

ARGYLL & BUTE COUNCIL

Internal Audit Section

INTERNAL AUDIT REPORT

CUSTOMER DEPARTMENT	CUSTOMER SERVICES
AUDIT DESCRIPTION	RISK BASED AUDIT
AUDIT TITLE	LOCAL GOVERNMENT BENCHMARKING FRAMEWORK INDICATORS
AUDIT DATE	AUGUST 2014

2014/2015



1. BACKGROUND

This report has been prepared as a result of the Internal Audit review of the indicators required for the Local Government Benchmarking Framework (LGBF) as part of the 2014/2015 Internal Audit programme. The processes and procedures used by Argyll & Bute Council services for the collation of statistical information required for reporting LGBF indicators was reviewed in order to provide assurance that there was sufficient back up evidence to support the submission. Procedures and processes in place for all 11 indicators were reviewed.

2. AUDIT SCOPE AND OBJECTIVES

The main objective of the audit was to gain assurance that there was sufficient evidence available to verify the figures for each of the indicators required for the Local Government Benchmarking Framework.

3. RISKS IDENTIFIED

- Inability to verify information submitted leading to delay or qualification.

4. AUDIT OPINION

The level of assurance given for this report is substantial.

Level of Assurance	Reason for the level of Assurance given
High	Internal Control, Governance and the Management of Risk are at a high standard with only marginal elements of residual risk, which are either being accepted or dealt with.
Substantial	Internal Control, Governance and the Management of Risk have displayed a mixture of little residual risk, but other elements of residual risk that are slightly above an acceptable level and need to be addressed within a reasonable timescale.

Limited	Internal Control, Governance and the Management of Risk are displaying a general trend of unacceptable residual risk and weaknesses must be addressed within a reasonable timescale, with management allocating appropriate resource to the issues.
Very Limited	Internal Control, Governance and the Management of Risk are displaying key weaknesses and extensive residual risk above an acceptable level which must be addressed urgently, with management allocating appropriate resource to the issues.

This framework for internal audit ratings has been developed and agreed with Council management for prioritising internal audit findings according to their relative significance depending on their impact to the process. The individual internal audit findings contained in this report have been discussed and rated with management.

A system of grading audit findings, which have resulted in an action, has been adopted in order that the significance of the findings can be ascertained. Each finding is classified as High, Medium or Low. The definitions of each classification are set out below:-

<p>High - major observations on high level controls and other important internal controls. Significant matters relating to factors critical to the success of the objectives of the system. The weakness may therefore give rise to loss or error;</p>
<p>Medium - observations on less important internal controls, improvements to the efficiency and effectiveness of controls which will assist in meeting the objectives of the system and items which could be significant in the future. The weakness is not necessarily great, but the risk of error would be significantly reduced if it were rectified;</p>
<p>Low - minor recommendations to improve the efficiency and effectiveness of controls, one-off items subsequently corrected. The weakness does not appear to affect the ability of the system to meet its objectives in any significant way.</p>

6. CONCLUSION

This audit has provided a substantial level of assurance. There are 2 medium recommendations set out in Appendix 1 which will be reported to the Audit Committee. Appendices 1 sets out the action management have agreed to take as a result of the recommendations, the persons responsible for the action and the target date for completion of the action. Progress with implementation of actions will be monitored by Internal Audit and reported to management and the Audit Committee.

5. FINDINGS

5.1 The following findings were generated by the audit:

Statutory Performance Indicator	Description	Verified	Comment
COPR 6	The average number of working days per employee lost through sickness absence	Yes	This Indicator has been verified however it should be noted that in some cases original figures required to be amended. Supporting evidence was in the form of multiple spreadsheets with a number of manual interventions and calculations taking place. This area is subject to a recommendation with the Sickness and Absence audit.
CORP 3b	The number and percentage of the highest paid 5% of earners among council employees, that are women (the indicator excludes teachers)	Yes	Source documents in form of downloads from Resourcelink were available to support this indicator.
COPR 4	The cost of collecting Council Tax per dwelling	Yes	Downloads of all relevant costs centres are taken from Oracle Financials and costs are apportioned as appropriate to reflect the true cost of Council Tax collection. There is a defined process in place to support the collation of figures required for this indicator.
CORP 7	Current year income from Council Tax	Yes	There are processes in place to support the collation of this figure.
CORP 8	The number of invoices paid within 30 calendar days of receipt as a percentage of all invoices paid	Yes	Source documents to support the figures were not readily available from the co-ordinator. Creditors were able to provide source documents to support the figures.

COPR Asset 1 & 2	Condition and suitability of operational accommodation	Yes	Internal Audit was provided with downloads from Concerto and source documents relating to condition surveys were readily available to support the figures.
C&L 1	The number of attendances per 1,000 population for – pools and for other indoor sports and leisure facilities, excluding pools in a combined complex	Yes	Council run pools recorded information on their Leisure Management system with reports being generated from this system to facilitate the collation of information. The computerised system currently in use has been found to be inadequate for purpose and is currently being replaced. Figures for Mid Argyll Pool have been estimated.
C&L 3	Visits to and use of Museums	Yes	Procedures are in place to record visitor numbers.
C&L 2	Library usage (number of visits per 1,000 population)	Yes	Library usage is recorded using a mixture of manual and electronic recording systems. The indicator has been verified in relation to supporting documentation provided however there are weaknesses in the collation methodology which could lead to variations. Consideration is being given to installing automatic counters in each of the libraries which would allow for more accurate recording of visitor figures in the future.

CORP 5b2	The number of complaints of domestic noise received during the year	Yes	UNIFORM (Database) is used to record all service requests and investigations, including that of noise, and the actions taken by the officers in investigating these service requests are recorded on the unique case reference. Information is then retrieved via Access reports from the UNIFORM system providing evidence to support the collation of this indicator.
ENV1, 1a, 2, 2a	Number of premises for refuse collection	Yes	There processes and procedures in place to support the figures. Numbers are taken from the Council Tax database and the Commercial Waste Database.

5.2 Roles and responsibilities of the co-ordinators need to be clarified. In some instances the co-ordinator could not provide working papers on a timely basis and this added to audit time.

APPENDIX 1

ACTION PLAN

Findings	Risk Impact	Rating	Agreed Action	Responsible person agreed implementation date
1. Production of Statistics		High/ Medium or Low		
A review of the production of data for performance statistics found the process to be labour intensive. A number of manual operations take place when extracting data, some data is rekeyed, manually analysed and then entered into another system	<p>Incorrect figures being reported leading to follow up actions which may be unnecessary.</p> <p>Inefficient use of resource</p>	Medium	<p>A review of the current manual provision of statistical information will be undertaken with consideration given to amending production of data via excel and pivot tables to ensure accuracy.</p> <p>This interim process will be in put place until implementation of Leave Management within Resourcelink Phase 4 Project which is due for completion March 2016</p>	<p>Head of Improvement & HR</p> <p>31/12/14 (1st Action interim)</p> <p>31/03/16 (2nd Action)</p>
2. Roles and Responsibilities				
In some instances the co-ordinator could not provide working papers on a timely basis.	Additional audit time expended	Medium	Roles and responsibilities of the LGBF indicator co-ordinators to be clarified.	<p>Programme Manager, Customer Services</p> <p>December 2014</p>

Contact Details

Name Moira Weatherstone

Address Kilmory, Lochgilphead, Argyll, PA31 8RT

Telephone 01546 604394

Email moira.weatherstone@argyll-bute.gov.uk

www.argyll-bute.gov.uk

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