

APPENDIX 6



Internal Audit Report

Review of Statutory Performance Indicators (SPIs) 2007/08

August 2008

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1 INTRODUCTION

- 1.1 The Local Government Act 1992 (the “Act”) requires the Accounts Commission to issue an Annual Guide to local authorities to publish such information relating to their activities in any financial year as will, in the Commission’s opinion:
- a. Facilitate the making of appropriate comparisons (by reference to the criteria of cost, economy, efficiency and effectiveness and of securing best value in accordance with section 1 of the Local Government in Scotland Act 2003) between:
 - (i) The standards of performance achieved by different authorities in that financial year; and
 - (ii) The standards of performance achieved by such authorities in different financial years.”
 - b. Facilitate the drawing of conclusions about the discharge of those authorities’ functions under Part 2 (community planning) of the Local Government in Scotland Act 2003.
- 1.2 The Accounts Commission issued the Guide, relating to the financial year 2007/08, in December 2006. This Guide provides further information, within the Direction 2006, to assist authorities and auditors in fulfilling their obligations in relation to that Guide, in accordance with the Act.
- 1.3 The Act lays a duty upon each council to ensure that it has in place such arrangements for collecting, recording and publishing the information, as are required to comply with this Direction.

2 AUDIT SCOPE

- 2.1 For 2007/08 Argyll & Bute Council was required to report on 52 performance indicators covering 10 services. For 2007/08, it was agreed that External Audit and Internal Audit would split the review of the 52 SPIs. An initial review was carried out of the 52 SPI returns and following further analysis a discussion was held between External and Internal Audit over the selection of key SPIs for full audit testing. It was decided that any SPIs that had a significant variance from 2006/07 were checked in more detail. In total 20 SPIs were fully audited. (See table 1 below)
- 2.2 The External Auditors, Grant Thornton UK LLP, and Internal Audit each reviewed 10 SPIs. One SPI was qualified in 2006/07. This has remained the same with 1 being qualified in 2007/08.
- 2.3 The Guide states that the duty of the auditor is to be satisfied the council has made arrangements for collecting and recording of performance information. It must be assessed whether adequate arrangements are in place, the arrangements function effectively and that the information is accurate and complete.

DEPARTMENT	SPIs	No of SPIs Qualified		SPIs analysed	
		06/07	07/08	IA	EA
ADULT SOCIAL WORK	8	-	-	2	-
BENEFITS ADMINISTRATION	3	-	-	1	2
CORPORATE MANAGEMENT	8	1	-	-	4
CULTURE & COMMUNITY SVS	6	-	1 (EA)	-	2
DEVELOPMENT SERVICES	3	-	-	-	1
EDUCATION & CHILDRENS SVS	8	-	-	2	-
HOUSING	1	-	-	1	-
PROTECTIVE SVS	5	-	-	2	-
ROADS & LIGHTING	5	-	-	2	-
WASTE MANAGEMENT	5	-	-	-	1
TOTAL	52	1		10	10

Table 1: SPI Analysis

3 AUDIT APPROACH

3.1 Internal Audit selected 10 SPIs to analyse. The PI co-ordinators for the 10 selected were contacted and meetings were arranged with the appropriate officer responsible for collecting and recording the information for each PI.

3.2 The following aspects were analysed for each SPI selected:

- To ensure that systems and procedures are established enabling the required information to be gathered.
- To ensure that arrangements are in place to keep all working papers and any other data sources which may be examined by external auditors and they must be available on request.
- To ensure that gathered information is, as far is practicable, accurate and complete.
- To ensure that the data required by the Direction is published in the required form by the Council.

4 DETAILED FINDINGS AND ACTION PLAN

4.1 The detailed findings attached at Appendix 1 have been compiled by Internal Audit after reviewing the direction and draft results for all SPIs, visits to the appropriate PI co-ordinators, and analysis of procedures in place to collate SPI information and statistics.

4.2 The action plan attached at Appendix 2 has been compiled by Internal Audit listing all recommendations agreed by management to be implemented. Management will be required to implement any recommendations made by the next SPI process in March 2009. Where management decides not to implement recommendations it must evaluate and accept the risks associated with that decision.

5 SUMMARY

5.1 Adult Social Work Indicators 3 and 5

- 5.1.1 Indicator 3 measures Residential Accommodation: Privacy. The back up for this PI was found not to match the return made. Internal Audit collated the information received by Social Work from each residential home and asked the section to view these results and explain the differences found. The section had not collated the information accurately.
- 5.1.2 Indicator 5 measures respite care. It was found to be accurate with a process in place to collate the information and statistics.

5.2 Benefits Administration Indicator 3

- 5.2.1 Indicator 3 measures Accuracy of Processing. Audit Scotland requires a minimum of 500 cases to be considered for part (a) of this PI. The section had stated that 465 cases had been sampled. This was due to the section using the system to record this for the first time this year. It was explained that the cases checked in the last quarter (January to March) had not been put through the system until after 31 March 2008 year end. This meant that they were not included in the total cases checked.
- 5.2.2 The section was asked to recalculate the total cases sample checked. Internal Audit then agreed the PI figure. Other parts of this indicator were found to be accurate with a process in place to collate the information and statistics.

5.3 Education and Children's Services Indicators 7 and 8

- 5.3.1 Indicator 7 measures Looked after Children: Staff Qualifications. Indicator 8 measures Respite Care. Both were found to be accurate with a process in place to collate the information and statistics.

5.4 Housing Indicator 6

- 5.2 Indicator 6 measures Homelessness. This PI is built into the Client Management System and a summary of the figures from the system was checked against the PI return. A note detailing how the PI was calculated was also provided. The back up report from the system was not run on 31 March. However a sample report was produced at a later date detailing how the annual PI figures were obtained. The PI was subsequently accepted and a software amendment requested.

5.5 Protective Services Indicators 2 and 4

- 5.5.1 Indicator 2 measures Noise Complaints. Indicator 4 measures Complaints and Advice. Both were found to be accurate with a process in place to collate the information and statistics.

5.6 Roads and Lighting Indicators 1 and 5

- 5.6.1 Indicator 1 measures Carriageway Conditions and was found to be accurate with a process in place to collate the information and statistics.
- 5.6.2 Indicator 5 measures Road Network Restrictions in relation to Bridges. Spreadsheets holding this data are continuously updated however a copy was not taken at 31 March. Spreadsheets were subsequently provided and were checked against the summary sheet and the PI returns to Audit Scotland. The spreadsheets agreed with the return. The section was asked to take back up documentation at the year end.

5.7 General

- 5.7.1 Internal Audit found that the list of SPI co-ordinators did not reflect the people responsible for some of the SPIs.
- 5.7.2 It was also found that the information supplied to Policy and Strategy was not provided on time. Many sections needed several reminders to provide the draft returns.
- 5.7.3 The same trend occurred with explanations for variances. Some of the explanations were inconsistent with the results and/or provided after several reminders. Some explanations were copied to explain all parts of an indicator.

5.8 Qualified SPI

- 5.8.1 External Audit analysed 10 SPIs which resulted in Cultural and Community Services indicator 3 being qualified.
- 5.8.2 External Audit explained that the Council should have included visit numbers for any museum that is 'part funded', including the Kilmartin museum. However visitor numbers were not measured for Kilmartin museum during the year.

6 ACKNOWLEDGEMENTS

- 6.1 Thanks are due to Policy and Strategy, the PI co-ordinators and their supporting staff for their co-operation and assistance during the Audit and the preparation of the report and action plan.
- 6.2 Argyll & Bute Council's Internal Audit section has prepared this report. Our work was limited to the scope in section 4. We cannot be held responsible or liable if information material to our task was withheld or concealed from us, or misrepresented to us.
- 6.3 This report is private and confidential for the Council's information only and is solely for use in the provision of an internal audit service to the Council. The report is not to be copied, quoted or referred to, in whole or in part, without prior written consent.

APPENDIX 2 ACTION PLAN

NO.	FINDINGS	RECOMMENDATIONS	RESPONSIBLE OFFICER	DATE OF IMPLEMENTATION
1	It was found that the list of SPI co-ordinators did not reflect the people responsible for some of the SPIs.	<p>Policy and Strategy should produce a list of PI Co-ordinators and responsible officer for each PI.</p> <p>They should:</p> <ul style="list-style-type: none"> - Ensure, through enquiry, that the list of PI co-ordinators is up to date. - Inform the co-ordinators to tell Policy and Strategy of any changes to staff responsible for each PI. 	Best Value Officer, Policy and Strategy	January 2009
2	Some of the explanations for variances from last year's PI were inconsistent with the results. Some explanations were copied to explain all parts of an indicator.	Explanations for variances should be valid and relevant to each PI and their parts. This must be emphasised at the PI meeting in January.	Best Value Officer, Policy and Strategy	January 2009

3	It was found that the information supplied to Policy and Strategy was not provided on time. Many sections needed several reminders to provide the draft returns.	A fixed timetable should be produced and issued to all PI co-ordinators and agreed at SMT and issued at DMT.	Best Value Officer, Policy and Strategy	January 2009
4	ASW 3 – Care must be taken when collating the results from each residential home.	An accuracy check must be completed by an independent staff member.	Planning and Information Manager, Planning and performance	April 2009
5	H 6 – back up evidence was not printed off at the year end. Evidence was provided as to how the figures were made up.	A meeting is arranged with the software suppliers for September 2008. They will be asked to build the back up report into the reporting tool.	Administration Officer, Community Support	01 April 2009
6	RL 5 – back up evidence was not printed off at the year end although the information was available.	A report will be produced on 31 March 2009 and this will be the basis for the PI.	Supervisory Engineer, Roads and Amenities Services	01 April 2009