

APPENDIX 7

ARGYLL & BUTE COUNCIL

AUDIT COMMITTEE
20 FEBRUARY 2004

AUDIT SCOTLAND - 2002/2003 REPORT ON THE AUDIT OF ARGYLL & BUTE COUNCIL

1. INTRODUCTION

Within the PMP follow-up Audit Report in 2002/03, an action was placed upon Operational Services, to the progress and achievement of tasks identified within the Property Services DLO Business Plan, and to the reporting of progress and achievement to Council Members and Officers.

2. RECOMMENDATIONS

2.1 The Audit Committee note the content of this report and follow up by Internal Audit.

3. DETAILS

3.1 The progress and achievement of actions identified within the Property Maintenance DLO Business Plan are monitored monthly.

3.2 DLO performance is reported in line with the Business Plan, the requirements of Argyll & Bute Council's Commercial Operations Board, Argyll & Bute Council's Strategic Management Team and the Scottish Executive.

3.3 The DLO Management Team have adopted a revised Management Information System to provide monthly data for:

- Financial Performance:
 - By Depot
 - By Project
 - By Contract
- Operational Performance:
 - Achievement of Client Targets
 - Achievement of Client Targets by Depot
 - Achievement of Client Targets by Work Category
- Wages, salaries & bonus
- Stock levels
 - Overall
 - By depots
- Work In Progress
- Invoicing & Bills Outstanding

3.4 There is now a clear focus on Performance Management. A process has been put in place by which the Management

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Team reviews DLO performance monthly. On completion of the review, an Action Plan is issued. Adverse variances are investigated and individuals given clear corrective actions and target dates for completion. As part of the Performance Management review the following month, the previous month's Action Plan is reviewed for completion.

4. PERFORMANCE

- 4.1 The DLO Management Accounts show a surplus for the period to 31 December 2003. A significant improvement in the achievement of client target dates has been achieved over the 3rd Quarter.
- 4.2 The value of Work in Progress and Invoicing & Bills Outstanding is considered to be too high. The reduction of the value of Work In progress and Invoicing & Bills Outstanding is a clear management focus.

For further information please contact Sandy Mactaggart, Head of Facility Services (01546 604379)

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