to the arrangements for information management that will facilitate effective data protection and preparedness for the introduction of freedom of information legislation. The report covers the arrangements in place to provide a reliable planning, operational and monitoring environment in this context. Where appropriate, the report suggests actions to strengthen existing controls or otherwise address identified weaknesses. Only those findings that require management action are included in the report.

The Data Protection Act 1998 is the fundamental legislation that the Government has provided as a framework for the secure, fair and lawful processing of personal data. The Act describes the Council's responsibilities to all data subjects, e.g. the general public, taxpayers and employees.

The Freedom of Information Act 2000 and the Freedom of Information (Scotland) Act 2002 are part of the Government's drive to promote a culture of openness and accountability amongst public sector bodies by providing people with legal rights of access to the information held by them. Within the freedom of information legislation there are timetables set for gaining agreement with the respective Information Commissioners for information to be published, and for making this information available to the public. The Acts came into force from 1st January 2005. By this time all public authorities are required to carry out the work necessary to meet the deadlines set by the Acts. The Freedom of Information Acts and Data Protection Act 1998 serve as the principal mechanisms for providing access to information held by public authorities.

Summary of Main Findings

Argyll and Bute Council has demonstrated a clear commitment to achieving the Government's timetable for freedom of information. A working group was established and is progressing actions preparing the Council to be able to comply with freedom of information legislation. A clear statement of the Council's policy that will facilitate a consistent approach to freedom of information has not yet been adopted. Actions underway include creating awareness of the new legislation.

Our review identified that the Council has a number of policies and procedures in place relating to information security, including data protection. However, the existing data protection policy requires updating to reflect recent changes and guidelines. Extensive documentation is available on data protection and training is provided by the Data Protection Officer on departmental request. Knowledge and awareness of the Council's Data Protection policies and procedures facilitate compliance, however Council officers who should receive detailed training or awareness training needs to be identified and training or awareness sessions should be presented accordingly.

The recent legislation is increasingly demanding on public organisations in terms of records management. The Council has various records management practices in place, although these could come under pressure to meet the additional demands placed on it. An information strategy can provide the Council with a sound basis for effective information

management and establish a framework within which resources are effectively applied for the purposes of the Council's ongoing modernising government agenda as well as Data Protection and Freedom of Information legislation. Such a strategy should provide for the consistent management of data, records and information throughout the Council's Services.

Conclusions

Argyll and Bute Council has a number of policies and procedures in place governing information security and data protection. In addition, policies and procedures to enable the Council to comply with the requirements of the recent Freedom of Information legislation were being prepared. Opportunities to strengthen the council's governance and internal control structures were noted and recommendations to that effect are included in the action plan in section 2. Positive action has already been taken on many of the matters arising from this review by the time of our report.

The main issues identified from this report are set out for Argyll and Bute Council to investigate or resolve and form part of an agreed action plan incorporated in the next section of this report. We would like to thank management and staff for their kind co-operation and assistance with this audit.

2. Action Plan

Recommendation	Responsible Officer	Action	Date	Update as at 8th August 2005
The Council's Data Protection Policy should be reviewed and updated with the requirements of the Data Protection Act, 1998 and subsequent guidance issued by the Information Commissioner. Priority: High	Data Protection and Information Security Officer	In progress.	June 2005	To be completed by September 2005 following on new regulations.
The Council should clarify its policy relating to freedom of information. Priority: High	Head of Democratic Services and Governance	The policy will be referenced under the Regulation Report (i.e. the new Council constitution).	May 2005	Completed. Referenced in new Council Constitution.
Job descriptions and remits should be reviewed and updated to incorporate responsibilities for activities to comply with the requirements of Freedom of Information legislation. Priority: Medium	Personnel	Implemented.	Implemented	Complete.
The representation on the Freedom of Information Working Group should be reconsidered with the view of including representatives from all the Council's services. Priority: High	Data Protection and Information Security Officer; and Governance and Risk Manager	Sandra Black represents operational services on the Freedom of Information Working Group. In addition to having representatives from all departments David Logan and Stephen Doogan have been visiting departmental management to raise awareness.	Implemented	Complete.

Argyll and Bute Council - 2004/05 audit
Information Management Review

Section 4

Recommendation	Responsible Officer	Action	Date	Update as at 8th August 2005
<p>Training and awareness of the Council's Data Protection policies and procedures should be provided continuously. Officers who should receive detailed training should be identified and general awareness sessions should be provided to staff where appropriate.</p> <p>Priority: High</p>	Data Protection and Information Security Officer	<p>Training will be included in the performance and development review (PDR) process of relevant staff members.</p> <p>A poster campaign is planned for January 2005 to promote awareness.</p>	February 2005	Complete.
		<p>Further training for a wider group of staff is planned for early Spring 2005.</p>	May 2005	Complete.
<p>Formalised procedures for the regular updating of the Council's publication scheme and data protection registration should be established.</p> <p>Priority: Medium</p>	Head of Democratic Services and Governance	The regulation report will touch on a clear statement on review processes for freedom of information and data protection.	May 2005	Complete.
<p>The Council should consider extending their existing records management and information security practices into an all inclusive information management strategy that provides for the consistent management of data, records and information throughout all the Council's Services.</p> <p>Priority: Medium</p>	ICT Strategy Group	The ICT Strategy Group will consider the need for more formal records management and will report to the Senior Management Team. External consultants have been hired to undertake an independent review of information security policy and practices against the BS7799 standard and are due to report later this year.	November 2005	Complete and report was presented to the SMT on the 5 th of July 2005.

APPENDIX 2

This page is intentionally left blank

Improving customer service through better customer contact

Key findings / Prepared for the Accounts Commission

April 2005



Key findings

The study

1. Councils provide an enormous range of services and information to customers. This study examines efforts by councils to improve customer service through better customer contact.
2. The study focuses on how councils deal with customers across the board rather than improving services individually. Exhibit 1 illustrates the difference between customer service activities and the wide range of typical council services.
3. Good customer service can help improve services in many ways by:
 - making it easier for customers to get services
 - helping to make council services more responsive to customers' needs and preferences
 - helping to make council services more efficient – for example, by making better use of staff time.
4. Good customer service should be an integral part of councils' core services under Best Value. A good customer service strategy involves the alignment of business strategy, organisation structure, culture, customer information and technology. This is a particular challenge for councils because of the very large and varied range of services they must provide.
5. Council spending on customer service and contact is currently at least £40 million a year. Since 2000, in addition to council's own resources, the Scottish Executive has provided some £100 million Modernising Government Fund (MGF) support to councils and other public bodies to aid modernisation programmes.

6. Audit Scotland's research for the study included:

- a national survey in 2003 and 2004 of customer service activity in all 32 Scottish councils.
- audit visits to a sample of seven councils to appraise customer service activity.

Main findings

7. The main message of this study is that, while many councils have recognised the importance of customer service, there is still much to be done. Although there is no simple solution, it is clear that councils without a solid strategy in place to manage improvement are unlikely to achieve success.

Evidence of customer satisfaction

8. As for any service provider, the starting point for councils is to assess whether they are providing a satisfactory level of service to customers. The obvious way to achieve this is to ask customers for their views on a regular basis so that the effectiveness of customer service can be measured and areas for improvement targeted.

9. In response to Audit Scotland's survey, 29 councils reported they had collected data about levels of customer satisfaction since April 2000.

10. Given the significant variation in survey methods, scope and objectives – and in the wide range of satisfaction levels recorded – comparisons between these results must be treated with caution. However, the results do not give assurance that councils are consistently performing to high standards. For 17 councils which have surveyed users of all services since 2000, maximum satisfaction

levels ranged between 59% and 92%. The Scottish Executive's household survey for 1999-2002 also shows a range of satisfaction levels with a sample of important council services of between 30% and 80%.

11. Audit Scotland commissioned an independent market research company to conduct 'mystery customer' research for the seven study councils. The results suggest that customers often get what they are looking for but not consistently, with much depending on the individual member of staff contacted.

Improving service quality through better customer contact

12. Audit Scotland's research suggests that the 32 councils in Scotland may collectively deal with 35-40 million or more enquiries from customers every year.

13. While precise figures could not be obtained, the available evidence indicates that two out of every three customers still prefer to contact their council by phone (despite increased online activity over recent years).

14. Councils need to be well-organised to respond to enquiries from their customers. In the last three years, 16 councils have opened call or contact centres and 19 now operate drop-stop shops. Covering many of the most common enquiries – for example, council tax and house repair requests – these new facilities make it easier for customers to get access to a consistent standard of service and information.

15. Despite these improved facilities, there is still a question about whether councils are doing enough to improve responsiveness, consistency and quality of service for customers.

Exhibit 1

Examples of council service to customers

Customer service	Typical council services
<ul style="list-style-type: none"> • Providing information about service. • Accepting bookings for service. • Providing service. • Accepting payment for service. • Accepting payment for council tax. • Accepting information about services, for example, street light failure, litter, road defects. • Handling comments and complaints. • Maintaining records, for example, change of address details. 	<ul style="list-style-type: none"> • Landlord services for council tenants, for example, housing repairs. • Council tax enquiries and administration. • Benefits enquiries and administration. • Community services, for example, special uplifts. • Social work services, for example, homecare services or benefits advice. • Development control, for example, planning applications and enquiries. • Leisure services, for example, public libraries and sport centres.

Source: Audit Scotland

16. While call centres and first-stop shops cannot resolve all types of customer enquiry, it was found that 16 councils do not have a contact centre for the most common enquiries and 13 do not operate first-stop shops. Eight councils operate neither a call centre nor first-stop shops.

17. Information about the improvements in quality of service that these new facilities achieve is not available systematically.

18. Even where councils have introduced such improvements, some departments are not involved. For example, while social work enquiries can represent a significant part of total customer demand, most contact centres and first-stop shops provide limited or no cover for even simple enquiries such as social work appointments.

19. Few councils have information about customer contacts across all main departments. One council that collected customer contact data found that it did not answer about a third of all telephone calls received (although this council subsequently introduced a dedicated telephone contact centre which has improved call-answering performance).

Leadership and organisation of customer services

20. Introducing new facilities at the 'front end' of operations does not in itself guarantee improved services. If the end result is only better access to a weak service, the improvements are unlikely to satisfy the customers.

21. Many councils have aims which recognise the importance of good customer service but, in certain key areas, these are only at an early or intermediate stage of development.

22. For example, many councils do not yet have comprehensive customer service strategies, and only seven councils have established dedicated review teams to assess services and identify potential process improvements for customers.

23. It can be difficult for councils to measure improvements in customer service or quantify specific service benefits (eg, savings) directly derived from investment in new technology. However, none of the councils visited had completed any formal post-implementation review after executing a technology-based improvement project with MGF support.

24. In Audit Scotland's assessment, most councils have yet to set customer service improvement targets so that achievements can be measured.

Exhibit 2

North Lanarkshire Council – using value and failure calls to measure service

North Lanarkshire Council has introduced a strong system for monitoring the effectiveness of its customer service activity.

Getting the answer right first time is important for both customers and the council. The strength of the council's approach is that all enquiries to its contact centre, first-stop shops, housing sub-offices and main reception areas are recorded as 'value' or 'failure' calls, where:

- value demand is what these contact points exist to meet (eg, "I'm calling to arrange ...")
- failure demand is a repeat call or other evidence of waste (eg, "This is the third time I have called to arrange ...").

The philosophy is that failure calls are an indicator of waste, and the goal is to minimise the extent of failure calls and waste.

The council ends waste by redesigning processes to avoid the need for repeat calls from customers, and by ensuring that customer service staff provide effective solutions to customers' enquiries.

The results of the council's monitoring show that 7% of calls are categorised as failure calls, which appears low.

Source: Audit Scotland/North Lanarkshire Council

25. Establishing individual service standards for hundreds of services and measuring performance against them would produce a mass of information. Too many targets may not help assess how well any council is serving customers.

26. A more valuable approach may be North Lanarkshire Council's method of measuring 'value' and 'failure' demand (Exhibit 2). Value demand represents the core service to customers that councils should provide; failure demand flags up failings in a core area when customers call to chase, report errors or complain. This approach provides a built-in incentive to service improvement by identifying key areas where councils can work to reduce causes of failure and improve core services to customers.

Key recommendations

27. A deliberate programme to manage customer service improvements is good practice and an important first step.

Without strategic commitment, there is a risk that worthwhile initiatives may fail and councils will not be able to meet customers' reasonable service expectations.

28. Councils should ask themselves if they are actively pursuing such a programme as being central to effective service delivery.

29. Councils need to demonstrate commitment to the programme in many ways:

- The improvement programme should be based on a properly researched understanding of how, when and why customers contact councils.
- It should include an analysis of what barriers and opportunities exist for access and consistent quality of service to customers across all main activities. All departments need to be involved.
- The customer service programme needs to be up-to-date. Responsibility for leadership and delivery needs to be clearly assigned. Measures of success need to be established (see paragraph 32) as the basis for monitoring.
- Councils should consider establishing project teams with an explicit remit to support the development of good customer service.

30. Councils should improve how they research customers' opinions on service:

- Councils should consider survey approaches which measure customer expectations as well as perceptions of service.
- Council surveys should maximise the number of actual service users within the total sample, rather than randomly sampling the local population.
- Council surveys should be conducted regularly, to allow the measurement of improvement over time.
- The Convention of Scottish Local Authorities (COSLA) has developed standard 'Frequently Asked Questions' as well as a benchmarking database to help share good survey practice, but few councils have used it. Councils need to use and develop this tool in partnership with COSLA.
- Councils should tell customers specifically how they have used, or will use, information from surveys to improve services and tackle causes of dissatisfaction.
- Councils should consider using methods like mystery customer research to reinforce training and help identify where additional effort to improve service may be needed.

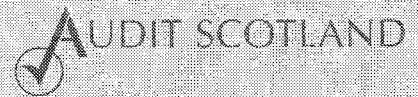
31. Councils should make better use of feedback from customers. From Audit Scotland's work in seven councils, there was little evidence that councils systematically use feedback from complaints to improve services.

32. Councils should improve performance measurement.

Performance measurement is a prerequisite for accountability, value for money and Best Value. Councils should set key indicators that take account of customer views and experience, including:

- **Specific targets for customer satisfaction.** Councils could demonstrate a high degree of commitment to customer service by making targets for maintaining or improving customer satisfaction an integral part of performance measurement (as some already have). This would be consistent with the Scottish Executive's draft *Customer First* strategy, published in October 2004.
- Any targets should distinguish clearly between satisfaction with how a contact is handled and satisfaction with outcomes. This will improve accountability by allowing better comparisons between councils and services.
- **Targets for improving the effectiveness of council services.** Measures which can be used to monitor end results are needed to make sure that improvements in access result in real impact. Distinguishing between value and failure demand is a very powerful measure of performance because it acts as an incentive to continuous improvement.

Improving customer service through better customer contact



Audit Scotland
110 George Street
Edinburgh EH2 4LH

Telephone
0131 477 1234
Fax
0131 477 4567

www.audit-scotland.gov.uk

ISBN 1 904651 75 5

Executive Summary

1. As part of our 2004/05 audit we have carried out an overview of the Council's website.
2. The main aims of our audit were to ensure:
 - the website supports corporate strategy by providing suitable services and presenting an appropriate public image;
 - the organisation follows best practice with regard to publication, accessibility and protection of privacy;
 - that responsibilities for maintenance are clear, change controls are in place and that publication is properly checked and authorised; and
 - that the organisation has an adequate program in place to identify and mitigate the risk of security incidents.

Conclusion

3. Overall, we found that the website includes details of Council services and encourages interaction between the citizen and the Council. We found that the website offered many one-way transactions and several two-way transactions (forms returned electronically, e-mail response etc) are beginning to be implemented on the website.
4. The Society of Information Technology Management (Socitm), the professional association for ICT managers working in and for the public sector, published in February 2005 a report on websites¹ which covered all Scottish local authorities. Socitm concluded that the Council's website provides "content and encourages some interaction". We found evidence that the services available from the Council's website has improved since this survey.
5. Our review identified several areas where further improvements to the management and operation of the website could be made. A summary of these is included below with details included as part of the action plan at section 2.

Main audit findings

6. The main areas for improving the management and operation of the website include the following:
 - the Council should develop a formal web strategy;
 - the website terms and conditions section is difficult to locate and should be moved to a obvious location;
 - the data protection policy available on the internet should reflect the 1998 Act not the 1984 Act; and

¹Better connected 2005 - A Socitm Insight Publication– Available from the subscriber section of the Socitm website - <http://www.socitm.gov.uk/public/default.htm>

- Guidance should be produced and given to the Web Authors outlining the changes and ways to avoid releasing confidential data and information inadvertently.

Management action

7. Detailed recommendations on those areas where controls could be improved are noted in the action plan that follows. The action plan also describes under the 'risk exposure' column the possible consequences of our audit finding. The factual accuracy of the report and the timescales for implementing our recommendations has been agreed with officers.
8. This report to management sets out our findings from the review carried out. The weaknesses outlined are only those which have come to our attention during the course of our normal audit work and are not necessarily, therefore, all of the weaknesses which may exist.
9. Although we include a number of specific recommendations in this report to strengthen internal control, it is the responsibility of management to determine the extent of the internal control system appropriate to the Council. We would stress, however, that an effective internal control system is an essential part of the efficient management of any organisation.
10. The assistance and co-operation we received during the course of our audit is gratefully acknowledged.

Section 2 – Action Plan

No.	Audit Finding	Risk Exposure	Recommendation	Action Responsibility and Date	Progress as at the 18 th of August 2005
1	<p>The Council recognises the website's importance as a method of communicating with citizens. Major website developments are submitted to the Strategic Management Team for approval. Progress is reported back using quarterly service reports. Presently, an overall web strategy for Council does not exist.</p>	<p>Haphazard development of the website with no real objective, may lead to inefficient developments and poor usage by the citizens.</p>	<p>The Council will develop their web strategy and obtain formal approval for its strategic direction. Priority : High</p>	<p>Action: Strategy to be developed and approved as part of the service planning process</p> <p>Responsibility: Communications Manager</p> <p>Date: February/March 2006</p>	<p>This recommendation remains on target to be completed by the agreed implementation date.</p>

No.	Audit Finding	Risk Exposure	Recommendation	Action Responsibility and Date	Progress as at the 18 th of August 2005
2	<p>Accessibility of websites relates to the ability of a website's visitor to access all elements of the site, immaterial of the devices they use to interface with the website. The website should be equally accessible by all visitors.</p> <p>The Council has recognised the requirement to develop a website that is usable by the disabled. The Council had adopted a suitable accessibility standard and working towards full compliance with it.</p>	<p>A visitor to the website can make a claim against the Council if the website makes it impossible or unreasonably difficult to access information and services. If the Council has not made reasonable adjustments and cannot show that this failure is justified, then the Council may be liable under the Disability Discrimination Act 1995, and may have to pay compensation and be ordered by a court to change the website.</p>	<p>The Web Team has identified the necessary tasks to ensure that the website complies with the standard. We recommend that this project work is completed and regular checks scheduled to ensure that the website continues to comply with the chosen standard.</p> <p>Priority : High</p>	<p>Action: Accessibility Project Plan 70% complete (W3C WCAG level A status achieved Jul 05) - following actions remain:</p> <ul style="list-style-type: none"> • Level AA Templates to be live end Aug 05 • Level AA manual testing / amendments Sep 05 • Accessible Content Management Guidelines and Procedures in place end Sept 05. • AA Accessibility status achieved end Oct 05 <p>Responsibility: Web Team Date: Total finish end Oct 05</p>	<p>Progress is being made with the recommendation and it is on target to be completed by the agreed implementation date.</p>

No.	Audit Finding	Risk Exposure	Recommendation	Action Responsibility and Date	Progress as at the 18 th of August 2005
3	<p>It is Council policy to use plain English and they should recommend and encourage that it is used where applicable.</p> <p>Many website authors have received training in plain English.</p>	<p>Not using plain English can make the web pages difficult to read.</p>	<p>The Communications Manager will remind Web Authors to use plain English for the website content.</p> <p>The Council will consider ensuring that all Web Authors are trained in plain English.</p> <p>The Web Team will consider testing some of the web pages to ensure that they meet the Plain English guidelines.</p> <p>Priority : Medium</p>	<p>Action:</p> <p>Key Communications staff already received “writing for Internet training”</p> <p>“Writing for the Internet” Guidelines already available</p> <p>Plain English guidelines available for Web Authors with option for a training course</p> <p>Responsibility: Communications Manager</p> <p>Date: End Dec 05</p>	<p>Implementation of the agreed recommendation is currently being carried out and will be implemented by the agreed date.</p>

No.	Audit Finding	Risk Exposure	Recommendation	Action Responsibility and Date	Progress as at the 18 th of August 2005
4	<p>The Web Team has checked the operation of the website using Microsoft Internet Explorer only. No checks against other common browsers, for example Mozilla FireFox and Apple Safari or Opera have taken place.</p>	<p>Web browsers can present the same web page differently. The difference can vary from purely cosmetic, i.e. a small change in colour, to a major change, which makes the web page on it readable. Many users are using non-Microsoft products. Recent surveys indicate that less than 90% of internet users use Microsoft Internet Explorer to browse the web. Therefore, the Council risk alienating a small but growing percentage of potential website users.</p>	<p>The Web Team will check the website operation by using other browsers. Priority : High</p>	<p>Action: Accessibility "AA" templates have been tested against commonly used browsers – Firefox, Internet Explorer, Netscape & Opera - website viewed and accessed successfully. Other browsers will be tested as part of Accessibility plan. Responsibility: Web Team Date: End Oct 05 (as Accessibility plan completion)</p>	<p>Progress is being made with this recommendation and is on target to be completed by the agreed implementation date.</p>

No.	Audit Finding	Risk Exposure	Recommendation	Action Responsibility and Date	Progress as at the 18 th of August 2005
5	<p>The website includes a page on the terms and conditions. The terms and conditions section covers copyright, privacy and data protection issues among others. Terms and conditions can help avoid disputes and problems that may arise between the website operator and the user. Currently, the terms and conditions page is difficult to find and is hidden away within the website.</p>	<p>Users that are unable to find the terms and conditions can effectively ignore them.</p>	<p>Set-up will link it to the terms and conditions page from all the web pages on the website. It is should be possible to modify in the web page template to ensure that the terms and conditions page is located in a highly visible place. At the very least in must be clearly visible from the home page. Priority : High</p>	<p>Action: Link to Terms and conditions is will be clearly visible from the home page and heading on all site pages. Responsibility: Web Team Date: End Sep 05</p>	<p>This recommendation remains on target to be completed by the agreed implementation date.</p>

No.	Audit Finding	Risk Exposure	Recommendation	Action Responsibility and Date	Progress as at the 18 th of August 2005
6	<p>The Council has made available electronically many documents listed in this the Freedom of Information Publications Scheme. These included the Data Protection policy.</p> <p>We note that the policy did not cover the latest Data Protection Act, which was passed in 1998.</p> <p>In particular,</p> <ul style="list-style-type: none"> • The policy was approved in that 1997 - year before the current Act was passed; • The position of Data Protection Commissioner was replaced by the Information Commissioner in the 1998 Act; and • The principles listed in the policy refer to those listed in the 1984 Act not in those the 1998 Act. 	<p>Posting out of date information on the website reflects badly on this website operator.</p>	<p>The Data Protection Policy will be updated to reflect the Data Protection Act 1998 Act.</p> <p>Priority : High</p>	<p>Action: Remove document Replace with current policy Responsibility: Communications Manager / FOI Administrator Date: End Oct 05</p>	<p>Progress is being made with this recommendation and is scheduled to be complete by the agreed implementation date.</p>
August 2005			8	Audit Services-Audit Scotland	

No.	Audit Finding	Risk Exposure	Recommendation	Action Responsibility and Date	Progress as at the 18 th of August 2005
7	Within the terms and conditions web page is a section clearly indicating that the Council are not responsible for the content of external websites.	Users believe that the content of the external site meets Council approval and that reflects Council policy.	Include a brief statement stating that the Council is not responsible for the contents of external web links positioned near all external web links. Priority : Medium	<p>Action: Suitable statement to be included on the footer of every web page and within “see also” section which is relevant to links.</p> <p>Responsibility: Communications Manager</p> <p>Date: End Sep 05</p>	The recommendation is on target to be completed by the agreed implementation date.

No.	Audit Finding	Risk Exposure	Recommendation	Action Responsibility and Date	Progress as at the 18 th of August 2005
8	<p>The Web Team does not offer any guidance to ensure that confidential information is not revealed via the website.</p>	<p>Many file formats, including Word, Excel PowerPoint, and Adobe Acrobat to name a few, store copies of previous versions of the same file. In many cases, it is possible for users to access the previous versions. This can reveal confidential information. Many high profile organisations in both public and private sectors have inadvertently released confidential information in this manner.</p>	<p>The Web Team will publish guidance to the Web Authors on the dangers of releasing confidential information via website including steps on how to minimise this risk.</p> <p>The Web Team will check documents currently available from the website to ensure that no confidential information is inadvertently released.</p> <p>Priority : High</p>	<p>Action:</p> <ol style="list-style-type: none"> Guidelines formalised for Web Authors Plan formed to check currently published documents <p>Responsibility: Web Team</p> <p>Date: End Dec 05</p>	<p>Progress is being made with this recommendation. It is on target to be completed by the agreed implementation date.</p>

No.	Audit Finding	Risk Exposure	Recommendation	Action Responsibility and Date	Progress as at the 18 th of August 2005
9	<p>Disaster Recovery tests were conducted by the web server. The outcome of these tests resulted in two actions:</p> <ul style="list-style-type: none"> External web server backup is changed to allow a successful restoration of the server. This restoration is required to be verified as soon as possible. External web server application restoration documentation will be created or modified as appropriate; verified by further testing. 	<p>The disaster recovery tests identify two issues, which need addressing. By addressing these issues, the ICT department should be able to restore the website from backup.</p>	<p>The ICT Department will complete the already are identified actions necessary to be able to recover the website from backup.</p> <p>Priority : Medium</p>	<p>Action:</p> <ol style="list-style-type: none"> Develop improved technical approach to web server backup Develop restore documentation Following a) and b) full restore to a new live server environment will be undertaken as part of server consolidation project <p>Responsibility: ICT Applications Manager</p> <p>Date: End Nov 05</p>	<p>The agreed action and date are currently being progressed; management will provide confirmation of progress for the next Audit Committee.</p>

This page is intentionally left blank

ARGYLL & BUTE COUNCIL
STRATEGIC FINANCE

AUDIT COMMITTEE
2 SEPTEMBER 2005

EXTERNAL & INTERNAL AUDIT REPORT FOLLOW UP 2004 – 2005.

1. SUMMARY

The Internal Audit Annual Plan requires that follow up reviews be conducted for all audits completed during the prior year. Internal Audit also document the progress made by departmental management in implementing the recommendations made by Audit Scotland and Internal Audit. A new reporting system was introduced and approved by the Audit Committee in August 2004. Set out below is the results from a review performed by Internal Audit for recommendations due to be implemented by the 30th June 2005.

2. RECOMMENDATIONS

2.1 The contents of this report are noted and are to be followed up by Internal Audit.

3. DETAILS

- 3.1 Appendix 1 is a statistical summary of the 2003/04 and 2004/05 Internal Audit reports issued prior to June 2005. It details the number of recommendations contained in each report, number of recommendations to be implemented by the follow up date, the number implemented and those past their implementation date. The implementation date used for reporting to this Audit Committee is the 30th June 2005. A reference column has been added to provide a link to Appendix 2, where reasons are given by local management as to why recommendations have not been implemented by the agreed date. The same layout has been used for the follow up of Audit Scotland report recommendations.
- 3.2 Appendix 1 is split into 2 documents 1a & 1b. The first document refers to all reports with recommendations due March to June 2005. The second document lists action points outstanding from the previous Audit Committee. These are points that should have been implemented by the 31st of March 2005 for the last Audit Committee. The same layout has been used for the reporting of Audit Scotland report recommendations in Appendices 3 & 4.
- 3.2 Appendix 2, details under each report's title the recommendation that is still to be implemented, the department and Head of Service responsible, and an explanation for the delay, the level of risk, original and a revised implementation date.
- 3.3 All new external audit reports issued by Audit Scotland to the Council are reported initially separately to the Audit Committee with their executive summary and action plan. Thereafter they will be included in the summary list in Appendices 3 & 4 of this report.

REQUESTED SERVICE REPORTS

- 3.7 The Audit Committee on the 3rd of June 2005 requested that a report be brought to the next Audit Committee detailing the monitoring arrangements, which have been

put in place to ensure the operators of the Jura and Lismore ferries are adhering to the terms of their contracts. A paper has been prepared by the Head of Roads & Amenity Services in response to the Audit Committee request. See Agenda Item 10.

- 3.8 The Audit Committee also requested a report from the Chief Asset Manager on the process being followed for the production of the Asset Register. A copy of a report recently prepared by the Chief Asset Manager for the Strategic Management Team (SMT) on the 11th of July 2005 is appended. The report covers the elements that are currently being progressed to implement the Asset Management Strategy. See Agenda Item 11.

4. CONCLUSIONS

Implementation of recommendations will continue to be monitored by Internal Audit.

5. IMPLICATIONS

- | | | |
|-----|----------------------|------|
| 5.1 | Policy: | None |
| 5.2 | Financial: | None |
| 5.3 | Personnel: | None |
| 5.4 | Legal: | None |
| 5.5 | Equal Opportunities: | None |

For further information please contact Alex Colligan, Internal Audit Manager (01546 604271)

Alex Colligan

Internal Audit Manager 08 August 2005.

08Augfinalreport08Aug

Internal Audit Report Follow up - Summary

Reports With Recommendations Due From April To June 2005

Audit	Report Number	Points to be actioned by 30 June 2005	Points actioned by implementation date	Behind Schedule/ Insufficient evidence received
	<i>15 Reports To Date</i>			
2004/05				
Direct Transport Costs	7	1	1	0
HRA Rents	13 (March 2005)	9	7	2 H5&7
General Ledger Operations	15 (April 2005)	4	4	0
Prudential Code	17 (May 2005)	10	3	7 12,3,7,8,9,10&12
Total		24	15	9

This page is intentionally left blank

This page is intentionally left blank

Action Points Behind Schedule – Internal Audit**A – Review of Budgetary Control**

Ref	Action Point / Implication	Department / Head of Service	Explanation for delay	Risk Grading	Original implementation date	Revised implementation date
1	Budget setting and monitoring are still not adequately linked to the quarterly reporting of service delivery and performance.	Head of Strategic Finance	This is included in draft Best Value Action Plan. Links to be developed in 2005/06. Links to be strengthened in 2006/07	Fundamental	May 2004	2005/2007
3	Budget holders receive no formal training in financial control or the nature of the Council's budgetary control systems.	Head of Strategic Finance	Training will be provided in the financial year 2006/07 when the revised budget monitoring procedures mentioned in 4 below are introduced. As part of the pilot, training will be provided this year to all budget holders within Community Services.	Fundamental	May 2004	June 2006
4	There are no Council wide policies and procedures covering the responsibilities of budget holders in monitoring their budgets.	Head of Strategic Finance	The Head of Strategic Finance has asked the Finance Manager, Community Services to review budget monitoring procedures with a view to implementing revised procedures in 2006/07. A pilot of these procedures is being undertaken in Community Services this year.	Fundamental	March 2004	June 2006

B – Property Management VFM

Ref	Action Point / Implication	Department / Head of Service	Explanation for delay	Risk Grading	Original implementation date	Revised implementation date
1	The Council should decide whether a single asset management and asset register system should be adopted.	Head of Transportation & Infrastructure	See separate report	High	30 September 2004	
6	A complete review of title deeds is to be undertaken to confirm the completeness of the Asset Register	Head of Legal and Protective Services	The review of title deeds has almost been completed. The Chief Solicitor, Conveyancing, has had to undertake this task to a large extent single-handedly and due to his extensive involvement over the last few months in the NPDO this has taken longer than he anticipated. It should be finally completed within the next couple of weeks.	High	30 September 2004	September 2005
13	Appropriate property data is to be obtained in accordance with the timetable for the introduction of the asset management plan.	Head of Transportation & Infrastructure	See separate report	Medium	The timescale for this will be determined when the Chief Asset Manager is in place.	

Ref	Action Point / Implication	Department / Head of Service	Explanation for delay	Risk Grading	Original implementation date	Revised implementation date
15	An exercise should be conducted to determine how compatible the current property IT systems are for supplying data for the corporate asset management system when this is developed.	Head of Transportation & Infrastructure	See separate report	LOW	The timescale for this will be determined when the Chief Asset Manager is in place.	

C – Review of Supporting People

Ref	Action Point / Implication	Department / Head of Service	Explanation for delay	Risk Grading	Original implementation date	Revised implementation date
9	There is no dedicated IT support for the Supporting People team as recommended by the Executive's <i>Strategic Guidance</i> .	Head of Community Regeneration	The Community Services IT team is being restructured and the SP support will be delivered through a team approach rather than one dedicated officer to ensure greatest flexibility in meeting service demands. This arrangement will be in place by September 2005	Material	June 2004	September 2005

D –Review of Purchase of Equipment & Materials

Ref	Action Point / Implication	Department / Head of Service	Explanation for delay	Risk Grading	Original implementation date	Revised implementation date
4	There does not appear to be an agreed procedure for adding new suppliers to or deleting obsolete suppliers from the approved list.	Head of ICT & Financial Services	The position is that for logistical reasons it is important that all members of staff who process invoices are able to create new suppliers. The practicalities of restricting the creation of suppliers to a small number of people will have a detrimental effect on the performance of the section. What however is required is a report of all new creations and amendments to the creditors master file. Creditors section have had discussions with IT who have confirmed that they have set a facility for changes to suppliers, Supplier Sites, Bank Branches and Accounts on the Development system. Some testing is now required, but it is expected that in the near future they will have a daily report that will allow supervisory staff to check every change to the master file.	Fundamental	June 2004	October 2005

E – Review of Cash & Income Banking

Ref	Action Point / Implication	Department / Head of Service	Explanation for delay	Risk Grading	Original implementation date	Revised implementation date
6	Income from the public conveniences in Oban and Fionnphort do not reconcile to the expected income per the turnstile readings. On several occasions negative variances between expected and actual cash have been recorded.	Head of Roads & Amenity Services	Ongoing problems with the turnstiles which have proved beyond repair – discussion with Roads & Amenity Services Manager for Oban, Lorn & the Isles and his senior Staff resulted in agreement that a replacement turnstile should be sought as a matter of urgency. It was proposed to raise this with the Head of Service and Director to request additional budget to allow this to proceed. Funds have now been identified and the replacement turnstiles will be in place prior the new financial year.	Fundamental	Immediate	March 2006

F – Review of Car Allowances - Education

Ref	Action Point / Implication	Department / Head of Service	Explanation for delay	Risk Grading	Original implementation date	Revised implementation date
2	Some staff may not be aware of the basic guidelines with regard to the completion and submission of travel claims.	Appropriate Heads of Service - Community Services	A draft Travel & Subsistence Guidance has been produced. This matter is currently being discussed as part of the Budget Monitoring process and it is envisaged that it will be reported to the Departmental Management Team in September/October prior to implementation across Community Services.	Material	December 2004	September/October 2005

G– Best Value Review 2004/ 05 (LEGAL SERVICES SCRUTINY REVIEW)

Ref	Action Point / Implication	Department / Head of Service	Explanation for delay	Risk Grading	Original implementation date	Revised implementation date
9	The agreed actions from this review have not been fully implemented or reported on.	Head of Legal and Protective Services	The principal recommendation from the Review (the appointment of an external partner has now been implemented. The majority of the other recommendations have been implemented and reports have been submitted to the Strategic Management Team. A report still needs to go to the Strategic Policy Committee updating them on implementation of the recommendations.	Material	January 2005	11 TH October 2005

H – Review of HRA Rents

Ref	Action Point / Implication	Department / Head of Service	Explanation for delay	Risk Grading	Original implementation date	Revised implementation date
5	Recharge procedures require review and update.	Head of Housing	Draft procedures have been produced and will be discussed by the Housing Management Team.	Minor	March 2005	October 2005
7	Currently there is no clear liaison between the Housing Rents Section and the Council Tax Section regarding the write off of housing rents and/or the write off of council tax in Council owned properties.	Head of Housing	No arrears written off this year but Housing will consult with Council Tax Section when the situation next arises.	Minor	Immediate	Ongoing

I – Prudential Code

Ref	Action Point / Implication	Department / Head of Service	Explanation for delay	Risk Grading	Original implementation date	Revised implementation date
2	There is a need for continuous reinforcement of the definition of capital expenditure to ensure compliance with Statement of Recommended Practice.	Head of Strategic Finance	Due to ledger implementation, year end workload, NPDO (Regeneration of schools estate) and LSVT (Housing Stock Transfer)	Minor	31 May 2005	31 August 2005
3	Prioritisation of capital schemes be developed; on going revenue effect be available to Council when a scheme is proposed; eventual final outturn be compared with budget estimate.	Head of Strategic Finance	Due to ledger implementation, year end workload, NPDO (Regeneration of schools estate) and LSVT (Housing Stock Transfer)	Material	30 June 2005 31 March 2006 30 September 2005	31 August 2005 Ongoing Ongoing
7	No assessment has been made of the need for training in risk management for major capital project managers	Head of Strategic Finance	Due to ledger implementation, year end workload, NPDO (Regeneration of schools estate) and LSVT (Housing Stock Transfer)	Material	30 June 2005	30 September 2005
8	The agreed action plan 6 of the joint Internal /Audit Scotland report on Property Asset Management, to completely review title deeds, is still outstanding.	Head of Legal and Protective Services	The review of title deeds has almost been completed. Donnie Kelly has had to undertake this task to a large extent single-handedly and due to his extensive involvement over the last few months in the NPDO this has taken longer than he anticipated. It should be finally completed within the next couple of weeks.	Fundamental	June 2005	September 2005

Ref	Action Point / Implication	Department / Head of Service	Explanation for delay	Risk Grading	Original implementation date	Revised implementation date
9	There are no specifications of the type and value of assets to be accounted for.	Head of Strategic Finance	Due to ledger implementation, year end workload, NPDO (Regeneration of schools estate) and LSVT (Housing Stock Transfer)	Material	30 June 2005	31 August 2005
10	Approval of the Asset Management Strategy is behind schedule. Initial impetus must be maintained if this sizeable task is to be completed as per plan. Service departments must be provided with information of what is to be included in an asset database and organised to achieve this.	Head of Transportation and Infrastructure	<p>1) A working group has been set-up to progress and oversee Computer systems With a view to reporting back to SMT in September, which has formed project teams and a project board in July 2005.</p> <p>2) This action is also inter-linked to action item no9, for setting the guidance on minimum finance values for Asset types.</p> <p>3) On Asset management information data collection, It should be noted the council has commenced this process, and Asset data is available in various formats, and essentially this process will be on going.</p>	Fundamental	Immediate	<p>1)The first meeting of the Project board occurred in July 200</p> <p>2)September 2005 is the anticipated timeframe to complete this activity.</p> <p>3)On-going Asset data collection.</p>
12	Back-up papers do not clearly show the link between expenditure on assets and that posted to the asset register	Head of Strategic Finance	Completed. Subject to Audit Scotland review	Material	Year end 2004/05	30 September 2005

This page is intentionally left blank

External Audit Report Follow up - Summary

External Audit Reports With Recommendations Due From April to June 2005

Audit	Points to be actioned by 30 June 2005	Points actioned by implementation date	Behind Schedule/ Insufficient evidence received
Commissioning Community Care Services for Older People	2	0	2
			C2&4
Total	2	0	2
			0

This page is intentionally left blank

Points Outstanding From Previous Audit Committee

Audit	Points Still Outstanding From Previous Audit Committee	Points to be actioned by 30 June 2005	Points actioned by implementation date	Behind Schedule/ Insufficient evidence received
Regularity & Governance (2) 2002/03	2	2	0	2 A1&8
2002/03 Performance Audit - Management of Community Equipment & Adaptations Commissioning Community Care Services for Older People	6	6	0	6 B6,8,12,14,15&23
Prudential Code	1	1	0	2 C1&35 D2
Regularity & Governance (2) 2003/04	3	3	3	0
Regularity & Governance (3) 2003/04	5	5	3	2 E&8&9
Total	19	19	6	13 0

This page is intentionally left blank

Action Points Behind Schedule - Audit Scotland Reports**A –Regularity & Governance (2) 2002/03**

Ref	Action Point / Implication	Department / Head of Service	Explanation for delay	Risk Grading	Original implementation date	Revised implementation date
1	A Council wide budgetary control procedures manual should be produced and circulated to all budget holders.	Head of Strategic Finance	The Head of Strategic Finance has asked the Finance Manager, Community Services to review budget monitoring procedures with a view to implementing revised procedures in 2006/07. A pilot of these procedures is being undertaken in Community Services this year.	High	31 March 2004	June 2006
8	Training events for budget holders should cover the completion of monitoring forms and the level/detail of response required.	Head of Strategic Finance	Training will be provided in the financial year 2006/07 when the revised budget monitoring procedures mentioned in 4 below are introduced. As part of the pilot, training will be provided this year to all budget holders within Community Services.	Low	31 March 2004	June 2006

B –2002/03 Performance Audit – Management of Community Equipment and Adaptations

Ref	Action Point / Implication	Department / Head of Service	Explanation for delay	Risk Grading	Original implementation date	Revised implementation date
6	The Council should consider the effect of demographic and other environmental changes in planning for the future needs of the service.	Head of Community Support	Provided projected demographic information to inform business planning for community care services in order to develop plan and deliver services.		Date to be agreed by planning department.	December 2005

Ref	Action Point / Implication	Department / Head of Service	Explanation for delay	Risk Grading	Original implementation date	Revised implementation date
8	The Council should identify standards for storing, transporting and cleaning equipment and periodically audit the arrangements to ensure compliance.	Head of Community Support	Proposed feasibility study to identify relevant service standards. Consultation with Quality Assurance unit ongoing.		August 2004	December 2005
12	The Council should introduce systems to monitor equipment and adaptation waiting lists and waiting times.	Head of Community Support	Re-implementation of Carefirst system to include required monitoring of joint equipment service		August 2004	January 2007
14	Consideration should be given to establishing and reporting information on the level of recycling of equipment.	Head of Community Support	Propose feasibility study out to tender and project brief to be given to successful provider.		August 2004	When tender exercise is complete
15	A service, maintenance and repair policy should be developed within the local service.	Head of Community Support	Reference to point 14 in respect to feasibility study.		August 2004	December 2005
23	A review should be undertaken to establish whether a pickup service for adaptations exists and if not, whether its introduction would contribute to recycling rates.	Head of Community Support/ Head of Planning & Performance	Propose feasibility study out to tender and project brief to be given to successful provider.		December 20003	December 2005

C –Commissioning Community Care Services for Older People

Ref	Action Point / Implication	Department / Head of Service	Explanation for delay	Risk Grading	Original implementation date	Revised implementation date
1	Officers should confirm that the revised system can provide aggregated information from individual care plans and additional information on unmet need to inform the planning process.	Head of Planning & Performance	Unmet needs are collated at service centres level and when the management information services are in place will be collated electronically. The intention is to involve planning team to collate an authority wide response at this stage. Recruitment of new Service Officer- appointed on 8 August 2005.Planning to progress the Joint Future Agenda. Source: Argyll and Bute Council, Guidance for Single Shared Assessment Access to Resource.	Medium	October 2004	April 2006
2	Officers should implement information sharing arrangements to enable access to services across social work, housing and health, including the requirement to obtain consent.	Head of Integrated Care	As E-Care was withdrawn from MGF, 3 funding source by Scottish Executive we have been unable to progress the full business plan for an integrated system. An amended proposal that allows for the implementation of the Care Asses within the Council and develops protocols to allow controlled access by specific NHS staff is being progressed/ timescale July 2006.	Medium	April 2005	July 2006

APPENDIX 4

Ref	Action Point / Implication	Department / Head of Service	Explanation for delay	Risk Grading	Original implementation date	Revised implementation date
4	Actions should be identified to further develop and implement joint services and associated management arrangements.	Head of Integrated Care	Agenda being progressed in partnership with the Joint Improvement Team (Scottish Executive). Examples of joint services and single lined management will be implemented in part during 2005/06 and further progressed in 2006/07 and 2007/08.	Medium	April 2005	2005/06-2007/08
35	Financial management arrangements and financial protocols for joint resourcing should be further developed and agreement should be reached on a joint resourcing budget.	Head of Integrated Care	Agreed draft financial protocol implementation depending on a development on joint services and single lined management system as noted in number 4. Timescale: as per number 4	Medium	31 st March 2004	2005/06-2007/08

D --Prudential Code

Ref	Action Point / Implication	Department / Head of Service	Explanation for delay	Risk Grading	Original implementation date	Revised implementation date
2	Officers should calculate the outstanding Incremental Cost of Borrowing indicator.	Head of Strategic Finance	Action on this will be deferred pending clarification from CIPFA. We believe that the capital plan is supported by loan charge support and within council tax levels set and indicated so no implications arise. Give the differing on this indicator clarification for future years will be sought from CIPFA. There is still clarification from CIPFA but a calculation will be done for the 2006/07 budget.	Medium	30 June 2004	2006/07 Budget

E – Regularity & Governance (3) 2003/04

Ref	Action Point / Implication	Department / Head of Service	Explanation for delay	Risk Grading	Original implementation date	Revised implementation date
6	The DMR procedures manual should be reviewed to ensure the content is still relevant and then formally issued to staff.	Head Of Strategic Finance	Low priority as the financial ledger is the main tool for budget monitoring i.e. not DMR. The procedures for operating the system have not changed; therefore it is unlikely that delaying the implementation of this recommendation will have any	Low	31 December 2004	Head of Strategic Finance to discuss with Audit Scotland whether this point is still relevant
9	Procedures whereby AFAs perform a periodic review of the DMR supplier masterfile should be formalised. Furthermore, a supplier naming convention should be implemented to reduce the risk of duplicate suppliers being created.	Head of Strategic Finance	Low priority and not attended to as yet - the Payables system is the main control re vendors and no problems have been reported.	Low	31 December 2004	Head of Strategic Finance to discuss with Audit Scotland whether this point is still relevant

This page is intentionally left blank

ARGYLL & BUTE COUNCIL**AUDIT COMMITTEE****OPERATIONAL SERVICES****2 SEPTEMBER 2005**

FERRY SERVICES REVIEW

1. SUMMARY

At the Audit Committee Meeting on the 3rd June it was noted that the Ferry Services Review had been issued as a consultation paper under the title of Piers, Harbours and Ferries Review and that the closing date for responses was 30th June 2005. The Audit Committee queried why some of the Action Points raised in the Internal Audit Report had not been addressed and requested that a further report be brought before the Audit Committee. To this end the Head of Roads & Amenity Services prepared a report. Full details are enclosed explaining how the Action points have been addressed.

2. RECOMMENDATIONS

The Committee is asked to note the contents of the report.

3. DETAIL

- 3.1** In respect of the comments/complaints procedure for passengers, the Council have issued cards to the ferries at Cuan - Luing and Port Appin - Lismore. This card, included in Appendix 1 to this report is on display in the passenger compartment of the ferries and gives the travelling public the opportunity to voice their concerns. The third service, Easdale – Ellenabeich is an open vessel and this method is inappropriate, so these cards are on display in the waiting rooms at both Easdale and Ellenabeich. The fourth service between Islay and Jura that is managed by ASP Ship Management reports back to Council of complaints or comments through the process of contract meetings.
- 3.2** With regard to monitoring arrangements of the Lismore and Jura Services, the Lismore service transferred back to Council control in April 2005. Foster Yeoman extended their Contract term from February 2005 to the end of March 2005 but elected not to continue the Contract beyond this date. In order to protect the service the Council offered appointments to the Foster Yeoman's staff under the Transfer of Undertaking of Employment regulations. This service is now monitored on a weekly basis by the Harbour Master in Oban under whose remit it falls.
- 3.3** The Islay - Jura service is operated by ASP Ship Management and they submit monthly details of the sailing information log book, a copy of which is included in Appendix 2 to this report. These reports have consistently confirmed that the level of service provision exceeds that required under the terms of the Contract. The financial returns are inspected at random by the Council as agreed under the

Contract and regular meetings are held between the Council and ASP Ship Management where issues relating to service provision are discussed.

4. IMPLICATIONS

- 5.1 Policy – None.
- 5.2 Financial – None
- 5.3 Personnel – None
- 5.4 Equal Opportunities –None
- 5.5 Legal – None

For further information, please contact Stewart Turner (Tel: 01546 604611).

Andrew R Law
Director of Operational Services

APPENDIX 1



Argyll and Bute Council

Customer Feedback Form

If you have any comments that you wish to make on any aspect of your ferry journey today, please contact the Council either by telephone or in writing.

Please call 01631 562125 and ask for the Area Manager or an Assistant Area Manager.

If you prefer to write please address your letter to:

Argyll and Bute Council
Director of Operational Services
1a Manse Brae
Lochgilphead
Argyll
PA31 8RD

Thank you

APPENDIX 2

ASP-SEASCOT SHIPMANAGEMENT LTD.

EILEAN DHIURA SAILING INFORMATION LOG BOOK

WINTER TIMETABLE	R.D. Cards	Additional Sailing Schools		Additional Sailing		Special Sailing	ACTUAL NO OF SAILINGS	PROGRAM NO OF SAILINGS exc Schools	VARIANCE	NO. OF PASS	CARS/ VANS	LIGHT COMM.	HEAVY COMM AND HAZARD VEH.	COACH	MOTOR CYCLE	C/VAN TRACTOR	REMARKS	
		Mon-Fri 0735 hrs	Mon-Sat 21.30hrs	23.00 hrs	0735 hrs													21.30hrs
Feb-05																		
1 TUE		✓	✓		✓		21	13	8	180	61	2	25					
2 WED		✓	✓		✓		25	13	12	188	62		35					
3 THU		✓					22	13	9	201	61	6	24					
4 FRI		✓		✓			20	13	7	165	50		22					Special Sailing @ 01:30 for vet
5 SAT							16	14	2	106	47		7					
6 SUN							3	2	1	36	13		2					
7 MON		✓					17	13	4	134	40	4	8					
8 TUE		✓					17	13	4	123	42		11					
9 WED		✓					18	13	5	171	59	4	15					
10 THU		✓	✓				19	13	6	157	63	2	14					
11 FRI		✓					21	13	8	186	69	1	17					
12 SAT							13	14	-1	80	30		3					No demand at 12:15, 17:45 & 18:30
13 SUN							0	2	-2									75 knts winds at Port Askaig.
14 MON		✓		✓			18	13	5	149	50	2	12					No sailing at 07:35 - tide turning
15 TUE		✓					21	13	8	166	63		17					
16 WED		✓					22	13	9	170	59		23					
17 THU		✓	✓				20	13	7	182	60	3	14					No demand at 18:30
18 FRI		✓					18	13	5	132	51		16					
19 SAT							12	14	-2	56	24							No demand at 18:30
20 SUN							4	2	2	41	18		1					
21 MON			✓				17	13	4	105	42	1	11					
22 TUE							23	13	10	138	67		17					
23 WED							19	13	6	110	52		16					
24 THU			✓				18	13	5	140	52		18					
25 FRI							19	13	6	143	48		15					
26 SAT							15	14	1	90	39		6					
27 SUN							3	2	1	69	20							
28 MON			✓				17	13	4	134	59		8					No demand at 18:30
							458	324	134	3552	1301	25	357	0	0	0		

ARGYLL AND BUTE COUNCIL
Chief Asset Manager, Development Services Department

AUDIT COMMITTEE
2 SEPTEMBER 2005

Report on Asset Management

The Audit Committee, on the 3rd of June 2005 requested an update on progress with the asset register and implementation of asset management strategy/planning. This report identifies the main elements of asset management planning and identifies against each the progress to date.

Requirement:

To prepare a report for the next Audit Committee that details the process being followed for the production of the Asset Register.

Progress:

In summary terms implementation of the asset management strategy is being taken forward in 5 broad areas. These are:

- 1 Completeness check
- 2 Conditions and costings
- 3 Asset use
- 4 Options appraisal
- 5 Computer systems

Each of the broad areas can be broken down into more specific issues. The specific issues and progress against each of these is noted below along with responsibility.

1 Completeness check	Current Position	Responsibility
1.1 What assets do we own, lease and use?	Cross checking of capital accounting register to title deeds nearing completion. Expected to be finalised by 30 September 2005 for audit of Annual Accounts. Once the capital accounting register and title deeds reconciled, further cross checks against property maintenance records, rent roll and non-domestic rate register/valuation roll, will be carried out. At this stage the capital accounting register will also be reviewed with Fleet Management and Information Technology to reconcile entries for vehicles and IT equipment.	Strategic Finance, Legal & Protective, User Depts.
1.2 Who is the owner/user for each asset?	Once tasks above completed then circulate asset users to confirm position.	Strategic Finance, Legal & Protective, User Depts
2 Conditions and Costing	Current Position	Responsibility
2.1 What condition are assets in?	Information on the school estate is already available through the School Estate Asset Management Plan. Information on roads is already available through the SCOTS study and Roads Asset Management Plan.	IT, Fleet Mgt, Property, Roads & Health & Safety
2.2 Are assets fit for purpose?	Information on fleet and IT equipment will be reviewed as part of the asset completeness checks outlined above.	User Depts, IT, Fleet Mgt, Property, Roads & Health & Safety
2.3 What do we need to spend to make assets fit for purpose?	Property condition surveys have already	IT, Fleet Mgt, Property, Roads & Health & Safety

2.4 What do we need to spend over the lifecycle of our assets?	been completed for shared offices and will be completed for leisure properties by 31 March 2007, (this is being carried out over a 3 year period). Property condition surveys for depots will be carried out in 2006-07. A reduced scale, (to reflect the properties in question) is being undertaken in house for public conveniences and will be completed by October 2005. In terms of social work properties whilst condition surveys have been undertaken further work is required to generate all the information necessary for asset management planning. It is intended that on an ongoing basis property condition surveys will be carried out on a 5 yearly basis.	IT, Fleet Mgt, Property, Roads & Health & Safety
2.5 What does it cost to run and operate our assets?		User Depts, IT, Fleet Mgt, Property, Roads & Health & Safety
3 Asset Use	Current Position	Responsibility
3.1 What use do we make of our assets?	This will commence once the asset completeness checks above are complete.	User Depts.
3.2 What are our future asset requirements?	This will commence once the asset completeness checks above are complete.	User Depts.
4 Options Appraisal	Current Position	Responsibility
4.1 Do we need this asset/What are the alternatives?	A review of appropriate approaches to and development of an initial approach to options appraisal will take place in 2005-06 as per the draft Best Value Audit Improvement Plan. This will require review, refinement and further development from 2006-07 onwards.	User Depts, IT, Fleet Mgt, Property, Roads & Health & Safety
5 Computer Systems	Current Position	Responsibility
5.1 Identify systems to be put in place to manage recording, transfer and management of data related to asset management.	Scoping study currently being carried out by the Chief Asset Manager and scheduled for completion by 30 September 2005. There will be a second stage to this to implement decisions based on the scoping study.	User Depts, IT, Fleet Mgt, Property, Roads & Health & Safety.

The tasks above in essence are about establishing a process rather than completing a task. Once the actions above have been completed the Council should have an established process and a sound basis in place for managing its assets and collecting and using the information necessary to do so.

Out-with the above, further tasks related to asset management are underway and these include input by the Asset Management Team to reviews on rationalisation of council properties and regeneration projects in Helensburgh, Oban, Campbeltown and Dunoon.

A further progress report could be provided to the meeting of the Audit Committee scheduled for the 9th of December 2005.

John MacNicol
Chief Asset Manager
23 August 2005.

HMIE REPORT 2004 – 05

1. SUMMARY

The education functions of Argyll & Bute Council were inspected during the period December 2004 to January 2005 by HM Inspectorate of education (HMIe), as part of a 5 year national inspection programme of all local authorities in Scotland. In June 2005, HMIe issued their inspection report, this outlined service key strengths plus areas requiring improvement. The overview is provided in Appendix 1.

2. RECOMMENDATIONS

2.1 The contents of this report are noted and to be followed up by Internal Audit.

3. DETAILS

3.1 The HMIe report identified several key strengths within Community Services and the Education Service. In particular the report noted strengths in communication, effective partnership working, senior management commitment, effective inclusion of pupils with special educational needs in mainstream education and improvements in budget management.

3.2 The HMIe report also identified areas requiring action. These were, the need for raising attainment and achievement in secondary schools, improving performance evaluation and monitoring in secondary schools, addressing issues of capacity and the physical environment of schools. In addition a need for better integration between service and budget planning was also cited.

3.3 HMIe as part of the inspection process requested of Community Services management that they prepare and make public an action plan, within 8 weeks of the publication of their report.

3.4 Internal Audit has been informed by Community Services management, that they are in the process of compiling a draft action plan to be discussed at a meeting with HMIe on the 25th of August 2005. A finalised action plan is expected by the beginning of September 2005.

4. CONCLUSIONS

Internal Audit will monitor progress by Community Services management as they address the issues contained in the agreed public action plan. A further update will be provided to the Audit Committee on the 9th of December 2005.

5. IMPLICATIONS

5.1 Policy: None

5.2 Financial: None

5.3	Personnel:	None
5.4	Legal:	None
5.5	Equal Opportunities:	None

For further information please contact Ian Nisbet, Internal Audit Manager (01546 604216)
Ian Nisbet
Internal Audit Manager 22 July 2005.
22julfinalreport22Jul

Inspection of the education functions of Argyll & Bute Council

June 2005

How well does the authority perform overall?

Overview

Argyll and Bute Council demonstrated good and improving performance across many different aspects of its work. Elected members and senior managers demonstrated a strong commitment to providing high quality services and promoting a culture of improvement. Recent restructuring, while having created a period of uncertainty, had strengthened the management capacity within the Council and extended opportunities for integrated working to improve services.

The vision, values and aims of the service were clear, but required some adjustment to fully reflect recent improvements in ways of delivering services within the Council. Strong partnerships were being forged across the Council and with partner agencies to provide more integrated services for children, young people and their families.

The Director of Community Services and the Heads of Service with prime responsibility for education provided effective leadership by re-focusing the service, setting clear strategic direction, and prioritising and resourcing key aspects of provision which were identified as in need of improvement. A very strong sense of teamwork operated at all levels. The Heads of Service contributed very effectively to improving important aspects of provision and were highly regarded by school staff. Communication was very good.

The financial management of the Education Service had improved and was sound. There was a need to further develop the process of more closely aligning budget and service planning. Arrangements for the devolution of budget responsibilities to school and pre-school centres were good and high quality support was provided from local and centrally-employed staff. Although plans were being developed to improve the school estate, more required to be done to address issues of increasing over-capacity in primary schools.

Very strong support was provided for pre-school and primary education. A number of steps had been taken to improve the arrangements for supporting and challenging schools. A more proportionate and manageable system had been developed to monitor performance and provide support based on need across the dispersed and diverse communities on the mainland and islands. This system was not yet established for supporting and challenging secondary schools. However, the Education Service was making determined efforts to address weaknesses in the secondary sector. The authority needed to continue to monitor the impact of the teams of QIOs on raising pupils' attainment and achievements, and improving learning and teaching. In primary schools, attainment in mathematics and writing had improved slightly, but had remained steady in reading. At S2 in secondary school, there was evidence of improved attainment levels in mathematics and writing, and particularly in reading. At S4 and S5, attainment in National Qualifications was high, and had remained steady over the last four years. The

Education Service now needed to give priority to further improving existing high levels of attainment, particularly in secondary schools.

The Education Service had strong and well established approaches to the inclusion of children and young people with additional support needs within mainstream schools. It was building on this experience to extend further its partnerships with social work and health staff to provide more integrated services for the children and young people. The all round experiences and achievements of children and young people were being extended by imaginative developments in arts, culture, enterprise and sports.

Overall, from a sound base, the Education Service was strengthening its impact on meeting the Council's key aim of being recognised as Scotland's leading rural area.

Key strengths

- Effective communication in a dispersed authority.
- Many examples of effective partnership working across Community Services.
- The commitment and effectiveness of the Heads of Service with prime responsibility for education.
- Teamwork across centrally-deployed staff.
- Support for pre-school establishments and primary schools.
- The effective inclusion of pupils with special educational needs in mainstream education.
- Improvements in budget management.

Main points for action

In addition to addressing the areas for improvement identified in this report, the local authority should act on the following recommendations.

- Establish closer integration between service and budget planning.
- Address the issues of capacity and the physical environment in schools.
- Strengthen procedures for monitoring and evaluating the performance of secondary schools.
- Ensure more effective support for the curriculum and learning and teaching in secondary schools to achieve the Council's aim of raising attainment and achievement further.

Around two years after the publication of this report HM Inspectors will re-visit the authority to assess progress in meeting these recommendations. The local authority has been asked to prepare and make public an action plan, within eight weeks of the publication of this report, indicating how it will address the main points for action in the report.

Margery Browning

Acting HM Chief Inspector Directorate 5 June 2005

NOT FOR PUBLICATION by virtue of paragraph(s) 14
of Schedule 7A of the Local Government(Scotland) Act 1973

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank