



Internal Audit Report

Final

**Chief Executives
Review of Single Outcome Agreement 2009**

April 2010

1 INTRODUCTION

This report has been prepared as a result of the Internal Audit review of the Council's contribution to the Single Outcome Agreement ('SOA') 2009 as part of the 2009/2010 Internal Audit programme. The Council acts as lead partner to the Community Planning Partnership ('CPP'), which enables public, private, community and voluntary sector organisations to work together to improve services for the people of Argyll & Bute.

The SOA is a major part of the commitment entered into jointly between COSLA and the Scottish Government in the concordat published in November 2007. This SOA is a development of the 2008 SOA with Community Planning Partnership (CPP) partner involvement, a requirement as opposed to an option.

The main changes to the SOA 2009 are to:

- review and extend the success measures to take account of contributions from other CPP partners;
- revise the performance management and governance arrangements to take account for the Council Planning and Performance Management Framework (PPMF) and future development of a similar framework for the CPP;
- significantly revise the risks associated with each national outcome to incorporate contributions from the strategic risk registers of the Council and CPP partners; and
- base it directly on the Council's Corporate Strategy and the CPP partner strategic documents.

There are important links between the Corporate Plan, the Community Plan and the Single Outcome Agreement (SOA) for Argyll and Bute.

2 AUDIT SCOPE AND OBJECTIVES

Our approach is based on reviewing the Council's contribution to the SOA, rather than providing a complete assessment of each partner's involvement.

The broad objectives of the review were to ensure that:

- the Council's contribution to the SOA is derived from the Corporate Plan outcomes;
- each outcome is linked to one or more national outcome to demonstrate the important contribution that Argyll and Bute has to make to the future success of Scotland;
- the SOA gives a clear picture of the important outcomes for Argyll and Bute and the partnership action to make them happen;
- the CPP Risk Register incorporates relevant strategic risks from the Council's strategic risk register; and
- progress is appropriately reflected in the SOA Annual Report 2008 - 2009.

3 RISK ASSESSMENT

As part of the audit process the Council's strategic risk register was reviewed to identify any strategic risks relevant to the audit as follows:

SR07	Failure to maximise the benefits of Best Value
SR09	Failure to progress the Community Planning Partnership
SR14	Failure to implement the Single Outcome Agreement

These have been taken into consideration during the audit.

4 CORPORATE GOVERNANCE

Principle 1 of the local Corporate Governance Framework is 'Focussing on the purpose of the Authority and on the Outcomes for the Community and Creating & Implementing a Vision for the Local Area.' These impacts directly on the objectives of this audit and will be covered in a review of Corporate Governance which is currently in progress.

5 MAIN FINDINGS

5.1 Leading Rural Area

There is an opportunity, within the SOA, the Corporate Plan and the Council's website, to present more positively the Council's services and support for the main economic activities within Argyll & Bute, in particular, the underlying infrastructure that supports Tourism, Fishing & Agriculture.

As lead partner, the Council could also develop, at relatively low cost, a prominent Tourism section on its website highlighting the Council's own infrastructure and services, this would provide a gateway link to the websites of partners, such as VisitScotland, EventScotland, Calmac and Highlands & Islands Enterprise (HIE) together with local tourism groups throughout the area. This initial development would be integral to the CPP preparation of an overall marketing plan for Argyll and Bute.

5.2 Community Planning Partners ('CPP')

VisitScotland are not currently full participating partners within the CPP. This issue is longstanding over several years and has proven difficult to rectify due to the internal restructuring of VisitScotland and their redefinition of tourism areas, with associated key staff changes. However, in May 2009 a Minute of Agreement was signed with VisitScotland and they have subsequently taken a more active role in the CP Economy Thematic Group with the formation of the Argyll and Isles Strategic Tourism Partnership

VisitScotland is a key player in the achievement of the Council's and SOA outcomes and their participation in the CPP should be actively pursued. In addition, the Minute of Agreement 2010/11 with Visit Scotland should be formulated setting out the key

elements of the funded services to be provided by them, and further performance indicators to assist in improving performance.

5.3 CPP Risk Register

The Council has reviewed its strategic risk register and introduced a risk framework where risks are grouped under a smaller number of headings. The CPP should consider adopting a structure similar to the Council, thereby ensuring that all relevant strategic risks identified by the Council are included.

5.4 SOA Annual Report 2008-2009

A formal timescale for the preparation, approval and submission of the SOA Annual Report should be developed to ensure that it can be approved by the SMT and the Council, as part of the Council's internal Governance arrangements, in conjunction with approval by the CPP Management Committee. Thereafter, the report should also be circulated to the Audit Committee.

6 RECOMMENDATIONS

Four recommendations were identified as a result of the audit, one high and three of medium priority. The recommendations are shown in the action plan below.

7 AUDIT OPINION

Based on the findings we can conclude that the Council and the CPP are working well together under the new Single Outcome Agreement arrangements and are making progress on achieving the identified local and national outcomes. Under any new arrangements it is inevitable that there are some areas that require further development and formalisation to achieve the best outcomes.

Recommendations arising from the audit work should be implemented by the nominated responsible officer within the agreed timescale. Recommendations not implemented will require explanation to the Audit Committee. This could lead to findings being reported in the Internal Control Statement produced by the Council in support of the Annual Accounts.

8 ACKNOWLEDGEMENTS

Thanks are due to the Head of Improvement & HR and the Policy & Strategy Manager for their co-operation and assistance during the Audit and the preparation of the report and action plan.

Argyll & Bute Council's Internal Audit section has prepared this report. Our work was limited to the objectives in section 2. We cannot be held responsible or liable if information material to our task was withheld or concealed from us, or misrepresented to us.

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	PRIORITY	RECOMMENDATION	RESPONSIBLE OFFICER	IMPLEMENTATION DATE
1	<p>Leading Rural Area An impression could be taken that the main economic drivers of the local economy (Tourism, Agriculture & Fisheries) are being neglected through lack of additional Government funding.</p>	<i>Medium</i>	<p>There is an opportunity, within the SOA and Council website, to present a more positive image of the Council's services and support for the main economic activities within Argyll & Bute, as identified in the Council's Economic Development Action Plan 2010 to 2013.</p>	<p>Head of Improvement & HR</p>	<p>February 2011</p>
2	<p>Community Planning Partners VisitScotland are not currently full participating partners within the Community Planning Partnership.</p>	<i>High</i>	<p>VisitScotland is a key player in the achievement of the Council's objectives and their participation in the CPP should be actively pursued. In addition, the Minute of Agreement for 2010/11 with VisitScotland should be formulated setting out the key elements of the funded service to be provided and further performance indicators.</p>	<p>Head of Economic Development</p>	<p>May 2010</p>

No.	FINDINGS	PRIORITY	RECOMMENDATION	RESPONSIBLE OFFICER	IMPLEMENTATION DATE
3	<p>CPP Risk Register Many of the strategic risks in the CPP Risk Register relate to the specific activities undertaken by individual partners and do not fully reflect the strategic risks identified by the Council.</p>	<i>Medium</i>	The CPP should consider adopting a structure similar to the Council, thereby ensuring that all relevant strategic risks identified by the Council are included.	Head of Improvement & HR	October 2010
4	<p>The SOA Annual Report The SOA Annual Report should be formally approved as part of the Council's internal Governance arrangements.</p>	<i>Medium</i>	A formal timescale for the preparation, approval and submission of the SOA Annual Report should be developed to ensure that it can be approved by the SMT and the Council as part of the Council's internal Governance arrangements, in conjunction with approval by the CPP Management Committee.	Head of Improvement & HR	February 2011