

QUARTERLY SERVICE REPORTING PROCESS

1. SUMMARY

In February 2006 Audit Scotland issued a report entitled “The Audit of Best Value and Community Planning”. The report and findings related to the performance of Argyll and Bute Council’s statutory duties to secure Best Value and to initiate and facilitate the Community Planning process. Part 2 of the report pertaining to Scrutiny, recognised the effectiveness of the Audit Committee but requested its role be further developed to provide challenge on service performance information. In response to the Audit Scotland report the Council prepared an Improvement and Development Plan in May 2006. Set out below is an outline of the process for scrutinising service performance information to the Audit Committee.

2. RECOMMENDATIONS

2.1 That the Audit Committee approves the process outline set out in this report.

3. DETAIL -

3.1 Background

3.1.1 Services prepare a Service Plan each year to set out their Priorities to deliver against the Corporate Objectives. These broad, long-term Corporate Objectives are agreed by Council and contained in the Corporate Plan. Each Service Plan will align the Service annually to the nuances of the shifting needs and aspirations of the Council and the Scottish Executive.

3.1.2 Services report progress against their Service Plans on a quarterly basis. These reports are submitted in full to the SMT. Each service reports in a similar format, with the small number of Priorities, as identified in the Service Plan, set out with the purpose and key activities described. The report details progress against the performance indicators and the budget for each Priority.

3.1.3 In November 2005 the Senior Members and Officers Group received the first summary of the Service quarterly reports. It was compiled by Policy and Strategy and was based on the reports from Services. This report was considered useful and the process has been continued for subsequent quarterly reports.

3.1.4 The Best Value Audit report, published in February 2006 in particular Paragraph 61, said; “There is an effective audit committee with sufficient independence and authority to scrutinise and challenge financial performance and ensure internal control issues are addressed. The audit committee’s remit also includes monitoring services to ensure they are being provided efficiently and effectively, in accordance with Best Value principles. This role needs to be developed, particularly to provide challenge on the findings and methodology of Best Value reviews, and supported by better information about service performance.”

- 3.1.5 In answer to the report comment expressing a need for the Audit Committee to expand its scrutiny role an action was included within the Council's Improvement and Development Plan agreed with Audit Scotland to ensure that the Audit Committee scrutinises quarterly reports and all Best value reviews.
- 3.1.6 The presentation of quarterly Service performance reports to the Audit Committee will fulfil this final requirement - to provide better information about service performance.

3.2 Proposal

- 3.2.1 Following approval of the quarterly Service performance reports by the SMT, Policy and Strategy compile the summary report for the Senior Members and Officers Group. It is proposed that this report is routinely included on the Audit Committee agenda.
- 3.2.2 It is further proposed that the full quarterly Service performance reports should be made available for scrutiny by the Audit Committee if required. The reports of those Services reporting exceptional performance could routinely be included in the Committee papers, as identified at the pre-agenda briefing.
- 3.2.3 This proposal provides sufficient information to the Audit Committee without the burden of considering the full reports (which runs to about 80 pages). The level of information proposed would also assist the Committee in identifying those areas where further scrutiny should be applied.

3.3 Timescales and responsibilities

- 3.3.1 The first full set of quarterly Service performance reports in the new format will report performance for July-September 2006. They will be presented to the SMT at the beginning of November, with the summary going to the Senior Members and Officers Group shortly thereafter.
- 3.3.2 The SPC will receive a summarised version of the quarterly Service performance reports routinely, starting with the July-September 2006 reports. A paper outlining this approach was considered by the SPC on August 24th 2006.
- 3.3.3 If the Audit Committee approves this process at the meeting on 21st September 2006, the first summarised quarterly Service performance report would be available for the meeting on 8th December 2006.

4. CONCLUSIONS

This will address the additional scrutiny point raised in the Audit Scotland Best Value Report regarding scrutiny of service performance by the Audit Committee.

5. IMPLICATIONS

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| 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. 31st August 2006. 31Augfinalreport31Aug.