



Internal Audit Report

FINAL

Review of Statutory Performance Indicators (SPIs) 2009/10

September 2010

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1 INTRODUCTION

- 1.1 The Local Government Act 1992 (the Act) requires the Accounts Commission to give directions that require councils, fire & rescue and police authorities to publish information relating to the performance of their activities. This is intended to:
- 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 relevant bodies in that financial year or other period; and
 - (ii) the standards of performance achieved by such bodies in different financial years or, as the case may be, other periods.
 - b. facilitate the drawing of conclusions about the discharge of those bodies' functions under Part 2 (community planning) of the Local Government in Scotland Act 2003.
- 1.2 The Accounts Commission issued its Direction for the financial year 2009/10, in December 2008. The Direction covers Section 1 (1) of the legislation and does not specifically include community planning functions.
- 1.3 The Commission's 2008 Direction represents a significant change in approach. It is designed to:
- place increased emphasis on self determination by councils of the performance material, both qualitative and quantitative, that they choose to report to the public, in accordance with the principles and guidance underlying Best Value
 - recognise that change is taking place in the local government environment, but that it is too early to see where this will lead and council performance reporting is not sufficiently developed to allow a complete shift from the current arrangements.
- 1.4 In its 2008 Direction the Commission has exercised its powers under Section 1 of the Local Government Act 1992 to place responsibility for meeting their BV responsibilities more directly with councils while retaining a small number of specified indicators emphasizing the Commission's commitment to ensuring that councils publish performance information on:
- a range of corporate issues covering BV concerns such as equalities, resource and asset management affecting overall service delivery

- revenue and service cost management
- front line services and issues directly relating to service user experience.

2 AUDIT SCOPE

- 2.1 The external auditor's statutory duty in relation to the performance information is set out in section 99 (d) of the Local Government (Scotland) Act 1973 (as inserted by section 3(2) of the Local Government Act 1992).
- 2.2 That duty is to be satisfied that the council has made such arrangements for collecting, recording and publishing performance data as are required to ensure that, so far as practicable, everything published is accurate and complete.
- 2.3 The External Auditors, Grant Thornton UK LLP, would therefore not be reviewing the accuracy of the individual SPIs. Internal Audit therefore made the decision to review the 20 SPIs that the council had to submit to Audit Scotland. A list of the SPIs is shown in the table below.

SPI	Number	No of SPIs Qualified	
		08/09	09/10
Sickness Absence	1	-	-
Equal Opportunities Policy	2	-	-
Public Access	3	-	-
Administration Costs	4	-	-
Council Tax Collection	5	-	-
Council Tax Income	6	-	-
Payment of Invoices	7	-	-
Asset Management	8	-	-
Home Care/Home Helps	9	-	-
Sport and Leisure Management	10	-	-
Museum Services	11	1	-
Use of Libraries	12	-	-
Processing Time – Planning Application	13	-	-
Homelessness	19	-	-
Domestic noise complaints	20	-	-
Trading Standards – Complaints and Advice	21	-	-
Carriageway Condition	22	-	-
Refuse Collection	23	-	-
Refuse Recycling	24	-	-
Cleanliness	25	-	-

3 AUDIT APPROACH

- 3.1 The PI co-ordinators for all 20 SPIs 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 as practicable, accurate and complete.
 - To ensure that the data required by the Direction is published in the required form by the Council.

4 SUMMARY OF MAIN FINDINGS

- 4.1 20 SPIs were reviewed by Internal Audit. Of the 20 checked 12 were correct, 5 had to be amended after discussion with the staff involved in providing the figures whilst the remaining 3 required considerably more effort from Internal Audit before the final figures could be agreed.
- 4.2 For these SPIs there was either insufficient back up evidence available to Internal Audit to allow them to agree the submitted figures or the evidence provided did not agree with the figures. This resulted in additional time being spent by Internal Audit in order to verify the return.
- 4.3 This resulted in some of the SPIs being amended prior to them being submitted to Grant Thornton, the Council's External Auditors. The 3 SPIs that resulted in the majority of the effort involved in carrying out additional checks by Internal Audit are detailed below.
- 4.4 SPI 10 – Sport and Leisure Management

Swimming Pools

The figure for the SPI comes from the 4 Council Pools plus Atlantic Leisure in Oban, Mid Argyll Pool and MacTaggart Leisure in Islay.

Figures provided by our own establishments came from Torex, the Council's Leisure Management System and had to be amended after checks were carried out by Internal Audit.

Internal Audit had difficulty in establishing the figures provided by the 3 external pools as no back up for the figures had been provided. When some

back up was provided it was not in a format that made checking easy.

This meant that Community Services staff were involved in a lengthy exercise to provide the figures in a form acceptable to Internal Audit. This involved obtaining additional information from the 3 outside organisations and putting them into a format that was acceptable to Internal Audit.

Community Services have been in contact with the 3 external pools to ensure that procedures are in place to provide accurate figures with adequate back up for the 2010/11 SPIs..

Indoor Sports Facilities

The figure for the SPI comes from Mid Argyll Sports Centre plus Atlantic Leisure in Oban. The figure for Mid Argyll was taken from Torex and Atlantis Leisure submitted a return with their figures.

The figures had to be amended in respect of spectator numbers. The issues reported for swimming pools regarding back up information also apply here.

4.5 SPI 13 - Processing Time – Planning applications.

There were different methods being used throughout the council for retrieving the P.I. information. Some areas were using the UNIFORM system to produce the reports that are needed for the return. Others are not using the system and are using Word to produce the reports. This resulted in additional time and effort from the Auditor and Systems Technician being expended in order to gather the correct evidence.

4.6 SPI 21 - Trading Standards – Complaints and Advice.

Referrals from third parties (Consumer Direct Scotland) were not being accurately accounted for in the SPI return. After discussions with Trading Standards staff, updated reports were received and the SPI figure agreed.

5 DETAILED FINDINGS AND ACTION PLAN

5.1 The detailed findings attached at Appendix 1 has 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.

5.2 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 2011. Where management decides not to implement recommendations it must evaluate and accept the risks associated with that decision.

APPENDIX 2

ACTION PLAN

NO.	FINDINGS	RECOMMENDATIONS	RESPONSIBLE OFFICER	DATE OF IMPLEMENTATION
1	Some departments were submitting their SPIs to Policy & Strategy without checking the accuracy of the figures and having sufficient back up information available for auditors.	A meeting should be arranged by Improvement & HR with co-ordinators to ensure that the members of staff responsible for completing the SPIs are aware of their responsibilities when completing and submitting the SPIs.	Head of Improvement & HR	31 January 2011
2	<u>Sport and Leisure Management</u> The submitted SPI was wrong in that figures for spectators and sales had been included in the submission for pools and indoor sports although the Direction from Audit Scotland excluded them.	Staff should ensure that the guidance provided by Audit Scotland is followed when the submission for the SPI is completed.	Head of Community & Culture	31 March 2011

3	<p><u>Sport and Leisure Management</u> The figures submitted by the 3 external facilities were wrong and initially did not have sufficient back for the figures provided. The backup provided was in a format that would have resulted in the auditor having to expend considerable time and effort in trying to agree the figures.</p>	<p>The 3 external facilities should submit figures to the Council on a quarterly basis together with sufficient backup to satisfy the auditors when reviewing the annual submission of the SPI.</p>	<p>Head of Community & Culture</p>	<p>30 September 2010</p>
4	<p><u>Planning Applications</u> Not all staff were inputting the information using the UNIFORM system to produce the reports required for the return. Some are using Word to produce the reports and then scanning the reports onto Comino. This does not give accurate dates of when the decision notice was issued.</p>	<p>All staff should be instructed that they should be using the UNIFORM system to record the information regarding the planning applications.</p>	<p>Head of Regulatory Services</p>	<p>Immediate</p>
5	<p><u>Trading Standards – Complaints and Advice</u> Referrals from third parties (Consumer Direct Scotland) were not being accurately accounted for in the SPI return.</p>	<p>Staff completing the submission for the SPI should ensure that that any referrals from third parties are included in the figures.</p>	<p>Head of Regulatory Services</p>	<p>Immediate</p>