



Internal Audit Report

Chief Executives

Corporate Performance Audits

May 2012

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1 PURPOSE OF REPORT

Best value is a duty that applies to all public bodies in Scotland. It is a statutory duty in local government. Audit Scotland as an evaluation framework provided Best Value 2 (BV2) Toolkits to help auditors and Council management reach robust judgements on how best value is being delivered. As part of the 2011 – 2012 Annual Audit Plan, internal audit undertook a review of council services in relation to 13 BV2 toolkits. It was apt that internal audit undertook the review as the toolkits are process-focused. This report presents a high level summary of the ongoing work to deliver on BV2 by council departmental services.

2 SCOPE AND OBJECTIVE

Internal audit selected the following 13 operational focused BV2 Toolkits for review as set out below:

Asset Management	Community Engagement
Customer Focus	Efficiency
Equalities	Financial Management
Governance and Accountability	Information Management
People Management	Performance Management
Procurement	Risk Management
Sustainability	-

The themes within each of the selected BV2 Toolkits contained statements of good practice ranging over 3 categories Basic, Better and Advanced. Internal audit took the statements and converted these to questions. The work of internal audit was structured to ensure that management time was kept to a minimum and that only appropriate Heads of Service and management were asked to provide responses to the BV2 adapted statements. The objective of the BV2 internal audit review was to assess the performance of Council services using the framework and values set out within the BV2 Toolkits.

Internal audit matched the responses from management to the BV2 statements, using a criterion. This allowed internal audit to judge service performance in relation to the toolkit statements. In addition, clarification meetings were held with management to discuss responses and evaluation outcomes.

No other reference documents were used to determine what constituted good practice and the conclusions reached is based solely on the values contained within the BV2 Toolkits.

3 CORPORATE PERFORMANCE AUDITS - AUDIT DAY USAGE

Within the 2011 - 2012 Annual Audit Plan, a total of 225 direct audit days were set aside for Corporate Performance Audit work. Apart from the audit work undertaken on selected BV2 Toolkits, 2 specific areas of work were also undertaken, a review of Statutory Performance Indicators (SPIs) and Public Service Improvement Framework (PSIF) work. The work undertaken for both these areas has been separately reported to the Audit Committee. In total 40 audit days were planned for both activities out with the review of the 13 BV2 Toolkits. The

remaining 185 planned audit days were assigned to work involving the Toolkits. In the end, a total of 175 audit days were expended.

4 RISK MANAGEMENT

As part of the audit process and in conjunction with our CIPFA Systems Based Audit (SBA), ICQ approach, the council risk register was reviewed to identify any areas that needed to be considered, when undertaking the audit review. The risk areas identified were:

- SR06 Failure to provide strong leadership and direction; and
- SR07 Failure to maximise the benefits on best value.

5 CORPORATE GOVERNANCE

There are no Corporate Governance issues to be reported as a result of this audit.

5 IMPROVEMENT ACTION PLAN

An action plan has been included as part of this report, setting out the findings to be addressed. The findings will form part of the Corporate Improvement Programme (CIP) and be included within individual plans within the CIP. Internal audit will undertake audit work to assess progress by management in addressing the findings from this report, for both the Strategic Management Team (SMT) and Audit Committee.

6 AUDIT OPINION

There is scope for improvement across all BV2 Toolkits reviewed.

7 ACKNOWLEDGEMENTS

Thanks are due to staff in the Departments and Services 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.

DETAILED FINDINGS

1. CRITERION

Internal audit's objective was to establish compliance or non compliance of council services with the Audit Scotland BV2 Toolkits categorisation of Basic, Better and Advanced. A criterion was devised to enable ranking of management responses within the BV2 categorisation. That criterion was 4, 3, 2, 1 and 0 applied as detailed below:

- 4 meets all;
- 3 meets most;
- 2 meets some;
- 1 meets a few; and
- 0 does not meet any.

In the following pages the results of the review of the 13 BV2 Toolkits is set out, using both the above criterion in relation to the BV2 Toolkit categorisation.

Efficiency:

No.	Items	Basic	Better	Advanced
1.1	To what extent is the concept of improved efficiency clearly evident throughout the organisation?	4	4	1
1.2	How is efficiency embedded within the corporate goals of the organisation thereby driving the direction of activities?	4	1	0
1.3	How well has the organisation embedded efficiency within the planning and risk management process?	4	4	4
1.4	To what extent has the organisation adopted an Efficiency Strategy covering?	4	2	1
2.1	To what extent does a senior level person within the organisation have responsibility for promoting efficiency and for monitoring and reporting progress?	4	4	3
2.2	To what extent has the organisation undertaken measures in the last year to engage all relevant staff in discussion of efficiency issues and to inform or remind them of their individual responsibilities?	4	4	4
2.3	What incentives are there to promote efficiency, organisationally and individually?	4	1	1
2.4	To what extent does the organisation have a rigorous approach to identifying and analysing its costs and processes?	1	2	0
2.5	How well does the organisation understand the drivers of its cost profiles and how costs change in response to changing levels of activity?	4	1	0
2.6	How well does the organisation regularly review the cost and outputs of its front-line services and support functions and benchmark these to ensure it is as efficient as possible?	4	2	1
2.7	How does the organisation engage in the five key work streams identified in the Scottish Government Efficient Government Plan?	4	4	0
3.1	How are efficiency plans subject to consideration and approval by the Board (or equivalent)?	4	3	1
3.2	How is the overall level of efficiencies expected properly co-ordinated with financial and service planning?	2	0	0
3.3	How are individual efficiency projects planned to maximise the chances of being achieved?	4	4	4
3.4	How well are efficiency targets for individual projects based on a robust methodology?	4	4	2
4.1	What systems does the organisation have in place to capture information to track progress against planned efficiencies?	4	4	4
4.2	How accurate and reliable is the information?	4	0	0
4.3	How are services reviewed regularly to monitor the impact of efficiency measures on delivery?	4	4	2
4.4	How well does the organisation involve service users in efficiency reviews to ensure a continued focus on quality at the same time as efficiencies are being sought?	4	0	0
4.5	To what extent can the organisation demonstrate quantifiable efficiency gains over the last three years?	4	4	1
5.1	How well can managers responsible for efficiency improvements access information on progress on a regular basis?	1	1	1
5.2	How do managers intervene at an early stage when progress varies from expectations?	2	1	0
5.3	How are changes to efficiency plans accommodated?	1	1	0
5.4	How does the organisation's board consider progress against efficiency plans on a regular basis?	2	1	0
5.5	To what extent is there regular interaction with the Scottish Government on efficiency gains?	4	4	4

Asset Management:

No.	Items	Basic	Better	Advanced
1.1	To what extent has the organisation developed an asset management plan?	4	4	2
1.2	To what extent does asset management plan display aspects of good practice?	3	2	1
1.3	How well is the asset management plan aligned with the organisation's financial plans?	1	2	1
1.4	To what extent does the organisation have acquisition and disposal policies or guidelines?	2	2	1
1.5	To what extent does the organisation carry out joint asset planning with other public sector partners?	2	2	0
1.6	To what extent does the organisation consider sustainability issues in procuring assets??	2	2	1
1.7	To what extent does the organisation consider sustainability issues in ongoing asset management?	1	1	1
2.1	How well are the roles and responsibilities in relation to asset management clearly identified?	4	2	2
2.2	How well does the organisation's management structure support delivery of effective asset management?	4	3	3
2.3	To what extent are capital investment projects robustly managed both at a strategic and individual project level	4	2	3
2.4	How well are staff involved in asset management appropriately trained and how does the organisation promote the sharing of asset management knowledge and experience?	1	1	2
2.5	To what extent does the organisation consider workforce planning issues in relation to asset management	2	1	1
3.1	To what extent are stakeholders (both internal and external) involved in asset planning, including asset redesign and improvement projects?	2	2	2
3.2	To what extent are feedback and complaint procedures monitored and acted upon?	2	2	1
3.3	How well does the organisation consider equality and diversity issues in asset procurement and ongoing asset management?	3	3	2
3.4	How much equality and diversity training is provided to staff involved in asset management?	1	1	1
4.1	How well does the organisation manage its data collection and collation to support the planning and management of assets?	2	2	2
4.2	To what extent does the organisation have performance indicators and targets for asset management?	3	2	1
4.3	How well does the organisation understand its relative performance in how it manages its assets?	2	0	0
4.4	How well does the organisation actively manage its maintenance requirements?	2	1	0

Information Management:

No.	Items	Basic	Better	Advanced
1.1	Does the organisation have an effective strategy for information management?	2	2	2
1.2	Do senior managers provide leadership on information management?	3	3	1
1.3	Do members provide effective challenge on information management?	1	1	0
2.1	Is the organisation aware of all its information systems?	2	1	0
2.2	Are checks carried out to help ensure that information held is accurate and up to date?	2	0	0
2.3	Are there sound back-up arrangements in place to help ensure business continuity?	4	4	1
2.4	Are there proper controls in place to prevent unauthorised access to information?	3	1	2
2.5	Are information sharing agreements in place?	1	0	0
2.6	Are staff made aware of the risks and controls associated with information systems?	2	0	1
3.1	How effective is information sharing?	1	1	0
3.2	Does the organisation measure and improve its information management performance?	3	3	2

Risk Management:

No.	Items	Basic	Better	Advanced
1.1	Is there a risk management strategy, giving a clear lead and practical guidance to staff	3	2	3
1.2	Do senior managers and members give a visible lead in promoting the importance of risk management?	4	2	1
1.3	Is risk management fully embedded in the organisation's business processes?	3	2	1
1.4	Is risk management used to identify opportunities as well as risks.	3	1	0
2.1	Is risk management applied to all key business activities?	4	2	2
2.2	Are staff provided with the appropriate training to ensure they are equipped to support the risk management process.	2	2	2
2.3	Is a systematic approach used to identify and evaluate risks?	3	3	1
2.4	Is the action to be taken to mitigate each risk properly considered and recorded?	2	2	2
2.5	Are there adequate contingency arrangements to address residual risks?	4	3	2
2.6	Are risk registers updated regularly	4	2	2
3.1	Are key risks and the action taken to mitigate them monitored throughout the year?	3	2	1
3.2	Is there adequate monitoring of partnership risks.	1	0	0
3.3	Is risk management adequately reported to stakeholders?	4	3	3
3.4	Is the risk management process subject to review?	3	3	3
4.1	Does risk management contribute to successful delivery of public services?	0	0	2
4.2	Has risk management contributed to the meeting of financial targets?	0	0	0

Sustainability:

No.	Items	Basic	Better	Advanced
1.1	To what extent is organisational commitment to sustainability reflected in strategies and plans?	3	3	0
1.2	To what extent have leaders created a culture throughout the organisation that focuses on sustainability?	0	0	0
1.3	How effectively has the organisation implemented a strategy in response to climate change?	4	4	2
2.1	How effectively is sustainability reflected in the vision and priorities of partners?	3	3	2
2.2	To what extent does the organisation promote sustainability among its stakeholders?	2	2	0
2.3	To what extent are partners responding to climate change?	1	1	0
2.4	What progress are the organisation and its partners making in reducing waste and increasing recycling?	4	3	2
2.5	Are partners improving sustainability through sharing services and rationalising assets?	2	3	0
3.1	Is there clear accountability for sustainability in leadership and management structures?	1	0	0
3.2	Is Strategic Environmental Assessment (SEA) appropriately applied to policy appraisal and development?	2	2	0
3.3	How well are sustainability issues integrated into decision making processes?	2	1	1
3.4	To what extent does scrutiny and challenge improve the organisation's sustainability?	2	2	1
3.5	To what extent does the organisation publish information on its contribution to sustainability?	4	4	3
4.1	How well is the organisation improving the sustainability of its physical assets?	3	3	0
4.2	To what extent has the organisation been successful in reducing its energy use?	1	2	2
4.3	How effectively has the organisation improved the sustainability of the goods and services it buys?	2	2	1
4.4	To what extent has the organisation reduced its ecological footprint?	3	3	1
5.1	How well do sustainability indicators feature in the organisation's performance management framework?	0	2	1
5.2	How broad is the range of qualitative and quantitative measures / indicators used to demonstrate impact?	3	3	0

Customer Focus:

No.	Items	Basic	Better	Advanced
1.1	To what extent is a culture of customer focus and responsiveness evident across the organisation?	4	3	3
1.2	How do the organisation's leaders provide strong leadership in its approach to customer focus and responsiveness?	4	3	3
1.3	To what extent does the organisation commit sufficient resources to support its approach to customer focus and responsiveness?	4	3	3
2.1	How well does the organisation proactively seek the views, aspirations and needs of its staff and customers and use these to improve its customer services?	4	3	3
2.2	How do the organisation's feedback processes inform and drive improvement in customer service?	3	3	3
3.1	How well does the organisation engage and publicise on Customer Service Standards?	4	3	2
3.2	How does the organisation apply its' Customer Service Standards?	4	3	2
4.1	How well does the organisation ensure that its services are responsive to the needs of its diverse communities?	4	3	3
4.2	How well does the organisation provide user-friendly information for customers on service access and performance?	3	3	3

Procurement:

No.	Items	Basic	Better	Advanced
1.1	Does the organisation provide clear leadership on procurement?	3	3	1
1.2	Is there a clear role focused on strategic procurement (by sourcing group) which is embedded across the organisation and aligned with the centre of expertise?	4	3	3
1.3	How clear is the system of delegation and authority for procurement?	3	3	2
1.4	Does Internal Audit provide assurance that the organisation's internal control systems for procurement are adequate and effective?	3	1	1
2.1	How developed is the Procurement strategy?	4	3	3
2.2	How well defined are the objectives and targets for Procurement?	3	2	2
2.3	How far does Procurement strategy support and align with the overall organisation's strategy and with the wider public sector strategies?	3	0	0
2.4	How well is Procurement strategy documented, communicated and understood by sector or individual organisation?	4	3	2
3.1	How are local strategies developed and reviewed?	2	2	0
3.2	How much of the overall spend (Category A, B and C) is covered by signed off sourcing strategies?	2	2	2
3.3	To what extent does the organisation take account of its sustainability and the current economic climate in its procurement activity?	3	2	2
3.4	To what extent are sourcing strategies for categories A, B and C spend based on reliable / robust internal information?	3	2	2
3.5	Are mechanisms in place to encourage new suppliers and ensure clear access routes?	3	3	3
3.6	Is the organisation moving towards advanced procurement performance in accordance with the McClelland report aim (report para 9.8.1)?	4	3	2
3.7	Is the organisation increasing its collaborative procurement with other public bodies?	2	2	2
4.1	Is there an effective contract management process in place?	3	1	1
4.2	How clearly defined are the procurement policies and procedures?	4	3	3
4.3	To what extent does the organisation learn from its supply market?	2	2	2

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4.4	How reliable is the method for assessing and managing supplier performance?	3	0	0
5.1	Are suitable technology based tools in place and used?	1	3	1
5.2	Does the organisation use tools such as procurement cards and aggregate / consolidated invoices, self billing and e-invoicing?	3	1	1
6.1	How proactive is the procurement function in terms of planning future resources?	3	2	2
6.2	Do procurement personnel have their competency levels assessed using the Scottish Procurement Competency Framework or a similar competency framework?	4	2	2
7.1	How well defined are the procurement performance target and measures?	4	2	1
7.2	Do managers get relevant, timely and accurate procurement spend information?	2	2	0
7.3	Does the organisation have a clear approach to assessing / demonstrating its procurement performance?	2	3	2
7.4	Does the organisation demonstrate a focus on performance improvement year on year?	3	3	1

Community Engagement:

Issue	Items	Basic	Better	Advanced
1.1	How well does the leadership demonstrate commitment to community engagement?	4	3	3
1.2	To what extent is a commitment to community engagement evident in the organisation's culture?	2	2	1
1.3	How much commitment to capacity building for the organisation and communities is evident?	3	2	1
1.4	To what extent is community engagement seen as a partnership commitment?	4	3	3
2.1	How has the organisation engaged communities to identify community needs and aspirations?	4	4	1
2.2	How are communities' needs and aspirations defined and articulated?	3	2	3
2.3	How are community needs and aspirations reflected in vision and planning?	4	3	3
3.1	To what extent is the organisation effective in involving communities in decision-making?	4	3	1
4.1	How is commitment to community engagement shown in plans and strategies?	3	3	1
4.2	How well is community engagement monitored, challenged and scrutinised?	4	2	0
5.1	What evidence of benefit from community engagement is available?	3	2	1
5.2	What are communities' perceptions of being engaged?	2	2	2

Equalities:

No.	Items	Basic	Better	Advanced
1.1	How effectively does the organisation understand the diversity and inequality within its communities?	4	3	0
1.2	How effectively does the organisation engage its diverse communities to understand their needs?	3	3	2
2.1	To what extent do senior officers and elected members promote and lead an equality improvement agenda?	2	2	0
2.2	How well is the commitment to improving equality outcomes reflected in policies, strategic objectives and actions?	3	2	0
2.3	How effectively is equality built into decision making and scrutiny arrangements?	4	3	3
2.4	To what extent is equality embedded in a culture of continuous improvement?	4	3	0
2.5	How effectively does the organisation report on equality to the public?	3	4	0
3.1	To what extent does the organisation value diversity in its workforce and provide equality of opportunity for all staff?	2	0	2
3.2	How well are staff supported in meeting the organisation's equality and diversity goals?	0	0	0
4.1	To what extent are services delivered in ways that meet the needs of their diverse communities?	2	2	2
4.2	How effectively can the organisation demonstrate improved outcomes for diverse communities?	3	3	0

Governance and Accountability:

No.	Items	Basic	Better	Advanced
1.1	How well does the organisation ensure that its standing orders, scheme of delegation and financial instructions are well understood, complied with and appropriate to its objectives and circumstances?	4	3	1
1.2	How effectively does the organisation communicate the collective responsibility of its members and the respective roles and remits of its committees to members and staff?	4	4	0
1.3	How well does the organisation promote and support the role and responsibilities of its statutory officials?	4	3	2
2.1	How effectively does the organisation communicate the values and standards of behaviour that are expected from its members, senior officials and staff?	3	2	0
2.2	How well does the organisation's ethos and culture support the highest standards of good governance and real accountability?	4	3	3
2.3	How effective are relationships amongst members and senior officials?	4	3	3
2.4	How open and transparent is the organisation in the manner that it operates?	4	2	1
2.5	How effectively does the organisation manage risks of: actual or perceived conflicts of interest; /fraud & corruption?	4	2	2
3.1	How effectively does the organisation recruit and appoint members and senior officials?	4	2	1
3.2	How effective, transparent and objective are remuneration arrangements for members and senior officials?	3	3	2
3.3	How well does the organisation develop the capability of its members and senior officials?	3	2	2
3.4	How effective, transparent and objective are severance, early retirement and redundancy arrangements for members and senior officials?	4	3	1
4.1	How well do the organisation's decision making processes support good governance and clear accountability?	4	3	3
4.2	How well informed are members about the implications of their decisions and alternative options?	4	3	0
4.3	How well is the evidence for decisions documented (including the criteria, rationale and considerations on which they are based) and communicated?	4	3	3
5.1	How effective, objective and transparent is the scrutiny and challenge of decisions and policies?	4	2	2
5.2	How effective, objective and transparent is scrutiny of the organisation's performance and the effectiveness of its policies and procedures?	4	3	3
5.3	How effective is the Audit committee?	4	3	2
5.4	How well does the Internal audit function provide assurance to management on the integrity of the organisation's corporate	4	4	3

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	governance framework and improvement?			
5.5	How effective is the organisation's annual review of its overall corporate governance arrangements?	4	4	3
5.6	How well does the organisation respond to external review and scrutiny?	4	3	2
6.1	How well does the organisation understand its accountabilities to key stakeholders and the public, and communicate these effectively internally and externally?	3	3	0
6.2	How effective are the organisation's arrangements for regular dialogue with the Scottish Government on its aims, performance and improvement activity?	3	3	2
6.3	How well does the organisation provide opportunities for members of the public to raise and receive answers to specific questions on corporate and service performance?	3	2	0
6.4	How well does the organisation's published annual report (or equivalent) provide a fair and understandable account of it's: activities and achievements/use of resources and financial position /performance/improvement activity/corporate governance arrangements?	4	2	0
6.5	How accessible are key decision making and scrutiny processes to members of the public and institutional stakeholders?	4	3	2
6.6	How effectively does the organisation engage with its staff and representatives in relation to key decisions?	1	2	2

People Management:

No.	Items	Basic	Better	Advanced
1.1	To what extent is there a comprehensive, strategic approach to people management, consistent with other organisational strategies?	4	2	2
1.2	How well do HR policies and procedures support effective people management practice?	3	2	3
1.3	How effectively does the organisation design, support and implement organisational change?	4	3	3
2.1	To what extent is there a cohesive approach to planning organisational capacity and skills in support of corporate objectives?	2	0	0
2.2	How effectively does the organisation attract, retain and manage its staff?	2	2	0
2.3	How well does the organisation deploy and support people in a way that ensures increased efficiency and effectiveness?	4	2	3
3.1	To what extent does the organisation support continuous improvement in the performance of its staff?	4	2	1
3.2	How effective are training and development activities in improving personal and organisational effectiveness and improved service?	3	3	2
4.1	How effective is staff engagement within the organisation?	4	3	3
4.2	To what extent does the organisation value and recognise the contribution and wellbeing of staff?	3	2	0

Financial Management:

No.	Items	Basic	Better	Advanced
1.1	How does top management fulfil its financial management responsibilities?	4	4	4
2.1	Is the finance function adequately resourced with appropriate skills?	4	4	3
2.2	What level of financial training is provided to budget holders and managers?	4	0	0
2.3	How is the finance department viewed by service departments?	4	4	4
3.1	Apart from the work of a finance committee, how do members provide effective challenge on finance matters and use of resources at board level?	2	2	3
3.2	Does the organisation have an audit committee, or equivalent, which provides independent and effective financial scrutiny?	3	2	2
4.1	How does the budget and longer term financial plan reflect the organisation's strategic priorities?	4	4	2
4.2	How are the assumptions underpinning the financial plan and budget subject to effective challenge to help ensure they are robust and realistic?	4	4	3
4.3	Are there clear links between service plans and the medium term financial strategy?	4	3	0
4.4	Are reasonable contingencies and reserves built into financial plans?	4	2	3
5.1	Is there a medium term financial strategy, setting out how financial resources will be matched to strategic goals?	4	2	0
5.2	How does the organisation challenge existing methods of service delivery in order to help drive improvements?	4	3	3
5.3	How does the plan set out how effective use of resources and value for money will be demonstrated?	4	1	1
6.1	How does the organisation identify and analyse its costs across all key services that it provides?	4	3	2
6.2	How are cost implications taken into account when making key policy decisions?	3	3	1
6.3	What information is provided to managers <i>to help them monitor budgets?</i>	4	4	3
6.4	How does the organisation check that its costs are in line with those of other bodies?	2	2	0
7.1	How are all new investments subject to a robust appraisal of costs and benefits (financial and non financial)?	3	3	3
7.2	How does the investment appraisal process take into account the risks and potential changes for individual projects?	2	2	2

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7.3	How are projects monitored to ensure that they remain on track and realise their anticipated benefits?	3	3	0
8.1	Is financial monitoring and forecasting information up to date?	4	3	0
8.2	Does the format and content of internal financial reporting reflect the committee and / or departmental structure, and does it provide users with a suitable mix of narrative and financial information?	3	3	3
8.3	Does financial monitoring include good quality forecasting covering cost pressures, commitments and opportunities for the remainder of the year, and is this subject to quality check?	4	0	0
8.4	Is the overall annual budget clearly delegated to identified budget holders who are at an appropriate level to control expenditure, and are all budget holders provided with regular monitoring reports?	4	4	4
8.5	How is key information (including savings and efficiency gains) presented in monitoring reports?	4	4	0
9.1	How does the organisation ensure that action is taken to address significant budget variations?	4	2	3
9.2	Is there no history of in year overspends by departments that require to be bailed out from other services or from centrally held budgets?	3	3	3
10.1	Does the organisation have a history of unqualified audit reports, indicating that the accounts meet statutory requirements, financial reporting standards and present fairly, and give a true and fair view of, the financial position?	4	2	2
10.2	Has the organisation identified the financial information that will meet the needs of the differing requirements of users of the financial statements, including members, who require to manage the strategic direction of the organisation?	4	4	0
11.1	Does the external reporting provide stakeholders with information which includes: Links between the financial information and the organisation's stated strategy/Quantified data that supports the qualitative statements/Metrics that illustrate performance against peers/A statement of future ambitions?	4	4	2
11.2	Are the financial aspects of public performance reports clear, relevant and concise? Do they provide the reader with high quality, easy to understand commentary and analysis?	3	2	0

Performance Management:

No.	Items	Basic	Better	Advanced
1.1	What is the impact of performance management?	3	3	2
2.1	To what extent is there a culture of performance management across the organisation?	3	3	2
2.2	To what extent is the organisation aware of its relative performance?	4	3	2
3.1	To what extent is performance management integrated with organisational activities?	4	3	0
3.2	How effective are performance measures?	3	2	2

CORPORATE PERFORMANCE AUDIT – ACTION PLANS – EFFICIENCY

	FINDING	PRIORITY	RECOMMENDATION	LEAD	IMPLEMENTATION DATE
1	The organisation has not yet got the information to fully identify and analyse its costs. When this is achieved the council will have reached a basic understanding of its cost drivers and how costs respond to changing levels of activity.	High	Improvements should be made through:- Identifying and analysing costs and processes; Assessment of cost efficiencies and impact on service plans; and Information should be provided to Managers which they can use to assess progress against efficiency plans.	Head of Strategic Finance CAs SRO for Corporate Improvement Plans	15 July 2012
2	Efficiencies need to be built into financial plans to assess how efficiencies will impact service plans.	High	Improvements should be made by:- Identifying the overall level of efficiencies expected; and Build these into financial plans and assess how efficiencies will impact service plans.	Head of Strategic Finance CAs SRO for Corporate Improvement Plans	15 July 2012
3	Managers need to have a range of information available to assess progress against efficiency plans. Processes are not fully in place to enable management to record and report routinely, variations and proposed actions to the Corporate Improvement Board.	High	Improvements should be made in:- The review of financial information for decision making.	Head of Strategic Finance CAs SRO for Corporate Improvement Plans	15 July 2012

CORPORATE PERFORMANCE AUDIT – ACTION PLANS – ASSET MANAGEMENT

	FINDING	PRIORITY	RECOMMENDATION	LEAD	IMPLEMENTATION DATE
4	The council has not yet fully developed its asset management plan.	High	Improvements should be made in the:- To fully comply the budget needs to identify expenditure and savings; Policies and guidelines that follow legislation and standing financial orders for procurement and disposal need to be completed; Investigation the cost-effectiveness of using other organisations assets; Further development of business cases and	Head of Strategic Finance CAs SRO for Corporate Improvement Plans	15 July 2012

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			decision-making processes; and Decisions to enhance or dispose of assets of consider financial, environmental and social sustainability..		
5	The council has yet to fully set out a workforce planning needs that ensures that staff are appropriately trained.	High	Improvements should be made in:- Fully developing a training programme for staff; and Developing a workforce management plan in terms of staff numbers, skills and succession planning..	Head of Strategic Finance CAs SRO for Corporate Improvement Plans	15 July 2012
6	The council needs to ensure that stakeholders (both internal and external) are involved in asset planning feedback and complaint procedures backed by training on equality and diversity for asset management.	High	Improvements should be made in:- Involving staff and external stakeholders in the asset management planning; Development of a policy for feedback and complaints; and Ensuring there is mandatory equality and diversity training.	Head of Strategic Finance CAs SRO for Corporate Improvement Plans	15 July 2012
7	The council needs to further develop its understanding regarding performance of assets, how maintenance is managed and data management in support of the planning and managing of assets.	High	Improvements should be made in:- Ensuring asset data collected is linked to performance management and wider corporate objectives; Benchmarking with other similar organisations; and Developing a maintenance programme with planned and reactive maintenance with priority areas and funding identified.	Head of Strategic Finance CAs SRO for Corporate Improvement Plans	15 July 2012
CORPORATE PERFORMANCE AUDIT – ACTION PLANS – INFORMATION MANAGEMENT					
	FINDING	PRIORITY	RECOMMENDATION	LEAD	IMPLEMENTATION DATE
8	The council as a corporate body has not adopted a council wide information management policy.	High	A corporate Information Strategy that encompasses all relevant Information Management Systems with wider focus on issues beyond hardware, software, data security should be developed and an opportunity for member challenge should be provided within this strategy.	Head of Strategic Finance CAs SRO for Corporate Improvement Plans	15 July 2012

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9	Members are aware of the wider information management issues, but there is little opportunity for members to provide effective challenge on information management.	High	Information management should feature in discussions by members about corporate risk management.	Head of Strategic Finance CAs SRO for Corporate Improvement Plans	15 July 2012
10	Although Services are aware of information held, there is no central inventory focusing on what is held, including: The owner of the information The location of the information Staff who have access rights With whom and how the information can be shared The risks associated with each asset(such as sensitive personal data, inappropriate disclosure, loss, tampering, deletion etc.) How information/data will be updated, transferred and disposed of.	High	Consideration should be given to establishing a corporate inventory of information management systems held throughout the Council along with associated policy documents on the risks and controls associated with information systems, including the accuracy of data held on the information systems.	Head of Strategic Finance CAs SRO for Corporate Improvement Plans	15 July 2012
11	Some departments have established formal information sharing agreements with external partners however, a corporate template is not used for information sharing agreements across the organisation.	High	There are information sharing protocols in respect of some social work activities and other public agencies – NGHS, police, Highland Council, however a corporate template should be developed for information sharing with external partners and across the organisation should be established.	Head of Strategic Finance CAs SRO for Corporate Improvement Plans	15 July 2012
CORPORATE PERFORMANCE AUDIT – ACTION PLANS – RISK MANAGEMENT					
	FINDING	PRIORITY	RECOMMENDATION	LEAD	IMPLEMENTATION DATE
12	Risk management is not fully, actively supported and promoted by senior officers/elected members There is not yet a systematic approach to identify and prioritise risks and match them with appropriate responses.	High	Continue to ensure risk management is given sufficient profile within the organisation, as a Standing Item on SMT/DMT agenda and including within Scorecard reporting. This should include providing training for appropriate staff and with actions to be taken to mitigate each risk recorded.	Head of Strategic Finance CAs SRO for Corporate Improvement Plans	15 July 2012

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13	There is not yet a consistent approach to Risk Management within Partnership arrangements or adequate monitoring of partnership risks.	High	Ensure consistent approach to Risk Management within Partnership arrangements. Regular monitoring and review of Joint Risk registers	Head of Strategic Finance CAs SRO for Corporate Improvement Plans	15 July 2012
14	There is no evidence that the risk management process has actively contributed to improving frontline services, or back office functions which support front line services.	High	Ensure risk management is given sufficient profile and that Strategic and Operational risks reflect organisational aims and objectives. Explore the possibility of establishing a framework for evaluating the cost effectiveness of Risk Management in the delivery of frontline services and of meeting financial targets.	Head of Strategic Finance CAs SRO for Corporate Improvement Plans	15 July 2012
CORPORATE PERFORMANCE AUDIT – ACTION PLANS – SUSTAINABILITY					
	FINDING	PRIORITY	RECOMMENDATION	LEAD	IMPLEMENTATION DATE
15	Sustainability issues are not yet fully embedded in the organisation's vision and strategic direction?	High	Sustainability issues should be recognised as part of staff induction, training and development with sustainability being embedded within the culture of the organisation. An evaluation of the impact that this work is having on establishing a more sustainability focused culture should be initiated.	Head of Strategic Finance CAs SRO for Corporate Improvement Plans	15 July 2012
16	Sustainability is not yet effectively promoted throughout its partnerships and among its stakeholders.	High	The organisation along with its partners should develop a shared climate change strategy and action plan focusing on reducing greenhouse gas emissions. Sustainability issues should form an integral part of the decision making process when partners are considering sharing services and rationalising assets with benefits of reduced greenhouse gas emissions from buildings, transport, water use and reduced waste production being acknowledged.	Head of Strategic Finance CAs SRO for Corporate Improvement Plans	15 July 2012

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17	Sustainability issues are not yet fully embedded into the governance arrangements of the organisation.	High	Sustainability should be considered in decisions across a range of issues and services with a manager being identified as a sustainability champion in order to ensure there is an opportunity to challenge and report on sustainability issues. Reports that are produced and presented to Committees to inform decisions should be expanded to include sustainability issues.	Head of Strategic Finance CAs SRO for Corporate Improvement Plans	15 July 2012
18	The organisation does not yet fully use its resources in a way that contributes to sustainability.	High	The development of a system to monitor accurately energy consumption (evidencing year on year comparisons and reductions in energy costs) – in terms of transport and buildings should be considered. Targets to reduce energy consumption should form part of business plans in all parts of the organisation.	Head of Strategic Finance CAs SRO for Corporate Improvement Plans	15 July 2012
19	The organisation cannot yet fully demonstrate its contribution towards sustainability.	High	Sustainability indicators should be incorporated within the performance management framework and be a primary feature at a corporate level ie in the local SOA, the corporate plan and should reflect indicators/outcomes in the national performance framework.	Head of Strategic Finance CAs SRO for Corporate Improvement Plans	15 July 2012
CORPORATE PERFORMANCE AUDIT – ACTION PLANS – PROCUREMENT					
	FINDING	PRIORITY	RECOMMENDATION	LEAD	IMPLEMENTATION DATE
20	The organisation cannot fully demonstrate sourcing strategy development and review.	High	Improvements should be made to ensure:- Sourcing strategies are defined for all major spend areas; Sourcing options are fully developed & reviewed on a regular basis; and Overall procurement spend is covered by a signed-off sourcing strategy.	Head of Strategic Finance CAs SRO for Corporate Improvement Plans	15 July 2012

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21	The council has yet to fully develop a process that allows it to use feedback from suppliers.	High	Improvement should be made to ensure:- Opportunities to obtain feedback from suppliers is undertaken and reviewed to help improve procurement performance.	Head of Strategic Finance CAs SRO for Corporate Improvement Plans	15 July 2012
22	The Council is currently developing its IT systems to assist procurement efficiency.	High	Improvement should be made to ensure:- Those efficient and robust processes systems continue to be developed in support of procurement activity.	Head of Strategic Finance CAs SRO for Corporate Improvement Plans	15 July 2012
23	The Council has made efforts in demonstrating procurement performance; to improve is currently developing its IT systems to assist procurement efficiency.	High	Improvement should be made to ensure:- Reporting procurement spend to management against budget is fully developed.	Head of Strategic Finance CAs SRO for Corporate Improvement Plans	15 July 2012
CORPORATE PERFORMANCE AUDIT – ACTION PLANS – COMMUNITY ENGAGEMENT					
	FINDING	PRIORITY	RECOMMENDATION	LEAD	IMPLEMENTATION DATE
24	The organisation cannot yet fully demonstrate a commitment culture towards community engagement	High	Community Engagement should be a joined-up activity, widely and consistently practised across the organisation.	Head of Strategic Finance CAs SRO for Corporate Improvement Plans	15 July 2012
25	There is some evidence of greater levels of community awareness of decision making. Although communities can point to consultation and 'being asked', they cannot see their views reflected in changes to policy or service provision.	High	The organisation should work towards involving Communities in greater levels of their involvement in decision-making process.	Head of Strategic Finance CAs SRO for Corporate Improvement Plans	15 July 2012
CORPORATE PERFORMANCE AUDIT – ACTION PLANS – EQUALITIES					
	FINDING	PRIORITY	RECOMMENDATION	LEAD	IMPLEMENTATION DATE
26	Elected members and officers are required to understand the significance of improving equality throughout the Council but at present there are no established forum to address potential inequality.	High	The Employee Equality Forum should be re-established and consisted of employees from different services and elected members. This forum should be reviewed.	Head of Strategic Finance CAs SRO for Corporate Improvement Plans	15 July 2012

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27	There is currently no structured equality and diversity training and development opportunities for employees and elected members. It is not provided through the corporate training and development strategy.	High	Equality and Diversity training for all employees and elected members should be considered. The Improvement and Organisational Development team should continue to work on and develop an e-learning module for Equality and Diversity.	Head of Strategic Finance CAs SRO for Corporate Improvement Plans	15 July 2012
CORPORATE PERFORMANCE AUDIT – ACTION PLANS – GOVERNANCE AND ACCOUNTABILITY					
	FINDING	PRIORITY	RECOMMENDATION	LEAD	IMPLEMENTATION DATE
28	There is no clear policy on how staff and their representatives are involved in decision making and this is followed.	High	The organisation should consider developing an employee engagement policy.	Head of Strategic Finance CAs SRO for Corporate Improvement Plans	15 July 2012
CORPORATE PERFORMANCE AUDIT – ACTION PLANS – PEOPLE MANAGEMENT					
	FINDING	PRIORITY	RECOMMENDATION	LEAD	IMPLEMENTATION DATE
29	The organisation has not identified the current and future skills needed to deliver its objectives or has explored the different options available to meet skills demands.	High	Progress should continue in respect of the Workforce Planning Strategy and Toolkit currently under development	Head of Strategic Finance CAs SRO for Corporate Improvement Plans	15 July 2012
30	There is not a coherent approach to talent management which links together recruitment, retention, reward, appraisal processes and succession planning. The organisation has not identified key areas of skills shortage or have clear plans in place for attracting suitable people.	High	Progress should continue in respect of the Workforce Planning Strategy and Toolkit currently under development. The Council should continue to develop a competency framework.	Head of Strategic Finance CAs SRO for Corporate Improvement Plans	15 July 2012

CORPORATE PERFORMANCE AUDIT – ACTION PLANS – FINANCIAL MANAGEMENT

	FINDING	PRIORITY	RECOMMENDATION	LEAD	IMPLEMENTATION DATE
31	Benchmarking is not fully practiced across all areas organisation.	High	The organisation should expand the use of benchmarking in key areas in order to check that its costs are in line with those of other bodies.	Head of Strategic Finance CAs SRO for Corporate Improvement Plans	15 July 2012
32	Business cases do not all include basic sensitivity analysis and risk appraisal?	High	The investment appraisal process should take into account the risks and potential changes for individual projects. Business cases should include basic sensitivity analysis and risk appraisal. There should be a clear recommended option which is supported by the analysis provided.	Head of Strategic Finance CAs SRO for Corporate Improvement Plans	15 July 2012
33	The above prioritised items are not presently allocated to a Corporate Improvement Plan Workstream by the Corporate Improvement Board.	High	Ensure improvement outcomes are incorporated into project plans for Corporate Improvement Plan Work streams.	As above.	31 July 2012
34	The above prioritised items are not presently being reviewed for progress and reported to SMT and Audit Committee.	High	Review progress against planned improvements and update assessment for these areas. Report outcomes to SMT and Audit Committee.	Chief Internal Auditor	31 March 2013