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Argyll and Bute Council
Comhairle Earra-Ghàidheal Agus Bhòid

Executive Director: Douglas Hendry

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Tel: 01546 602127 Fax: 01546 604435
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17 January 2020

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NOTICE OF MEETING

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A meeting of the **AUDIT AND SCRUTINY COMMITTEE** will be held in the **COUNCIL CHAMBERS, KILMORY, LOCHGILPHEAD** on **FRIDAY, 24 JANUARY 2020** at **11:15 AM**, which you are requested to attend.

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Douglas Hendry
Executive Director

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BUSINESS

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1. **APOLOGIES FOR ABSENCE**

2. **DECLARATIONS OF INTEREST**

3. **MINUTES** (Pages 3 - 8)

    Minutes of the Audit and Scrutiny Committee as held on Tuesday, 24 September 2019

    AUDIT ITEMS

4. **INTERNAL AUDIT SUMMARY OF ACTIVITIES** (Pages 9 - 16)

    Report by Chief Internal Auditor

5. **INTERNAL AUDIT REPORTS TO AUDIT & SCRUTINY COMMITTEE 2019/20** (Pages 17 - 82)

    Report by Chief Internal Auditor

6. **INTERNAL AND EXTERNAL AUDIT REPORT FOLLOW UP 2019-20** (Pages 83 - 92)

    Report by Chief Internal Auditor

7. **EXTERNAL AUDIT UPDATE REPORT** (Pages 93 - 100)

    Report by Audit Scotland

Audit and Scrutiny Committee

Martin Caldwell (Chair)	Councillor Jim Findlay
Councillor George Freeman	Councillor Sir Jamie McGrigor
Councillor Alan Reid	Councillor Sandy Taylor (Vice-Chair)
Councillor Richard Trail	Councillor Andrew Vennard

Shona Barton, Committee Manager

Contact: Lynsey Innis, Senior Committee Assistant; Tel: 01546 604338

Agenda Item 3

MINUTES of MEETING of AUDIT AND SCRUTINY COMMITTEE held in the COUNCIL CHAMBERS, KILMORY, LOCHGILPHEAD on TUESDAY, 24 SEPTEMBER 2019

Present: Martin Caldwell (Chair)

Councillor Jim Findlay	Councillor Sandy Taylor
Councillor George Freeman	Councillor Richard Trail
Councillor Sir Jamie McGrigor	Councillor Andrew Vennard

Attending: Cleland Sneddon, Chief Executive
Kirsty Flanagan, Head of Financial Services
Jim Smith, Head of Roads and Infrastructure Services
Laurence Slavin, Chief Internal Auditor
Shona Barton, Area Committee Manager
John Cornett, Director, Audit Scotland
Jim Rundell, Manager, Audit Scotland
David Meechan, Senior Auditor, Audit Scotland

The Chair moved and the Committee agreed to vary the order of business to facilitate the commitments of officers in attendance. This minute reflects the order in which discussion took place.
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1.   **APOLOGIES FOR ABSENCE**

The Chair welcomed everyone to the meeting.

Apologies for absence were intimated on behalf of Councillor Alan Reid.

2.   **DECLARATIONS OF INTEREST**

There were no declarations of interest intimated.

3.   **AUDITED 2018//19 ANNUAL ACCOUNTS**

The Committee gave consideration to a report presenting the audited accounts and audit certificate for 2018/19.

Decision:

The Audit and Scrutiny Committee agreed to approve the audited accounts for signature.

(Reference: Report by Head of Financial Services, dated 24 September 2019, submitted.)

4.   **MINUTES**

The Minute of the Audit and Scrutiny Committee as held on Tuesday, 18 June 2019 was approved as an accurate record.

5.   **INTERNAL AUDIT SUMMARY OF ACTIVITIES**

The Committee gave consideration to a report providing a summary of Internal Audit activity and progress during Quarter 2 of 2019/20, against a number of areas which included:

- 2019/20 Audit Plan progress
- Additional audit team activity
- Continuous monitoring
- Internal Audit development plan
- Performance indicators

Decision:

The Audit and Scrutiny Committee agreed to endorse the report.

(Reference: Report by Chief Internal Auditor, dated 24 September 2019, submitted.)

6.   **INTERNAL AUDIT REPORTS TO AUDIT & SCRUTINY COMMITTEE 2019/2020**

The Committee gave consideration to a report containing the action plans in relation to the following 7 audits:

- Additional Support Needs
- Oban Airport
- LEADER
- Health and Safety
- Cleaning
- School Attendance
- Business Continuity Planning

Decision:

The Audit and Scrutiny Committee agreed to endorse the contents of the report.

(Reference: Report by Chief Internal Auditor, dated 24 September 2019, submitted.)

7.   **INTERNAL AND EXTERNAL AUDIT REPORT FOLLOW UP 2019-20**

The Committee gave consideration to a report providing an update on all open actions as at 30 June 2019 including information on actions where the agreed implementation date has been rescheduled.

Decision:

The Audit and Scrutiny Committee agreed to endorse the contents of the report.

(Reference: Report by Chief Internal Auditors, dated 24 September 2019, submitted.)

8.   **EXTERNAL AUDIT ANNUAL AUDIT REPORT**

The Committee gave consideration to a report from Audit Scotland summarising the findings arising from the 2018/19 audit of Argyll and Bute Council and its group (the Council), together with the ISA 260/580 and covering letters from Audit Scotland in

relation to the 2018/19 annual accounts and Charitable Trusts as administered by Argyll and Bute Council.

Decision:

The Audit and Scrutiny Committee:-

1.   Noted the ISA 260 reports;

2.   Endorsed the ISA 580 letters of representation for signing; and

3.   Confirmed that they were not aware of any instances of fraud which required investigation.

(Reference: Report, ISA 260/580 and Covering Letters by Audit Scotland, dated 24 September 2019, submitted.)

9.   INTERNAL AUDIT - ANNUAL SELF-ASSESSMENT

The Committee gave consideration to a report providing the findings from the recent internal self-assessment of the Council's Internal Audit service performed by the Chief Internal Auditor (CIA).

Decision:

The Audit and Scrutiny Committee agreed to endorse the findings of the assessment including the identified areas for improvement.

(Reference: Report by Chief Internal Auditor, dated 24 September 2019, submitted.)

10.   STRATEGIC RISK ASSURANCE MAPPING

The Committee gave consideration to a report setting out Internal Audit's assessment of the sources of assurance for the Committee on the management of the Council's strategic risks.

Decision:

The Audit and Scrutiny Committee agreed:

1.   that the Chief Internal Auditor (CIA) provides an assurance mapping exercise on an annual basis with the report replacing the annual requirement for a risk management report;

2.   that Internal Audit perform an audit of compliance with risk management arrangements every three years unless issues are brought to the attention of the CIA which would suggest a review is required outwith that cycle;

3.   to note the risk assurance map at appendix 1; and

4.   to consider the implications for audit or scrutiny coverage in the respective audit and scrutiny annual plans in 2020/21 plan and/or beyond. In particular a potential scrutiny review focusing on waste management.

(Reference: Report by Chief Internal Auditor, dated 24 September 2019, submitted.)

The Chair ruled and the Committee agreed, to adjourn for a comfort break at 1.05pm. The Committee reconvened at 1.25pm with all in attendance as per the sederunt.
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11.   AUDIT & SCRUTINY COMMITTEE ANNUAL REPORT 2018/19

The Committee gave consideration to a report providing an overview of their activity during the financial year 2018/19 and a summary of key developments since the commencement of 2019/20.

Decision:

The Audit and Scrutiny Committee agreed:

1. to endorse the Chair's Annual Report; and

2. that the Chair present the report to the full Council meeting on 28 November 2019.

(Reference: Report by Chair of the Audit and Scrutiny Committee, dated 24 September 2019, submitted.)

12.   FRAUD AND IRREGULARITY UPDATE 2018/19

The Committee gave consideration to a report from Audit Scotland providing information about cases where internal control weaknesses in public bodies have led to fraud and irregularities, to help prevent similar circumstances from happening again.

Decision:

The Audit and Scrutiny Committee agreed to note the contents of the report.

(Reference: Report by Audit Scotland, dated 24 September 2019, submitted.)

*   13.   ROADS RESURFACING SCRUTINY REVIEW

The Committee gave consideration to a report providing the findings of the roads resurfacing scrutiny review, being the second scrutiny review carried out as per the 2018/19 scrutiny plan.

Decision:

The Audit and Scrutiny Committee agreed:

1. to note the contents of the report; and

2. that the roads resurfacing scrutiny review be presented to the Council's Environment, Development and Infrastructure Committee for consideration.

14.   AUDIT AND SCRUTINY COMMITTEE WORKPLAN

In order to facilitate future planning of reports to the Audit and Scrutiny Committee, Members considered the outline Audit and Scrutiny workplan.

Decision:

The Audit and Scrutiny Committee agreed to note the outline workplan and the addition of the report on the review of Traffic Regulation Orders, as agreed by the Oban, Lorn and the Isles Area Committee, which will come to a future meeting.

(Reference: Audit and Scrutiny Committee Workplan, dated 24 September 2019, submitted.)

The Committee resolved in terms of Section 50A(4) of the Local Government (Scotland) Act 1973, to exclude the public for the following item of business on the grounds that it was likely to involve the disclosure of exempt information as defined in paragraph 1 of Part 1 of Schedule 7A to the Local Government (Scotland) Act 1973.

E1   15.   WHISTLEBLOWING INVESTIGATION REPORT

The Committee gave consideration to a report outlining the findings of a whistleblowing investigation report.

Decision:

The Audit and Scrutiny Committee agreed to endorse the whistleblowing investigation report.

(Reference: Report by Chief Internal Auditor, dated 24 September 2019, submitted.)

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ARGYLL AND BUTE COUNCIL	AUDIT AND SCRUTINY COMMITTEE
STRATEGIC FINANCE	**24 JANUARY 2020**

INTERNAL AUDIT SUMMARY OF ACTIVITIES

1. EXECUTIVE SUMMARY

1.1 The objective of the report is to provide a summary of Internal Audit activity and progress during Quarter 3 of 2019/20.

1.2 Core activities together with a progress update statement are shown below.

- **2019/20 Audit Plan progress**: The audit plan is currently on track.

- **Individual Audits undertaken**: Five audits have been completed during the period. Of these audits, two are rated as high, two as substantial, and one as reasonable.

- **Continuous Monitoring Programme Testing**: A number of auditable units are subject to continuous testing. Management have responded to previous quarter notifications and there are no outstanding issues.

- **Performance indicators**: Current status is green / on track.

ARGYLL AND BUTE COUNCIL   **AUDIT AND SCRUTINY COMMITTEE**

STRATEGIC FINANCE   **24 JANUARY 2020**

INTERNAL AUDIT SUMMARY OF ACTIVITIES

2.   INTRODUCTION

2.1   The objective of the report is to provide an update on Internal Audit activity during Quarter 3 against the following areas:

- 2019/20 Audit Plan progress
- Additional audit team activity
- Continuous monitoring
- Internal Audit development plan
- Performance indicators

3.   RECOMMENDATIONS

3.1   Members are requested to review and endorse this report.

4.   DETAIL

4.1   Five audits have been completed since the previous Committee in September 2019. Six audits are currently in progress and these will be reported to a future Committee.

Audits Completed
- Care Home Provision
- Normal Operating Procedures/Emergency Action Procedures (Live Argyll)
- Building Standards
- Risk Management
- Following the Public Pound

Audits in Progress
- Pupil Equity Fund
- Grounds Maintenance
- Logical Access
- Fleet Management
- School Purchasing
- Information Asset Registers

4.2   In addition to those already in progress indicative audits planned for Quarter 4 2019/20 are:

- Cyber Security
- Contract Management (Social Care)
- Performance Management (Live Argyll)
- Legionella Improvement Plan
- Interfaces / Reconciliations

Changes to the 2019/20 Audit Plan

4.3   The Internal Audit Manual, last reviewed and approved by the Audit and Scrutiny Committee in March 2019 allows for the annual internal audit plan to include suitable flexibility to reflect the changing risks and priorities of the Council with this kept under review by the CIA during the year. If the CIA feels there is a need to change the plan it is a requirement of the Public Sector Internal Audit standards that this is brought to the attention of the Audit and Scrutiny Committee. During the past quarter the CIA has made three changes to the plan. These are set out in paragraphs 4.4-4.6.

4.4   The Council's new capital monitoring processes are not likely to be fully implemented until quarter 4 and therefore the Capital Monitoring audit originally scheduled for quarter 4 will be carried forward to the 2020/21 Internal Audit Plan. A replacement audit is not proposed as additional audit resource has already been used to deliver reviews not in the original audit plan and additional time has been spent working on the Council's BV3 submission.

4.5   A meeting was held with Head of Roads and Infrastructure which concluded there was limited value in conducting a Winter Maintenance audit at the current time as it is an area which is to be subject to a service review. However within the Fleet Management service potential concerns have been raised regarding driver licence checks, driver hours and the efficient use of pool cars. Consequently the CIA has decided to replace the Winter Maintenance audit with a Fleet Management audit. This audit is currently in progress and will be reported to the March Committee.

4.6   The CIA met with the Executive Director (Douglas Hendry), Head of Legal and Regulatory Support, Head of Commercial Services and Head of Financial Services to discuss the proposed audits for the 2020/21 internal audit plan. The CIA agreed to bring forward the audit of school procurement proposed for 2020/21 into the 2019/20 audit plan and reschedule the Welfare Rights audit from the 2019/20 into Q1 of the 2020/21 plan. This was to allow for any conclusions from the procurement audit around potential efficiencies to be considered as part of the budget setting process. This audit is currently being planned and will be reported to either the March or June Committee.

Creation of a New Counter Fraud Team (CFT)

4.7   The Council's Strategic Management Team has agreed to a spend to save proposal submitted by the CIA to reinstate the Council's CFT for a two year pilot period. The CFT will report directly to the CIA with the overall objective of reducing the Council's exposure to fraud, reinvigorating our commitment to tackling fraud and increasing revenue through taking robust recovery action. The team will consist of a corporate fraud team leader and a counter fraud investigator who will focus on investigating corporate fraud referrals, Revenues Fraud/Review work, raising fraud awareness and undertaking proactive fraud prevention work. This is a wider remit than the Council's previous fraud team which focused predominantly on revenue fraud.

4.8   The CFT will produce an annual fraud report which will be submitted to the Audit and Scrutiny Committee. This annual report, and other performance information, will ultimately be used to inform a later decision as to whether the two year pilot has been successful and whether the CFT should become a permanent part of the Council establishment.

4.9   A recruitment process will commence shortly with an ambition to have staff in post for the CFT to commence on 1 April 2020.

Acting Up

4.10   In January Pippa Milne commenced her new post as the Council's Chief Executive. Whilst the Council carry out the process to recruit a new Executive Director, the Council's Head of Financial Services (Kirsty Flanagan) has agreed to act up to cover the role for an interim period. This created a need for the Head of Financial Services role to be covered. After consideration it has been agreed that Kirsty Flanagan will retain the Section 95 Officer responsibility with the rest of the Head of Financial Services duties to be led by the CIA with additional support provided by the Council's Finance Manager and the Revenue and Benefits Manager. During this interim period the CIA will continue to carry out the CIA role with measures to be put in place to manage any potential conflicts of interest. Options for backfilling the CIAs time will be considered if deemed necessary.

4.11   **Additional updates from Quarter 3:**

- The CIA has been working with colleagues in Strategic Finance to complete the Use of Resources BV3 theme submission which was submitted to Audit Scotland. Audit Scotland's BV3 fieldwork was carried out in November 2019 and continued in January 2020.

- Work has commenced on the 2019/20 scrutiny plan, with the briefings and panel meetings for both the Economic Strategy and Strategic Housing Fund scrutiny reviews having taken place. The Roads Maintenance Scrutiny report was presented to the Environment, Development and Infrastructure Committee on 5 December and was well received. An action plan is to be brought back to a future meeting of the committee.

- We support Audit Scotland in providing a summary of fraud activity identified within the Council. Senior officers were approached to advise of any activity that requires to be reported for the 30 November deadline, this resulted in a nil return.

4.12   Our continuous monitoring programme is generally focused on transactional type activity. Standard audit tests are applied which are relevant to each auditable unit. Control design tests look at whether the controls in place adequately address the potential risk event.

4.13   A follow up process is in place whereby management are advised of continuous monitoring findings and, where appropriate, requested to take remedial action. There are currently no outstanding follow-up points arising from previous testing. Due to the volume of continuous monitoring tests carried out the decision was made to report by exception only. Issues identified are detailed in table 1 below:

Table 1: Continuous Monitoring Findings

Auditable Area	Areas Tested	Issues Identified	Management comment / action
Debtors	10% review of new accounts by debtors	The 10% review of new accounts does not take place as accounts are set up at department level	Verbal response received indicating that the manual will be updated placing

	team	and they will not have the documentation to check against. Any obvious errors are amended as identified.	the responsibility with the issuing department, awaiting written response.

4.14　A follow up process for national reports is in place whereby management are advised of national reports published and asked to confirm what, if any, action is planned as a result of the report. Table 2 below details the National Reports issued during Quarter 3.

Table 2: Issue of National Reports in Quarter 3:

National Report	Issued To	Detail	Management response/ Action taken
Scottish Borders Council Best Value Report	SMT and BV3 Working Group	Scottish Borders Council has made steady progress as it continues to transform the way it delivers services. Working with other organisation will be key to the Council achieving its ambitions for further changes.	Considered by SMT and BV3 Working Group

4.15　National Fraud Initiative (NFI). Data matching involves comparing computer records held by one body against other computer records held by the same or another body to identify potentially fraudulent claims and payments to be identified. Note though that the inclusion of personal data within a data matching exercise does not mean that any specific individual is under suspicion. Where a match is found it indicates that there may be an inconsistency which requires further investigation. No assumption can be made as to whether there is fraud, error or other explanation until an investigation is carried out. A reminder process is in place to ensure that matches are reviewed on a timely basis.

Table 3: National Fraud Initiative Progress at 02/12/2019:

Operational Area	Total Matches	Recommended / High Risk Matches	Matches Complete	WIP	Match Description
CT to Elect Register	791	791	791	0	CT records to Electoral Register/ other data sets to ensure discount awarded to only those living alone aged over 18, taking into account disregarded occupants. (CT to other Datasets will not be progressed further due to poor quality data)
CT rising 18s	144	144	144	0	
CT to other Datasets	1152	1152	5	0	
Housing Benefits	417	68	24	1	HB records to records in other authorities / other datasets including student loans, payroll and pensions to identify undeclared income and capital.
Payroll	583	2	0	1	Payroll records to other datasets including other payrolls and pensions to ensure employee is not receiving additional income.
Blue Badges	141	111	141	0	Blue badge records to DWP data to identify deceased claimant with valid badge.

Operational Area	Total Matches	Recommended / High Risk Matches	Matches Complete	WIP	Match Description
Private Residential Care Homes	48	28	48	0	Care home records to DWP data to identify deceased claimant with ongoing payments.
Housing Waiting list	388	51	366	22	Housing waiting list records to other organisations HBCTR and tenant data to identify undisclosed changes in circs or false info.
Personal Budgets	26	3	26	0	Direct payment records to those in other authorities, DWP and pension records to identify individuals claiming from multiple authorities, undisclosed income or where the claimant has died and payments ongoing.
Council Tax Reduction	628	119	8	1	CTR records with records in other authorities / other datasets including; student loans, payroll and pensions to identify undeclared income and capital
Creditors	3572	179	94	0	Analyses Creditors data to identify possible duplicate vendors and payments, VAT errors or fraud and multiple vendors sharing a bank account.
Procurement	102	n/a	0	0	Payroll records to Companies House and Creditors data to identify employees who appear to have a personal interest in a company that the authority has traded with.

Overall Summary of Matches

Matches Complete	Work In Progress	Cleared	Frauds	Errors	Total Value	Recovering	Recovering Value
1631	41	1541	0	90	£6,571	2	£3,285

4.16 The table below details progress against the actions points in our Internal Audit development plan. These include improvements identified as a result of our review against the Public Sector Internal Audit Standards. Additional actions have been added for fraud investigation training and updates to the terms of reference template and annual audit report.

Table 4: Internal Audit Development Key Actions:

Area For Improvement	Agreed Action	Progress Update	Timescale
Local benchmarking indicators	The CIA has established a working group with the CIAs of four other local authorities who meet to share ideas and resources. The group are establishing a suite of performance indicators which will be used for benchmarking. Once finalised these will be reported to the Audit and Scrutiny Committee.	Complete	December 2019

Area For Improvement	Agreed Action	Progress Update	Timescale
Fraud investigation training	CIA to consider options for fraud investigation training. Refer to paragraphs 4.7 to 4.9 above.	Complete	December 2019
Scrutiny lessons learnt	Prepare and submit a report to the Audit and Scrutiny Committee highlighting lessons learnt from early scrutiny reviews and areas for improvement for future reviews.	On Track	March 2020
Update Internal Audit Charter	The Internal Audit Charter will be updated to: 1. reflect change of title of the Council's S95 Officer and executive directors. 2. amend the CIA's role in relation to investigating alleged frauds. 3. reference IA's register of interest which was introduced in Summer 2019.	On Track	March 2020
Annual Audit Report Content	Ensure 2019/20 Annual Audit Report includes a section incorporating 2019/20 performance and feedback.	On Track	June 2020

4.17 Internal Audit scorecard data is available on pyramid. The indicators are currently showing as on track. The undernoted table is an extract of the key information.

Internal Audit Team Scorecard 2019– 20 – FQ2 19/20 (as at October 2019)			
TEAM RESOURCES			
PRDs IA Team **G** ➡	TARGET	Percentage of PRDs complete	
	90%	100%	
	Number of eligible employees FTE	Number of PRDs complete FTE	
	4	4	
Revenue Finance YTD Position Year End Outturn	BUDGET £148,437 £264,783	ACTUAL £150,577 £264,783	**G**
BO28 Our processes and business procedures are efficient, cost effective and compliant (SF)			
Annual Risk Assurance Statements completed by Services	Target	On Track	**G**
	Status	On Track	➡
Risk Management Overview report approved	Status	On Track	**G**
	Target	On Track	➡
Review of Strategic Risk register	Status	Complete	**G**
	Target	Complete	⬆
Annual Audit Plan approved by 31 March	Status	On Track	**G**
	Target	On Track	➡
Percentage of audit plan completed	Status	100%	**G**
	Target	100%	➡

	Actual	100%	G
Percentage of audit recommendations accepted by management	Target	100%	
	Actual	100%	G
% customer satisfaction with audit reports	Target	80%	

5. CONCLUSION

5.1   The 2019/20 Audit Plan is on track. Continuous monitoring testing undertaken during the period has provided an overall effective level of assurance in respect of control effectiveness.

6. IMPLICATIONS

6.1   Policy - Internal Audit continues to adopt a risk based approach to activity

6.2   Financial -None

6.3   Legal -None

6.4   HR - None

6.5   Fairer Scotland Duty - None

6.5.1   Equalities – None

6.5.2   Socio-Economic Duty – None

6.5.3   Islands Duty - None

6.6   Risk – None

6.7   Customer Service - None

Laurence Slavin
Chief Internal Auditor
24 January 2020

For further information contact:
Laurence Slavin, Chief Internal Auditor (01436 657694)

ARGYLL AND BUTE COUNCIL   **AUDIT AND SCRUTINY COMMITTEE**

STRATEGIC FINANCE   **24 JANUARY 2020**

INTERNAL AUDIT REPORTS TO AUDIT AND SCRUTINY COMMITTEE 2019/2020

1. **EXECUTIVE SUMMARY**

1.1   There are five audits being reported to the Audit and Scrutiny Committee.

1.2   The table below provides a summary of the conclusions for the audits performed. The full reports are included as appendices to this report.

Audit Name	Level of Assurance	High Actions	Medium Actions	Low Actions
Care Home Provision	Substantial	0	1	2
Risk Management	High	0	0	1
Building Standards	High	0	0	2
Following the Public Pound	Reasonable	1	2	1
Normal Operating Procedures/Emergency Action Procedures (Live Argyll)	Substantial	0	1	2

1.3   Internal Audit provides a level of assurance upon completion of audit work. A definition for each assurance level is documented in each audit report.

2. **RECOMMENDATIONS**

2.1   Audit and Scrutiny Committee to review and endorse this summary report and detail within each individual report.

3. **DETAIL**

3.1   A high level summary of each completed audit report is noted below:

Care Home Provision: This audit has provided a substantial level of assurance as internal control, governance and the management of risk were concluded to be sound. The Council has an appropriate policy in place, aligned to statutory guidance, for charging care home residents who are required to contribute towards their care costs. Operational guidance is in place, available to all staff and being complied with. Investigation is appropriately undertaken where deprivation of assets is suspected and interim funding arrangements are well managed. Payments and credits are processed in accordance with individual assessment results and files are maintained and held securely. One medium priority recommendation was raised in relation to committee approval and version control for the charging policy and two low priority recommendations were raised requiring a link in the operational guidance to be updated and an

update to the Council's fees and charges schedule.

Risk Management: This audit has provided a high level of assurance as internal control, governance and the management of risk are at a high standard. Both the Council and the Health and Social Care Partnership (HSCP) have, and adhere to, comprehensive risk management guidance. The Council's risk management manual requires to be updated to reflect changes approved by the Audit and Scrutiny Committee in September 2019. The Council and HSCP social work risk registers are regularly reviewed and updated.

Building Standards: This audit has provided a high level of assurance as internal control, governance and the management of risk are at a high standard. The Council has a Building Standards Charter which includes information on the minimum standards of service the Council must adhere to. The Council was found to be compliant with all requirements of the Charter however there is a discrepancy between the Charter and the Scottish Government Framework in relation to a performance target. This has been corrected. There are documented procedures for processing building warrant applications and testing confirmed strong compliance with these procedures. Work carried out on behalf of other councils is properly charged and recorded. There is no reconciliation between the IDOX system and Oracle to ensure income is properly recorded in the general ledger.

Follow The Public Pound: This audit has provided a reasonable level of assurance. This means that internal control, governance and the management of risk are broadly reliable. The Council has an approved process to manage external funding requests however it is limited in detail, is not aligned to the FtPP Code and there is a lack of general awareness that it exists. The Council may not have an accurate record of the terms and conditions contained within funding agreements. The SLA Register requires further review to ensure it is comprehensive and accurate and measures should be taken to ensure key documentation is properly filed and accessible.

Normal Operating Procedures/Emergency Action Procedures (Live Argyll): This audit has provided a substantial level of assurance as internal control, governance and the management of risk were concluded to be sound. Key control documentation is in place to manage the operation of LiveArgyll swimming pools. Normal Operating Procedures and Emergency Action Plans are readily available, subject to review, are being complied with and are available for staff to follow. One medium priority recommendation was raised in relation to Evac (evacuation) chairs in terms of the lack of maintenance schedules and staff training in their use. Two low priority recommendation were raised in relation to the filing of inspection reports and the requirement for staff to sign and date that they are aware of and will comply with the Normal Operating Procedures and Emergency Action Plans.

4.   **CONCLUSION**

4.1   Management has accepted each of the reports submitted and have agreed responses and timescales in the respective action plans.

5.   **IMPLICATIONS**

5.1   Policy - None

5.2   Financial - None

5.3   Legal - None

5.4   HR – None

5.5   Fairer Scotland Duty - None

5.5.1   Equalities – None

5.5.2   Socio-Economic Duty – None

5.5.3   Islands Duty - None

5.6   Risk - None

5.7   Customer Service – None

Laurence Slavin
Chief Internal Auditor
24 January 2020

For further information contact:
Laurence Slavin, Chief Internal Auditor, 01436 657694

APPENDICES
1. Care Home Provision Audit Report
2. Risk Management Audit Report
3. Building Standards Audit Report
4. Follow The Public Pound Audit Report
5. Normal Operating Procedures/Emergency Action Procedures (Live Argyll)

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Argyll and Bute Council

Internal Audit Report

September 2019

FINAL

Care Home Provision

Audit Opinion: Substantial

	High	Medium	Low
Number of Findings	0	1	2

Contents

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Argyll and Bute Council – Internal Audit Report – Care Home Provision, September 2019

1. Executive Summary

Introduction

1. As part of the 2019/20 internal audit plan, approved by the Audit & Scrutiny Committee in March 2019, we have undertaken an audit of Argyll and Bute Council's (the Council) system of internal control and governance in relation to care home provision.

2. The audit was conducted in accordance with the Public Sector Internal Audit Standards (PSIAS) with our conclusions based on discussions with council officers and the information available at the time the fieldwork was performed. The findings outlined in this report are only those which have come to our attention during the course of our normal audit work and are not necessarily all the issues which may exist. Appendix 1 to this report includes agreed actions to strengthen internal control however it is the responsibility of management to determine the extent of the internal control system appropriate to the Council.

3. The contents of this report have been agreed with the appropriate council officers to confirm factual accuracy and appreciation is due for the cooperation and assistance received from all officers over the course of the audit.

Background

4. Care home services are provided either by the Council or by an authorised provider who is registered by the Care Inspectorate. All care homes, regardless of who provides them, are regulated by the Care Inspectorate. All providers are routinely inspected and graded by the Care Inspectorate. There are 18 care homes operating in Argyll and Bute, 12 of which are operated by private providers and six run by the Council. Exhibit 1 shows the last grading for each of the homes as per the Care Inspectorate website.

5. Care homes provide 24 hour care services including support with all personal care. Weekly charges vary according to the provider's rates and include:

   - personal and communal accommodation
   - furniture, bedding & soft furnishings
   - heating, lighting & electricity
   - laundry (excluding dry cleaning)
   - housekeeping and all meals and snacks
   - NHS services.

6. Other services are available at an additional charge (e.g. private chiropody, newspapers and magazines and hairdressing) but these charges would be levied to the residents.

7. The Council/Health and Social Care Partnership (HSCP) pays providers on the basis of the National Care Home Contract, adjusted to reflect care quality awards based on Care Inspectorate inspections.

8. Most older adults want to remain living in their own homes for as long as possible and can be supported at home by a variety of services. This is in line with national policy. Access to funding for a care home placement is determined by a professional assessment of long- term care by social work services. This incorporates a financial assessment and benefits check to ensure

service users are receiving the full range of benefits they are entitled to and are charged appropriately for their care home placement.

9.   The Council operate a charging policy and carry out financial assessments to determine whether individuals should contribute towards the cost of a care home placement.

Exhibit 1 – Care Home Inspectorate Gradings

Care Home Name	Area	Council/Private	Grade (1-6)	Last Inspected
Struan Lodge	BAC	Council	5	12 Dec 2018
Eadar Glinn	OLI	Council	4-5	15 Nov 2018
Thomson Court	BAC	Council	4-5	30 Nov 2018
Ardfenaig	MAKI	Council	4	12 Sep 2018
Tigh a Rhuda	OLI	Council	3-4	20 Sep 2017
Gortanvogie	MAKI	Council	3-4	03 Oct 2019
North Argyll House	OLI	Private	4-5	2 May 2019
Morar Lodge Care Home	HL	Private	4-5	12 Jun 2019
Ashgrove	BAC	Private	4-5	24 Oct 2018
The Argyle Care Centre	HL	Private	4	07 May 2019
Lochside Care Home	HL	Private	3-4	08 Nov 2018
Northwood House	HL	Private	4	21 Nov 2018
Ardenlee Hotel	BAC	Private	4-5	14 Dec 2018
Invereck	BAC	Private	4-5	03 Jul 2019
Kintyre Care Centre	MAKI	Private	4	20 Mar 2018
Palm Court	BAC	Private	2	22 Jul 2019
Ardnahein Care	BAC	Private	3-4	19 Jun 2019
Etive House	OLI	Private	3-4	12 Sep 2019

Grades: 1 = Unsatisfactory, 2 = Weak, 3 = Adequate, 4 = Good, 5 = Very Good and 6 = Excellent

Scope

10. The scope of the audit was to review the Council's policies and procedures in relation to care home charging and compliance with those procedure. This was outlined in the Terms of Reference agreed with the Acting Head of Adult Services by telephone on 6 August 2019.

Risks

11. The risks considered throughout the audit were:

- **SRR03:** Financial Sustainability – Insufficient resource to meet current and future service requirement. Budget not aligned/does not support business outcomes.
- **Audit Risk 1**: Failure to comply with Scottish Government Charging for Residential Accommodation Guidance (CRAG).
- **Audit Risk 2:** Failure to comply with General Data Protection Regulations.

Audit Opinion

12. We provide an overall audit opinion for all the audits we conduct. This is based on our judgement on the level of assurance which we can take over the established internal controls, governance and management of risk as evidenced by our audit work. Full details of the five possible categories of audit opinion is provided in Appendix 2 to this report.

13. Our overall audit opinion for this audit is that we can take a substantial level of assurance. This means that internal control, governance and the management of risk is sound. However, there are minor areas of weakness which put some system objectives at risk and specific elements of residual risk that are slightly above an acceptable level and need to be addressed within a reasonable timescale.

Recommendations

14. We have highlighted one medium priority recommendations and two low priority recommendations where we believe there is scope to strengthen the control and governance environment. These are summarised below:

    - the care home charging policy should be subject to version control and committee approval
    - the reference to private care home charges on the Council's fees and charges schedule should be removed
    - the Adult Residential Care Procedure Note should be updated to reflect current working practices.

15. Full details of the audit findings, recommendations and management responses can be found in Section 3 of this report and in the action plan at Appendix 1.

2. Objectives and Summary Assessment

16. Exhibit 2 sets out the control objectives identified during the planning phase of the audit and our assessment against each objective.

Exhibit 2 – Summary Assessment of Control Objectives

	Control Objective	Link to Risk	Assessment	Summary Conclusion
1	The Council has appropriate policies, aligned to statutory guidance, in relation to residents required to contribute toward care costs.	SRR03 Audit Risk 1	Substantial	The Council has a charging policy which is aligned to appropriate legislation however it should be subject to version control and committee approval. Reference to private care home charges on the Council's fees and charges schedule should be removed.
2	There is operational guidance to support the performance of financial assessments	Audit Risk 1	Substantial	Procedures are in place, available to staff and being complied with however they should be updated to reflect the current charging order spreadsheet. Clients suspected of asset deprivation are appropriately investigated.
3	Interim funding arrangements are	SRR03 Audit Risk 1	Substantial	Interim funding arrangements are well managed with appropriate

	processed in accordance with approved policies and procedures.			documentation maintained. An isolated error was identified where a charging order had not been established and corrective action is being taken.
4	The Council obtains any unpaid charges for residential care upon death or realisation of the resident's assets	SRR03 Audit Risk 1	High	The Income Maximisation team (Income Max) are promptly notified if a client dies and appropriate communications are issued, payments ceased and credits processed where relevant.
5	Personal and sensitive data is maintained and held securely in accordance with GDPR requirements	Audit Risk 1 Audit Risk 2	High	Files are well maintained and held securely in either locked cabinets or on applications that are accessed using logical controls.

17. Further details of our conclusions against each control objective can be found in Section 3 of this report.

3. Detailed Findings

The Council has appropriate policies, aligned to statutory guidance, in relation to residents required to contribute toward care costs

18. The Council has a Care Home Charging Policy (the Policy) which is consistent with the Scottish Government's revised guidance on charging for residential accommodation (CRAG) and relevant legislation. During the audit we identified that the Policy makes reference to the National Assistance Act 1948 as amended by the National Assistance (Assessment of Resources) Amendment (Scotland) Regulations 2010 and the National Assistance (Sums for Personal Requirements) (Scotland) Regulations 2018. These Acts were updated in 2019 which meant the Policy was quoting the wrong version of these Acts. This was highlighted to the relevant officer and the Policy has now been updated to reflect the correct version of the legislation. Income Max prepared a cover report to present the Policy for approval in August 2017 however it was never presented to, or approved by, the appropriate Council or Health and Social Care Partnership committee. Additionally the Policy does not include any author or version control information.

Action Plan 1

19. On an annual basis the Council updates its fees and charges schedule which are subject to approval by Policy and Resources Committee as part of the budget setting process. The schedule contains an entry for private care homes however there are no rates stated as these rates are not determined by the Council. They are agreed as part of the COSLA arranged national care home contract and were not available at the time of the budget meeting. The agreed rates are available on the COSLA website and the updated information is sent to clients as part of the annual review of contributions process where relevant. The amount paid by each client is unique as it is based on an assessment of their individual financial resources taking into account upper and lower savings thresholds and tariff charge rate between the two thresholds. The amount assessed as payable by the client is paid directly to the care home and not to the Council. As this is not a Council set charge, and as it doesn't necessarily reflect the actual amount

a client will need to pay, consideration should be given to removing the reference to the rate from the Council's fees and charges schedule.

Action Plan 2

There is operational guidance to support the performance of financial assessments

20. The Council has an overarching Adult Residential Care Procedure Note (the Procedure) that is consistent with the Policy and CRAG, however, it was last reviewed in June 2017 and has references and links to an outdated charging order spreadsheet.

Action Plan 3

21. The Procedure is available to all members of Income Max via a shared drive. Through observation and review of files it was evident that procedures were followed and staff were competent in undertaking assigned work.

22. Documentation and guidance notes made available to care managers via SharePoint are appropriate and up to date and refresher training has been provided to all relevant staff.

23. Should the client require assistance completing financial assessment documentation, care staff or social workers can provide support, they must also ensure the client is entitled to the service. There was evidence on all files that all clients were entitled to the service and on 14 of 15 files sampled it was clear that assistance had been provided.

24. Application forms are completed and contracts issued to the client. By signing these the client is confirming the information they have provided is true and accurate. They also act as a mandate for the Council to seek further information from the Department of Work and Pensions (DWP) if necessary and advise the client that any change in financial circumstances should be advised to the Council as soon as possible. All files reviewed contained the required documentation with the exception of one where the contract had been issued but a signed copy had not been returned. This is being followed-up by Income Max and is considered to be an isolated incident so no audit action has been raised.

25. Clients in private care homes assessed as requiring to contribute towards care costs pay the care home directly. Clients in a Council care home are set up as a sundry debtor and issued with periodic invoices. All files reviewed provided evidence that payment schedules were issued to clients for information and, where relevant, to private care homes to ensure invoices were issued on a four weekly cycle.

26. Financial assessments had been completed appropriately and accurately for all 15 sampled clients. Of these eight were self-funding and only claiming the free care elements. The remaining clients had appropriate information on file and calculations were accurate taking into account the client's pension income, savings and appropriate disregarded items. All calculations had been checked by another member of Income Max and communicated to the client and care home. The information held on the debtors system for relevant clients was accurate and invoices were generated for the correct values. Furthermore annual reviews of financial assessments were undertaken for all clients that were not self-funding which took into account changes in circumstances and uplifts in the national thresholds.

27. A list of all care home invoices issued to Council care home residents by the debtors system in the month of July 2019 was reviewed and a sample of 15 was selected to ensure the records accorded with those held on the CareFirst system. All were found to be complete and accurate.

28. Where assessments require further information to be provided, Income Max use a diary system to prompt follow-up reminders. If a client is suspected of deliberately depriving themselves of assets to avoid or reduce their contribution towards residential care costs, an interim funding arrangement is put in place pending investigation. The Council's legal services are consulted for advice with the final decision whether to pursue funds being taken by the Head of Adult Services.

29. A process has been established which is followed if deprivation of assets is suspected. There is no separate list of clients that have been, or are being, investigated for deprivation of assets, however hard copy files of investigations in progress are held in a pending file storage area. Income Max are in the process of moving to a fully electronic file process using the Civica document management system. When this is complete these 'pending' client files will be visible using workflow technology and a report will be able to be generated showing all current cases.

30. As there was no list of clients who had been investigated it was not possible to identify a population from which to select an audit sample. Consequently we selected three cases from the pending files and a further one identified during other testing performed during this audit. Appropriate communications and evidence had been collected for all four files with the investigation completed on one and funds fully recovered. Investigations were ongoing for the other three with evidence of ongoing correspondence between social work and legal services.

31. When assessing their financial resources clients entering residential care are treated as individuals. Their assessment should not factor in a partner's income. Testing confirmed the Council are complying with this requirement.

32. There can be circumstances where clients have an appointed power of attorney to make decisions for them and sign documentation on their behalf. We reviewed the files of 15 clients of which 13 had appointed a power of attorney and confirmed they all contained documentation signed by the appointed person. However there was no document in the files which confirmed the person's appointment. As Social Work require power of attorney documentation to be in place to arrange the client's care needs, it is considered acceptable that Income Max place reliance that the appointment has been formalised. A copy of the legal appointment was provided for the files reviewed that required an interim funding arrangement to be put in place.

Interim funding arrangements are processed in accordance with approved policies and procedures

33. If a client's liquid financial assets are below the upper savings thresholds but they have property assets which mean their total assets exceed the threshold the Council implement interim funding arrangements. In effect interim funding is an interest free loan to the client where a charging order stating the Council's interest in the property value is placed on the property meaning the loan can be repaid from the proceeds of its disposal.

34. We reviewed a sample of 15 client files and confirmed that interim funding arrangements and charging orders are being well managed. Appropriate documentation is held on client files and the steps established in the Procedure are being followed. We did identify one charging order request made by Income Max in August 2017 which had not been received by legal services and therefore not put in place however we considered this to be an isolated incident caused by a diary reminder not being set up. The order is now being progressed and no audit issue has been raised.

35. Property ownership is disregarded for the first 12 weeks of a client's residence in a care home to allow financial assessments to be completed.   This disregard was correctly applied for all sampled files that required interim funding arrangements.

36. CareFirst flags clients who have an interim funding agreement and relevant financial information is recorded separately on a spreadsheet to allow monitoring, reconciliations and year end calculations. The spreadsheet provides a record of charging orders in place and adjustments that occur throughout the year. We can confirm that all 15 client files reviewed provided evidence that the Council is actively recovering funds through charging orders, two of which have been fully recovered.

37. The Council do not carry out formal property valuations when placing a charging order on a property as the Council's property services no longer have the required resource. Income Max will accept a reasonable valuation, provided by the client, based on local knowledge and a search of similar property for sale or recently sold nearby. Estimated valuations had been provided for all client files reviewed and there was evidence these were validated by local research undertaken by Income Max.

The Council obtains any unpaid charges for residential care upon death or realisation of the resident's assets

38. The Procedure sets out the steps to follow in the event of the death of a care home client. There is an agreement in place with registrars who advise of all deaths within the council area via a dedicated death notification email inbox. This allows for prompt action to be taken to cease payments and obtain credit notes where required.

39. Income Max had been notified of 13 deaths in February 2019. Six of these were sampled and all six files contained evidence of the appropriate correspondence and CareFirst had been updated appropriately. Payments and invoices had ceased in all cases and credits processed where relevant.

40. Five of the clients reviewed resided in private care homes and were self-funding. There were no accrued charges for personal care due for three of these and credits for overpayment had been processed for two. The remaining client was resident in a Council care home and payments were up to date, however discussions are ongoing regarding deprivation of assets to the value of £8,000. This may result in the client's financial assessment being adjusted and additional contribution towards care costs recovered from their estate.

Personal and sensitive data is maintained and held securely in accordance with GDPR requirements

41. Terms and conditions are outlined on the contracts put in place by the Council and private care homes. These have not changed since being established in 2012/13 however they have been subject to variations to extend their duration on an annual basis and to include General Data Protection Regulation requirements.

42. From a population of 613 care home residents, a random sample of 15 client records were reviewed and we confirmed that files for all 15 were either held on the Civica document management system or a confidential hard copy file is maintained. An exercise is underway to transfer all hard copy files onto Civica. Client information is also held on CareFirst. Physical files are held securely in locked cabinets and access to Civica and CareFirst is restricted through appropriate logical access controls.

Appendix 1 – Action Plan

	No	Finding	Risk	Agreed Action	Responsibility / Due Date
Medium	1	**Care Home Charging Policy** The Care Home Charging Policy has never been approved by an appropriate committee nor does it detail its author or any version control information.	Future changes in legislation may not be reflected in the Policy if it is not subject to periodic review and approval	Review the care home charging policy and present for approval at the appropriate HSCP committee before submission to Council for approval.	Head of Adult Services-Older Adults 31 January 2020
Low	2	**Fees and Charges Schedule** The Council's fees and charges schedule contains an entry for private care homes however no rate is stated as it is not determined by the Council. The rate is set nationally and the amount paid by each client is unique as it is based on an assessment of their individual financial resources. Furthermore the client pays the care home directly rather than paying the Council. As it is not a Council set charge, and doesn't necessarily reflect the amount a client will pay, consideration should be given to removing the reference to the rate from the Council's fees and charges schedule.	Fees and charges schedule contain an entry which is not set by the Council or necessarily payable to the Council. This may cause confusion.	2020/21 fees and charges list will be modified.	Principal Accountant – Social Work 31 December 2019
Low	3	**Adult Residential Care Procedure Note** The Council's Adult Residential Care Procedure Note was last reviewed in June 2017 and has references and links to an outdated charging order spreadsheet.	The Procedure note may not reflect current working practices and/or charging orders may be calculated incorrectly.	Procedure to be amended	Income Max Team Lead 31 December 2019

In order to assist management in using our reports a system of grading audit findings has been adopted to allow the significance of findings to be ascertained. The definitions of each classification are as follows:

Grading	Definition
High	A major observation on high level controls and other important internal controls or a significant matter relating to the critical success of the objectives of the system. The weakness may therefore give rise to loss or error.
Medium	Observations on less significant internal controls and/or improvements to the efficiency and effectiveness of controls which will assist in meeting the objectives of the system. The weakness is not necessarily substantial however the risk of error would be significantly reduced if corrective action was taken.
Low	Minor recommendations to improve the efficiency and effectiveness of controls or an isolated issue subsequently corrected. The weakness does not appear to significantly affect the ability of the system to meet its objectives.

Appendix 2 – Audit Opinion

Level of Assurance	Definition
High	Internal control, governance and the management of risk are at a high standard. Only marginal elements of residual risk have been identified with these either being accepted or dealt with. A sound system of control designed to achieve the system objectives is in place and being applied consistently.
Substantial	Internal control, governance and the management of risk is sound. However, there are minor areas of weakness which put some system objectives at risk and specific elements of residual risk that are slightly above an acceptable level and need to be addressed within a reasonable timescale.
Reasonable	Internal control, governance and the management of risk are broadly reliable. However, whilst not displaying a general trend, there are areas of concern which have been identified where elements of residual risk or weakness may put some of the system objectives at risk.
Limited	Internal control, governance and the management of risk are displaying a general trend of unacceptable residual risk above an acceptable level and placing system objectives are at risk. Weakness must be addressed with a reasonable timescale with management allocating appropriate resources to the issues raised.
No Assurance	Internal control, governance and the management of risk is poor. Significant residual risk and/or significant non-compliance with basic controls exists leaving the system open to error, loss or abuse. Residual risk must be addressed immediately with management allocating appropriate resources to the issues.

Argyll and Bute Council – Internal Audit Report – Care Home Provision, September 2019

Argyll and Bute Council

Internal Audit Report

December 2019

Final

Risk Management

Audit Opinion: High

	High	Medium	Low
Number of Findings	0	0	1

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Contents

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1. Executive Summary

Introduction

1. As part of the 2019/20 internal audit plan, approved by the Audit & Scrutiny Committee in March 2019, we have undertaken an audit of Argyll and Bute Council's (the Council) system of internal control and governance in relation to risk management.

2. The audit was conducted in accordance with the Public Sector Internal Audit Standards (PSIAS) with our conclusions based on discussions with council officers and the information available at the time the fieldwork was performed. The findings outlined in this report are only those which have come to our attention during the course of our normal audit work and are not necessarily all the issues which may exist. Appendix 1 to this report includes agreed actions to strengthen internal control however it is the responsibility of management to determine the extent of the internal control system appropriate to the Council.

3. The contents of this report have been agreed with the appropriate council officers to confirm factual accuracy and appreciation is due for the cooperation and assistance received from all officers over the course of the audit.

Background

4. Local government has seen and will continue to see unprecedented changes. This will lead to significant new risks, as the Council reviews its services and how they are delivered. Risk management will support and enhance the decision making process, increase the likelihood of the Council meeting its objectives and enable it to respond quickly to new pressures and opportunities.

5. Risk management is the planned and systematic process by which key risks are identified, evaluated and managed so as to maximise benefits and minimise potentially negative consequences to the Council and its partners. Risks are significant uncertainties that may affect the Council's ability to achieve its strategic and operational objectives.

Scope

6. The scope of the audit was to assess the adequacy of, and compliance with, the Council's risk management arrangements.

Risks

7. The risks considered throughout the audit were:

- **CEU ORR 6:** Risk management is not embedded as an integral part of decision making process
- **Audit Risk 1:** Risk registers are not updated regularly
- **Audit Risk 2:** Risks are not properly assessed
- **Audit Risk 3:** Risks are not prioritised
- **Audit Risk 4:** Risks are not monitored and reported

Audit Opinion

8.   We provide an overall audit opinion for all the audits we conduct. This is based on our judgement on the level of assurance which we can take over the established internal controls, governance and management of risk as evidenced by our audit work. Full details of the five possible categories of audit opinion is provided in Appendix 2 to this report.

9.   Our overall audit opinion for this audit is that we can take a high level of assurance. This means that internal control, governance and the management of risk are at a high standard. Only marginal elements of residual risk have been identified with these either being accepted or dealt with. A sound system of control designed to achieve the system objectives is in place and being applied consistently.

Key Findings

10. We have highlighted one low priority recommendation where we believe there is scope to strengthen the control and governance environment. This is summarised below:

- the risk management manual should be updated to ensure it reflects current working practice and presented to the Strategic Management Team (SMT) and Policy and Resources Committee (P&R) for approval.

2. Objectives and Summary Assessment

11. Exhibit 1 sets out the control objectives identified during the planning phase of the audit and our assessment against each objective.

Exhibit 1 – Summary Assessment of Control Objectives

	Control Objective	Link to Risk	Assessment	Summary Conclusion
1	Risk management is actively supported and promoted by senior officers / elected members	ORR 6 Audit Risk 2 Audit Risk 4	Substantial	The Council and Health and Social Care Partnership (HSCP) have comprehensive risk management guidance. The Council's Manual has been approved by the SMT and P&R however it needs to be updated to reflect changes approved by the Audit and Scrutiny Committee in July 2019. Roles and responsibilities are clearly defined and arrangements for updating risk registers have been defined and are being adhered to.
2	There is a systematic approach to identify and prioritise risks and match them with appropriate responses	ORR 6 Audit Risk 1 Audit Risk 2 Audit Risk 3	High	The Council's Manual and HSCP guidance clearly set out a systematic approach for identifying and evaluating risks.
3	Risks and the action taken to mitigate them are	ORR 6 Audit Risk 4	High	The Council's and HSCP social work risk registers are being regularly reviewed and updated. The Manual should be

			updated to reference the Chief Executive's annual report on the Council's strategic risk register to the Audit and Scrutiny Committee.
regularly monitored			

12. Further details of our conclusions against each control objective can be found in Section 3 of this report.

3. Detailed Findings

Risk management is actively supported and promoted by senior officers/elected members

13. The Council has a risk management manual (the Manual) which was last updated and approved by the SMT in March 2018 and P&R in May 2018. The Manual is comprehensive and clearly sets out:

   - a definition of risk
   - the Council's approach to managing risk
   - a risk appetite statement
   - roles and responsibilities including senior management and elected members
   - the risk management cycle detailing the stages to undertake to manage risk.

14. In the Council's 2017/18 external audit report, presented to full Council in November 2018, Audit Scotland concluded that the revised Manual represented an enhancement to the Council's risk management process. No further comment on the Council's risk management arrangements was made in the Council's 2018/19 external audit report.

15. There were no material changes to the risk management process during 2018/19 and so it was not deemed necessary to update the Manual during that financial year. In September 2019 the Audit and Scrutiny Committee agreed that an annual audit of risk management was no longer required. This would be replaced by an annual strategic risk assurance mapping exercise with an audit of risk management to be conducted at least every three years. The Manual should be updated to reflect this change.

Audit Plan 1

16. The HSCP is responsible for the strategic planning and reporting of a range of health and social care services delegated by NHS Highland Health Board and the Council (described within the Integration Scheme (March 2015)). The Integration Joint Board (IJB) is responsible for the operational oversight of the Partnership.

17. The Integration Scheme requires that the:

   - parties will develop a shared risk management strategy that will identify, assess and prioritise risks related to the delivery of services under integration functions, particularly any which are likely to affect Argyll and Bute Integration Joint Board's delivery of the Strategic Plan
   - Chief Officer will ensure the maintenance of an up to date integrated risk register in respect of all functions delegated to Argyll and Bute Integration Joint Board.

18. The Council's Head of Financial Services has operational responsibility for risk management (excluding social care). The HSCP risk manual assigns operational responsibility for social care risk management to the HSCP Chief Officer.

19. Our 2018 audit of risk management identified one high priority issue in relation to the governance arrangements for the management of social care operational risks including responsibilities and the arrangements for regular review and updating of risks.

20. In 2019 the HSCP prepared a risk management strategy and they have risk management guidance that provides comprehensive information on the key aspects of populating and maintaining risk registers. The guidance is available to all appropriate managers.

There is a systematic approach to identify and prioritise risks and match them with appropriate responses

21. Both the Council and HSCP risk manuals set out a comprehensive process to identify and prioritise risks. In particular how to:

- identify risk
- assess the likelihood and impact of the risk
- prioritise risks (red, amber or green)
- mitigate and manage the risk.

22. The Council's Manual and the HSCP guidance both set out risk management reporting requirements in terms of the appropriate operational teams or committees and the information to be reported.

Risks and the action taken to mitigate them are regularly monitored

23. Minutes of the SMT and the three Council Departmental Management Teams confirm that risk registers are being reviewed and updated as per the requirements established by the Manual. In addition it is clear the reporting arrangements are being adhered to. Furthermore the Head of Financial Services updates P&R on the Council's key financial risks as a standard agenda item.

24. The Council's constitution requires the Chief Executive to present the strategic risk register to the Audit and Scrutiny Committee on an annual basis. This occurred in June 2019. However the Manual refers to an annual report to the Policy and Resources Committee and should be updated.

Action Plan 1

25. A review of the Council's and HSCP risk registers confirmed that risks have been assessed and prioritised and mitigating action identified where a decision has been taken to treat the risk.

Appendix 1 – Action Plan

	No	Finding	Risk	Agreed Action	Responsibility / Due Date
Low	1	**Risk Management Manual** The risk management manual should be updated to reflect that: 1. annual risk management audit to be replaced by annual strategic risk assurance mapping exercise 2. audit of risk management to be conducted at least every three years 3. the Chief Executive presents the strategic risk register to the Audit and Scrutiny Committee rather than the Policy and Resources Committee on an annual basis. The updated manual should be submitted to the Strategic Management Team and Policy and Resources Committee for approval.	Failure to have a risk management manual that reflects current practice may lead to non-compliance with agreed procedures	The risk management manual will be updated and presented to the Strategic Management in February 2020 Team before being presented to the and Policy and Resources Committee for approval on 14 May 2020	Head of Financial Services 14 May 2020

In order to assist management in using our reports a system of grading audit findings has been adopted to allow the significance of findings to be ascertained. The definitions of each classification are as follows:

Grading	Definition
High	A major observation on high level controls and other important internal controls or a significant matter relating to the critical success of the objectives of the system. The weakness may therefore give rise to loss or error.
Medium	Observations on less significant internal controls and/or improvements to the efficiency and effectiveness of controls which will assist in meeting the objectives of the system. The weakness is not necessarily substantial however the risk of error would be significantly reduced if corrective action was taken.
Low	Minor recommendations to improve the efficiency and effectiveness of controls or an isolated issue subsequently corrected. The weakness does not appear to significantly affect the ability of the system to meet its objectives.

Argyll and Bute Council – Internal Audit Report – Risk Management, December 2019

Appendix 2 – Audit Opinion

Level of Assurance	Definition
High	Internal control, governance and the management of risk are at a high standard. Only marginal elements of residual risk have been identified with these either being accepted or dealt with. A sound system of control designed to achieve the system objectives is in place and being applied consistently.
Substantial	Internal control, governance and the management of risk is sound. However, there are minor areas of weakness which put some system objectives at risk and specific elements of residual risk that are slightly above an acceptable level and need to be addressed within a reasonable timescale.
Reasonable	Internal control, governance and the management of risk are broadly reliable. However, whilst not displaying a general trend, there are areas of concern which have been identified where elements of residual risk or weakness may put some of the system objectives at risk.
Limited	Internal control, governance and the management of risk are displaying a general trend of unacceptable residual risk above an acceptable level and placing system objectives are at risk. Weakness must be addressed with a reasonable timescale with management allocating appropriate resources to the issues raised.
No Assurance	Internal control, governance and the management of risk is poor. Significant residual risk and/or significant non-compliance with basic controls exists leaving the system open to error, loss or abuse. Residual risk must be addressed immediately with management allocating appropriate resources to the issues.

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Argyll and Bute Council

Internal Audit Report

December 2019

FINAL

Building Standards

Audit Opinion: High

	High	Medium	Low
Number of Findings	0	0	2

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Contents

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1. Executive Summary

Introduction

1. As part of the 2019/20 internal audit plan, approved by the Audit & Scrutiny Committee in March 2019, we have undertaken an audit of Argyll and Bute Council's (the Council) system of internal control and governance in relation to Building Standards.

2. The audit was conducted in accordance with the Public Sector Internal Audit Standards (PSIAS) with our conclusions based on discussions with council officers and the information available at the time the fieldwork was performed. The findings outlined in this report are only those which have come to our attention during the course of our normal audit work and are not necessarily all the issues which may exist. Appendix 1 to this report includes agreed actions to strengthen internal control however it is the responsibility of management to determine the extent of the internal control system appropriate to the Council.

3. The contents of this report have been agreed with the appropriate council officers to confirm factual accuracy and appreciation is due for the cooperation and assistance received from all officers over the course of the audit.

Background

4. Building Standards are responsible for enforcing the requirements of the Building (Scotland) Act 2003. The Act focuses on the health and safety of people in and around buildings, the conservation of fuel and power within buildings and sustainable development. As a Government licensed verifier Building Standards administer the system and are responsible for granting permission for work to be done (building warrant) and for a completed building to be occupied (completion certificate).They are also the enforcing body under the Act and carry out the Council's statutory remit in relation to Dangerous and Defective buildings, those buildings constructed without warrant or in contravention of conditions of warrant, and buildings whose limited life has expired. This includes where buildings are constructed in relation to structure and fire, means of escape, energy efficiency, accessibility and the general health and safety of the building user.

5. Building Standards has a Building Standards Customer Service Charter (the Charter) which sets out the minimum standards of service that the Council should meet as specified by the Scottish Government Building Standards framework.

6. Building Standards has a manager who exercises overall control, four area based teams which generally comprise a team leader, qualified and experienced surveyors and assistant/trainee surveyors. They are provided with administrative support via shared area administration staff. As at July 2019 Building Standards has a budgeted complement of 17 staff including 15 surveyors (four at team leader level).

Scope

7. The scope of the audit was to provide assurance that Building Standards are complying with the commitments established by the Charter and warranty fee income is properly charged as outlined in the Terms of Reference agreed with the Building Standards Manager on 8 October 2019.

Risks

8. The risks considered throughout the audit were:

    - **SRR 3:** financial sustainability
    - **D&I ORR 4:** resource availability - building warrant fee shortfalls
    - **Audit Risk 1:** failure to comply with relevant legislation
    - **Audit Risk 2:** commitments outlined in the Charter are not met
    - **Audit Risk 3:** appropriate performance monitoring is not carried out

Audit Opinion

9. We provide an overall audit opinion for all the audits we conduct. This is based on our judgement on the level of assurance which we can take over the established internal controls, governance and management of risk as evidenced by our audit work. Full details of the five possible categories of audit opinion is provided in Appendix 2 to this report.

10. Our overall audit opinion for this audit is that we can take a high level of assurance. This means that internal control, governance and the management of risk are at a high standard. Only marginal elements of residual risk have been identified with these either being accepted or dealt with. A sound system of control designed to achieve the system objectives is in place and being applied consistently.

Recommendations

11. We have highlighted two low priority recommendation where we believe there is scope to strengthen the control and governance environment. These are summarised below:

    - a periodic reconciliation between IDOX and Oracle should be performed

    - performance targets in the Charter should be consistent with the Scottish Governments framework.

12. Full details of the audit findings, recommendations and management responses can be found in Section 3 of this report and in the action plan at Appendix 1.

2. Objectives and Summary Assessment

13. Exhibit 1 sets out the control objectives identified during the planning phase of the audit and our assessment against each objective.

Exhibit 1 – Summary Assessment of Control Objectives

	Control Objective	Link to Risk	Assessment	Summary Conclusion
1	Building Standards meet its commitments as outlined within the Charter.	Audit Risk 1 Audit Risk 2 Audit Risk 3	High	A Charter has been established which includes information on the minimum standards of service the Council must adhere to. The Council was found to be compliant with all requirements of the Charter however there is a discrepancy between the Charter and the Scottish Government Framework in relation to a performance target.

| 2 | Warranty fees are properly charged. invoices are generated timeously and payments monitored | SRR 3 D&I ORR 4 | Substantial | There are documented procedures for the processing of building warrant applications which includes verification that fees are properly charged. All applications sampled were found to have been charged appropriately. Work carried out on behalf of other councils is properly charged and recorded. There is no reconciliation between the IDOX system and Oracle to ensure income is properly recorded in the ledger. |
| 3 | Appropriate arrangements are in place for performance monitoring and reporting. | Audit Risk 3 | High | Building Standards have, and report against, a comprehensive range of performance measures. Performance data is available on the Council's website, pyramid and displayed in the area offices. Performance is monitored through a variety of channels including customer satisfaction surveys. |

14. Further details of our conclusions against each control objective can be found in Section 3 of this report.

3. Detailed Findings

Building Standards meet its commitments as outlined within the Charter

15. The Charter provides information on the minimum standards of service that the Council must adhere to. It is regularly reviewed and was last updated on 24 October 2019. It commits Building Standards to:

- seek to reduce the average time it takes for customers to obtain a building warrant
- ensure continuous improvement around the quality of assessments
- meet and seek to exceed customer expectations
- carry out local customer satisfaction surveys
- address feedback obtained through a National Customer Satisfaction Survey
- provide accurate evidence-based financial data
- engage with peers and stakeholders through a National Forum to identify and embed service improvements at a national level
- develop and adhere to a balanced scorecard approach outlining objectives and targets.

16. The Council monitors progress against the Charter commitment to reduce the average time it takes for customers to obtain a building warrant and publishes performance data on its website on the:

- percentage of building warrants responded to within 20 days
- percentage of building warrants issued within six days
- average number of days to respond to a completion certificate.

17. Exhibit 2 provides an example of one of the performance charts hosted on the website. A review of all three graphs highlighted that, whilst performance has varied in the past three years with

no definitive trend of improvement, the Council has nevertheless exceeded its target for all three indicators. However the target time for building warrants to be responded to is 20 days whereas the Charter has it set at 15 days. Consequently the performance data on the website is not consistent with the Charter. The Scottish Government framework establishes the statutory target as 20 days meaning the Council are reporting against the statutory target. The Charter should be amended to reflect the statutory 20 day target.

Action Plan 1

Exhibit 2 – Example of Building Standards Performance Data on Council Website
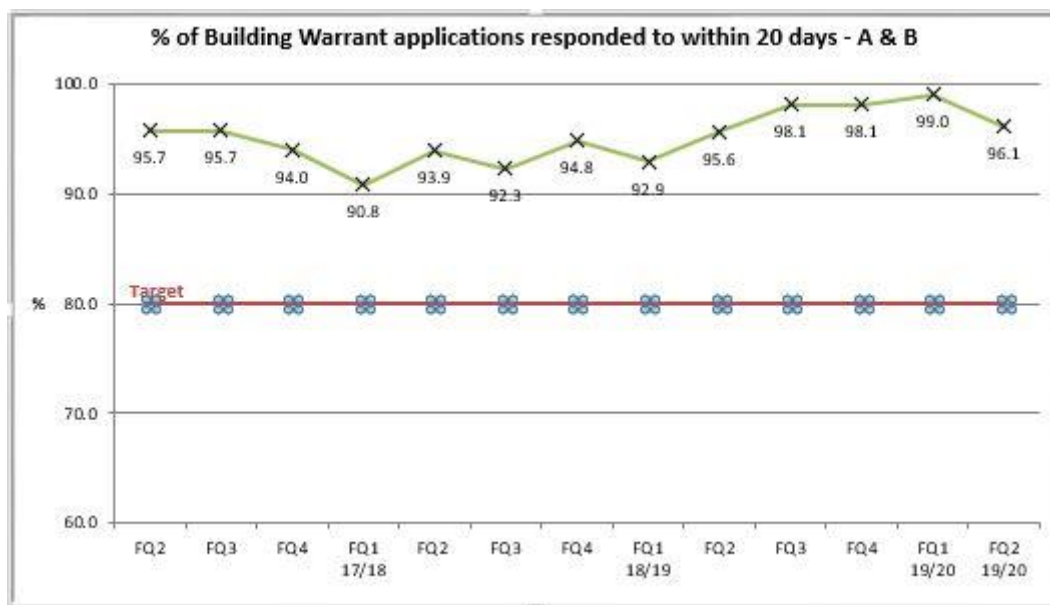
18. Exhibit 3 provides a summary of how the Council is meeting the other commitments established by the Charter.

Exhibit 3 – Meeting the Charter Commitments

Charter Commitment	Building Standards Action
Ensure continuous improvement in relation to the quality of assessments	Maintains a service improvement log which seeks to introduce improvements highlighted by: • staff suggestions • customer comments • benchmarking with other authorities • liaising with other divisions and stakeholders. The log, which is updated quarterly, details the reason for the improvement and the date it was implemented. Building Standards publish an annual performance report which includes reference to these improvements.
Meet and seek to exceed customer expectations	Seeks customer feedback and publishes the percentage of customers providing feedback who were either satisfied or very satisfied with the service provided. In addition customer satisfaction data is recorded in the Council's performance management system (Pyramid). Due to the level of customer feedback being consistently high the overall customer satisfaction target has been increased from 84% to 95%.

Carry out local customer satisfaction surveys	Asks customers to complete a survey questionnaire accessible via the Council's website. Customers are asked to comment on various aspects of the service by indicating whether the service was unacceptable, poor, acceptable, good or excellent. The criteria for evaluation is: • the manner in which the application was received • time taken to deal with the enquiry • level and quality of information and advice given • attitude of case officer who dealt with applicant • overall quality of service.
Address feedback obtained through a National Customer Satisfaction Survey	In December 2018, appointed an independent body to carry out a national survey of 550 users of building standards services. 107 (19%) responded and the survey confirmed the Council exceeded the Scottish average for all areas of service surveyed.
Provide accurate evidence-based financial data	There are regular Skype meetings with relevant finance officers to discuss budgets. Monthly budget monitoring reports are provided by the finance officer which show actual versus budget for all account headings. Trend analysis for the previous five years has been provided which highlight a steady increase in fee income.
Engage with peers and stakeholders through a National Forum to identify and embed service improvements at a national level	The Council's website details engagement with peers and stakeholders over the last seven years including a presentation to the Building Standards User Forum in November 2018 by the Building Services manager outlining innovations and performance of the service.
Develop and adhere to a balanced scorecard approach outlining objectives and targets.	Publish an annual performance report (previously referred to as a balanced scorecard) on the Council website. A review of the report found it to be comprehensive providing information on: • strategic objectives • key performance outcomes and targets • performance data.

19. Further assurance over the extent to which Building Standards delivers a good service can be taken from the results of their 'Customer Service Excellence' assessment. Customer Service Excellence is a UK Government run initiative developed to offer public services a practical tool for driving customer-focused change within their organisation. Building Standards were assessed subject to external assessment in December 2018 and the assessment's overall conclusion was 'strong'. Exhibit 3 summarises the results against each assessment criteria.

Exhibit 4 – Customer Service Excellence Summary Results

Assessment Criteria	Assessment	Extract from Report
Customer insight, engagement and satisfaction	Strong	A lot of effort has been made to identify service improvements through analysing customer experience.
Culture of the organisation	Strong	Staff are highly valued by managers and senior leaders.
Information and access	Strong	Sound procedures remain in place to ensure information is received and understood through formal processes such as Agent Forums and customer feedback.

Delivery	Strong	Sound procedures in place to monitor performance and outcomes are exceptionally good, resulting in compliance plus being awarded.
Timeliness and quality of service	Strong	A good range of timeliness and quality standards are in place and applied as effectively as the core performance standards.

Warrant fees are properly charged, invoices are generated timeously and payments monitored

20. Building Standards have a procedure which sets out the steps required to process a building warrant including the requirement to ensure the appropriate fee has been paid prior to commencement of work.

21. A table of fees is maintained on the Council website and regularly updated. Applicants can estimate their building warrant fee online using the Council's 'express building warrant assessment service' for cost of works of £5,000 or less.

22. All building warrant applications are recorded on the IDOX Uniform case management system with supporting documentation stored on the Civica document management system.

23. Payments for building warrants can be made either via the Council's website or at any Council area office. Payments via the website generate an e-mail to the Building Standards administration team advising them of the payment, reference number and amount paid. Where area offices take a payment a payment record is forwarded to the administration team.

24. A random sample of 11 building applications were chosen from IDOX from the period April 2019 till October 2019. We confirmed that for all 11:

   - fees were properly charged
   - fees were received prior to work being carried out
   - a completion certificate and building warrant was completed and forwarded to the applicant.

25. The Civica workflow process has a question 'has the correct fee been paid?' to which officers should select 'Yes' or 'No'. This question had not been answered for the audit sample however discussions with the relevant officer confirmed that applications are not processed unless the fee has been received (which our sample testing confirmed). Assurances have been provided that all future applications will have this question answered appropriately. No audit issue has been raised.

26. There is no reconciliation carried out between IDOX and the Council's financial ledger system (Oracle) to ensure building warrant payments are accounted for in the ledger.

Action Plan 2

27. Building Standards carry out work on behalf of other Scottish councils and have specific procedures for each Council. A record of all work done is maintained by Building Standard surveyors. The record tracks the progress of each application, shows the responsible surveyor handling the application and the fee charged. Councils are charged 50% of the normal fee.

Appropriate arrangements are in place for performance monitoring and reporting.

28. Building Standards have, and report against, a comprehensive range of performance measures which is available on the Council's website as detailed at paragraphs 16. Performance data is also on display in all major area offices.

29. Performance is monitored through a variety of channels including the quarterly performance reports (balanced score cards) and customer surveys.

30. Performance is regularly discussed at team leader meetings including a focus on service improvements and identified actions being progressed.

Appendix 1 – Action Plan

	No	Finding	Risk	Agreed Action	Responsibility / Due Date
	1	**Performance Targets** The Scottish Government framework has established a statutory requirement for Councils to respond to building warrants within 20 days. The Councils charter has this set at 15 days however performance is reported correctly against the 20 day target	The charter is not consistent with National guidelines.	The charter has been amended and is now consistent with the National Guidelines	Completed
Low	2	**Reconciling IDOX to Oracle** There is no reconciliation carried out between IDOX and the Council's financial ledger system (Oracle) to ensure building warrant payments are accounted for in the ledger.	The Council's ledger may not accurately reflect income received.	A reconciliation will be developed over the coming financial year	Finance Officer (with responsibility for Building Standards) 30 September 2020

In order to assist management in using our reports a system of grading audit findings has been adopted to allow the significance of findings to be ascertained. The definitions of each classification are as follows:

Grading	Definition
High	A major observation on high level controls and other important internal controls or a significant matter relating to the critical success of the objectives of the system. The weakness may therefore give rise to loss or error.
Medium	Observations on less significant internal controls and/or improvements to the efficiency and effectiveness of controls which will assist in meeting the objectives of the system. The weakness is not necessarily substantial however the risk of error would be significantly reduced if corrective action was taken.
Low	Minor recommendations to improve the efficiency and effectiveness of controls or an isolated issue subsequently corrected. The weakness does not appear to significantly affect the ability of the system to meet its objectives.

Appendix 2 – Audit Opinion

Level of Assurance	Definition
High	Internal control, governance and the management of risk are at a high standard. Only marginal elements of residual risk have been identified with these either being accepted or dealt with. A sound system of control designed to achieve the system objectives is in place and being applied consistently.
Substantial	Internal control, governance and the management of risk is sound. However, there are minor areas of weakness which put some system objectives at risk and specific elements of residual risk that are slightly above an acceptable level and need to be addressed within a reasonable timescale.
Reasonable	Internal control, governance and the management of risk are broadly reliable. However, whilst not displaying a general trend, there are areas of concern which have been identified where elements of residual risk or weakness may put some of the system objectives at risk.
Limited	Internal control, governance and the management of risk are displaying a general trend of unacceptable residual risk above an acceptable level and placing system objectives are at risk. Weakness must be addressed with a reasonable timescale with management allocating appropriate resources to the issues raised.
No Assurance	Internal control, governance and the management of risk is poor. Significant residual risk and/or significant non-compliance with basic controls exists leaving the system open to error, loss or abuse. Residual risk must be addressed immediately with management allocating appropriate resources to the issues.

Argyll and Bute Council – Internal Audit Report – Building Standards, December 2019

Argyll and Bute Council

Internal Audit Report

October 2019

FINAL

Following the Public Pound

Audit Opinion: Reasonable

	High	Medium	Low
Number of Findings	1	2	1

CHOOSE ARGYLL. LOVE ARGYLL.

Contents

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1. Executive Summary

Introduction

1. As part of the 2019/20 internal audit plan, approved by the Audit & Scrutiny Committee in March 2019, we have undertaken an audit of Argyll and Bute Council's (the Council) system of internal control and governance in relation to Following the Public Pound (FtPP).

2. The audit was conducted in accordance with the Public Sector Internal Audit Standards (PSIAS) with our conclusions based on discussions with council officers and the information available at the time the fieldwork was performed. The findings outlined in this report are only those which have come to our attention during the course of our normal audit work and are not necessarily all the issues which may exist. Appendix 1 to this report includes agreed actions to strengthen internal control however it is the responsibility of management to determine the extent of the internal control system appropriate to the Council.

3. The contents of this report have been agreed with the appropriate council officers to confirm factual accuracy and appreciation is due for the cooperation and assistance received from all officers over the course of the audit.

Background

4. Councils fund arms-length and external organisations (ALEOs) to provide important services to the public, or to provide social benefits such as employment opportunities. These funding arrangements are often more complex than purchase contracts for goods or services. To ensure that public money is used properly and achieves value for money, it must be possible to trace funds from the Council to where they are ultimately spent – to 'follow the public pound' across organisational boundaries.

5. Councils are ultimately accountable for how they spend public money, including the services they commission through external organisations. This means having clear oversight and appropriate governance arrangements in place. The Code of Guidance on Funding External Bodies and Following the Public Pound (the Code) sets out the principles for how councils should do this. In particular it highlights that the principles of openness, integrity and accountability which apply to councils in their decisions on spending public money, apply equally to funds or other resources which are transferred by councils to arms-length bodies. The Code seeks to ensure clarity over:

    - Purpose – the reasons for the Council's involvement in any arms-length funding arrangement
    - Financial regime – the extent of the financial commitment and the nature of the relationship
    - Monitoring – financial and performance monitoring and reporting arrangements
    - Representation – how their interests are represented in arms-length bodies
    - Limitations – limitations in any funding relationship and an 'exit' strategy
    - Accountability – how the Council and its external auditors may access the ALEOs' records.

6. The Code was published jointly by the Accounts Commission and the Convention of Scottish Local Authorities in 1996. In 2005, the Code was given statutory backing in the form of a Ministerial Direction under the Local Government (Scotland) Act 2003 which required every local

authority to comply with the Code when entering into any arrangement or agreement with a body corporate or implementing such an arrangement.

Scope

7. The purpose of the audit was to assess the Council's compliance with the principles of FtPP. The audit focused on payments of grants to external organisations and service level agreements as outlined in the Terms of Reference agreed with the Head of Financial Services.

8. As the purpose of the audit was to assess the Council's compliance with the principles of FtPP, this report, and the recommendations within it, represent areas for improvement that are Council wide. They are not improvements specifically for the agreements tested as part of this review.

9. A sample of nine agreements were selected from the Service Level Agreement (SLA) register maintained by the Procurement and Commissioning team. The sample selected is set out in exhibit 1.

Exhibit 1 – Agreements tested

Name of Provider/Organisation	Description/Purpose	Annual Value
Live Argyll	Live Argyll overarching SLA	£3,692,545
Oban & Lorn Community Enterprise Ltd (OLCE)	Contribution to the running costs of Atlantis Leisure Centre (Pool)	£420,641
British Red Cross	Provision of door-to-door demand responsive community transport services	£35,000
Homestart Lorn	Early Years Grant	£20,000
Fèisean nan Gaidheal	Gaelic support to Feis including the part funding of these and community development support to these across Argyll and Bute.	£20,000
Kilmartin Museum	To provide museum archaeological advice and services for Mid Argyll & Kintyre	£16,000
Kilmartin Museum	Run Kilmartin Museum and provide storage of Campbeltown Museum Archaeology	£14,000
Colonsay Community Development Company	Contribution to provision of a Customer Service Point on Colonsay	£12,025
West Kintyre Community Council	Running & maintenance of Tayinloan Public Conveniences located at the Gigha Ferry Terminal	£200

Risks

10. The risks to be considered throughout the audit are:

- **Audit Risk 1:** failure to comply with the principles of the Code
- **Audit Risk 2:** failure to achieve value for money
- **SRR03:** insufficient resource to meet current and future service requirement
- **SRR04:** governance and leadership arrangements are not conducive to effective working and lead to a lack of strategic direction
- **SRR05:** the Council fails to understand service user needs and emerging demographic trends and does not align service delivery to meet these.

Audit Opinion

11. We provide an overall audit opinion for all the audits we conduct. This is based on our judgement on the level of assurance which we can take over the established internal controls, governance and management of risk as evidenced by our audit work. Full details of the five possible categories of audit opinion is provided in Appendix 2 to this report.

12. Our overall audit opinion for this audit is that we can take a reasonable level of assurance. This means that internal control, governance and the management of risk are broadly reliable. However, whilst not displaying a general trend, there are a number of areas of concern which have been identified where elements of residual risk or weakness may put some of the system objectives at risk.

Recommendations

13. We have highlighted one high priority recommendation, two medium priority recommendations and one low priority recommendation where we believe there is scope to strengthen the control and governance environment. These are summarised below:

    - the Council's process to manage external funding requests should be revised to provide a more structured approach more closely aligned to the principles of FtPP
    - the SLA Register should be reviewed annually to ensure it is accurate and comprehensive
    - consideration should be given to centralising the administration of external funding agreements and/or creating a central repository for funding agreement documentation
    - elected member representation on the OLCE Board should be consistent with the funding agreement.

14. Full details of the audit findings, recommendations and management responses can be found in Section 3 of this report and in the action plan at Appendix 1.

2. Objectives and Summary Assessment

15. Exhibit 2 sets out the control objectives identified during the planning phase of the audit and our assessment against each objective.

Exhibit 2 – Summary Assessment of Control Objectives

	Control Objective	Link to Risk	Assessment	Summary Conclusion
1	The Council has FtPP policies and procedures which are aligned to the Code.	Audit Risk 1 SRR03 SRR04	Limited	The Council has an approved process to manage external funding requests however it is limited in detail, is not aligned to the Code and there is a lack of general awareness that it exists. The SLA Register requires further review to ensure it is comprehensive and accurate and measures should be taken to ensure key documentation is properly filed and accessible.
2	When transferring funds to an external body there is a clear rationale and link between the purpose and council strategy.	Audit Risk 1 SRR03 SRR04 SRR05	Reasonable	Funding agreements state the funding purpose and risk assessments are carried out though not consistently or following a standard approach. Two of the sampled awards were not assessed to ensure they represent value for money and there needs to be greater clarity over delegated authority to approve funding awards.

3	The financial commitment and nature of the financial relationship with the external organisation is clearly stated.	Audit Risk 1 Audit Risk 2 SRR03	High	Funding agreements fully complied with the requirements of the Code in relation to providing clarity over the Council's financial commitment to the external body and the nature of financial relationship with them.
4	Monitoring arrangements for performance expectations has been clearly stipulated, set up and followed.	Audit Risk 1 Audit Risk 2 SRR03 SRR04 SRR05	Substantial	Funding agreements fully complied with the requirements of the Code in relation to establishing required levels of monitoring and reporting. Further clarity is required over the responsibility of any officer designated as being in a supervisory capacity over a funding agreement.
5	Appropriate consideration is given to Council representation on the boards of bodies awarded funds	Audit Risk 1 SRR04	Substantial	The Council has an appropriate process to determine representation on the boards of external bodies. Clarity is required over the current representation on the OLCE board.
6	Limitations to the Council's involvement are established at the outset.	Audit Risk 1 SRR04 SRR05	High	Funding agreements fully complied with the requirements of the Code in relation to establishing limitations to the Council's involvement.
7	Appropriate arrangements are in place to allow auditor access to the external body's records.	Audit Risk 1 Audit Risk 2 SRR04	High	Eight of the nine agreements stated the Council's right of access to records. For the other this was not deemed necessary.

16. Further details of our conclusions against each control objective can be found in Section 3 of this report.

3. Detailed Findings

The Council has FtPP policies and procedures which are aligned to the Code

17. The Code states that '*Councils will wish to have their own rules setting out procedures appropriate to their local circumstances and internal processes, and those rules should be based on this guidance.*' It further states that the guidance should apply to any substantial funding relationships and that the Council should determine what is deemed to be substantial giving '*regard to the significance of the funding in relation to their own budgets and its significance in relation to the budget of the external body*'.

18. In March 2015 the Policy and Resources Committee approved a 'Process for External Funding Requests' (the Process) which outlined a process and four stage review to be conducted when considering funding requests, other than those which are area committee grant schemes. This is a two tier process which requires a more detailed assessment for requests over £25,000 than those under that threshold. However there is no specific reference to considering the significance of the request in relation to the Council or service budget or in relation to the budget of the external body.

19. During testing discussions with officers confirmed there is a general lack of awareness that the Process existed. Furthermore testing of the nine agreements confirmed that the Process had not been formally applied for any of them. Despite this we could evidence examples of good practice and provide assurance that the general principles of FtPP are being observed. However this was due to officers acting in a professional manner and applying good judgement rather than applying the agreed Process.

20. Seven of the nine agreements evidenced consideration being given to the level of funding requested in relation to the activity/project being carried out however there was no consistent approach to this. Some had reviewed project costs and bank statements whilst others reviewed full business cases and equality impact assessments were carried out. The two agreements where there was no evidenced consideration were for funding awards under £25,000. This provided assurance that officers are interpreting what is 'substantial' and giving regard to the significance of the funding to the external body however a more consistent approach following revised guidance would provide greater compliance with the Code.

21. A desktop review of the Process and a comparison of it against local FtPP guidance created by other councils found it to be limited in detail and not clearly aligned to the FtPP principles.

Action Plan 1

22. An audit of ICT SLAs in 2017/18 recommended that the Council create a centralised SLA register. This action was taken and the register was used as a source of information when we selected funding agreements for this audit. This highlighted a number of agreements which were not on the SLA Register which we identified through discussions with officers. The register also didn't always reflect the correct named Council contact for specific SLAs or the financial relationship between the Council and the external body.

Action Plan 2

23. During the audit locating key documentation in relation to existing funding agreements was often problematic in part due to the named contacts on the SLA register being inaccurate or a lack of awareness of where historic documents were filed. Consideration should be given to either creating a central storage for funding documentation and/or allocating responsibility for administrating funding agreements to either one service or a designated person in each appropriate service.

Action Plan 3

When transferring funds to an external body, there is a clear rationale and a demonstrable link between the purpose and council strategy

24. The Code requires that '*When agreeing to transfer funds to an external body a council must be clear about its reasons for doing so*' and '*Proper considerations should always apply and the prime purpose of involvement with external bodies should be the achievement of the council's objectives in the most effective, efficient and economic manner*'.

25. We reviewed the sample of nine agreements to confirm whether:

- the decision to award funding noted the purpose it was being provided for
- this was aligned to Council objectives
- a risk assessment had been carried out

- written agreements reflected the funding purpose, conditions of funding, reporting criteria and methods of measurement.

26. In summary we found that:

- The documented decision for seven agreements noted the purpose for which funding was awarded. For the remainder there was no formal note/minute of the decision. One was a £35,000 award made via an application form which clearly stated the purpose of the funding and the other was a low value agreement of £200 per year.
- For all nine a risk assessment of some form had been carried out although there was no consistent approach or standard format.
- For seven consideration had been given to whether the funding award was an effective, efficient and economical use of resource. For the remaining two there was no evidence this had been assessed.
- For all nine the written agreement between the Council and the external body clearly reflected the purpose for which funding was provided. Eight reflected the requirements set out in the final bullet point at paragraph 25. For the other it was not deemed necessary to specify methods of measurement or reporting criteria as Council officers were to undertake physical inspections.

Action Plan 1

27. Of the nine agreements the decision to award the funding was made by full Council on five occasions, one by the Community Services Committee and three by Council officers. The Process, as it is currently worded, requires final approval of all applications to be made by the Policy and Resources Committee based on recommendations made by the Council's Senior Management Team.

Action Plan 1

The financial commitment and nature of the financial relationship with the external organisation is clearly stated

28. The Code requires the Council be clear about its financial commitment to the external body and the nature of financial relationship with them. In particular it requires clarity over:

- payment criteria
- the transfer and end destination of any assets
- the Council's entitlement to any financial return
- commitments to financial contributions not being open-ended in duration or amount
- any minimum standard of management and/or operating arrangements.

29. All nine written agreements fully complied with these requirements.

Monitoring arrangements for performance expectations has been clearly stipulated, set up and followed

30. The Code requires the Council to stipulate how it intends to monitor the relationship between itself and the external body. All nine agreements specified the required levels of monitoring and reporting. Eight included financial reporting and the achievement of targets, with evidence that the monitoring requirements were being complied with. For the ninth staff inspections of the premises was deemed appropriate monitoring.

31. The Process states that the lead service will develop protocols subject to the nature/type of award however it doesn't provide clarity over the responsibility of any officer designated as being in a supervisory capacity over a funding agreement. This is a requirement of the Code.

Action Plan 1

Appropriate consideration is given to Council representation on the boards of bodies awarded funds

32. The Code requires the Council to consider whether representation on the external bodies' board is appropriate and, if so, clearly define the roles and responsibilities and have a process for dealing with conflicts of interest.

33. The Council has a process for selecting members as representatives for boards and committees which involves inviting expressions of interest and giving consideration to factors such as previous experience, knowledge, skills, responsibilities, commitment required, potential conflicts of interest and any legal requirements.

34. The Council maintains a member's register of interest on the Council website and declarations of interest are standing agenda items for Council meetings.

35. For the agreements tested, it was deemed necessary to have the following representation on boards (or equivalent)

- Live Argyll – two elected members
- OLCE – two elected members
- Fèisean Nan Gaidheal – one Council officer.

36. Currently there is only one elected member appointed to the OLCE board. If it is no longer deemed necessary to have two elected members on this board the agreement should be updated to reflect this. Alternatively a second elected member should be appointed.

Action Plan 4

Limitations to the Council's involvement are established at the outset

37. The Code requires that the Council, when entering into a substantial funding commitment with an external body, should lay down a timetable for the achievement of the objectives. There should be clear limits on the Council's financial involvement with rules in place to provide for agreement termination and events/situations that would trigger a review.

38. All nine agreements detailed timescales for the achievement of objectives with the exception of the Tayinloan Public Conveniences which is not substantial. All established limitations on the Council's involvement, both in financial terms and, where applicable, staff involvement. Furthermore all nine established rules for terminating the funding agreements and circumstances that would trigger a review.

39. Of the nine agreements, eight had been subject to a review within the past 12 months. The others has not been reviewed since the agreement was put in place in June 2015. This agreement is not material in value (£200 annually) however monitoring should still be carried out as detailed in the funding agreement.

Action Plan 1

Appropriate arrangements are in place to allow auditor access to the external body's records.

40. Eight of the agreements stated the Council's right of access to records, the exception being Tayinloan Public Conveniences which is not a substantial award.

Appendix 1 – Action Plan

	No.	Finding	Risk	Agreed Action	Responsibility / Due Date
High	1	**Guidance on Following the Public Pound (FtPP)** Although the Council has an approved process to manage external funding requests it is limited in detail, is not closely aligned to the Code of Guidance on Funding External Bodies and Following the Public Pound and there is a general lack of awareness amongst officers that it exists. Audit testing identified a number of areas of good practice within the Council and overall compliance with the principles of FtPP however there were examples of inconsistent practice. A more comprehensive guidance document should be established which provides a more standardised and tiered approach providing greater clarity over roles and responsibilities and standardised templates for key stages in the process including funding assessments and post award monitoring and reporting. The audit team researched a number of examples of FtPP guidance which had been created by other councils during the planning phase of the audit and can make these available to inform the creation of an Argyll and Bute equivalent.	Inconsistent practices and non-compliance with FtPP principles.	Following the Public Pound guidance will be drafted to provide a consistent approach to managing the award of external funds.	Head of Financial Services 30 April 2020

| | 2 | **Service Level Agreement Register**

An SLA Register was created in response to a recommendation made in an audit of ICT SLAs in 2017/18. During the FtPP audit we identified a number of agreements which were not on the SLA Register and also records on the register which were not complete or accurate. | The Council may not achieve value for money for services provided through a SLA. | The SLA Register will be reviewed by the Procurement and Commissioning Manager to ensure the current information in it is accurate.

Procurement and Commissioning Manager to then circulate updated SLA Register it to all Heads of Service for them to review and feedback on any missing agreements. Heads of Service to:
• review spend directly awarded to suppliers without a procurement process to identify the organisations being funded
• review these to determine if it should be a SLA/grant or require a retender
• update the SLA Register to reflect this determination. | Procurement and Commissioning Manager

30 November 2019

All Heads of Service

31 March 2020 |

Medium

Medium	3	**Administration of Funding Agreements** During the audit locating key documentation in relation to existing funding agreements was often problematic in part due to the named contacts on the SLA register being inaccurate or a lack of awareness of where historic documents were filed. Consideration should be given either to creating a central storage for funding documentation and/or allocating responsibility for administering funding agreements to one department.	The Council may not have an accurate record of the terms and conditions contained within funding agreements.	Procurement and Commissioning Manager to liaise with IT to establish a new Sharepoint site to be used as a central repository for the SLA Register and all funding documentation and advise all Heads of Service of Sharepoint address. Heads of Service to populate Sharepoint site with all appropriate funding documentation for SLA Register entries their service is responsible for.	Procurement and Commissioning Manager 30 November 2019 All Heads of Service 30 April 2020
Low	4	**Oban & Lorn Community Enterprise Ltd Board** Based on the funding agreement with OLCE the Council are supposed to be represented on the OLCE board by two elected members. There is currently only one member on the OLCE board.	The Council have insufficient oversight over the operational activity of OLCE.	A paper will be taken to the 16 April 2020 Council meeting to ask members to either nominate a second representative to the OLCE Board or reduce the required representation to one elected member.	Head of Legal and Regulatory Support 17 March 2020

Argyll and Bute Council – Internal Audit Report – FtPP, October 2019

In order to assist management in using our reports a system of grading audit findings has been adopted to allow the significance of findings to be ascertained. The definitions of each classification are as follows:

Grading	Definition
High	A major observation on high level controls and other important internal controls or a significant matter relating to the critical success of the objectives of the system. The weakness may therefore give rise to loss or error.
Medium	Observations on less significant internal controls and/or improvements to the efficiency and effectiveness of controls which will assist in meeting the objectives of the system. The weakness is not necessarily substantial however the risk of error would be significantly reduced if corrective action was taken.
Low	Minor recommendations to improve the efficiency and effectiveness of controls or an isolated issue subsequently corrected. The weakness does not appear to significantly affect the ability of the system to meet its objectives.

Appendix 2 – Audit Opinion

Level of Assurance	Definition
High	Internal control, governance and the management of risk are at a high standard. Only marginal elements of residual risk have been identified with these either being accepted or dealt with. A sound system of control designed to achieve the system objectives is in place and being applied consistently.
Substantial	Internal control, governance and the management of risk is sound. However, there are minor areas of weakness which put some system objectives at risk and specific elements of residual risk that are slightly above an acceptable level and need to be addressed within a reasonable timescale.
Reasonable	Internal control, governance and the management of risk are broadly reliable. However, whilst not displaying a general trend, there are a number of areas of concern which have been identified where elements of residual risk or weakness may put some of the system objectives at risk.
Limited	Internal control, governance and the management of risk are displaying a general trend of unacceptable residual risk above an acceptable level and placing system objectives are at risk. Weakness must be addressed with a reasonable timescale with management allocating appropriate resources to the issues raised.
No Assurance	Internal control, governance and the management of risk is poor. Significant residual risk and/or significant non-compliance with basic controls exists leaving the system open to error, loss or abuse. Residual risk must be addressed immediately with management allocating appropriate resources to the issues.

Argyll and Bute Council – Internal Audit Report – FtPP, October 2019

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Live Argyll

Internal Audit Report

November 2019

FINAL

Normal Operating Procedures and Emergency Action Plans

Audit Opinion: Substantial

	High	Medium	Low
Number of Findings	0	1	2

CHOOSE ARGYLL. L♥VE ARGYLL.

Contents

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1. Executive Summary

Introduction

1. As part of the 2019/20 internal audit plan, approved by the Audit & Scrutiny Committee in March 2019, we have undertaken an audit of Live Argyll's system of internal control and governance in relation to their Normal Operating Procedures (NOPs) and Emergency Action Plans (EAPs).

2. The audit was conducted in accordance with the Public Sector Internal Audit Standards (PSIAS) with our conclusions based on discussions with relevant officers and the information available at the time the fieldwork was performed. The findings outlined in this report are only those which have come to our attention during the course of our normal audit work and are not necessarily all the issues which may exist. Appendix 1 to this report includes agreed actions to strengthen internal control however it is the responsibility of management to determine the extent of the internal control system appropriate to LiveArgyll.

3. The contents of this report have been agreed with the appropriate council officers to confirm factual accuracy and appreciation is due for the cooperation and assistance received from all officers over the course of the audit.

Background

4. LiveArgyll was established by Argyll and Bute Council (the Council) and commenced trading on 2 October 2017. It is a charitable company limited by guarantee and governed by its articles of association. LiveArgyll is responsible for services including libraries, leisure facilities, Active Schools, archives, museum, sport development, halls, community centres and community lets. The Council provide internal audit services to LiveArgyll to support their governance framework.

5. There are no specific swimming pool health and safety laws however pool operators are responsible for the health and safety (H&S) of employees, pool users and other people on the premises. The Health and Safety at Work Act 1974 and the Management of Health and Safety at Work Regulations place general obligations on pool operators. The H&S Executive provide guidance – Managing Health and Safety in Swimming Pools (HSG179). This provides guidance for those who operate and manage H&S in swimming pools and also provides practical advice on how to comply with the law relating to the management of H&S in swimming pools.

6. Pool safe operating procedures are commonly used in the swimming pool industry as part of management arrangements. A Pool Safe Operating Plan consists of the NOP and the EAP for the pool, changing facilities and associated plant and equipment. The NOP sets out the way a pool operates, including details of the layout, equipment, manner of use, user group characteristics etc. The EAP provides specific instructions on the action to be taken, by all staff, in the event of an emergency.

Scope

7. The scope of the audit was to review the key control documentation in place to manage the operation of LiveArgyll swimming pools as outlined in the Terms of Reference agreed with the General Manager, LiveArgyll on 17 September 2019.

8. The audit was restricted to field testing in LiveArgyll swimming pools in Helensburgh, Aqualibrium (Campbeltown) and Riverside (Dunoon).

Risks

9. The risks considered throughout the audit were:

- **Audit Risk 1:** LiveArgyll does not meet its legal responsibilities under Health and Safety at Work Act 1974 and the Management of Health and Safety at Work Regulations
- **Audit Risk 2:** Roles and responsibilities have not been clearly defined
- **Audit Risk 3:** Normal Operating Procedures and Emergency Action Plans are not reviewed, tested and updated regularly

Audit Opinion

10. We provide an overall audit opinion for all the audits we conduct. This is based on our judgement on the level of assurance which we can take over the established internal controls, governance and management of risk as evidenced by our audit work. Full details of the five possible categories of audit opinion is provided in Appendix 2 to this report.

11. Our overall audit opinion for this audit is that we can take a substantial level of assurance. This means that internal control, governance and the management of risk is sound. However, there are minor areas of weakness which put some system objectives at risk and specific elements of residual risk that are slightly above an acceptable level and need to be addressed within a reasonable timescale.

Recommendations

12. We have highlighted one medium priority and two low priority recommendations where we believe there is scope to strengthen the control and governance environment. These are summarised below:

- if evac chairs are to be utilised then a maintenance schedule and staff training programme should be implemented
- a protocol should be agreed with the Council for property inspection documentation to be uploaded to Concerto in a timely manner
- senior duty officers should ensure all staff sign and date to evidence their acceptance of the NOPs and EAPs.

13. Full details of the audit findings, recommendations and management responses can be found in Section 3 of this report and in the action plan at Appendix 1.

2. Objectives and Summary Assessment

14. Exhibit 1 sets out the control objectives identified during the planning phase of the audit and our assessment against each objective.

Exhibit 1 – Summary Assessment of Control Objectives

	Control Objective	Link to Risk	Assessment	Summary Conclusion
1	Procedures are in place which are consistent with relevant health and safety regulations	Audit Risk 1 Audit Risk 3	Substantial	Existing procedures and third party support facilitates compliance with relevant legislation and regulation. A robust programme of H&S inspections is carried out however there can be delays uploading inspection documentation onto the property management system. Evac chairs are in use however there is no programme of maintenance and no staff training in support of their use.
2	Roles and responsibilities for the operational management of swimming pools are clearly defined	Audit Risk 2	High	Roles and responsibilities are clearly defined in the H&S Policy, with specific responsibilities for tasks defined in the NOPs and EAPs.
3	Normal Operating Procedures are readily available, subject to review and are being complied with	Audit Risk 3	Substantial	NOPs are in place in all pools and are subject to regular review. Staff sign to evidence that they are aware of the NOPs and will comply with them however they are not expected to evidence the date they have provided this sign off. Records of NOP compliance checks were found to be in good order.
4	Emergency Action Plans are readily available, subject to review and displayed for staff to follow	Audit Risk 3	Substantial	EAPs are in place in all pools and are subject to regular review. Staff are expected to sign to evidence that they are aware of the EAP and will comply with them however, at one pool, this hadn't been done by all staff. Staff are not expected to evidence the date they have provided this sign off. Training records confirmed staff are routinely provided with emergency scenario training.

15. Further details of our conclusions against each control objective can be found in Section 3 of this report.

3. Detailed Findings

Procedures are in place which are consistent with relevant health and safety regulations

16. The Council's H&S team provide support to LiveArgyll through the support service level agreement (SLA) in place between the Council and LiveArgyll. In addition H&S support is provided by a private contractor with specialist knowledge of H&S within swimming pools (Right Directions). The support provided by the Council and Right Directions includes undertaking H&S audits, advising on updates to legislation and providing other H&S updates including bulletins.

17. LiveArgyll have implemented a H&S Improvement Plan to strengthen their commitment to improving corporate H&S procedures. The plan covers risk assessments, audits, inspections, training, fire safety, performance management and communication. It also identifies actions, outcomes and completion dates.

18. There are H&S operating procedures which provide guidance on statutory and good practice inspections. Not all inspections are applicable at every pool as the need for them depends on local circumstances however, where they are required, the procedures detail what they are and their suggested frequency.

19. Each LiveArgyll swimming pool has local procedures in place to support compliance with relevant H&S legislation, regulation and the H&S Operating Procedures. During the audit we reviewed H&S documentation to provide assurance that appropriate checks were being carried out and records are maintained. Exhibit 2 sets out a number of the key inspections which are required and confirms our conclusion that all three pools visited can evidence they are performing the inspections at the required frequency.

Exhibit 2 – Health and Safety Inspections Records

Inspection Required	Carried Out at Appropriate Frequency?		
	Helensburgh	Aqualibrium	Riverside
H&S Risk Assessments	√	√	√
Daily maintenance checks of facilities	√	√	√
Gas boilers and flues	√	√	√
Portable appliances	√	√	√
Fixed electrical	√	√	√
Lifting equipment pool hoist	√	√	√
Lifting equipment lifts	N/A	√	√
Inspection of emergency lighting	√	√	√
Control of asbestos	√	N/A	√
Fire detection/prevention/evacuation	√	√	√
Control of legionella bacteria in water	√	√ *	√
Bacteriological testing of water	√	√	√

*Aqualibrium have altered its facilities and therefore require an updated legionella risk assessment. Aqualibrium are aware of this and property services have been notified.

20. As part of the SLA, property compliance checks are managed and administered by the Council's property department with records maintained on the Council's property management system (Concerto). Staff at all pools have access to Concerto to record property maintenance issues. Inspection certificates and reports relating to property checks undertaken can also be accessed.

21. Evac chairs are in use across leisure sites, however there is no programme of maintenance and no staff training schedule to support their use.

Action Plan 1

22. Through discussions with relevant officers we identified there is often a delay between the completion of an inspection and the uploading of documentation to Concerto. This results in periods of time where officers are unable to obtain relevant documentation.

Action Plan 2

Roles and responsibilities for the operational management of swimming pools are clearly defined

23. Roles and responsibilities are clearly defined in the H&S Policy. Specific staff responsibilities for the operational management of the facility are outlined in the NOPs and EAPs.

24. The senior duty officer and duty officer are responsible for the operational management and H&S within the pool and for ensuring compliance with the NOP and EAP. As the facility responsible person they must ensure that safety inspections are undertaken and that any issues are recorded and addressed as soon as possible.

Normal Operating Procedures are readily available, subject to review and are being complied with

25. It is the responsibility of pool staff to ensure pool activities are controlled to provide a safe, and enjoyable service. The NOPs identify the processes to control pool supervision, admission and club/private hire use. They are used in conjunction with the other operational procedures to satisfy the requirements of Managing H&S in Swimming Pools guidance.

26. NOPs are in place and were available for staff to view at all three pools visited. All staff sign that they have read and understood and will comply with the contents of the NOP. Whilst the senior duty officer/duty officer signed to confirm staff signatures, it was unclear what date the staff had signed these documents.

Action Plan 3

27. NOPs are subject to regular review and updated to reflect any changes in legislation, regulation or any agreed changes to working practices. Any changes to NOPs are highlighted and detailed at the top of the NOP document. The date and issue number are recorded.

28. Compliance checks that are required monthly, weekly and daily are recorded and signed as being complete. Where issues are identified these are recorded with records held at the pool and/or recorded on Concerto. Our audit did not identify any concerns relating to the recording of compliance checks.

Emergency Action Plans are readily available, subject to review and displayed for staff to follow

29. It is the responsibility of pool staff to ensure that emergency situations are dealt with in a manner which minimises the risk to customers and staff. The EAPs identify the action in the event of various emergency situations, i.e. first aid, lack of water clarity, bomb threat, lighting and structural failure, emission of toxic gas, pool rescue and severe water pollution.

30. EAPs are in place and are available for staff to view at all three pools visited. All staff are supposed to sign that they have read, understood and will comply with the contents of the EAP however at one pool (Riverside) not all staff had signed the updated EAP. Whilst the senior duty officer/duty officer signed to confirm staff signatures, it was unclear what date the staff had signed these documents.

Action Plan 3

31. The EAP details the actions to be taken and staff responsibilities in the event of an emergency. As EAPs are only enacted in the event of an emergency, audit assurance has been obtained by ensuring staff receive adequate training. We confirmed that monthly staff training includes scenario training based on the EAP.

32. EAP's are subject to regular review and updated to reflect any changes in legislation, regulation or any agreed changes to working practices. Any changes to EAP's are highlighted and detailed at the top of the EAP document. The date and issue number are recorded.

Appendix 1 – Action Plan

	No	Finding	Risk	Agreed Action	Responsibility / Due Date
Medium	1	**Evac Chairs** Evac chairs are in use across leisure sites, however there is no programme of maintenance and no staff training to support their use.	Evac chairs may not be fit for purpose and staff inadequately trained in their use.	There is no statutory inspection requirement for the evac chairs. Pools will commit to undertake a weekly visual inspection of the evac chairs, in line with their other weekly H&S checks (the relevant NOP and SSOW will be updated). The Area Operations Manager (Kintyre) will contact the Council's Fire Safety Officer to enquire about training requirements regarding use of the evac chairs.	Duty Officers 31 December 2019

Low	2	**Filing Inspection Records** There is often a delay between the completion of a property inspection and the uploading of documentation to Concerto. This results in periods of time where officers are unable to obtain relevant documentation.	Documents may not be readily available to view any remedial action that requires to be taken.	Argyll and Bute Council's Property Services are responsible for updating the inspection reports on Concerto. The Business Operations Manager will contact the Council's Property Services Manager to request that all inspection documentation is uploaded to Concerto in a timely manner.	Property Services Manager, Argyll and Bute Council 31 December 2019
Low	3	**Signing Normal Operating Procedures and Emergency Action Plans** Staff are supposed to sign to evidence they are aware of, and will comply, with NOPs and EAPs. At one pool (Riverside) not all staff had signed the EAP. Furthermore staff are not asked to document the date they have provided this confirmation.	Staff may have signed to evidence compliance with an older version of an NOP or EAP and may not have been sighted on any subsequent amendments.	Pools to check that all staff have read, signed and dated the current EAPs and relevant NOPs.	Duty Officers 31 December 2019

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ARGYLL AND BUTE COUNCIL   **AUDIT AND SCRUTINY COMMITTEE**

FINANCIAL SERVICES   **24 JANUARY 2020**

INTERNAL AND EXTERNAL AUDIT REPORT FOLLOW UP 2019-20

1.0   INTRODUCTION

1.1   Internal and external audit reports include an action plan with a management response establishing the agreed action, timescale and responsible officer. Internal Audit record these in a database and, on a monthly basis, follow them up to ensure they are being progressed.

1.2   This report updates the committee on all open actions as at 30 November 2019 including information on actions where the agreed implementation date has been rescheduled.

2.0   RECOMMENDATIONS

2.1   To endorse the contents of the report.

3.0   DETAIL

3.1   The two tables below provide a numerical summary of open audit actions with a split between actions due between 01 July and 30 November 2019 and actions due after 30 November 2019.

Actions Due between 01 July 2019 and 30 November 2019

Service	Complete	Delayed / Rescheduled	Total
INTERNAL AUDIT			
Cross Cutting	1	5	**6**
Development & Economic Growth	2	1	**3**
Learning & Teaching	3	0	**3**
Legal & Regulatory	2	1	**3**
TOTAL	**8**	**7**	**15**

Actions due after 30 November 2019

Service	Complete	On Course	Delayed & Rescheduled	Total
INTERNAL AUDIT				
Adult Care	0	5	0	**5**
Commercial Services	0	1	0	**1**
Cross Cutting	1	1	6	**8**

Customer & Support Services	1	0	0	**1**
Customer Support Services	0	5	0	**5**
Education	0	9	1	**10**
Financial Services	2	3	0	**5**
Legal & Regulatory Support	1	10	0	**11**
Lifelong Learning & Support	0	1	0	**1**
Roads & Infrastructure Services	0	6	1	**7**
EXTERNAL AUDIT				
Financial Services	0	1	0	**1**
TOTAL	**5**	**42**	**8**	**55**

3.2 Appendix 1 provides further detail on actions that have either been delayed and rescheduled or for which Internal Audit have received no response from the service to inform this follow up.

4.0 CONCLUSION

4.1 Satisfactory progress continues to be made implementing audit actions.

5.0 IMPLICATIONS

5.1 Policy - None
5.2 Financial - None
5.3 Legal - None
5.4 HR - None
5.5 Fairer Scotland Duty - None
5.5.1 Equalities – None
5.5.2 Socio-Economic Duty – None
5.5.3 Islands Duty - None
5.6 Risk –None
5.7 Customer Service – None

Laurence Slavin
Chief Internal Auditor
24 January 2020

For further information please contact:
Laurence Slavin, Chief Internal Auditor, 01436 657694

APPENDICES
Appendix 1 – Action Plan Points Delayed & Rescheduled or with No Response

Appendix 1 - Action Plan Points Delayed & Rescheduled or with No Response

Action Plan Points Due between 01 July 2019 and 30 November 2019						
Service / Report	**Finding**	**Priority**	**Agreed Action**	**Dates**	**Comment**	**Responsible Officer / Status**
Cross Cutting – Organisational Culture & 2019 Employee Survey Action Plan	Values in action	N/A	Create a communication plan to continue the roll out of the new corporate values and raise staff awareness of them	**31 Jul 2019** **10 Sep 2019** **31 Dec 2019** **31 Mar 2020**	Delayed due to lack of resources in Comms Team **Delayed and Rescheduled**	Comms Rep or CSG/Director of Development and Infrastructure
Cross Cutting – Organisational Culture & 2019 Employee Survey Action Plan	Management Employee links	N/A	Introduce a rolling programme of SMT blogs	**31 Aug 2019** **31 Oct 2019** **30 Nov 2019** **31 Mar 2020**	Delayed due to restructure within SMT including creation of extended SMT **Delayed & Rescheduled**	SMT
Cross Cutting – Organisational Culture & 2019 Employee Survey Action Plan	Communication	N/A	Introduce standards to develop employee communication as a priority and practice: these to include requirement to give 'You said/we did' feedback to surveys	**31 Oct 2019** **31 Dec 2019** **31 Mar 2020**	Standards to go to the first Customer Service and Engagement Board of 2020 **Delayed & Rescheduled**	Communications Manager
Cross Cutting – Organisational Culture & 2019 Employee Survey Action	Communication	N/A	Create a standard service newsletter template for services to use to highlight their duchesses and challenges	**30 Nov 2019** **31 Mar 2020**	Delayed due to lack of resources in Comms Team – recruitment underway **Delayed &**	Communications Manager

Action Plan Points Due between 01 July 2019 and 30 November 2019						
Service / Report	Finding	Priority	Agreed Action	Dates	Comment	Responsible Officer / Status
Plan					Rescheduled	
Cross Cutting – Organisational Culture & 2019 Employee Survey Action Plan	Management/employee links	N/A	Heads of Service to review adequacy of scheduling of third tier manager team meetings within their service and attend on a cyclical basis	**30 Nov 2019 31 Jan 2020**	Delayed due to restructure and approval of new Heads of Service **Delayed & Rescheduled**	Chief Officer Group
Legal & Regulatory – Following the Public Pound	Administration of Funding Agreements During the audit locating key documentation in relation to existing funding agreements was often problematic in part due to the named contacts on the SLA register being inaccurate or a lack of awareness of where historic documents were filed. Consideration should be given either to creating a central storage for funding documentation and/or allocating responsibility for administrating funding agreements to one	Medium	Procurement & Commissioning Manager to liase with IT to establish a new Sharepoint site to be used as a central repository for the SLA Register and all funding documentation and advise all Heads of Service Sharepoint address.	**30 Nov 2019 31 Jan 2020**	Guidance note for Sharepoint still being worked on before issuing. **Delayed & Rescheduled**	Procurement & Commissioning Manager

Action Plan Points Due between 01 July 2019 and 30 November 2019						
Service / Report	**Finding**	**Priority**	**Agreed Action**	**Dates**	**Comment**	**Responsible Officer / Status**
	department					
Development & Economic Growth – Oban Airport	SLA with SFRS The SLA between the Council and SFRS, first drafted in 2007, has never been formally signed off. It needs to be reviewed to ensure it reflects current operation and signed by both parties	High	A meeting has taken place and further meetings arranged with SFR to explore options to update SLA	**15 Mar 2019** **31 Oct 2019** **31 Dec 2019** **28 Feb 2020**	Recruitment has been undertaken twice by A&BC however unsuccessful. Meeting now due to take place with SFR to discuss and agree next steps as SFR do not wish to enter into a SLA. **Delayed & Rescheduled**	Strategic Transportation Manager

Action Plan Points Due After 30 November 2019						
Service / Report	**Finding**	**Priority**	**Agreed Action**	**Dates**	**Comment**	**Responsible Officer/Status**
Cross Cutting – Organisational Culture & 2019 Employee Survey Action Plan	Involvement in change	N/A	Review and revamp the employee suggestion scheme	**31 Dec 2019** **31 May 2020**	Rescheduled due to appointment of interim Executive Director of Development & Infrastructure **Delayed & Rescheduled**	Executive Director of Development & Infrastructure
Cross Cutting – Organisational Culture & 2019	Working conditions	N/A	Consider removal of core hour requirement for posts with no practical need for	**31 Dec 2019** **31 Dec 2020**	A full revision of the flexible working scheme has been undertaken as part of	Executive Director of Development & Infrastructure

Action Plan Points Due After 30 November 2019						
Employee Survey Action Plan			them to be resourced during core hours		the project to consolidate the living wage and review the conditions of service. This has included specific consideration of and a proposal to remove core hours. Conclusion from the review of the living wage and conditions of service require approval before they can be implemented **Delayed & Rescheduled**	
Cross Cutting – Organisational Culture & 2019 Employee Survey Action Plan	Valuing employees	N/A	Consider more innovative ways to reward staff for excellent performance	**31 Jan 2020** **30 Jun 2020**	Discussion paper to be brought to the extended SMT on options for performance reward **Delayed & Rescheduled**	Head of Customer Support Services
Cross Cutting – Organisational Culture & 2019 Employee Survey Action Plan	Valuing employees	N/A	Finalise new PRD format	**31 Jan 2020** **31 Dec 2020**	Extensive work has been performed to progress the review of the PRD process. Rescheduled to December 2020 to allow for discussion with SMT and Heads of Service to develop	Head of Customer Support Services

					and finalise a format and roll out guidance. **Delayed & Rescheduled**	
Cross Cutting – Organisational Culture & 2019 Employee Survey Action Plan	Involvement in change	N/A	Use new approach of online exit questionnaires to help identify root causes for departures and assess the potential additional benefit of exit interviews	**31 Mar 2020 31 Oct 2020**	Currently being taken forward with ICT. System security challenges have been identified and are currently being addressed. **Delayed & Rescheduled**	Head of Customer Support Services
Cross Cutting – Organisational Culture & 2019 Employee Survey Action Plan	Management	N/A	COSO session on management in challenging times	**31 Mar 2020 31 May 2020**	COSO delayed until May. Currently seeking external speaker. **Delayed & Rescheduled**	Head of Customer Support Services
Education – Review of School Funds	Review of Education Circular 1.10 The extent to which schools refer to, and make use of Circular 1.10 varies with the general consensus amongst schools being that it is not easy to navigate, is excessive in size and is not pragmatic in terms of	High	Streamline Education Circular 1.10, obtain necessary approvals and rollout to schools. The key stages are: 3. Obtain necessary approvals from EMT, DMT, JSC	**31 Dec 2019 31 Jan 2020**	Next Joint Services Committee (JSC) meeting being held on 22/1/20 **Delayed & Rescheduled**	School Services Support Manager

	the mandatory requirements it establishes, in particular for smaller schools with limited support. The Circular would benefit from being streamlined to provide greater clarity over the management of school funds. Particular consideration should be given to the mandatory requirement for: • committee elections • need for parents to be on committee • formal fund meetings • payment sub-committees • separate school trip accounts • formal ratification of school fund constitutions at an open meeting. The Circular could also benefit from a contents page and a general review to determine whether the main body and accompanying				

	appendices are clear and still fit for purpose as it has been five years since they were last reviewed.					
Roads & Infrastructure Services – Whistleblowing Investigation	Quality and Coverage of CCTV Four of the six CCTV cameras at the waste disposal site do not provide footage of sufficient quality to read professional sign writing on vehicles or number plates or facilitate facial recognition. The remaining two are of a much higher quality but they do not provide coverage of the whole site, just the two specific areas they are pointing at.	Medium	Current upgrade and new installation programme underway throughout all depots. Blackhill civic amenity site will be added.	**31 Dec 2019 31 Jan 2020**	The current four older cameras will be replaced with one multi sensor unit of the same type as used at Blackhill depot. Instruction has been issued to the contractor Pointer to complete these works. **Delayed & Rescheduled**	Amenity Officer

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Argyll and Bute Council

Update Report

AUDIT SCOTLAND

Prepared for Argyll and Bute Council Audit & Scrutiny Committee

24 January 2020

Who we are

The Auditor General, the Accounts Commission and Audit Scotland work together to deliver public audit in Scotland:

- The Auditor General is an independent crown appointment, made on the recommendation of the Scottish Parliament, to audit the Scottish Government, NHS and other bodies and report to Parliament on their financial health and performance.

- The Accounts Commission is an independent public body appointed by Scottish ministers to hold local government to account. The Controller of Audit is an independent post established by statute, with powers to report directly to the Commission on the audit of local government.

- Audit Scotland is governed by a board, consisting of the Auditor General, the chair of the Accounts Commission, a non-executive board chair, and two non-executive members appointed by the Scottish Commission for Public Audit, a commission of the Scottish Parliament.
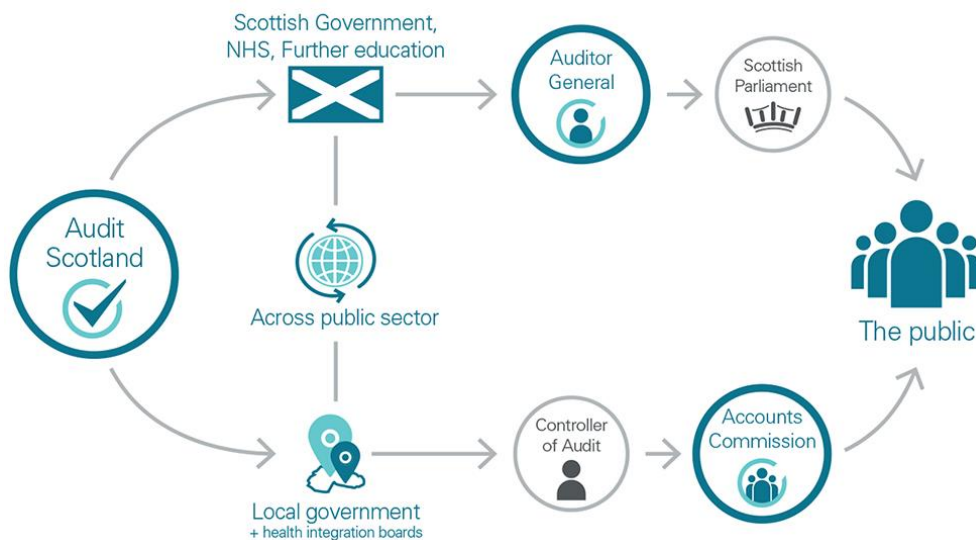
About us

Our vision is to be a world-class audit organisation that improves the use of public money.

Through our work for the Auditor General and the Accounts Commission, we provide independent assurance to the people of Scotland that public money is spent properly and provides value. We aim to achieve this by:

- carrying out relevant and timely audits of the way the public sector manages and spends money

- reporting our findings and conclusions in public

- identifying risks, making clear and relevant recommendations.

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Introduction

1. This paper is intended to give members an update of current progress on external audit activity and of any recent national performance reports which have been published or are due.

Annual Audit Plan 2019/20

2. Our planning work for the 2019/20 audit is currently ongoing, and the resulting annual audit plan will be finalised in time for presentation to members at the Audit and Scrutiny Committee (ASC) scheduled for March 17.

Governance work

Internal controls

3. We will be commencing our review and testing of controls within the main financial systems in February, focusing on the key high-level controls designed to mitigate the risk of material misstatement in the annual accounts. Any significant issues will be reported to management and the ASC. Additionally, we will be following up previous year audit reports to assess progress in implementing action plans agreed with management.

Internal audit

4. The Code of Audit Practice emphasises that external auditors should co-ordinate their work with internal audit to help secure value for money by removing unnecessary duplication and provide a clear programme of scrutiny for audited bodies. We meet with internal audit on a regular basis to discuss emerging issues and share information.

National Fraud Initiative (NFI)

5. The NFI is a counter-fraud exercise which uses computerised techniques to compare information about individuals held by more than 1,200 bodies across the UK to identify instances that might suggest the existence of fraud or error. Audit Scotland leads the work north of the border and about 120 public bodies in Scotland participate in the National Fraud Initiative.

6. As part of our work for 2018/19 we assessed the council's arrangements for reviewing and investigating issues identified by the NFI exercise, and reported in our 2018/19 Annual Audit Report that the Council actively reviewed and investigated data matches with summary findings reported to the Audit and Scrutiny Committee.

7. We require to review ongoing participation and progress during 2019/20 and submit an update questionnaire by end February 2020 to our Audit Strategy team. The information provided will be used in Audit Scotland's two-yearly NFI report due to be published in summer 2020.

Audit dimensions work

8. The Code of Audit Practice (2016) requires auditors to review and report on the four audit dimensions:

- **Financial sustainability**: we will be reviewing and assessing the council's financial position, reserves strategy, savings targets & plans and longer-term financial planning

- **Financial management**: as part of our work in this area we will review the capacity of the finance function and financial reporting arrangements (including budgetary monitoring arrangements).

- **Governance and accountability**: our work will involve reviewing the effectiveness of financial governance including schemes of delegation, standing orders and internal audit.

- **Value for money**: our work will include the review of performance, outcomes and improvements. This will be covered as part of our planned Best Value work.

9. We have undertaken preliminary work in the above areas as part of our audit planning and will include early findings in these areas in our 2019/20 Management Report.

Best Value

10. The Best Value audit of the Council commenced as planned in October 2019, with field work coming to an end in early January, and the Best Value Assurance Report (BVAR) on schedule for publication in April 2020.

11. The BV audit team are meeting with the Council's Senior Management Team on 24 January 2020 to discuss emerging messages from the work carried out to date.

Grant claims

12. Certified copies of the 2018/19 Non-Domestic Rates Income Return and Tax Incremental Funding Income Return were submitted to Scottish Government on behalf of the Council on 3 October 2019.

13. A certified copy of the Council's 2018/19 Housing Benefit Subsidy Claim was submitted to Department for Work and Pensions on 27 November 2019.

Annual accounts audit

14. We will commence our audit of the Annual Accounts at the end of June 2020 as in previous years but aim to carry out a significant amount of our substantive testing of financial transactions in advance, commencing February 2020. This will help to ensure that the accounts audit work over the summer is completed more efficiently, and that statutory certification deadlines are met; the Annual Accounts are required to be signed off by 30 September 2020.

National Performance Reports

15. The table below summarises the key findings from recent performance reports published by Audit Scotland.

Performance audit title	Scope and objectives of the audit	Key findings
Local Government in Scotland: Financial overview 2018/19 (December 2019)	Annual overview report providing a high-level independent analysis of the financial performance of councils during 2018/19 and their financial position at the end of that year. It also looks ahead and comments on the financial outlook for councils.	• In 2018/19, Scottish council revenue income totalled £17.7 billion, an increase from 2017/18 (£17.3 billion). • Scottish Government revenue funding remains the most significant source of income and this increased by 1.1 per cent in cash terms in 2018/19, a 0.7 per cent decrease in real terms. Since 2013/14, Scottish Government funding to councils has reduced by 7.6 per cent in real terms. • In 2018/19, the funding gap was three per cent of total budget. Councils planned to manage this primarily through savings, though a shortfall in savings achieved meant that more of the funding gap was met from reserves than planned. • Councils are increasingly drawing on their revenue reserves. The net draw on revenue reserves in 2018/19 was £45 million. Twenty-three councils have reduced their general fund reserves over the last three years. • Capital expenditure increased by £62 million (2.3 per cent) to £2.75 billion, with more spent on housing and less on education. • All councils have medium-term financial planning covering three years or more. Long-term financial planning has not improved since last year and more progress is needed. • Councils have made preparations for EU withdrawal but there are many potential implications that cannot be anticipated in financial planning.

16. Revenue financing of assets – Non-profit distributing and Hub models:
Will assess how Scottish Government have managed this investment programme
nationally, and how Scottish Government, the Scottish Futures Trust and Hub
Companies have supported the public bodies delivering individual projects.
Publication now scheduled for Spring 2020.

17. Digital progress in local government: Focussing on whether councils are
making best use of digital technologies and methods to transform services and
improve outcomes for citizens. Publication now scheduled for Autumn 2020.

18. Affordable Housing: Audit Scotland carried out an audit on Affordable
Housing over summer 2019. The study will report progress against the Scottish
Government's affordable housing target to date, consider what impact it has had
and identify opportunities for improvement in delivering affordable housing in the
longer term. Argyll and Bute were selected as one of the four case studies
informing the findings of this audit. The draft findings are being considered by the
Accounts Commission in February 2020, with publication of the final report
scheduled for 9 April 2020.

19. The Accounts Commission recently consulted with councils and other key
stakeholders on its proposed audit work programme for 2019/20 to 2023/24.
Officers from the council responded to this consultation in January 2019. The
finalised work programme, which is delivered by Audit Scotland on behalf of both
the Auditor General for Scotland and Accounts Commission, is available on Audit
Scotland's website (http://www.audit-scotland.gov.uk/our-work/our-work-
programme).

Argyll and Bute Council
Update Report – January 2020

AS.2.0

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ARGYLL AND BUTE COUNCIL   **AUDIT AND SCRUTINY COMMITTEE**

STRATEGIC FINANCE   **24 JANUARY 2020**

DRAFT 2020/21 INTERNAL AUDIT PLAN

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1.   INTRODUCTION

1.1   This report introduces the draft 2020/21 internal audit plan.

2.   RECOMMENDATIONS

2.1   To note proposed content and feedback any comments to the Chief Internal Auditor (CIA).

3.   DETAIL

3.1   The Public Sector Internal Audit Standards (PSIAS) stipulate that the Council's internal audit plan must be risk based and focused on governance, risk and controls to allow the CIA to provide an annual opinion on the Council's internal control framework, based on the work undertaken during the year. This annual opinion informs the Annual Governance Statement.

3.2   The Committee agreed that a draft audit plan would be submitted to the January meeting of the Audit & Scrutiny Committee (the Committee) to allow members to review proposals and feedback any comments to the CIA prior to approving the finalised plan at the 17 March 2020 meeting of the Committee.

3.3   The draft Annual Audit Plan is shown at Appendix 1. The creation of the plan gave consideration to a number of factors including:

- the audit universe risk assessment which is based upon a matrix taking account of scores for each potential audit area in respect of materiality, sensitivity, time elapsed since it was last subject to audit and the overall audit assessment when it was last reviewed.
- the Council's strategic risk register and operational risk registers
- input from Executive Directors, the HSCP Chief Officer and Heads of Service
- a consideration of the need to provide audit coverage across all Heads of Service, the HSCP and LiveArgyll
- significant changes within the Council (i.e. new systems, new policies)
- wider issues in the public sector environment
- an internal audit team meeting to discuss possible areas of focus based on cumulative audit knowledge.

3.4   The Audit plan is broken down into 3 main areas which are:

- Service department reviews
- Continuous monitoring programme
- Other Activity

3.5   Service department reviews include auditable units within the audit universe which are specific to an individual department. Our continuous monitoring

programme includes a number of auditable units which were historically subject to individual annual audits. These areas are now tested on a regular recurring basis with control weaknesses reported by exception. Internal Audit also undertake other activities during the year including verification work and following up on previous internal audit recommendations for improvement.

3.6   An indicative outline scope is given for each of the audit reviews. Full terms of reference will be discussed and agreed with the relevant Head of Service as part of the planning process for each audit.

3.7   The plan is based on an estimated available 755 audit days with suitable contingency factored in. The plan remains fully flexible, to accommodate changes in the Council's risk profile and /or emerging risks.

3.8   Feedback on the draft plan has been obtained from the SMT, the two Council DMTs, the Chief Officer of the HSCP and the Live Argyll General Manager. This has been incorporated into the plan included as appendix 1 to this paper

4.   CONCLUSION

4.1   The draft annual audit plan is risk based and is aligned to the Council's long term outcomes, corporate objectives and strategic risk register. The plan also incorporates continuous monitoring and verification activity.

5.   IMPLICATIONS

5.1   Policy - None
5.2   Financial - None
5.3   Legal - None
5.4   HR -   None
5.5   Fairer Scotland Duty - None
5.5.1   Equalities –   None
5.5.2   Socio-Economic Duty – None
5.5.3   Islands Duty - None
5.6   Risk – Delivery of an effective internal audit function and plan should help reduce the Council's risk exposure.
5.7   Customer Service – None

Laurence Slavin,
Chief Internal Auditor
24 January 2020

For further information contact:
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APPENDICES

Appendix 1 – Draft 2020/21 Internal Audit Plan

Argyll and Bute Council
DRAFT Internal Audit Plan
2020/21

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Definition of Internal Audit

1. Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

   Source: Section 4: Definition of Internal Auditing: Public Sector Internal Audit Standards

Purpose of Internal Audit

2. The main objective of internal audit is to provide a high quality, independent audit service to Argyll and Bute Council (the Council) which provides annual assurances in relation to internal controls and overall governance arrangements. In addition to this primary assurance role, internal audit will also:

   - support the Head of Financial Services (S95 Officer) and the Audit & Scrutiny Committee (the Committee) in the discharge of their duties

   - support the Council's Monitoring Officer

   - support the Council's anti-fraud and corruption arrangements

   - provide guidance on control implications for new or changed systems where appropriate

   - support the Council and the Strategic Management Team during key transformational / change projects.

Public Sector Internal Audit Standards (PSIAS) Requirements

3. PSIAS sets out the requirement for the:

   - Chief Internal Auditor (CIA) to prepare a risk-based audit plan which takes into account the Council's strategic objectives, associated risks and the views of senior management and the Committee

   - CIA to review and adjust the plan as necessary in response to changes in the Council's business, risks, operations and priorities

   - audit plan to incorporate or be linked to a strategic or high-level statement of how internal audit will be delivered and developed in accordance with the Internal Audit Charter and how it links to the organisational objectives and priorities.

Risk Assessment

4. Internal audit's approach to annual audit planning is risk-based with all areas which may be subject to audit review contained within an audit universe which is subject to formal review, at least annually. The audit universe includes all significant activities and systems that contribute to the achievement of the Council's priorities and objectives.

5. The audit universe is risk assessed each year to help determine the annual audit plan and ensure that suitable audit time and resources are devoted to reviewing the more significant areas of risk. Note however that that the audit universe, whilst a key factor, is not the only consideration

when determining the audit plan. Senior management have been consulted on priority areas for review, and cognisance is taken of the plans of external audit and other statutory agencies, in order to avoid duplication, and increase potential for cross reliance.

6. The audit universe risk assessment is based upon a matrix taking account of scores for each potential audit area in respect of:

    - materiality (based on expenditure)

    - sensitivity (based on whether a service is a statutory duty, statutory power or non-statutory, is customer facing and whether it features as a specific challenge in the Council's service plans)

    - time elapsed since it was last subject to review

    - overall audit assessment when it was last subject to review.

7. The matrix gives an overall "score" for each area that is used to prioritise audit reviews.

Strategic Risks

8. The Strategic Risk Register records the Council's own assessment of the most potentially damaging risks and their likelihood of occurrence. This document is used to inform the annual audit plan with identified reviews cross referenced to the strategic risk register. An abridged version of the strategic risk register (version dated October 2019) is included in appendix 3 for reference.

Resourcing the Plan

9. Internal audit has a core establishment of five full time equivalent officers including two professionally qualified members of staff. Available audit days have been calculated as 865 days (including 110 days of management and administration time), following the deduction of annual leave, training, a small provision for sickness and 90 days to deliver scrutiny work. This 865 days total includes the CIA's input to audit reviews and the running of the internal audit team and a contingency of 75 days.

10. Given the range and complexity of areas to be reviewed it is important that suitably qualified, experienced and trained individuals are appointed to internal audit positions. The CIA, in compliance with PSIAS holds an appropriate professional qualification (CIPFA). Also within the internal audit section we have one CIMA qualified team member, one AAT qualified member who is also training for IIA and one training for CIPFA.

11. Internal audit officers identify training needs as part of their annual appraisal process and are encouraged to undertake appropriate training, including in-house courses and external seminars as relevant to support their development.

12. Through an assessment of the mix of knowledge, skills and experience of the audit team, it is considered that the available resources are sufficient to achieve the work outlined in the plan.

Confirmation of Independence

13. PSIAS requires internal audit to communicate, on a timely basis, all facts and matters that may have a bearing on our independence. We can confirm that the staff members identified to

complete the reviews in the 2020/21 annual audit plan are independent and objectivity is not compromised.

2020/21 Internal Audit Plan

14. Appendix 1 presents the internal audit plan for 2020/21. As our internal audit approach is informed by risks, where appropriate, the plan is cross-referenced to the strategic risk register contained at appendix 3. Appendix 3 also demonstrates the strategic risks that were subject to audit focus in 2019/20 and those we are projecting to cover in the period 2020/21-2021/22. This provides assurance to the Committee that all strategic key risks are subject to audit coverage over a three year cycle. Note that the projected timescales in appendix 3 are provisional as these may change to reflect changes in the Council's risk environment.

15. Appendix 2 presents the 2020/21 internal audit plan in a different format to provide assurance to the Committee that it provides appropriate coverage across all the Council's directorates and head of service's areas of service delivery.

Monitoring the Plan

16. Internal audit reports on performance to the Committee on a quarterly basis including full copies of audit reports issued, progress implementing audit recommendations, performance against agreed performance indicators and a summary of all internal audit activity in the previous quarter.

Quality Assurance and Improvement Programme

17. The PSIAS require each internal audit service to maintain an ongoing quality assurance and improvement programme (QAIP) based on an annual self-assessment against the Standards, supplemented at least every five years by a full independent external assessment.

18. The Scottish Local Government Chief Internal Auditors' Group (SLACIAG) has developed a framework for external assessments to be undertaken by member authorities of SLACIAG on a broadly reciprocal arrangement utilising a peer review option. The Council's internal audit team has participated in this framework and an external validation of its own self-assessment took place during 2018/19 which concluded that we demonstrated overall compliance with PSIAS with many areas of strong practice. The next scheduled external assessment will be conducted in 2022.

19. In 2019/20 internal audit carried out an internal self-assessment against PSIAS which was reported to Committee in September 2019. It confirmed the service fully conformed to PSIAS in 11 of the 14 assessment areas. The three areas where they were self-assessed as 'Generally Conforming' is due to the identification of areas for improvement which are fairly minor in nature. These improvements have been built into the service's QAIP.

20. The internal audit team review their QAIP on a quarterly basis and report it to the Committee as part of the standard agenda item 'Internal Audit Summary of Activities.' The programme details all improvement activity being progressed by the team.

Appendix 1 – 2020/21 Internal Audit Plan

Directorate Contact	Service	Audit Title	Days	High Level Scope	Strategic Risk
Cross Cutting	Continuous Monitoring Programme	Fraud	15	Participation in National Fraud Initiative	
		Budgeting	15	Cyclical review of key controls over an 18 month programme of audit testing	
		General Ledger	15		
		Creditors	20		
		Debtors	15		
		Payroll	25		
		Treasury management	15		
		Council Tax and NDR	20		
		VAT	15		
		Follow–up	40	Compliance	
Pippa Milne	Strategic Finance	Capital Monitoring	25	Assess the revised capital monitoring procedures and controls	SRR02
	Revenues and Benefits	Scottish Welfare Fund	20	Assess the arrangements for managing the Scottish Welfare Fund Crisis Grants and Community Care Grants	
Douglas Hendry	Education	Primary and Early Years Security	30	Review the controls in place to mitigate the risk of unauthorised access to primary schools and early years establishments and of pupils exiting school premises without authorisation	
	Education	Pupil Work Placements	25	Establish and assess the procedures the Council have for safeguarding school pupils on work experience placements	
	Advice Services	Welfare Rights	25	Assess compliance with statutory requirements and Council policy	
	Trading Standards	Trading Standards	20	Assess the controls relating to the application of statutory requirements and Council policy	
	Procurement, Commissioning and Contracts	Contract Management	25	Review the controls in place to mitigate the risk of the Council not being able to deliver services due to the business failure of a key contracted supplier	SRR06
	Major Project Management	CHORD Project Management	20	Provide audit resource to support a lessons learned review being led by the Head of Commercial Services. This is considered to be consultancy rather than an audit. There will be no formal audit report output however the Chief Internal Auditor will inform the Audit and	SRR02

Directorate Contact	Service	Audit Title	Days	High Level Scope	Strategic Risk
				Scrutiny Committee of any key findings from the review	
	Property Services	Management of Contracts	25	Assess the arrangements for managing and monitoring property contracts	SRR02
Kirsty Flanagan	ICT	Disaster Recovery Planning	25	Assess the adequacy and effectiveness of the Council's disaster recovery arrangements	SRR08
	Human Resources	Sickness Absence	25	Assess the adequacy and effectiveness of the Council's sickness absence arrangements	
	Organisational Development	Workforce Planning	25	Confirm the Council's arrangements for workforce planning and associated processes are appropriate and operating as expected	SRR03 SRR06
	Operations (Roads and Amenity)	Street Cleaning	20	Review of control environment and compliance with relevant policies and procedures	
	Operations (Roads and Amenity	Warden Service	20	Assess the controls relating to the application of statutory requirements and Council policy	
	Strategic Transportation	Oban Airport	12	Assess compliance with the aerodrome operating manual	
	Economic Development	LEADER	10	Assess compliance with the requirements of the Argyll and the Islands LEADER 2014 – 2020 Service Level Agreement	
	Housing	Homelessness	25	Ensure appropriate arrangements are in place for the provision of accommodation to homeless clients	
Joanna MacDonald	H&SCP	Charging for Non-Residential Services	25	Assess the charging arrangements for non-residential care services	SRR07
	H&SCP	Learning Disability Care Packages	25	Assess the arrangements for managing learning disability care packages	SRR07
Kevin Anderson	LiveArgyll	Intercompany Controls / Budget Monitoring	20	Assess the controls to ensure expenditure and payroll transactions are appropriately split between company 1 (Argyll and Bute Council) and company 2 (Live Argyll)	
	LiveArgyll	Event Management	15	Assess procedures to manage events hosted in Live Argyll venues including controls over revenue, expenditure, risk management and insurance	

Directorate Contact	Service	Audit Title	Days	High Level Scope	Strategic Risk
	LiveArgyll	Establishment visits	10	Cyclical audit approach to assess LiveArgyll establishment's	
Verification Activity	LGBF	Accuracy	8	Accuracy of submission	
	Stores	Stock count	5	Assess stock count procedures	

Summary of Days

Directorate Contact	Number of Days
Cross Cutting – Continuous Monitoring	195
Pippa Milne	45
Douglas Hendry	170
Kirsty Flanagan	162
Joanna MacDonald	50
LiveArgyll	45
Verification Activity	13
Contingency	75
Total	**755**

Appendix 2 – 2020/21 Internal Audit Plan by Council Directorate / Head of Service

Pippa Milne	Douglas Hendry			Kirsty Flanagan			Joanna MacDonald
Financial Services	Education	Legal & Regulatory	Commercial Services	Customer Support	Roads & Infrastructure	Development & Economic	Health & Social Care Partnership
Capital Monitoring Scottish Welfare Fund	Primary and Early Years Security Pupil Work Placements	Trading Standards Contract Management Welfare Rights	Management of Contracts CHORD Project Management	Disaster Recovery Planning Sickness Absence Workforce Planning	Street Cleaning Warden Services	Oban Airport Homelessness LEADER	Charging for Care Services Learning Disability Care Packages

Continuous Monitoring Programme
Budgeting, General Ledger, Creditors, Debtors, Payroll, Treasury Management, Council Tax & Non-Domestic Rates, VAT

Live Argyll	Other Activity
Events Management Intercompany Controls / Budget Monitoring Establishment Visits	NFI Follow Up Local Government Benchmarking Framework

Argyll and Bute Council – Internal Audit 2020/21 Annual Audit Plan

Appendix 3 – Strategic Risk Register (Abridged)

No	Risk	Gross Risk	Current Mitigation	Residual Risk	Approach	Key Actions	Audit Coverage
1	**Population and Economic Decline** Failure to identify relevant factors contributing to the decline and failure to develop strategies and actions targeting these factors.	20	1. Local outcome improvement plan targets population and economic recovery 2. Economic Forum 3. Maximise external funding opportunities 4. Strategic economic development action plan 5. Strategic infrastructure plan 6. Area economic development action plans 7.Promote and Market Argyll and Bute 8. Maximise social-eco benefits via effective partnership working 9. Single Investment Plan	16	Treat	1. Deliver Rural Growth Deal (Initial Phase March 2020) 2.Lobbying activity in pursuit of regional immigration policies and related strategies 3. Consider the findings of the scrutiny review of the economic strategy (March 2020)	2019//20 (Scrutiny) 2021/22

No	Risk	Gross Risk	Current Mitigation	Residual Risk	Approach	Key Actions	Audit Coverage
2	**Condition and suitability of Infrastructure & Asset Base** Infrastructure and asset base does not meet current and future requirements and is not being used or managed efficiently and effectively.	16	1. Asset management board 2.Robust capital planning and monitoring 3. Asset management work plan 4. Business case modelling including sustainability, development and strategic change 5. Intelligence and best practice sharing via Heads of Property Group. 6. New schools programme 7.Smarter Places 8. Community Empowerment and Community Asset Transfer – Arrangements in place to evaluate and determine requests. 9. Roads Asset Management Plan 10. Status and Options Report 11. R&A Services control hub and joint operations team 12. One Council Property Approach	12	Treat	1. Development of capital strategy (February 2020)	2020/21

No	Risk	Gross Risk	Current Mitigation	Residual Risk	Approach	Key Actions	Audit Coverage
3	**Financial Sustainability** Insufficient resource to meet current and future service requirement. Budget not aligned / does not support business outcomes.	16	1. Longer term financial planning. 2. Income generation activity 3. Robust budget preparation and budget monitoring protocols 4. Maintaining adequate contingency with reserves. 5. Digital transformation 6. Develop Effective workforce planning model 7. Transformation Programme. 8. RPIF / Business Outcomes	12	Treat	1. Implement SF resilience building project including knowledge sharing and development of guidance notes (March 2020) 2. Complete review of financial strategy (March 2020) 3. Development of medium to longer term savings options (Feb 2020) 4. Deliver Rural Growth Deal (Initial Phase March 2020) 5. Review of HSCP Scheme of Integration (June 2020)	2019//20 (Scrutiny) 2020/21 Ongoing via Continuous Monitoring
4	**Governance and Leadership** Governance and leadership arrangements are not conducive to effective working and lead to a lack of strategic direction.	16	1. Administration in place with working majority 2. Members Seminar programmes 3. Mentoring and Coaching Support for policy leads and Senior Management 4. Priorities agreed by Council 5.Corporate Plan sets out objectives 7. Performance Improvement Framework and Service Planning. 8. Leadership development programme. 9. Council constitution regularly reviewed and updated. 10. Established partnership governance arrangements 11. Scrutiny arrangements in respect of Police, Fire and Health. 12. Governance arrangements for scrutiny	12	Treat	1. Consider the findings of the BV3 review (June 2020)	2019/20

No	Risk	Gross Risk	Current Mitigation	Residual Risk	Approach	Key Actions	Audit Coverage
			established				
5	**Engagement and Understanding the needs of the Community** The Council fails to understand service user needs and emerging demographic trends and does not align service delivery to meet these.	12	1. Community Planning partnership 2. Community Engagement Strategy 3.Customer Service Board 4. Operation and development of panels and forums. Young people's plan, citizen's panel 5. Budget Consultation 6.Comprehensive Complaints Protocols 7.Demographic and end user analysis 8. Conducted future of public services roadshows Summer 2018	6	Tolerate		2021/22

No	Risk	Gross Risk	Current Mitigation	Residual Risk	Approach	Key Actions	Audit Coverage
6	**Service Delivery** Insufficient resources to ensure effective service delivery	9	1. Performance Improvement Framework 2.Service Improvement plans 3.Argyll and Bute Manager programme 4. Customer needs analysis Protocols 5.Demographic and end user analysis 6.Workforce Planning 7.Internal and External Scrutiny Arrangements 8.Complaints process	6	Tolerate		2020/21
7	**Health and Social Care Partnership** Failure to deliver strategic objectives and integrate Health and Social Care services in an efficient and effective manner exposes the Council, as a key partner, to unacceptable financial and reputational risk.	20	1. HSCP integration scheme approved by Scottish government 2. Strategic Plan in place 3. Performance and Financial reporting arrangements in place 4. Independent audit arrangements in place. 5. Integrated Joint board with elected member representation including Council Leader 6.Chief Officer member of ABC Senior Management Team with co-location of officers 7. Tripartite leadership agreement 8. Monitoring of HSCP financial position.	15	Treat	1. Develop options to deliver sustainability of future years budgets (March 2020 and ongoing) 2. Deliver the financial recovery plan (March 2020)	2019/20 2020/21 Assurance also taken from IJB internal audit function

No	Risk	Gross Risk	Current Mitigation	Residual Risk	Approach	Key Actions	Audit Coverage
8	**Civil Contingency & Business continuity** arrangements are not effective.	8	1. Emergency Planning Test events 2. Critical Activity Recovery Plans 3. Roll out of Community resilience partnership programme 4. Peer review of major exercises undertaken to provide external validation of planning process 5. West of Scotland local resilience partnership 6.Cross sector expertise and partnership working 7. Emergency Management Support Team (EMST) meetings 8. Training 9. EU Withdrawal Tactical Working Group with arrangements for daily reporting to the West of Scotland Resilience Partnership	6	Treat	1. Develop a business continuity policy (March 2020)	2019/20 2020/21
9	**Welfare Reform** Implementation of welfare reform is not managed well resulting in increased poverty and deprivation or short term crisis	20	1. Welfare reform group established. 2. Joint working with DWP, CPP and other agencies. 3. Money Skills Argyll	12	Treat	1. Engage with partners, BIG and other project leads on compliance framework /requirements.	2019/20

No	Risk	Gross Risk	Current Mitigation	Residual Risk	Approach	Key Actions	Audit Coverage
10	**Waste Management** Unable to dispose of waste in landfill sites due to the implications of the biodegradable municipal waste (BMW) landfill ban in 2025	20	1. Helensburgh and Lomond waste solution available via third party offtakers 2. Waste strategy	16	Treat	1. Seek Island impact assessment and funding necessary to achieve compliance 2. Seek derogation from Scottish Government for contractual and island waste.	2021/22
11	**Service Delivery - Cyber Security** Unable to deliver services to customers because of failure of ICT systems following major cyber security breach	15	1. ICT Security & compliance officer in post, producing weekly threat analyses, member of CiSP 2. PSN and Cyber Essentials Plus accreditations for corporate network 3. Regular patching regimes in place 4. ICT Disaster recovery plans tested regularly 5. All critical activities have recovery plans developed (CARP's)	6	Treat	1. Consider the findings of Internal Audit's Cyber Security Audit (April 2020)	2019/20
12	**Withdrawal from the EU** Insufficient preparedness for exit from the European Union	15	1. Establishment of tactical team with direct reports to Chief Executive as Strategic Lead 2. Regular reporting to the Strategic Management Team and the Industry and Regional Development Sounding Board as the strategic group. 3. Tactical team via the Civil Contingencies Manager liaising/ collaborating with Regional Resilience Partnerships and other resilience partners.	10	Treat	1. Development and regular review of dedicated risk register with input from representatives across the organisation and the Health and Social Care Partnership. 2. Preparation of Brexit workplan 3. Standing item on agenda for Strategic Management Team. Deadline - ongoing.	Ongoing – CIA sits on the tactical team

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Agenda Item 9

ARGYLL AND BUTE COUNCIL	AUDIT AND SCRUTINY COMMITTEE
STRATEGIC FINANCE	24 JANUARY 2020

INTERNAL AUDIT BENCHMARKING

1. EXECUTIVE SUMMARY

1.1 The purpose of this report is to inform the Audit and Scrutiny Committee (the Committee) about the establishment of an internal audit benchmarking group and the associated activity that has been agreed by the Council's Chief Internal Auditor (CIA) with the Chief Auditors of five other Scottish councils.

2. RECOMMENDATIONS

2.1 Endorse a set of performance indicators.

2.2 Agree that the CIA will bring a report to the Committee on an annual basis (each December) to report on the indicators and any additional benefits obtained from the ongoing engagement with the established benchmarking group.

3. DETAIL

3.1 The Council's Performance Improvement Framework (PIF) sets out the structure of the Council's planning, performance and improvement functions. It states that the functions that contribute to performance and improvement activity can be summarised as a continuous circle of activity comprising:

- Looking ahead
- Making it happen
- Monitoring and review
- Implementing change

3.2 The monitoring and review phase includes activities relating to performance management, benchmarking, evaluation activity and scrutiny. These activities combine to help identify areas for improvement. Internal audit already have a variety of ways of monitoring and reviewing their work including the annual Public Sector Internal Audit Standards assessments, quarterly team development meetings, and customer satisfaction surveys.

3.3 Benchmarking was an area identified by the CIA as requiring improvement. There was a degree of internal audit benchmarking performed facilitated by CIPFA however the CIA was of the view this added limited value as the other public sector bodies who had opted in were not similar to the Council either in size or demographics. Furthermore there was no established working relationship with the other bodies which meant there was no genuine scope for discussion and learning.

3.4 Consequently Internal Audit have entered into a benchmarking group with:

- Clackmannanshire Council
- East Dunbartonshire Council

- Falkirk Council
- West Dunbartonshire Council
- West Lothian Council

3.5 For the past 18 months the CIA has met with the chief auditors of these five councils on a regular basis (approximately quarterly) in order to discuss ways of working, consider topical issues, and share knowledge and resources. The overall objective of the group being to identify best practice, and deliver continuous improvement.

3.6 In addition the group has developed and agreed a set of performance indicators which will inform future discussions about the possible reasons for variations in the calculated performance indicators across the six councils.

3.7 The agreed indicators and their current values are provided at Appendix 1. With the exception of PI 3b, which relates to 2019/20, they all relate to 2018/19. The Council's values are shown in the first column and it has been agreed that the values for the other councils will be provided anonymously. These are shown in Appendix 1 as Council A through to Council E.

3.8 The group will next meet in January 2020 and the CIA will continue to use these meetings, and the performance indicator discussions, to help identify areas for improvement within the working practices of the internal audit team.

4. CONCLUSION

4.1 Internal Audit have established a benchmarking group with agreed performance indicators. These indicators, and the wider discussions within the group will help deliver continuous improvement in the working practices of the team.

5. IMPLICATIONS

5.1 Policy - None
5.2 Financial - None
5.3 Legal - None
5.4 HR - None
5.5 Fairer Scotland Duty - None
5.5.1 Equalities – None
5.5.2 Socio-Economic Duty – None
5.5.3 Islands Duty - None
5.6 Risk – Continuous improvement of the internal audit function will help to strengthen the assurances the service can provide over the Council's management of risk, governance and controls.
5.7 Customer Service – None

Laurence Slavin
Chief Internal Auditor
24 January 2020

For further information contact:
Laurence Slavin, Chief Internal Auditor, 01436 657694

APPENDICES
Appendix 1 – Internal Audit Benchmarking – 2018/19 Performance Indicators

Appendix 1 – Internal Audit Benchmarking – 2018/19 Performance Indicators

		ABC	A	B	C	D	E
PI	Contextual Information - Full time equivalents in Internal Audit	5	2.3	5	3.5	5.1	3.1
1	Planned productive audit days per £1m gross revenue expenditure	2.11	1.72	1.88	0.79	1.71	0.56
2	Customer Satisfaction	96%	Note 1	96%	Note 1	94%	96%
3a	2018/19 Average planned productive days per core review	20.65	21.45	22.29	19.71	24.55	16.25
3b	2019/20 Average planned productive days per core review	21.82	25.70	21.36	19.71	25.00	16.25
4	Average time spent per core review	21.19	20.80	23.63	18.53	33.07	17.45
5	PSIAS Compliance	92.31%	Note 2	97.44%	Note 2	89.74%	94.87%
6	Cost of audit per £million of gross revenue expenditure	682.53	682.85	683.65	333.33	563.39	228.05

Note 1 - Councils A and C do not routinely issue customer satisfaction surveys

Note 2 - the 2018/19 PSIAS report for councils A and C were not structured in a way that allowed this PI to be calculated - this will be remedied from 2019/20 onwards.

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Agenda Item 10

AUDIT AND SCRUTINY COMMITTEE

LEGAL AND REGULATORY SUPPORT   **24 January 2020**

TRAFFIC REGULATION ORDERS/COMMUNITY ENGAGEMENT REVIEW

1.0   EXECUTIVE SUMMARY

1.1   The purpose of this report is to advise the Audit and Scrutiny Committee of the current position of the Mull Traffic Regulation Order and Community Engagement Review.

1.2   The Review was undertaken following a potential legal challenge to the Mull Traffic Regulation Order (TRO) and the Council determining that the process undertaken in that did not fully comply with statutory and regulatory requirements in establishing the TRO.

RECOMMENDATIONS

It is recommended that the Audit and Scrutiny Committee:

1.3   consider and note the contents of the report.

AUDIT AND SCRUTINY COMMITTEE

LEGAL AND REGULATORY SUPPORT   **24 January 2020**

TRAFFIC REGULATION ORDERS/COMMUNITY ENGAGEMENT REVIEW

2.0 INTRODUCTION

2.1 The purpose of this report is to advise the Audit and Scrutiny Committee of the current position of the Mull Traffic Regulation Order and Community Engagement Review.

2.2 The Review was undertaken following a potential legal challenge to the Mull Traffic Regulation Order (TRO) and the Council determining that the process undertaken in that did not fully comply with statutory and regulatory requirements in establishing the TRO.

3.0 RECOMMENDATIONS

It is recommended that the Audit and Scrutiny Committee:

3.1 consider and note the contents of the report.

4.0 DETAIL

4.1 At the February 2018 council budget meeting, it was agreed to progress a number of Traffic Regulation Orders (TROs), including the Argyll and Bute Council (Off-Street Parking Places and Charges) (Isle of Mull) Order 2019 (Mull Order), to promote changes to parking tariffs and to introduce charging in existing free car parks controlled by Argyll and Bute Council.

4.2 Consequent to that decision, officers in Roads and Infrastructure Services drafted and progressed the Mull Order to the point where council members could determine whether or not the Order should be made.

4.3 The Order came before the Oban Lorn and the Isles Committee (OLI) on 12 June 2019 who determined that the Mull Order should be made, subject to modifications.

4.4 Subsequent to the Area Committee decision, the Council was advised of a potential legal challenge to the Mull Order under Para 35 Schedule 9 of the Road Traffic Regulation Act 1984 in relation to the statutory compliance of the Council's process in the establishment of and process for determining the TRO.

4.5   Following an examination of the TRO process against the challenge, and having validated matters with external advice, it became apparent that there were issues in regard to the process that impacted on the decision that was taken by members to make the Mull Order.

4.6   It was determined that the Council would not proceed with the Mull Order which was revoked at the OLI Area Committee on 11 September 2019.

4.7   As part of that decision, the Area Committee instructed officers to review the Council's current operational TRO process, and to consider amongst other things whether there is adequate validation and quality assurance of technical inputs in the TRO process; whether future TROs should be on a multiple geographic basis; and how further community engagement will be undertaken prior to any future TRO.

4.8   Key stakeholders in the Mull and Iona communities were asked to contribute to the review. However they intimated that they wished an independent review to be carried out and would not participate in the internal review.

4.9   While the concerns of the stakeholders were noted, it was considered that the review would deal with these considerations adequately

4.10   The review process proceeded in accordance with the decision from the Area Committee.

4.12   While the review group expected to report to the January Audit and Scrutiny Committee, it is understood that Mull Community Council (MCC) stated in the draft minute of their meeting of 4 December 2019:

BM asked about the outcome of the TRO enquiry and hoped it could all be put behind us.
AS said there were ongoing communications with the council about it, what was needed from them was an assurance that this sort of thing would not happen again. A CPR (community participation request) should not be a basis for such documents as a TRO.
FB said we need the support of the Islands Bill to ensure the right of free lifeline car parks such as Craignure and Fionnphort.
AS suggested that at this point in time we are happy to draw a line and we should go forward and work in good faith with the Council. We should ask Pippa Milne to meet with us to discuss the future.

While this clearly indicates a desire to engage with the Chief Executive on matters bearing on the future it may also indicate a willingness to participate in the review process.

4.13   Given that MCC are a key stakeholder party affected by the Mull TRO, their participation in the review process would be welcome and beneficial and, in light of the extract of the minute above, it is now intended to contact them to afford a further opportunity. As a consequence, the final report to the Audit and Scrutiny Committee will be submitted after they have been provided an opportunity to do so.

5.0   CONCLUSION

5.1   The final review report will be submitted to this committee on the completed review at the earliest opportunity and once MCC have been provided a further opportunity to participate in the process.

6.0   IMPLICATIONS

6.1   Policy – None at present.
6.2   Financial – Potential impact on budget process
6.3   Legal – None at present.
6.4   HR - None
6.5   Fairer Scotland Duty: None at present.
6.5.1 Equalities - protected characteristics – None at present.
6.5.2 Socio-economic Duty: None at present.
6.5.3 Islands – None at present.
6.6.   Risk –   None at present.
6.7   Customer Service – None at present.

Executive Director with responsibility for Legal and Regulatory Support:
Douglas Hendry

Policy Lead: Robin Currie

For further information contact:

Anne MacColl Smith, Procurement and Commissioning Manager, 01546 604 194
Michael Nicol, Solicitor, Special Projects, 01546 604 468

Agenda Item 11

ARGYLL AND BUTE COUNCIL	**AUDIT AND SCRUTINY COMMITTEE**
CHIEF EXECUTIVE	**24 JANUARY 2020**

COUNCIL 6-MONTH PERFORMANCE REPORT – APRIL TO SEPTEMBER 2019

_____

1. SUMMARY

1.1 The Performance and Improvement Framework (PIF) sets out the process for presenting the Council's performance reports. This paper presents the Council's 6-month Performance Report and Scorecard for April to September 2019.

1.2 It is recommended that the Audit and Scrutiny Committee reviews the Councils 6-month Performance Report and Scorecard as presented for the purposes of scrutiny.

1.3 It is recommended that the Audit and Scrutiny Committee note the recent developments of the PIF and the planned activity for 2019/20.

Pippa Milne
Chief Executive

ARGYLL AND BUTE COUNCIL	**AUDIT AND SCRUTINY COMMITTEE**
CHIEF EXECUTIVE	**24 JANUARY 2020**

COUNCIL 6-MONTH PERFORMANCE REPORT – APRIL TO SEPTEMBER 2019

2. SUMMARY

2.1   The Performance and Improvement Framework (PIF) sets out the process for presenting the Council's performance reports. This paper presents the Council's 6-month Performance Report and Scorecard for April to September 2019.

2.2   The paper identifies the strategic activities that have occurred during the reporting period and the key challenges and the actions to respond to them.

2.3   Recent changes and planned developments to the PIF are also summarised herewith.

3. RECOMMENDATIONS

3.1   It is recommended that the Audit and Scrutiny Committee reviews the Council report and scorecard as presented for the purposes of scrutinising the Council's performance.

3.2   The Audit and Scrutiny Committee note the recent developments of the PIF and the planned activity for 2019/20.

4. DETAIL

4.1   The Performance and Improvement Framework (PIF) was approved by the Council in September 2017. The PIF sets out the agreed framework for planning, monitoring and reporting the Councils performance.

4.2   The Corporate Plan is delivered through 17 Business Outcomes. The Business Outcomes create a corporate overview cutting across all Services and Departments. As of the 2019/20 financial year a suite of 17 business outcomes, owned and endorsed by SMT, were developed and used. These align to the Argyll and Bute Outcome Improvement Plan (ABOIP), Corporate Plan and the Priorities of Argyll and Bute Council 2017 – 2022.

4.3   Each Corporate Outcome is supported by a number of Business Outcomes, which in turn are supported by any number of success measures from across the Council.

4.4   This is the first Council 6-month performance report aligned to the 17 Business Outcomes.

The approved Service Plans 2019-22 are aligned to the 17 Business Outcomes. The consolidation of Business Outcomes produces a clearer picture of the work, achievements and challenges and encourages the use of more appropriate success measures.

4.5 The scrutiny activity is performed by Managers, Senior Officers and Elected Members at both Area and Strategic Committees. To ensure scrutiny occurs at every level the Service Plans and all success measures are built in Pyramid. Every success measure has commentary for every reporting period. This is helping us 'tell our story' and feedback received from Senior Management and Elected Members has been positive.

4.6 The Performance Report illustrates our achievements aligned to the Corporate Outcomes. Seven Business Outcomes have supporting detail highlighting how we are Delivering Our Outcomes in this reporting period.

There are 3 short-term challenges, 13 key challenges and 15 success measures that are off-track.

The 17 Business Outcomes are numbered BO101 to BO117 rather than the previous suite which were numbered BO01 to BO33.

As a result of moving to a reduced number of Business Outcomes some ongoing Key Challenges are aligned under a different Business Outcome for this reporting period only.

4.7 Appendix 2 illustrates the Council's Scorecard and Management Information. The Council Scorecard shows our progress towards delivering our Outcomes. These are illustrated through our 17 Business Outcomes. Of our 17 Business Outcomes 7 are Green, 10 are Amber, none are Red. The Scorecard presented is currently in Draft format.

A recent Scorecard development is the performance status of our Corporate Outcomes which is now illustrated. All of our Corporate Outcomes are Amber.

4.8 The Management Information shows areas of high-level cross cutting information such as absence, risks and complaints. Supporting commentary is provided below.

4.9 **Absence**
Absence levels for overall LGE staff has reduced this quarter in comparison to the previous quarter but remains above target. The reduction is mainly attributable to a reduction in colds, flu and absence relating to medical treatment.

The Wellbeing Strategy has been approved and we are currently at the recruitment stage for two wellbeing and attendance officers who will be supporting teams to improve wellbeing and reduce sickness absence. The aim is to have them in post early in 2020.

4.10 **Performance Review and Development (PRDs)**
The council remains below target for the completion of PRDs and this can be largely contributed to low completion rates in the HSCP.

However it should be noted that in comparison to the same period last year the councils total PRDs completed has increased from 66% to 72%. This has been down to an overall upwards trend in completion rates in the HSCP (with the exception of Adult Care East) and a significant improvement in the completion rate within Roads and Infrastructure Services.

In summary while the council overall remains below target most departments (with the exception of Customer Services who have seen a slight decrease in completion rates) show an improving trend in comparison to the same quarter last year.

The completion of PRDs is an important part of the annual employee lifecycle and presents an opportunity for employees to reflect on their performance over the year with their line manager, receive recognition for good work and effort, identify any training needs or aspirations and discuss any challenges or problems.

The PRD is an integral element of our 'Golden Thread' that links individuals, teams and services to our Business Outcomes, then Corporate Outcomes and the Argyll and Bute Outcome Improvement Plan (ABOIP).

It also presents an opportunity to set goals and objectives for the year ahead which can be reviewed during the year and help to clarify expectations.

4.11 **Complaints**
The first 2 quarters of 2019/20 saw an increase in the number of complaints, with 174 dealt with as Stage 1, and 41 as Stage 2. This is a 36% increase for Stage 1 and a 95% increase for Stage 2.

The responses within timescale have decreased, with an average of 63% of Stage 1 complaints responded to in time and 61% of Stage 2 complaints responded to in time.

Development and Infrastructure continues to receive the majority of complaints. There have been 141 Stage 1 and 32 Stage 2 complaints received. The Chief Executives Unit (including Financial Services and Community Planning and Development) did not receive any complaints within the last 6 months.

The table below shows the breakdown of complaints for April-September 2019.

	Stage 1			Stage 2		
	Total Number	No. in time	%age in time	Total Number	No. in time	%age in time
Chief Executive's Unit	0	0	N/A	0	0	N/A
Executive Director Pippa Milne	141	81	57%	32	17	53%
Executive Director Douglas Hendry	24	21	92%	9	8	89%
Totals	174	102	58%	41	25	61%

The Compliance and Regulatory team within Legal and Regulatory Support will be introducing a new monthly complaint monitoring report during FQ3 2019/20. The report will provide Heads of Service and Complaints Officers with current complaint response levels and highlight any areas where complaints are overdue.

4.12 **Audit Recommendations**

Of the 52 Audit Recommendations 1 is off track while 3 are overdue. The 3 overdue audit recommendations are for the Education Service.

Audit recommendations are reported monthly to the Strategic Management Team and actions to complete them are recorded and allocated to the responsible officers.

4.13 **Finance**

There is a forecast overspend for 2019-20 of £1.829m as at the end of September 2019. The net overspend is made up of a number of variances, both over and under spends and are noted as follows:

➢ Overspend of £1.669m within Social Work due to forecast slippage on the delivery of agreed savings and also a high demand for services.
➢ Under-recovery of car parking income - £0.105m
➢ Overspend of £0.065m due to increased costs of essential repairs on vehicles within Roads and Infrastructure
➢ Under-recovery of income in Public Conveniences - £0.050m
➢ Planned underspend in Roads Maintenance of £0.100m to offset overspends elsewhere within the service.
➢ Other small variances with a net overspend of £0.040m.

4.14 **Strategic Risk Register (SRR)**

The Strategic Risk Register (SRR) details significant challenges and the agreed approaches to manage them. These specific interventions are subject to scrutiny at Strategic Committee Level and kept under review by the Council's Strategic Management Team. The current SRR has 12 risks in total. Three are red, five are amber and four are green. The three red risks relate to population decline, financial pressure faced by the Council in relation to HSCP funding the implications of the 2015 biodegradable municipal waste landfill.

4.15 **Operational Risks**
Development and Infrastructure have seven red risks with these relating to potential costs of dealing with environmental health issues, potential impact of weather on the road network and winter maintenance budgets, financial pressures on the employability service, the implications of the biodegradable municipal waste landfill ban and the cost of running ferry services. Commercial Services have one red risk relating to the risk of funding not being available to deliver key capital projects   The Chief Executive Unit has no red risks.

Other Strategic Activities

4.16 **Corporate Management Restructure**
A Corporate Management Restructure was agreed by the Council at its budget meeting on 21st February 2019 and was implemented over the summer of 2019. The effect is to reduce chief and senior officer posts within the council structure producing a part year saving of £0.375m in 2019/20 and a full year saving of £0.5m from 2020/21 onwards. This reduction in the number of senior posts is in line with a national trend in Scottish Local government as a consequence of multi-million pound savings which councils have been required to achieve year on year to deal with reducing financial resources.

4.16.1 The previous corporate management structure for the Council, excluding the Health and Social Care Partnership, consisted of the Chief Executive as Head of the Paid Service, two Executive Directors and ten Heads of Service. The last full review of the management structure took place in 2010.

4.16.2 The new corporate management structure assembles new service groupings which can be classified under a name of theme headings.

- Financial Services
- Legal and Regulatory Support
- Education Services
- Commercial Services
- Roads and Infrastructure Services
- Development and Economic Growth
- Customer Support Services

4.16.3 A properly focused Commercial Service will bring a business acumen and innovation to the organisation and its future financial sustainability. The service incorporates the special projects/ estates team (SPT) given their proven track record on innovation, major project and contract management. The service also incorporates the major project client management function currently undertaken within Economic Development given the synergies between the past and current work of the SPT and the types of project being managed now and in the future in the Economic Development Programme. This also produces a closer synergy with the council's property design function. The potential of this service package will support the council to increase its commercial offers and pursue shared service opportunities with other authorities and partner agencies helping with medium to longer term financial sustainability.

4.16.4 The restructure allowed for a reduction of 2 Heads of Service posts and 4 Service Manager (3rd Tier) posts. The saving will undoubtedly impact on the corporate management capacity of the organisation with fewer Heads of Service and Service Managers. Such reductions in the capacity of the Council are however evident at the front line and at all levels of management in order for the organisation to adjust to reduced resources each year over the last decade. A significant challenge will be in managing public expectations from continuing reductions in capacity and the role of elected members in conveying the reduced resources position of the council with constituents will be critical.

4.17 **Capital Strategy**
The Council has appointed Link Asset Services to undertake a review of the Capital Strategy looking at how the Council's priorities, strategies and plans need to shape the Council's investment prioritisation. This will include an approach to longer term capital planning.

4.18 **Best Value Audit**
The Council has been preparing for its forthcoming Best Value audit by undertaking a series of self-assessments using Audit Scotland guidance. The output informed an update of the Corporate Improvement Plan. The self-assessments and plan were issued to Audit Scotland 27 September in advance of submitting to Argyll and Bute the scope of their audit. Over 900 separate pieces of supporting documentation has been gathered and indexed to support our self-assessments and will be shared with Audit Scotland when they are on site.

4.19 **Short Life Working Group – Climate Change**
The Council agreed at its meeting 26 September 2019 to establish a Climate Change Environmental Action Group. The Group will consider and advise on policy options and opportunities for strategic projects and activities that will form part of our ongoing commitment to deliver the Climate Change (Scotland) Act.

The group will operate under the terms of a Short Life Working Group. The first meeting is in December where a plan to identify the focus for activity will be developed.

4.20 **PIF Activity**
There is a large amount of activity being undertaken with regards to the PIF. The new Business Outcomes have been built in Pyramid, these are now visible on the Scorecards. As a result the Scorecards for FQ1 2019/20 have a new look and feel about them.

The structure of Pyramid is being aligned to the new Corporate Management structure that was implemented on 1 July 2019. As a result not all of the Management information is currently presented on the Council Scorecard.

Following the above realignment work the data cleanse of Pyramid will recommence. This will involve continuing to simplify where possible, remove old 'archived' data and overall improve the user experience.

The Draft Service Plans 2020-23 are in the process of approval by the Strategic Committees. HROD supported all the Heads of Service with workshops followed by a robust Quality Assurance (QA) exercise. The QA exercise included challenging the success measure, target, timeline and benchmarks to encourage continuous improvement.

The result is a suite of SMART* Draft Service Plans that are clearly and consistently worded. (*Specific. Measurable, Achievable, Realistic and Timely).

It is important to identify if what we are doing is making a difference to our communities. Work is on-going with senior managers and other local authorities to identify and develop Impact Measures which will align to our Outcomes and be illustrated in Pyramid.

The 2018/19 Local Government Benchmarking Framework (LGBF) data has been released. Senior Management have agreed that detailed analysis will be performed on a reduced suite of 48 indicators. These are indicators that 'matter' to our communities and organisation. The detailed analysis will be complemented with 'Telling Our Story' and 'Looking Forward' commentary by Heads of Service. The remaining indicators will still be analysed but without the supporting commentary. It is expected that the LGBF 2018/19 will be presented to the ASC in June 2020.

5.0   CONCLUSION

5.1   This report updates the ASC on how we are Delivering Our Outcomes; the Key Challenges and how we plan to manage them; other Strategic activity that may have an impact on our performance and the planned changes to the PIF.

6.0   IMPLICATIONS
6.1   Policy; none
6.2   Financial; none
6.3   Legal; none
6.4   HR; none
6.5   Fairer Scotland Duty: none
6.5.1 Equalities - protected characteristics; none
6.5.2 Socio-economic Duty; none
6.5.3 Islands; none
6.6.   Risk; this report sets out key challenges to the organisation and actions in response.
6.7   Customer Service; none

For further information contact:
- Sonya Thomas, Performance and Improvement Officer
- sonya.thomas@argyll-bute.gov.uk

- Stuart Green, Corporate Support Manager
- stuart.green@argyll-bute.gov.uk

APPENDICES

      Appendix 1 - Seventeen Business Outcomes
      Appendix 2 - Council 6 Month Performance Report
      Appendix 3 - Council Scorecard: April to September 2019

Pippa Milne, Chief Executive – Argyll and Bute Council
19 December 2019

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Joint Over-arching Vision	Argyll and Bute's Economic Success is built on a growing population						
Council Mission	Making Argyll and Bute a place people choose to Live, Learn, Work and do Business						
	Choose Argyll, Love Argyll						
	A Place people choose to Live			A Place people choose to Learn	A Place people choose to Work and Do Business		Getting It Right
Corporate Outcomes	People live active healthier and independent lives	People will live in safer and stronger communities	Children and young people have the best possible start	Education, Skills and training maximise opportunities for all	Our economy is diverse and thriving	We have an infrastructure that supports sustainable growth	
Business Outcomes	**BO101** We Ensure Information And Support Is Available For Everyone.	**BO104** Our Communities Are Protected And Supported.	**BO106** Our Looked After Young People Are Supported By Effective Corporate Parenting.	**BO108** All Our Children And Young People Are Supported To Realise Their Potential.	**BO110** We Support Businesses, Employment And Development Opportunities.	**BO113** Our Infrastructure Is Safe And Fit For The Future.	**BO115** We Are Efficient And Cost Effective.
	BO102 We Provide Support, Prevention And Opportunities To Help People Make Better Lifestyle Choices.	**BO105** Our Natural And Built Environment Is Protected And Respected.	**BO107** The Support And Lifestyle Needs Of Our Children, Young People, And Their Families Are Met.	**BO109** All Our Adults Are Supported To Realise Their Potential.	**BO111** We Influence And Engage With Businesses and Policy Makers.	**BO114** Our Communities Are Cleaner And Greener.	**BO116** We Engage And Work With Our Customers, Staff And Partners.
	BO103 We Enable A Choice Of Suitable Housing Options.				**BO112** Argyll & Bute Is Promoted To Everyone.		**BO117** We Encourage Creativity And Innovation To Ensure Our Workforce Is Fit For The Future.
CROSS-CUTTING	**Socio-Economic Duty, Equalities, Gaelic**						
OUR VALUES	**Caring, Committed, Collaborative & Creative** **Cùramach, Dealasach, Cruthachail agus Com-pàirteach**						

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Council Performance Report	Period: April to September 2019

SUMMARY OF PERFORMANCE - No. of Success Measures: 198

Green   143

Red   15

No Data   40 – Annual Measures – Not Due To Report

Delivering Our Outcomes

Corporate Outcome 1 - People live active, healthier and independent lives

BO101 We ensure information and support is available for everyone

1. Customer Service Centre
    - The number of online transactions for the quarter increased to 92,399 (up from 67,509 in FQ1 2018/19), generating £154,079k in channel shift savings.
2. New Digital Services implemented include:
    - LiveArgyll online invoice payments service
    - Tell Me Scotland Councillor Surgery notifications
    - Online forms for public liability insurance claims, Money Skills Argyll applicants and car park ticket machine fault reporting.
    - Abby – Virtual Assistant now added to benefits related webpages as well as council tax
    - New Ferry ticketing service live and SMS text alert service for the Jura Ferry.

Corporate Outcome 3 - Children and young people have the best possible start

BO106 Our looked after young people are supported by effective corporate parenting

1. 100% of Argyll & Bute Looked After school leavers were in a Positive Destination in 2017/18. This figure showed considerable improvement in comparison to 75% in the previous year.
    Our performance for 2017/18 was very good in comparison with Virtual Comparator 91.76%, The Northern Alliance 81.71%, and National 80.43%.
    The Positive Destination figures for 2018/19 are reported in September 2019.

BO107 The support and lifestyle needs of our children, young people and their families are met

2. Phasing in of 1140 hours of Early Learning and Childcare (ELC) by 2020 is on track with 37 services out of 61 have now phased in and are delivering 1140 hours ELC.
    This includes 2 new settings (1 in Cardross and 1 in Campbeltown). These 37 services offer a total of 774 spaces for ELC.
    100% of settings in Helensburgh and Lomond, Bute, Mid Argyll, Kintyre and Islay are now delivering 1140 hours.

Corporate Outcome 4 - Education, skills and training maximise opportunities for all

BO108 All our children and young people are supported to realise their potential

1. The SQA examination results for pupils in academic year 2018/19 were:
   - National 4 results are above the national outcome by 11.50%.
   - National 5 results are above the national outcome by 1.2%.

2. Dunoon Grammar is in the running to become Europe's 'Most Enterprising School' after being selected to represent Scotland at this year's European Entrepreneurial School Awards.
   The European Entrepreneurial School Awards is an annual recognition of outstanding schools that are championing entrepreneurship in education across Europe.

Corporate Outcome 5 - Our economy is diverse and thriving

BO110 We support businesses, employment and development opportunities

1. The Scottish and UK Governments have confirmed that the Argyll Rural Growth Deal will be worth up to £50m. The next stage is to agree a Heads of Terms Agreement with both Governments. The aim is to achieve this in late 2019, although this is at the discretion of the Scottish and UK Governments. In order to do this outline business cases will be prepared for the projects that can be funded within the £50m envelope.

Corporate Outcome 6 - We have an infrastructure that supports sustainable growth

BO113 Our infrastructure is safe and fit for the future

1. Council participation in the CRC Energy Efficiency Scheme was concluded with submission of the report for the 18/19 compliance year by the 31 July 2019 deadline. An information paper was submitted to DMT on 19 August 2019; it highlighted positive carbon reduction over the last 5 years and positive carbon trading in secondary markets (£60K saving against budget). All allowances secured in the secondary market trading have now been transferred to the Council and subsequently surrendered to the Environmental Agency. Scheme participation is now effectively complete.

2. Helensburgh Data Centre Refresh contract awarded and equipment now being delivered. This is a major infrastructure improvement, which safeguards the organisation's ICT infrastructure capacity and speed for the next 5+ years.

3. Successful delivery and progress in relation to the annual Roads Capital Budget/Programme, including partnership working with Scottish Timber Transport (STTS) to bid for funding for road improvements to offset damage by Timber Vehicles. Network and Standards Officers successfully prepared a bid for funding from STTS receiving £1.708 million, the highest funding allocated to any Scottish Local Authority. This allows Roads and Infrastructure Services to boost our Capital Funding and make a significant contribution to our roads infrastructure. This has a positive benefit for business, tourism and the economy of Argyll and Bute.

Getting it right

BO117 We encourage creativity and innovation to ensure our workforce is fit for the future

1. The Council has successfully created a total of 58 Modern Apprentices out of our corporate target of 60 by 2020. We have secured a contract to deliver Modern Apprenticeships in Business and Administration. Five Modern Apprentices were recruited across all apprenticeship work areas

in this quarter. SDS contract to deliver Foundation Apprenticeships in Early Years and Childcare. Linked to workforce planning priorities and the expansion of pre-5 hours.

2. We have 21 primary probation teachers and 5 secondary probation teachers in post for session 2019/20.
On 19 and 20 September we held the first of 4 seminars and our probationers were welcomed to Argyll and Bute by the Chief Executive. They had an induction on education and teaching in a rural authority highlighting the challenges and opportunities for their development as effective teachers by the Chief Education Officer.

3. SOCITM Benchmarking 2019 national report showing the Council's ICT Department is ranked as the number 1 service in the UK in the key Cost and Performance KPI. The most cost effective and efficient ICT Service amongst UK local authorities

4. Annual Efficiency Statement reported to Council advising that we exceeded the 3% target, securing 4.14% of efficiency savings for 2017-18.

Our Challenges

Current Short-term Operational Challenges *[Include Service id]*

1. Work is ongoing to develop a Scottish model for exporting foods to the EU in the event of a 'no deal' Brexit. A Business case has been developed in conjunction with COSLA to Scottish Ministers outlining issues relating to the export of food to EU including financial support for business and local authorities. The export model, capacity and resilience concerns and a proposals for a charging regime.

2. Achieve a fair allocation of the UK's Shared Prosperity - paper on lobbying Secretary of State for Scotland submitted for discussion at Highland and Islands Leaders' meeting on 26th September 2019 and the Economic Growth Manager has sought feedback of whether the report lobbying recommendations will be taken forward. Feedback still awaited.

3. The revenue forecast outturn position as at the end of June is a forecast overspend of £2.384m.   This is made up of an overspend on Council Services of £0.077m as well as an overspend of £2.307m on Social Work Services within the Health and Social Care Partnership.

Current Key Challenges and Actions to address the Challenges

Key Challenges and Actions to address the Challenges (EDU)

Business Outcome 108 All our children and young people are supported to realise their potential

1. **Challenge -** To increase the availability and uptake of foundation apprenticeships to support the workforce aspirations in Argyll and Bute's proposed Rural Deal.
Action Detail -
   a) Improving the model of foundation apprenticeships by widening availability and by developing local models for delivery to meet the needs of our more remote and rural communities.

   b) We have had 5 foundation apprenticeships in ELC in the first cohort on Bute during session 2018/19.   There is a predicted uptake of 44 for session 2019/20 across Argyll & Bute.

Initial Reporting Period: FQ2 2018/19	Action Milestone Dates: 2020	Responsible Person: Anne Paterson

Key Challenges and Actions to address the Challenges (EDU)

Business Outcome 108 All our children and young people are supported to realise their potential

2. **Challenge -** Future proofing the school estate and provision of education to all children and young people

   Action Detail –

   a) We are developing a Learning Estates Strategy and associated plans.

   b) Introduce high quality improved outdoor learning.

   c) Increasing accessibility to digital technologies to improve curricular access for children and young people across the authority and especially those in more rural areas.

Initial Reporting Period: FQ1 2019/20	Action Milestone Dates: June 2020	Responsible Person: Anne Paterson/Louise Connor

Key Challenges and Actions to address the Challenges (DEG)

Business Outcome BO110 – We Support Businesses, Employment and Development Opportunities.

3. **Challenge -** Secure heads of terms agreement for the Rural Growth Deal through negotiation with the Scottish and UK Governments.

   Action Detail - The Scottish and UK Governments have confirmed that the Argyll Rural Growth Deal will be worth up to £50m, the Council will now require to prioritise projects to progress as part of the deal. We will seek alternative sources of funding for projects that it is not possible to take forward as part of the Rural Growth Deal. Aim to sign a Heads of Terms Agreement with both Governments in late 2019, although this is at the discretion of the Scottish and UK Governments.

Initial Reporting Period: FQ2 2017/18	Action Milestone Dates: November 2019 (estimated)	Responsible Person: Head of Development & Economic Growth/Strategic Transportation Manager

Key Challenges and Actions to address the Challenges (DEG)

Business Outcome BO110– We Support Businesses, Employment and Development Opportunities.

4. **Challenge -** Lobby Transport Scotland for greater investment in local transport infrastructure and services as part of the National Transport Strategy (NTS2) /Strategic Transport Project Review (STPR2) process.

   Action Detail – Transport Scotland and their consultants Jacobs/Aecom have advised the Council that they will hold a second round of workshops on the following dates:-

   - 31st October –Helensburgh
   - 6th November – Corran Halls, Oban
   - 12th November – Queens Hall, Dunoon.

   At these workshops, Transport Scotland and their consultancy team will recap on the Problem and Opportunities that were identified in the previous workshops, give an overview of the evidence identified to support these and outline the draft Transport Planning Objectives (TPOs) that have been developed. All attendees will then be invited to participate in the generation of potential interventions to address the draft TPOs. It is also proposed to set up a Regional Transport Working Group (RTWG) including key transport stakeholders to assist with this process. The NTS2/STPR2 Process is a potential mechanism to deliver some of the transportation asks included in our Rural Growth Deal proposition.

Initial Reporting Period:	Action Milestone Dates:	Responsible Person:
FQ4 2018/19	2020	Strategic Transportation Manager/Strategic Transportation Policy Officer

Key Challenges and Actions to address the Challenges (DEG)

Business Outcome BO110 – We Support Businesses, Employment and Development Opportunities.

5. **Challenge -** To deliver the Strategic Housing Investment Plan (SHIP) and achieve full spend on available Scottish Government funding.

    This is challenging because: there is a lack of infrastructure available to deliver sites; the costs and time requirements of implementing new infrastructure are considerable; there are limits in the capacity of the local construction sector; and there is a need to identify a continual supply of deliverable sites within the control of Registered Social Landlords (RSLs). No completions were scheduled in the first quarter, however a record number of potential projects could be completed this year, and there are currently 11 developments on site.

    There were 30 new build completions during quarter 2. There are 91 units onsite, or, in development for completion during quarters 3 and 4.

    Action Detail - To continue to work closely with partners (Scottish Government, RSLs and local developers) to address issues of slippage in the affordable new build programme; facilitate progress where feasible; and to identify and bring forward additional proposals.

    The SHIP Officers Group has been established and we have built on this partnership working with Scottish Water attending the most recent meeting. These meetings continue to ensure that any potential infrastructure issues are addressed at an early stage.

Initial Reporting Period:	Action Milestone Dates:	Responsible Person:
FQ4 2018/19	Ongoing over the period of the SHIP (2017-2022)	Housing Team Leader

Key Challenges and Actions to address the Challenges (DEG)

Business Outcome BO110 – We Support Businesses, Employment and Development Opportunities.

6. **Challenge -** Challenges presented by the roll out of Universal Credit Full Service in September 2018. These stem from the increased complexity of the application process itself, the length of time to receive payments, and the fact that the housing allowance will be paid to claimants not landlords so arrears are predicted to increase. It is anticipated considerable extra resource will be needed to assist claimants applying for Universal Credit, and that likely increases in rent arrears will inflate homelessness rates and the costs of accommodating households.

    Action Detail – We have nearly finalised the temporary accommodation funding paper which will provide the detail as to what the money has been spent on in 19/20 as well as proposals for 20/21. The proposals include a Welfare Rights Assistant – Universal Credit to assist households through the Managed Migration process.

Initial Reporting Period:	Action Milestone Dates:	Responsible Person:
FQ4 2018/19	Ongoing	Housing Team Leader

Key Challenges and Actions to address the Challenges (DEG)

Business Outcome BO110 – We Support Businesses, Employment and Development Opportunities.

7. **Challenge -** Externally funded support sustains rural communities through the LEADER European Maritime and Fisheries Fund

   Action Detail - The current financial situation with regard to staffing is being monitored closely by the LEADER Team and Strategic Finance.

Initial Reporting Period:	Action Milestone Dates:	Responsible Person:
FQ3 2018/19	31/03/20 for LEADER 2022/23 for European Maritime and Fisheries Fund (EMFF)	Economic Growth Manager

Key Challenges and Actions to address the Challenges

Business Outcome BO111 – We Support Businesses, Employment and Development Opportunities.

8. **Challenge -** The development of Council EU Withdrawal Plan and business continuity

   Action Detail –

   1.Deliver, monitor and report on progress in delivering plan

   2. Review plan and arrangements in light of any changes in planning assumptions and the details of the withdrawal deal negotiated by the UK Government.

Initial Reporting Period:	Action Milestone Dates:	Responsible Person:
FQ4 2018/19	Ongoing	Regulatory Services Manager

Key Challenges and Actions to address the Challenges (DEG/RIS)

Business Outcome BO112 Argyll and Bute is Promoted to Everyone (EDST/RAS)

9. **Challenge -** Delivery of Town Centre Fund projects.

   Action Detail - The Council was allocated £.42m from the Town Centre Fund. The funding requires to be spent 2019/20 or at the very least a contract awarded by 31 March 2020 for each of the projects. Monthly reporting is in place to assist in highlighting any key issues that need to be addressed and particular if any projects are at risk of not being delivered however, delivery is still challenging given the short timelines and also given that these projects are all being taken forward within existing resources.

Initial Reporting Period:	Action Milestone Dates:	Responsible Person:
FQ1 2019/20	FQ4 2019/20	Head of Development and Economic Growth/Head of Roads and Infrastructure Services

Key Challenges and Actions to address the Challenges (RIS)

Business Outcome BO113 Our Infrastructure Is Safe And Fit For Purpose

10. **Challenge -** Argyll and Bute Council has 131 Cemeteries. 65 are no longer active with no available new Lairs. As a council we have a statutory duty to bury the dead. Within the next 5 years a further 14 Cemeteries are predicted to be full, failure to properly plan and prepare for new cemeteries or extensions will breach legislation as well as bring the councils reputation into disrepute.

   Action Detail - Work has been ongoing to identify those cemeteries which can be extended and also to identify if we can purchase land nearby for cemetery use. A report will be prepared for the December Environment, Development and Infrastructure (EDI) committee to consider the financial implication to the council.

Initial Reporting Period:	Action Milestone Dates:	Responsible Person:
FQ2 2019/20	End Dec 2019	Network and Standards Manager

Key Challenges and Actions to address the Challenges (LRS)

Business Outcome BO113 Our Infrastructure is safe and fit for the future

11. **Challenge -** Rothesay Pavilion Refurbishment – The £14M project is nearing completion. On completion the building will be managed by Rothesay Pavilion Charity (RPC) who will lease the building for a term of 25 years. RPC have approached the Council for additional funding as after undertaking a review of the original business case, they believe that there is a revenue funding shortfall in Years 1 and 2 of the operating period 2020-21 to 2024-25. This funding shortfall is in addition to revenue contribution already agreed by the Council. There is also a further request for short term revenue funding to assist with the period up to opening. The building was due to be handed over in September 2019 and delays now indicate an opening in April 2020.

   Action Detail - Following co-ordinated engagement with Strategic Finance, MPCMT and the RPC Executives a report was taken to the Full Council on 26 September which approved for the early release of funds from the Year-1 Operational Revenue Funding Support to be provided by A&BC to the RPC, with these funds to be made available to the RPC in instalments through FY19/20. Strategic Finance and MPCMT continue to engage with the RPC Executives in their development of their Operational Business Model and Revenue Funding Support requirements for Year-1 through Year-5 of operations. A further report will be taken to Full Council in FQ3 19/20 regarding the financial sustainability of the Operational Business Model

| Initial Reporting Period:	Action Milestone Dates:	Responsible Person:
FQ2 2019/20	FQ3 2019/20	RPN Project Manager and Strategic Finance

Key Challenges and Actions to address the Challenges (RIS)

Business Outcome B0114 Our Communities Are Cleaner and Greener

12. **Challenge -** Comply with the terms of legislation changes in line with the Waste (Scotland) Regulations 2012.
   Action Detail - The council, in partnership, will work towards the implementation of the changes in Scottish Government legislation relating to the Deposit Return Scheme (DRS) (2021) and the ban on Biodegradable Municipal Waste (BMW) to landfill (2025). Officers will liaise with the Scottish Government (SG) and agencies to ensure that funding is made available to comply with the changes imposed by the Waste (Scotland) Regulations) 2012. Reports and updates will be made available to all members. It should be noted that since the last report and as a direct result of communications by Argyll and Bute Council the Scottish Government has agreed to defer the ban until 2025.

Initial Reporting Period:	Action Milestone Dates:	Responsible Person:
FQ4 2017/18	Deposit Return Scheme 2021 Biodegradable Municipal Waste 2025	Fleet, Waste & Transport Manager / Project Manager (Waste Strategy)

Key Challenges and Actions to address the Challenges (FIS)

Business Outcome 115 We are efficient and cost effective

13. **Challenge –** Close monitoring of the forecast outturn position to bring any forecast overspend position within budget or as close to within budget as possible.
   Action Detail – If required, Council Services will actively pursue options to reduce any forecast overspend. Liaison with the Chief Financial Officers of the IJB on the recovery plan.

Initial Reporting Period:	Action Milestone Dates:	Responsible Person:
FQ2 2018/19	Ongoing throughout the year	Kirsty Flanagan, Head of Financial Services

Key Challenges and Actions to address the Challenges (FIS)

Business Outcome 115 We are efficient and cost effective

14. **Challenge –** Reduce the level of outstanding sundry debtor balances over 3 months.
   Action Detail – Work with Legal Services to recover the outstanding sums due.

Initial Reporting Period:	Action Milestone Dates:	Responsible Person:
FQ2 2019/20	June 2020	Fergus Walker, Revenues and Benefits Manager

Key Challenges and Actions to address the Challenges (EDU)

Business Outcome 117 We encourage creativity and innovation to ensure our workforce is fit for the future

15. **Challenge –** There continues to be challenges in securing teachers to teach science, technology, engineering and mathematics (STEM) subjects in our schools, which are being creatively tackled through the virtual schools project.

Action Detail –

a) Secondary schools have been utilising the Esgoil (virtual learning) to support curriculum delivery.

b) Each of our primary clusters has nominated a teacher to promote STEM activities within the curriculum for each area. Training has been delivered to support and promote this national development.

Initial Reporting Period:	Action Milestone Dates:	Responsible Person:
FQ1 2019/20	June 2020	Louise Connor

Our Off-Track Performance Indicators

Indicator Ref : CSS101_05 [CS101_05]-Maintain average answered talk time 3.5 minutes (Customer Service Centre)

Trend	FQ2 19/20 Target	FQ2 19/20 Actual	Owner	Commentary
⇓	3.75 Minutes	3.78 Minutes	Robert Miller	Average call duration was exceeded by a couple of seconds on average but has been stable for the last 3 quarters at around target level. The main issue last quarter was on payment related calls where new PCI DSS regulations mean customers now key in their card details and they often get this wrong, leading to longer call durations. Call abandon rates are still well below target so this is not a big concern
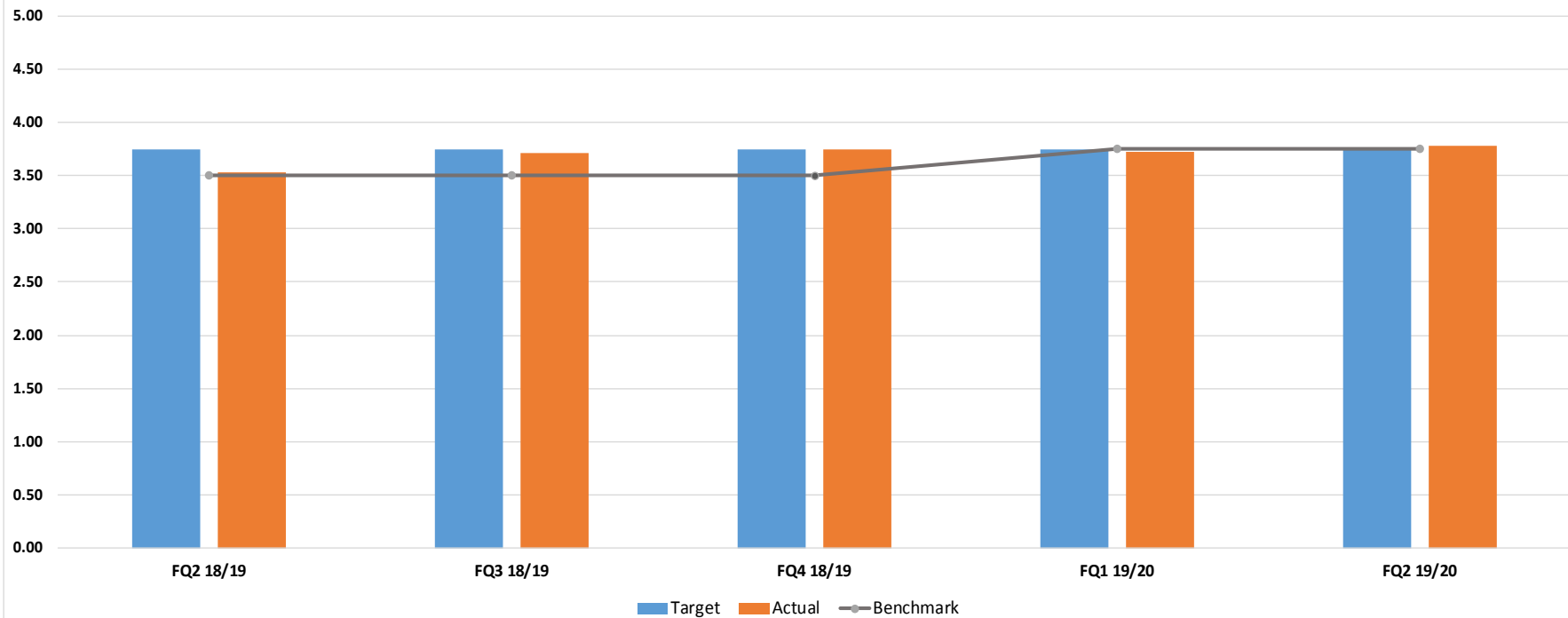
Indicator Ref : FIS102_01 [SF102_01]-MSA Project - the number of participants who complete all the activities on their personal action plan. (Accounting and Budgeting)				
Trend	FQ2 19/20 Target	FQ2 19/20 Actual	Owner	Commentary
⇓	25	7	Kirsty Flanagan	The figures recorded reflect the number of cases which have reached 100% completion of the clients' action plans and which have been audited and determined to be compliant with the current requirements of the funders. Providers are continuing to work with clients to complete their action plans and with the MSA Team in the Council to ensure that their casefiles and work are compliant with the requirements of the funders. Additional information is being added subject to claim feedback and compliance updates from the Big Lottery Fund and the Managing Authority.
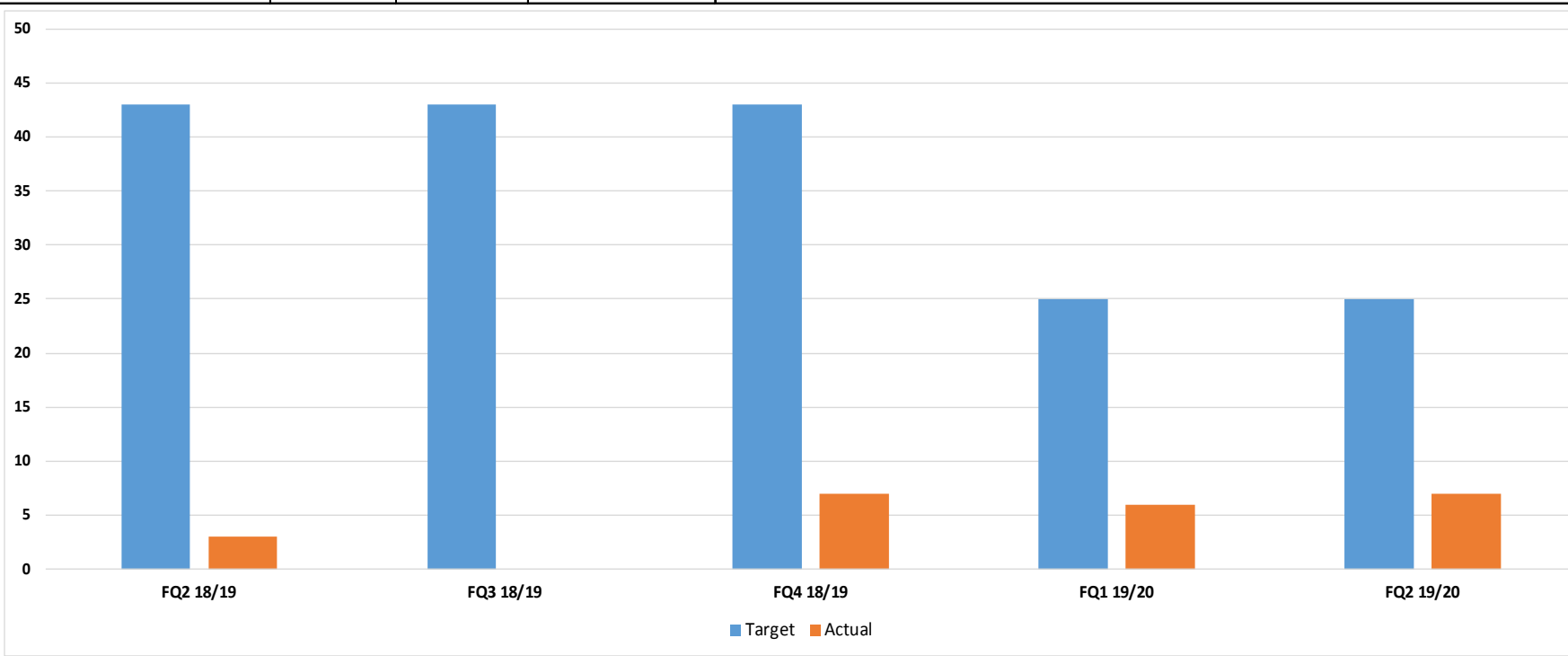
Indicator Ref : FIS102_02 [SF102_02]-MSA Project - the number of participants who sign up to a personal action plan

Trend	FQ2 19/20 Target	FQ2 19/20 Actual	Owner	Commentary
⇓	36	3	Kirsty Flanagan	Partners are struggling to sign up new participants due to the following factors: 1. Clients have to meet the project eligibility criteria; 2. The level of support required by participants has to be significant enough to meet the expectations of the funders (the project is intended to support people who require substantial intensive support which clients may not have or may only want support on a specific aspect of their difficulties); and 3. The bureaucracy involved in the project is off-putting to many clients who elect not to progress with support through MSA.
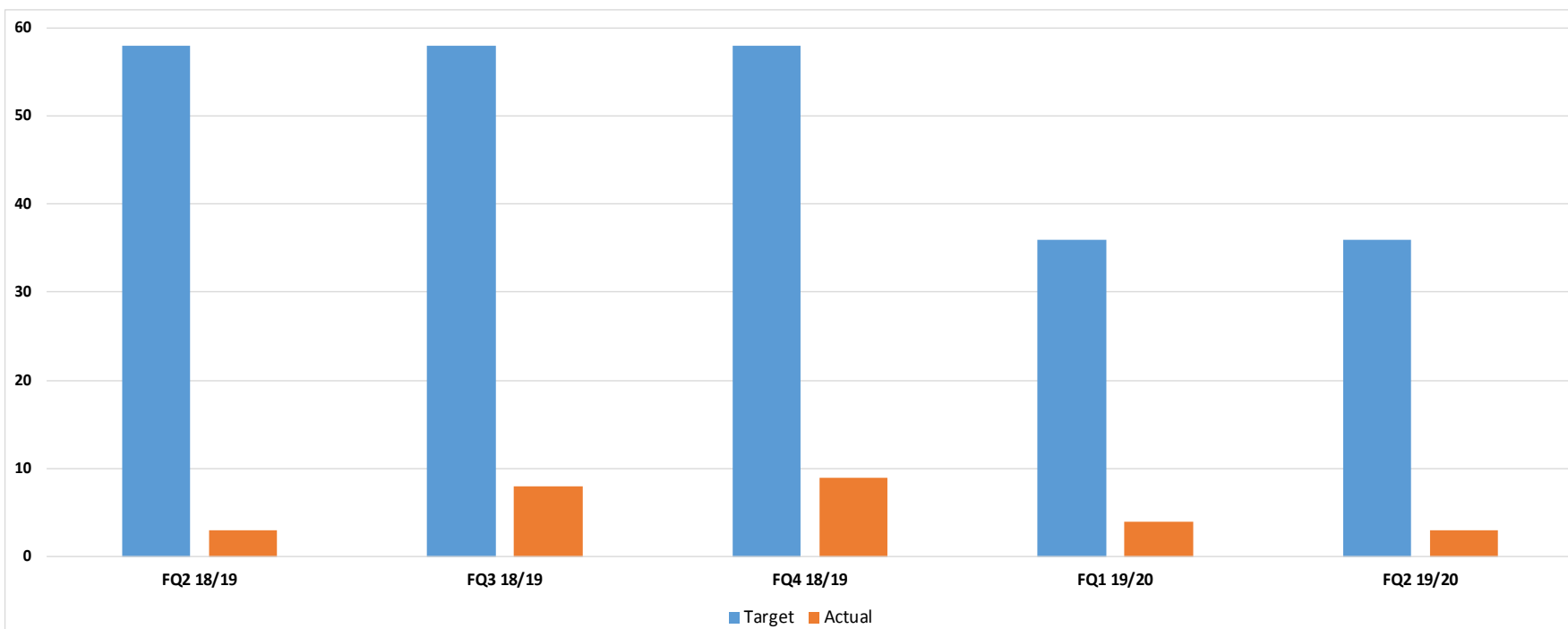
Indicator Ref : FIS102_03 [SF102_03]-MSA Project....improve the money management skills of participants and reduce debt as a barrier to social inclusion (Accounting and Budgeting)

Trend	FQ2 19/20 Target	FQ2 19/20 Actual	Owner	Commentary
⇩	38	14	Kirsty Flanagan	The figures reported reflect the clients who have been recorded on the project's customer management system. Providers have advised that they have engaged with many more people than they have recorded on the system so work is underway with them to quantify the unrecorded participant numbers. The KPI will be updated once we have the information from the providers.
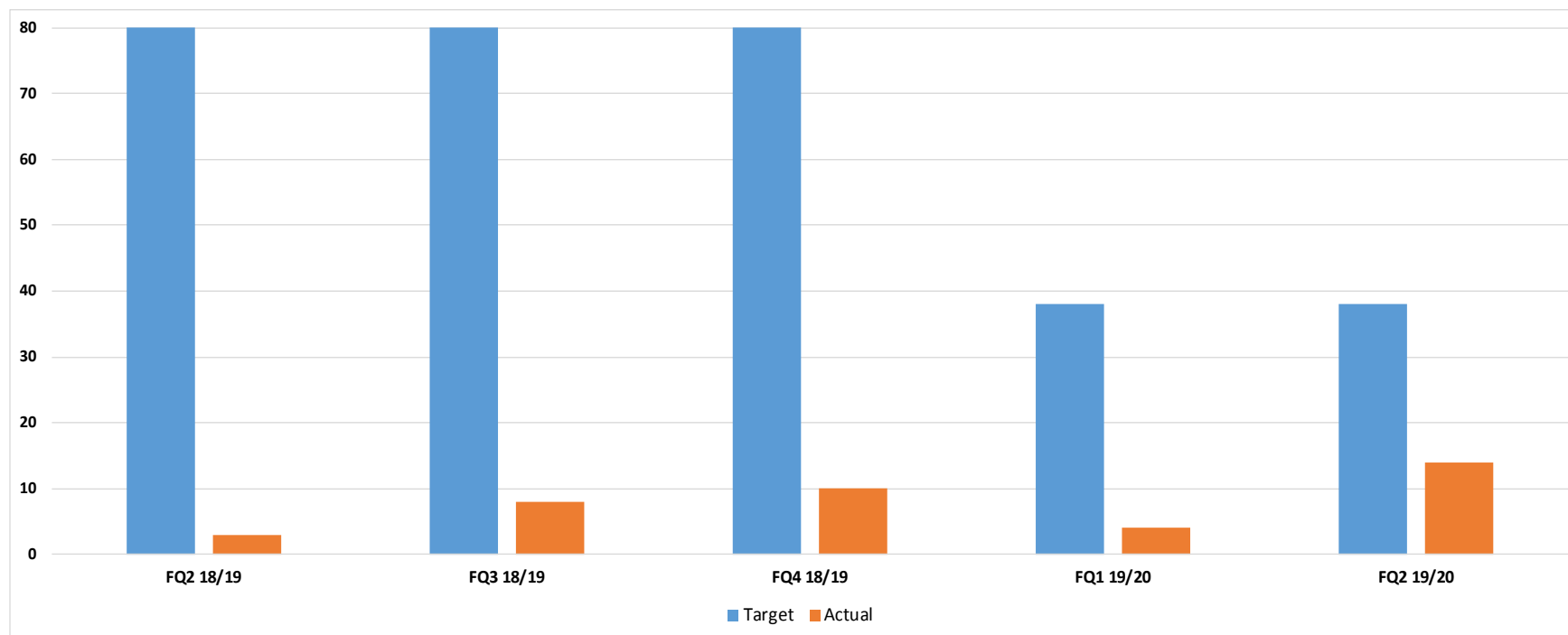
Indicator Ref : CPD104_04 [CP104_04]-Number of capacity building support sessions given to community groups

Trend	FQ2 19/20 Target	FQ2 19/20 Actual	Owner	Commentary
	90	75	Rona Gold	During this period various members of staff were on leave and a member absent on sick leave.
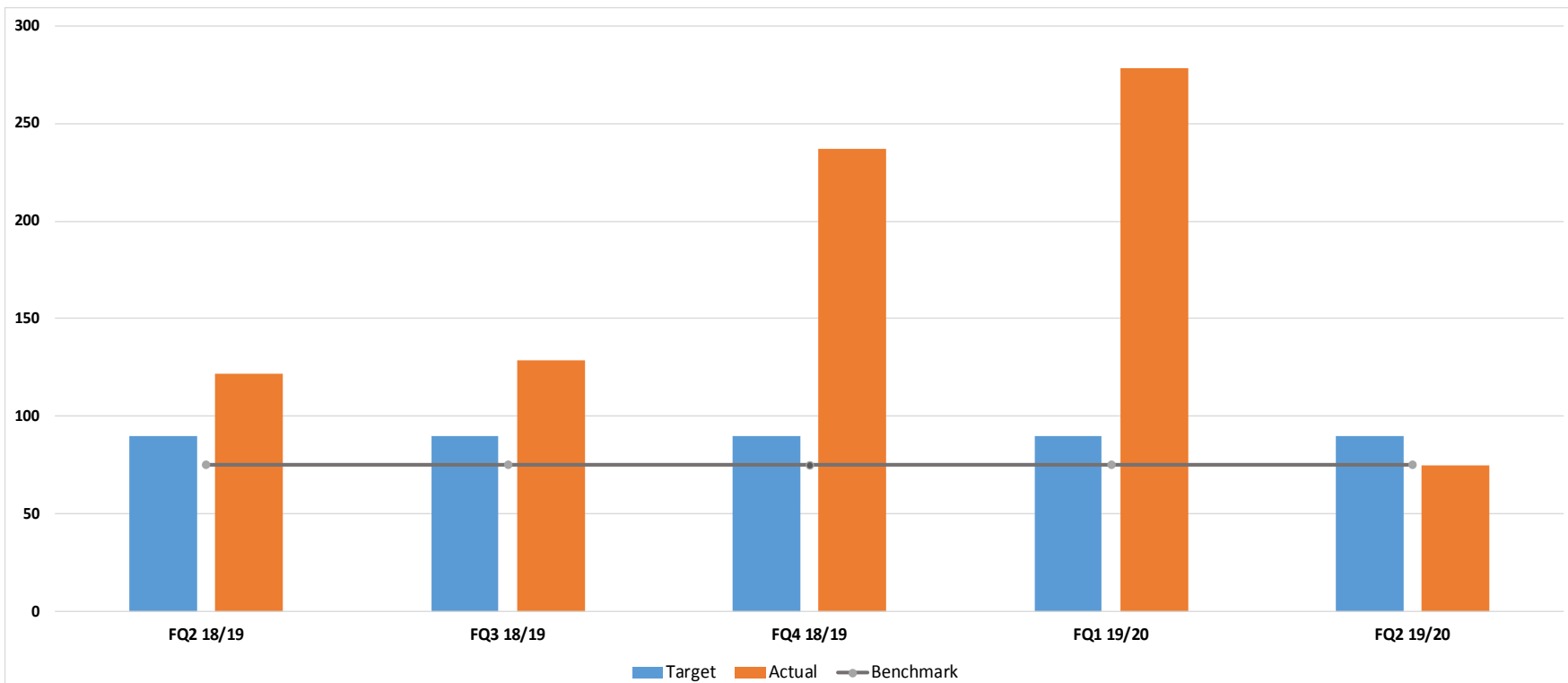
Indicator Ref : EDU108_02 [ED108_02]-Continue to improve outcomes in performance within national qualifications at SCQF 5 (Natio (Authority Data)				
Trend	FQ2 19/20 Target	FQ2 19/20 Actual	Owner	Commentary
⇓	81%	79.43%	Simon Easton	There has been a small decrease in pass rates from 2017/18. However the Argyll and Bute results are 1.2% above the national average for Nat 5s.
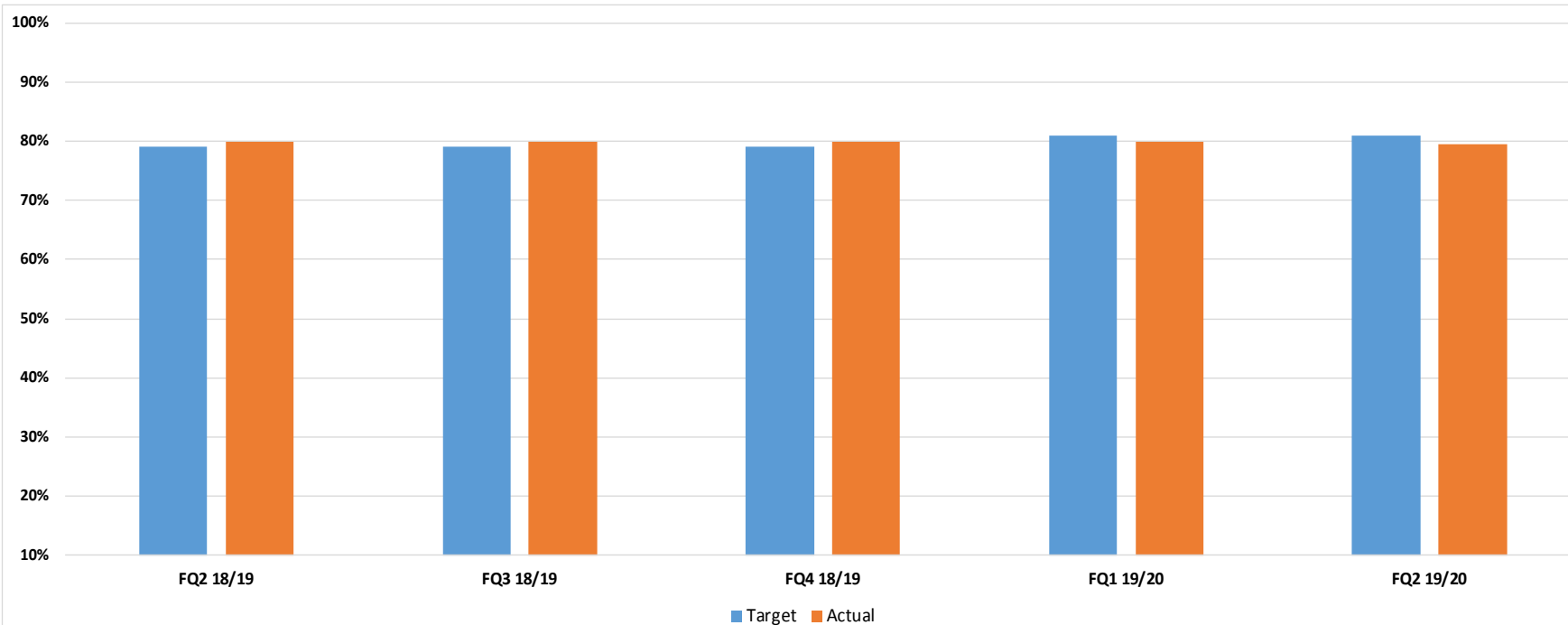
Indicator Ref : DEG110_03 [ET110_03]-12 month survival rate of new businesses (Business Gateway Argyll & Bute)				
Trend	FQ2 19/20 Target	FQ2 19/20 Actual	Owner	Commentary
⇓	77%	0%	Ishabel Bremner	Survey methodology has been changed due to low response rates. Responses need to build before a meaningful result can be published. First result expected spring 2020. The survey is managed by the Business Gateway National Unit
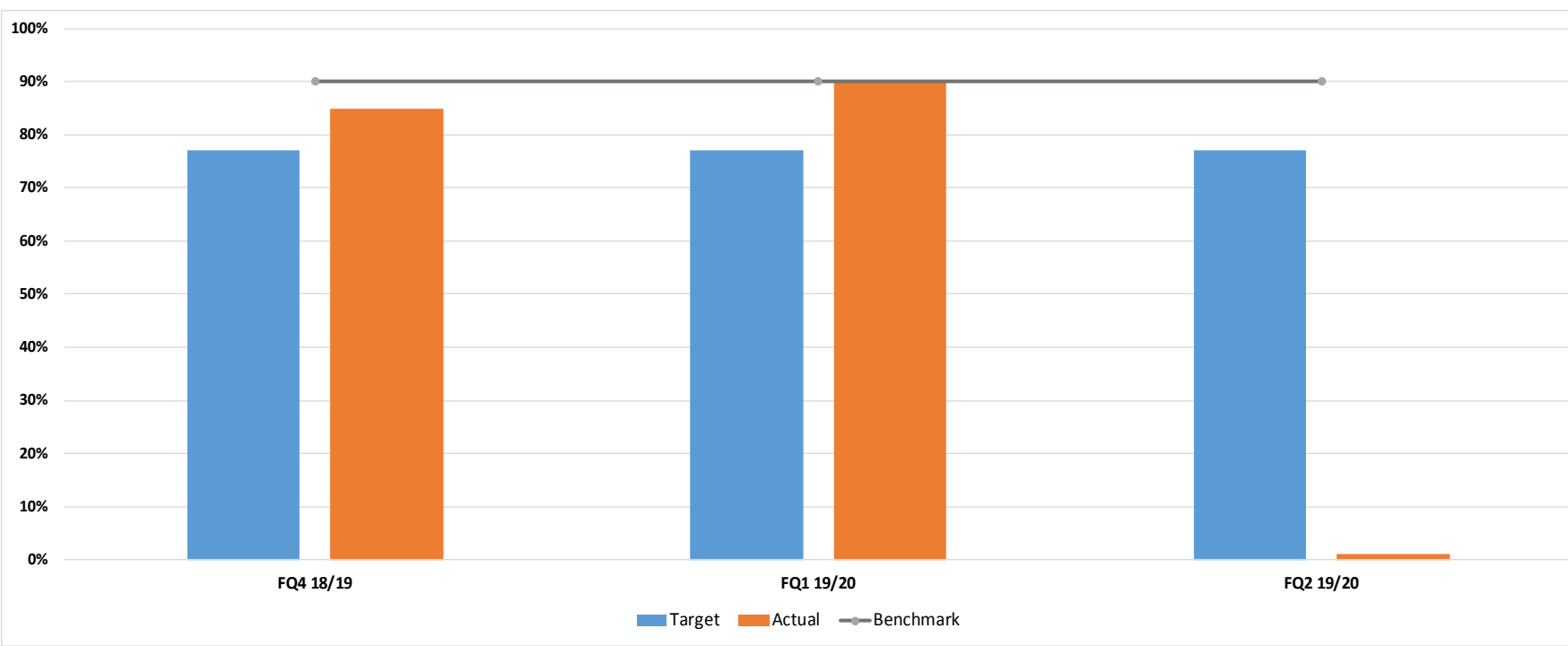
Indicator Ref : LRS110_02 [GL110_02]-The percentage of taxi license & civic government licenses with objections or representation...proccessed within 50 working days

Trend	FQ2 19/20 Target	FQ2 19/20 Actual	Owner	Commentary
⇓	95%	63%	Susan Mair	Of the 8 applications received with objections 5 have been granted within timescale, 3 are going to PPSL on 23.10.19 and are outwith 50 day period
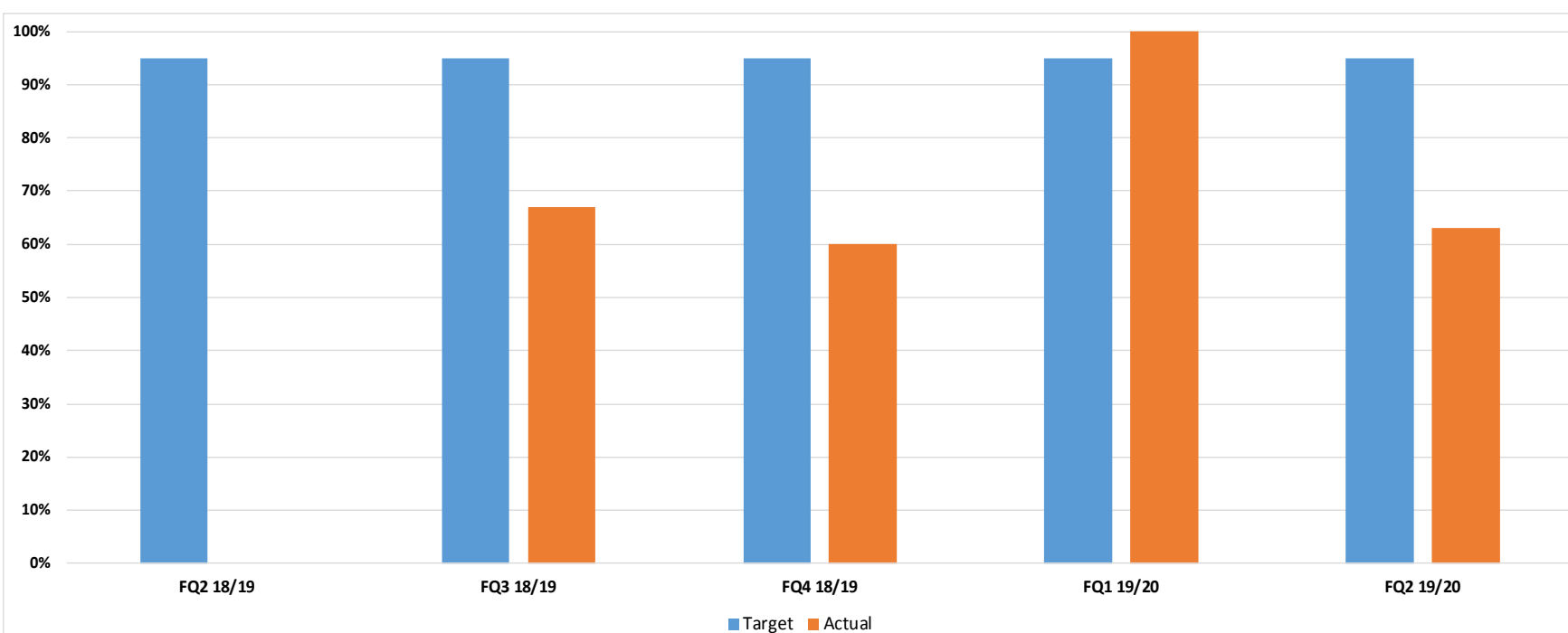
Indicator Ref : LRS110_11 [CS110_09]-Increase percentage of purchase transactions done through systems (Procurement, Commissioning & Creditors)

Trend	FQ2 19/20 Target	FQ2 19/20 Actual	Owner	Commentary
⇩	61%	59%	Anne MacColl-Smith	Due to the restructure, there have been fluctuations in system spend figures. Key points to note - 15% decrease in the use of purchase card transactions. 20% increase in number of invoices from Adult Care. 10% reduction in Facility/Commercial use of PECOS. Action for Q3 - PCMT will re-engage with all HoS to support improvements for Q3.
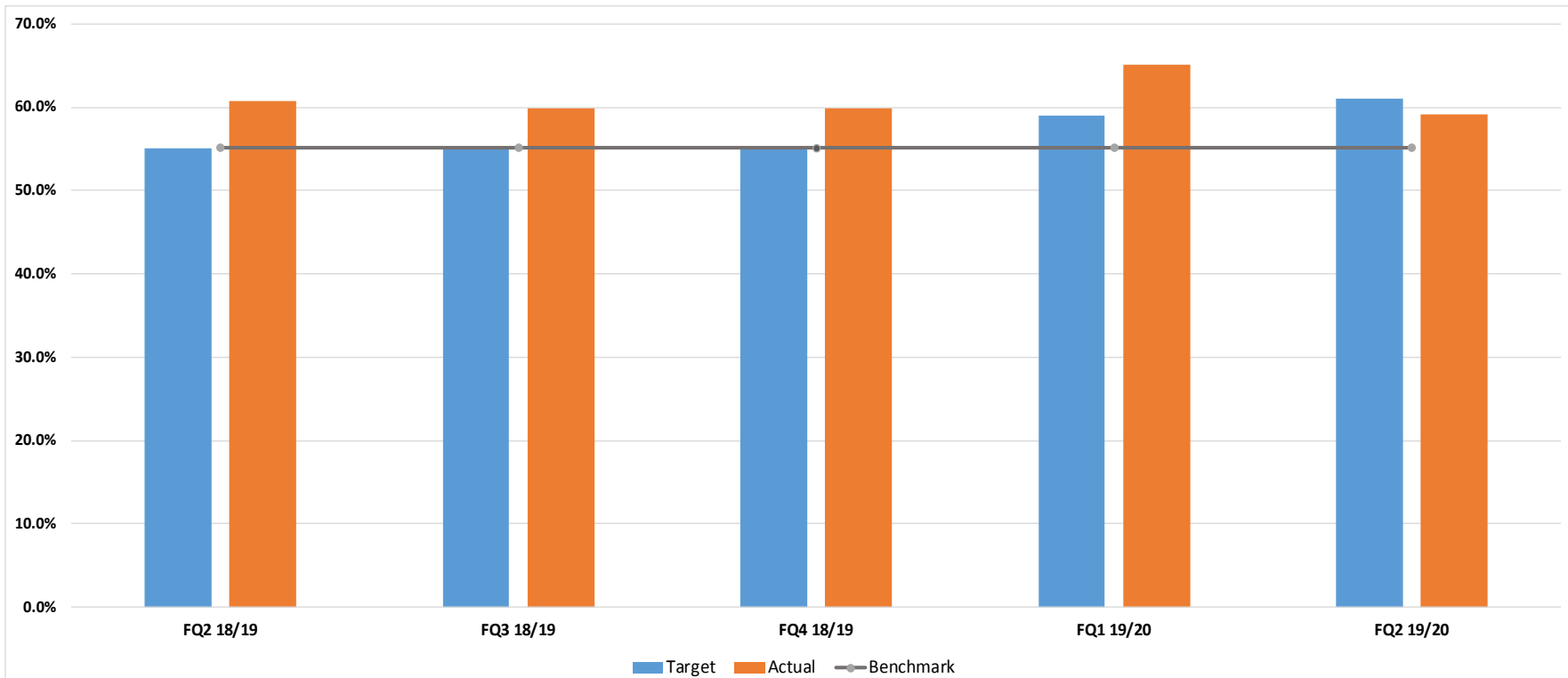
Indicator Ref : LRS110_06 [CS110_04]-Increase the percentage of all Small Medium Enterprises [SMEs] that win council contracts (Procurement, Commissioning & Creditors)

Trend	FQ2 19/20 Target	FQ2 19/20 Actual	Owner	Commentary
	75%	63.9%	Anne MacColl-Smith	Q2 63.9% (below target). Detail of contracts bid for and won by SMEs is attached you will see from the attached that there were a number of large organisations that only bid for certain contracts and were successful this reducing the %
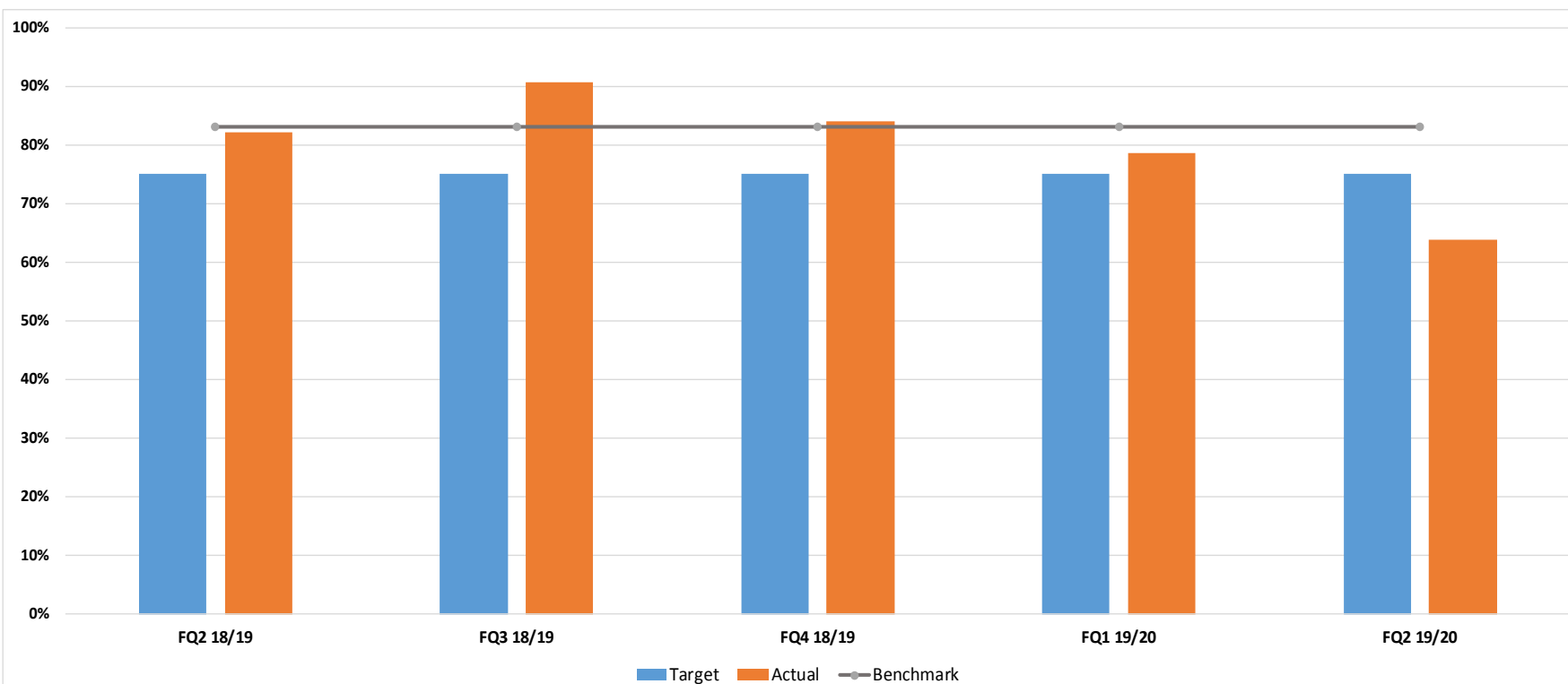
Indicator Ref : CSS113_04 [CS113_04]-Our IT applications and databases are within one version of current.... (Applications Support)

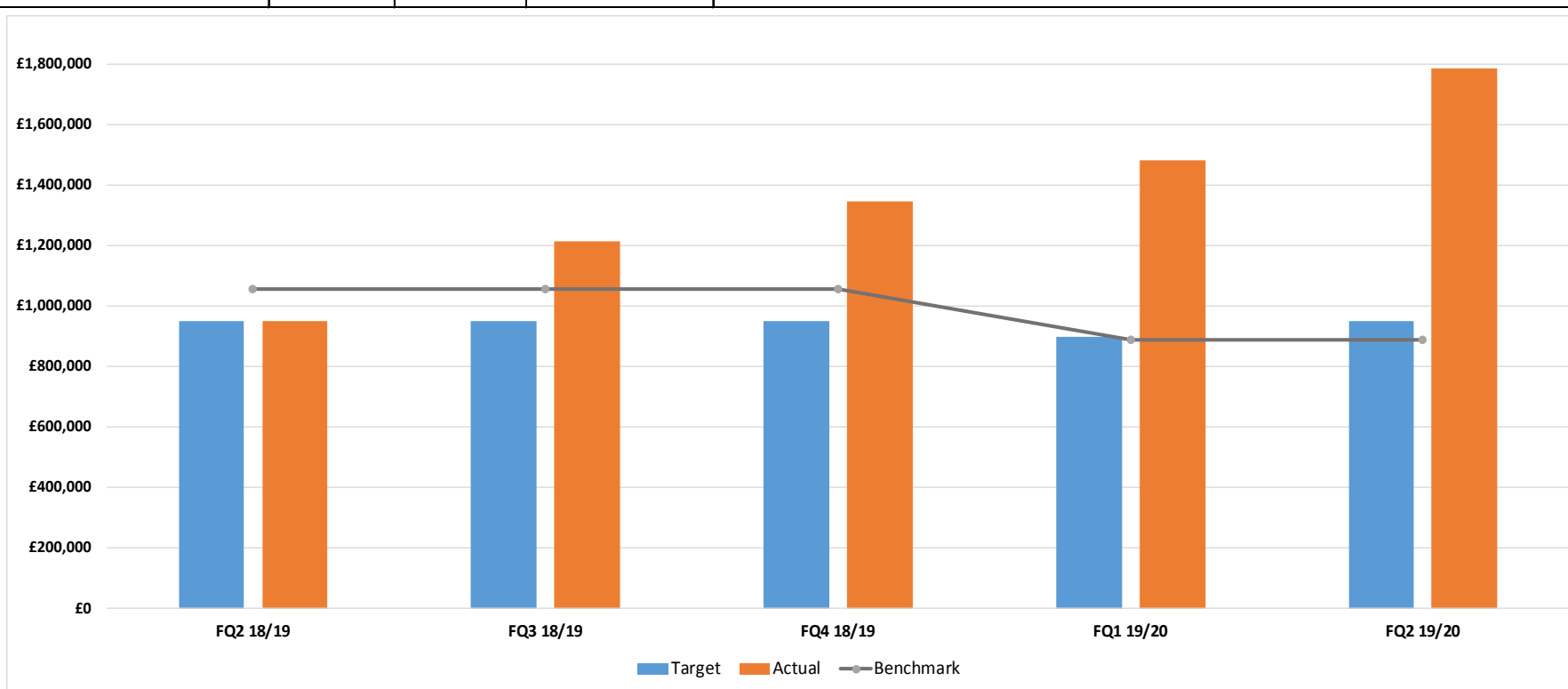| Trend	FQ2 19/20 Target	FQ2 19/20 Actual	Owner	Commentary
	85%	83.3%	James Moore	Slightly down from last quarter (84.03%) due to upgrades required to 3 applications to remain fit for purpose or to comply with supplier support requirements. Work in progress to upgrade the applications.
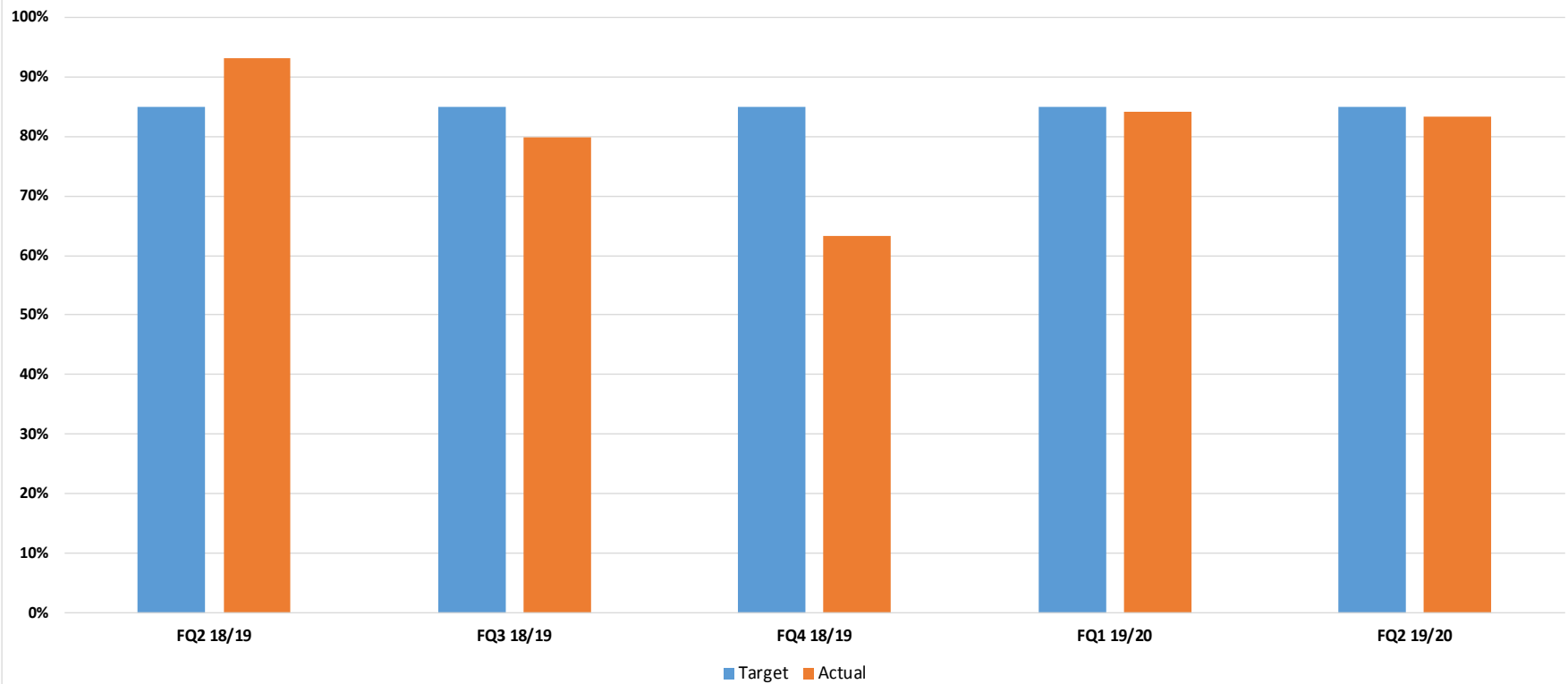
Indicator Ref : RIS113_05 [RA113_05]-The percentage of roads which are in a satisfactory condition. (Quarterly Conversions)

Trend	FQ2 19/20 Target	FQ2 19/20 Actual	Owner	Commentary
⇒	54.4%	45.3%	Hugh O'Neill	Successful delivery and progress in relation to the annual Roads Capital Budget/Programme, including partnership working with Scottish Timber Transport (STTS) to bid for funding for road improvements to offset damage by Timber Vehicles. Network and Standards Officers successfully prepared a bid for funding from STTS receiving £1.708 million, the highest funding allocated to any Scottish Local Authority. This allows Roads and Infrastructure Services to boost our Capital Funding and make a significant contribution to our roads infrastructure.
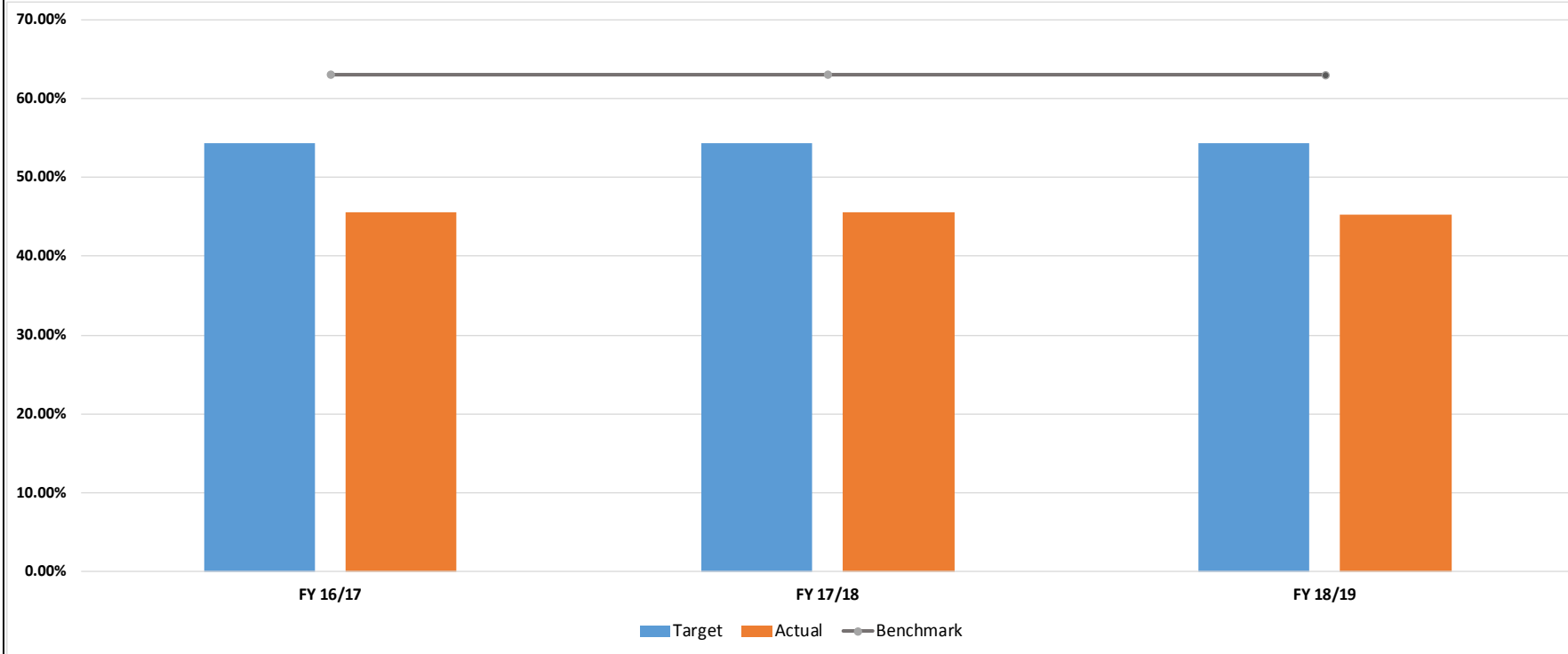
Indicator Ref : FIS115_18 [CS115_04]-Total outstanding Sundry Debtors' balances aged over 3 months to remain below target (SF Internal Audit incl Risk Management)

Trend	FQ2 19/20 Target	FQ2 19/20 Actual	Owner	Commentary
	£950,000	£1,786,791.00	Fergus Walker	There is an ongoing issue with a significant amount of debt outstanding for Calmac/Argyll Ferries £700,000 and Loch Fyne Oysters of £100,000. The Council are looking at options to take court action to recover the outstanding sums due.

Indicator Ref : CSS115_01 [IHR115_01]-Percentage of payroll accuracy (Pensions & Payroll)

Trend	FQ2 19/20 Target	FQ2 19/20 Actual	Owner	Commentary
	100%	99.4%	Tom Kerr	Overall performance to a high standard despite resource challenges. Most errors originate from departments - late or incorrect information.
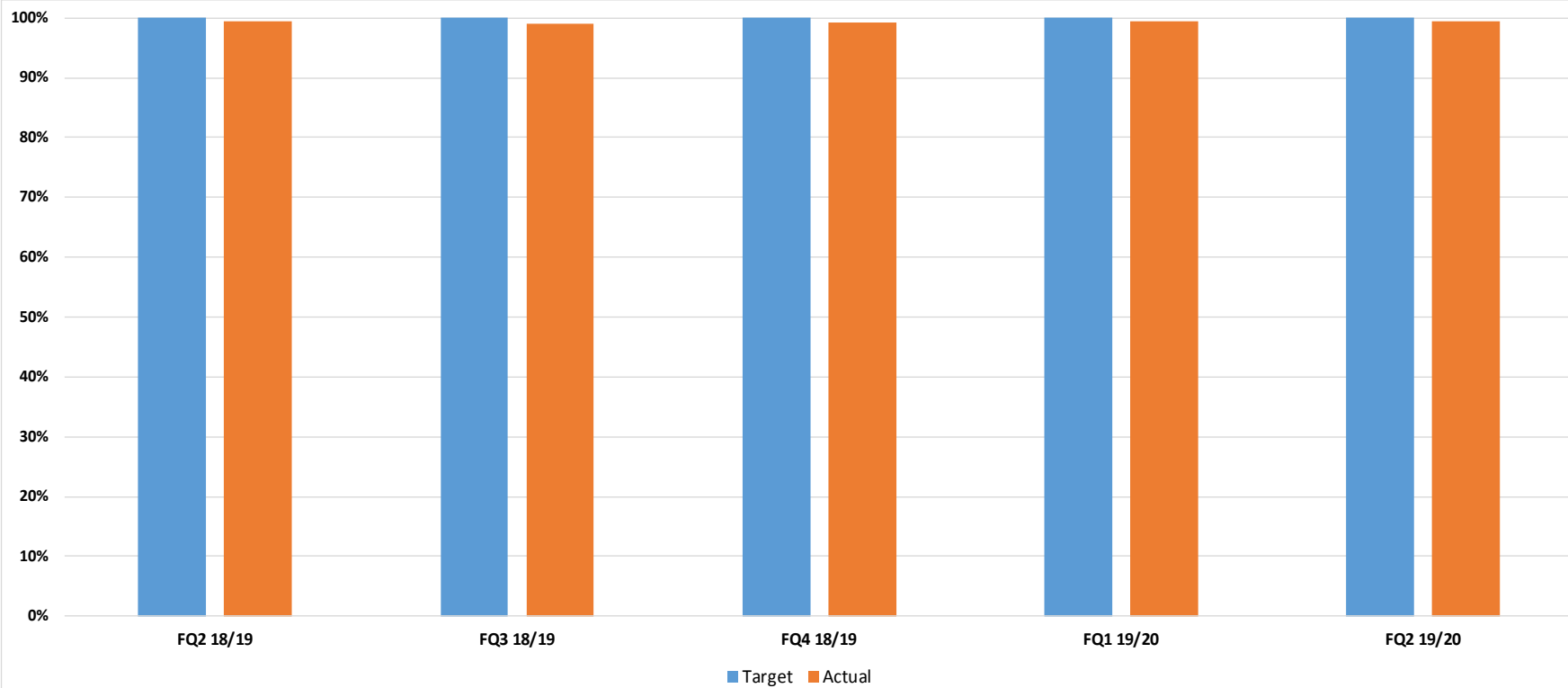
Indicator Ref : CSS115_06 [IHR115_06] - Percentage of HR contracts that are issued within 5 working days of receipt of the Successful Candidate Form

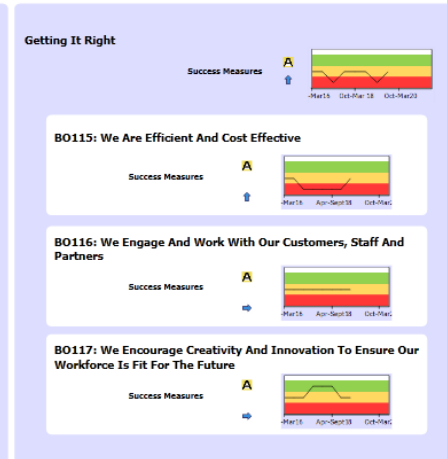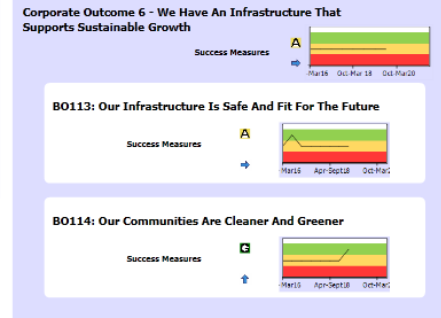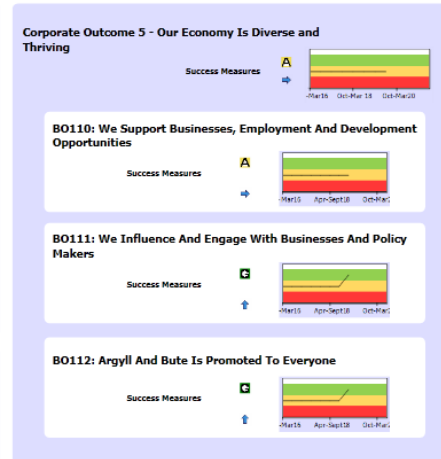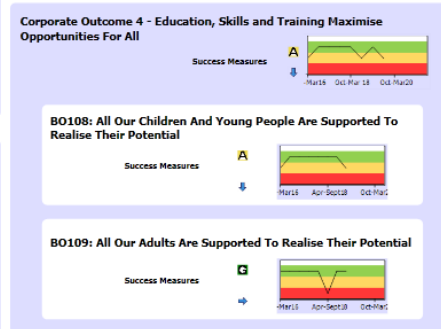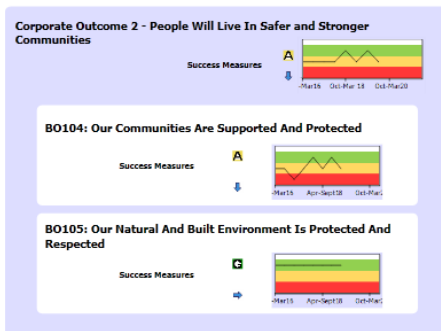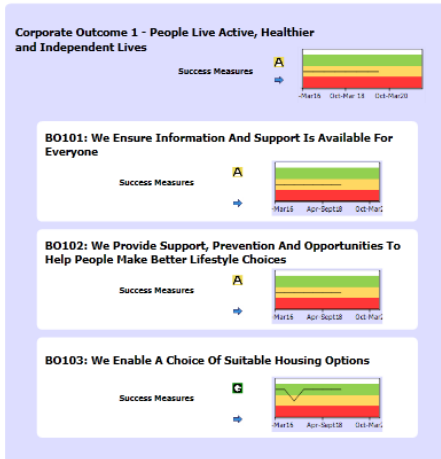| Trend	FQ2 19/20 Target	FQ2 19/20 Actual	Owner	Commentary
⇓	90%	50.0%	Tom Kerr	While performance remains below target the graph shows an improving picture with a slight improvement based on the previous quarter and a significant improvement when compared to the same period last year. This is despite a context of increasing processing demand for contracts within the council across the same period. The introduction of electronic contracts earlier this year has significantly reduced the time taken to generate a contract, but reduced capacity and turnover within the team, coupled with increased demand mean the impact of this change has not yet been fully realised.

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Council Scorecard – Corporate and Business Outcomes: April to September 2019

'Making Argyll and Bute a place people choose to live, learn, work and do business'

Argyll Bute COUNCIL | **Council Scorecard 2019-22**
Scorecard owned by: **Cleland Sneddon** | **Apr-Sept19**

Customer Services | Development & Infrastructure Services | Community Services | **Click here for Management Information**

Corporate Outcome 1 - People Live Active, Healthier and Independent Lives
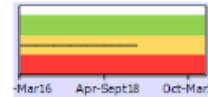Success Measures

BO101: We Ensure Information And Support Is Available For Everyone
Success Measures

BO102: We Provide Support, Prevention And Opportunities To Help People Make Better Lifestyle Choices
Success Measures

BO103: We Enable A Choice Of Suitable Housing Options
Success Measures

Corporate Outcome 2 - People Will Live In Safer and Stronger Communities
Success Measures

BO104: Our Communities Are Supported And Protected
Success Measures

BO105: Our Natural And Built Environment Is Protected And Respected
Success Measures

Corporate Outcome 3 - Children and Young People Have The Best Possible Start
Success Measures

BO106: Our Looked After Young People Are Supported By Effective Corporate Parenting
Success Measures

BO107: The Support And Lifestyle Needs Of Our Children, Young People And Their Families Are Met
Success Measures

Corporate Outcome 4 - Education, Skills and Training Maximise Opportunities For All
Success Measures

BO108: All Our Children And Young People Are Supported To Realise Their Potential
Success Measures

BO109: All Our Adults Are Supported To Realise Their Potential
Success Measures

Corporate Outcome 5 - Our Economy Is Diverse and Thriving
Success Measures

BO110: We Support Businesses, Employment And Development Opportunities
Success Measures

BO111: We Influence And Engage With Businesses And Policy Makers
Success Measures

BO112: Argyll And Bute Is Promoted To Everyone
Success Measures

Corporate Outcome 6 - We Have An Infrastructure That Supports Sustainable Growth
Success Measures

BO113: Our Infrastructure Is Safe And Fit For The Future
Success Measures

BO114: Our Communities Are Cleaner And Greener
Success Measures

Getting It Right
Success Measures

BO115: We Are Efficient And Cost Effective
Success Measures

BO116: We Engage And Work With Our Customers, Staff And Partners
Success Measures

BO117: We Encourage Creativity And Innovation To Ensure Our Workforce Is Fit For The Future
Success Measures

Council Scorecard 2019-22

Argyll Bute COUNCIL

Scorecard owned by: **Cleland Sneddon**   **Apr-Sept19**

Back to Full Council Scorecard

Management Information

RESOURCES

People

	Benchmark	Target	Actual	Status	Trend
Sickness Absence ABC		4.72 Days	4.45 Days	G	⬆
PRDs % complete ABC		90 %	68 %	R	⬇

Financial

	Budget	Forecast	Status	Trend
Finance Revenue totals ABC	£K 21,754	£K 21,754	A	⬆
Capital forecasts - current year ABC				
Capital forecasts - total project ABC				

Customer Relations

Customer Service ABC			Customer satisfaction	96 %		⬆
Customer Charter	G	➡	Stage 1 Complaints	0 %	G	⬇
Number of consultations	7		Stage 2 Complaints	0 %	G	⬇

IMPROVEMENT

Strategic Risks

Strategic Risk Register	H	=	M	=	L	=

		Overdue	Due in future	Future - off target
A&B Council Audit Recommendations	R	3 ⬇	52 ⬆	1 ⬆

Operational Risks

Community Services red risk assets	0			
Customer Services red risk assets	4	4	G	➡
Dev't & Infrastructure red risk assets	6	5	R	➡

Financial reporting for FQ2 2019/20 is covered in the Financial Report presented at the Policy & Resources Committee on 17th December 2019.

'Making Argyll and Bute a place people choose to live, learn, work and do business'

Council Scorecard 2019-22
Scorecard owned by: **Cleland Sneddon**   **Apr-Sept19**

Argyll Bute COUNCIL

Corporate Outcome 1 - People Live Active, Healthier and Independent Lives

Success Measures   **A** →

-Mar16   Apr-Sep 17   Apr-Sept19   Oct-Mar21

BO101: We Ensure Information And Support Is Available For Everyone

Success Measures   **A** →

-Mar16   Apr-Sept18   Oct-Mar2

BO102: We Provide Support, Prevention And Opportunities To Help People Make Better Lifestyle Choices

Success Measures   **A** →

-Mar16   Apr-Sept18   Oct-Mar2

BO103: We Enable A Choice Of Suitable Housing Options

Success Measures   **G** →

-Mar16   Apr-Sept18   Oct-Mar2

Customer Services

Development & Infrastructure Services

Community Services

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'Making Argyll and Bute a place people choose to live, learn, work and do business'
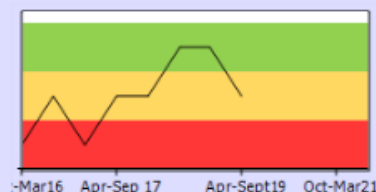
Council Scorecard 2019-22

Scorecard owned by: **Cleland Sneddon**   **Apr-Sept19**

Corporate Outcome 2 - People Will Live In Safer and Stronger Communities

Success Measures   A   ⬇

-Mar16   Oct-Mar 18   Oct-Mar20

BO104: Our Communities Are Supported And Protected

Success Measures   A

⬇

-Mar16   Apr-Sept18   Oct-Mar2

BO105: Our Natural And Built Environment Is Protected And Respected

Success Measures   G

➡

-Mar16   Apr-Sept18   Oct-Mar2

Customer Services

Development & Infrastructure Services

Community Services

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'Making Argyll and Bute a place people choose to live, learn, work and do business'

Council Scorecard 2019-22

Scorecard owned by: **Cleland Sneddon** **Apr-Sept19**

Corporate Outcome 3 - Children and Young People Have The Best Possible Start

Success Measures **A** ⬇

Mar16   Apr-Sep 17   Apr-Sept19   Oct-Mar21

BO106: Our Looked After Young People Are Supported By Effective Corporate Parenting
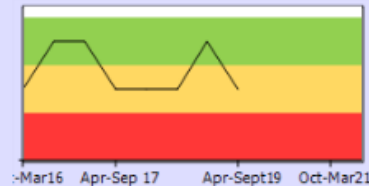
Success Measures **G** ➡

Mar16   Apr-Sept18   Oct-Mar2

BO107: The Support And Lifestyle Needs Of Our Children, Young People And Their Families Are Met

Success Measures **A** ⬇

Mar16   Apr-Sept18   Oct-Mar2

Customer Services

Development & Infrastructure Services

Community Services

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'Making Argyll and Bute a place people choose to live, learn, work and do business'

Argyll Bute COUNCIL

Council Scorecard 2019-22

Scorecard owned by: **Cleland Sneddon**   **Apr-Sept19**

Corporate Outcome 4 - Education, Skills and Training Maximise Opportunities For All
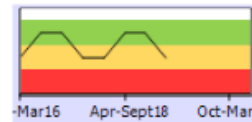
Success Measures   **A**   ⬇

:-Mar16   Apr-Sep 17   Apr-Sept19   Oct-Mar21

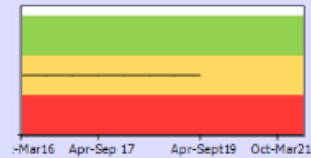**BO108: All Our Children And Young People Are Supported To Realise Their Potential**

Success Measures   **A**

⬇

-Mar16   Apr-Sept18   Oct-Mar2

BO109: All Our Adults Are Supported To Realise Their Potential

Success Measures   **G**

➡

-Mar16   Apr-Sept18   Oct-Mar2

Customer Services

Development & Infrastructure Services

Community Services

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'Making Argyll and Bute a place people choose to live, learn, work and do business'

Council Scorecard 2019-22

Scorecard owned by: **Cleland Sneddon**   **Apr-Sept19**

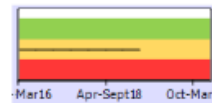**Corporate Outcome 5 - Our Economy Is Diverse and Thriving**

Success Measures   **A**   ➡

Mar16   Apr-Sep 17   Apr-Sept19   Oct-Mar21

BO110: We Support Businesses, Employment And Development Opportunities

Success Measures   **A**
➡

Mar16   Apr-Sept18   Oct-Mar2

BO111: We Influence And Engage With Businesses And Policy Makers

Success Measures   **G**
⬆

Mar16   Apr-Sept18   Oct-Mar2

BO112: Argyll And Bute Is Promoted To Everyone

Success Measures   **G**
⬆

Mar16   Apr-Sept18   Oct-Mar2

Customer Services

Development & Infrastructure Services

Community Services

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'Making Argyll and Bute a place people choose to live, learn, work and do business'
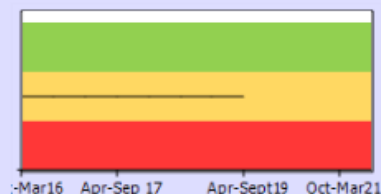
Council Scorecard 2019-22

Argyll Bute COUNCIL

Scorecard owned by: **Cleland Sneddon**   **Apr-Sept19**

Corporate Outcome 6 - We Have An Infrastructure That Supports Sustainable Growth
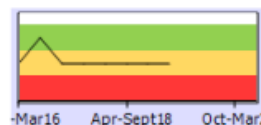
Success Measures   **A** ➡

:-Mar16   Apr-Sep 17   Apr-Sept19   Oct-Mar21

BO113: Our Infrastructure Is Safe And Fit For The Future

Success Measures   **A**   ➡

-Mar16   Apr-Sept18   Oct-Mar2

BO114: Our Communities Are Cleaner And Greener

Success Measures   **G**   ⬆

-Mar16   Apr-Sept18   Oct-Mar2

Customer Services

Development & Infrastructure Services

Community Services

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'Making Argyll and Bute a place people choose to live, learn, work and do business'

Argyll Bute COUNCIL

Council Scorecard 2019-22
Scorecard owned by: **Cleland Sneddon**   **Apr-Sept19**

Getting It Right

Success Measures   A   ⬆
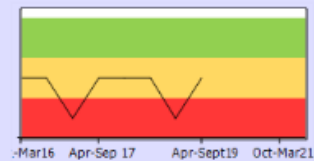
-Mar16   Apr-Sep 17   Apr-Sept19   Oct-Mar21

BO115: We Are Efficient And Cost Effective

Success Measures   A

⬆
-Mar16   Apr-Sept18   Oct-Mar2

BO116: We Engage And Work With Our Customers, Staff And Partners
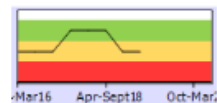
Success Measures   A

➡
-Mar16   Apr-Sept18   Oct-Mar2

BO117: We Encourage Creativity And Innovation To Ensure Our Workforce Is Fit For The Future

Success Measures   A

➡
-Mar16   Apr-Sept18   Oct-Mar2
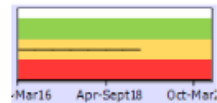
Customer Services

Development & Infrastructure Services

Community Services

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ARGYLL AND BUTE COUNCIL   **Audit and Scrutiny Committee**

Customer Services   **24 January 2020**

Corporate Complaints – Annual Report 2018-19

1.0   INTRODUCTION

1.1   The report provides information on how the Council has dealt with complaints during the period between 1 April 2018 and 31 March 2019 and performed against the statutory indicators which have been agreed between the Scottish Public Services Ombudsman (SPSO) and the Local Authorities Complaint Handlers Network.

2.0   RECOMMENDATIONS

2.1   The Audit and Scrutiny Committee consider and note the content of this report.

3.0   DETAIL

3.1   All Council services follow the SPSO's model complaint handling procedure (CHP). A requirement of the CHP is that the Council report to the SPSO on the set of statutory performance indicators, agreed between the SPSO and the Local Authorities Complaints Handlers Network, and prepare an annual report for consideration by Members.

3.2   The annual report for the period between 1 April 2018 and 31 March 2019 is attached at Appendix 1.

3.3   The complaints procedure is administered centrally by the Governance Unit within Customer Services who prepare quarterly reports which are considered by the SMT. Each Department has Complaints Officers / Complaints Coordinators who are responsible for ensuring that the procedure is followed.

3.4   The quarterly reports are available to the public via the complaints page on the Council's website at https://www.argyll-bute.gov.uk/do-it-online/comments-and-complaints

4.0   CONCLUSION

4.1   The Council has dealt with the complaints it has received in a way which is compatible with the ethos of the CHP and complied with its statutory obligation to provide an annual report.

5.0   IMPLICATIONS

5.1	Policy	None
5.2	Financial	None
5.3	Legal	Statutory requirement to prepare report
5.4	HR	None
5.5	Equalities	None
5.6	Risk	None
5.7	Customer Service	None

Douglas Hendry
Executive Director of Customer Services

16 December 2019

For further information contact: Iain Jackson, Governance and Risk Manager
01546 604188

APPENDICES
Appendix 1 – Annual Complaints Report 2018-19

Annual Complaints

Performance Report

2018-2019

Contents

Foreword

I am pleased to be able to present Argyll and Bute Council's Annual Complaints Report. This report provides information on customer complaints handled between 1 April 2018 to 31 March 2019.

Argyll and Bute Council is committed to providing high quality services for residents, businesses and visitors in Argyll and Bute. An important part of this commitment is to ensure we have effective processes in place to resolve matters when things go wrong, and to learn from the issues reported to us to improve the quality of services provided.

We aim to be thorough, transparent, objective and fair in our approach to complaints, and strive to make it as easy as possible for customers to access our complaints procedure through our website, by email, over the telephone or in person.

We understand that it can be disappointing and frustrating when expectations are not met, however, we welcome and value complaints. Feedback from our customers allows us to take steps to correct things and identify areas where service delivery can be improved. Some examples of improvements made are included in this report.

Cleland Sneddon

Chief Executive – Argyll and Bute Council

Our Complaints Procedure

A complaint is 'an expression of dissatisfaction about the Council's action or lack of action, or about the standard of service provided by or on behalf of the Council'

Customers must normally notify their complaint to a member of staff within six months of the date they first knew of the problem, unless there are special circumstances which would cause this timescale to be extended.   Clarification on relevant factors can be obtained from Iain Jackson, our Corporate Complaints Officer.

In most cases a complaint will be made because the customer considers that the Council has:

Done Something Wrong

Failed to live up to expectations

Treated someone badly or unfairly
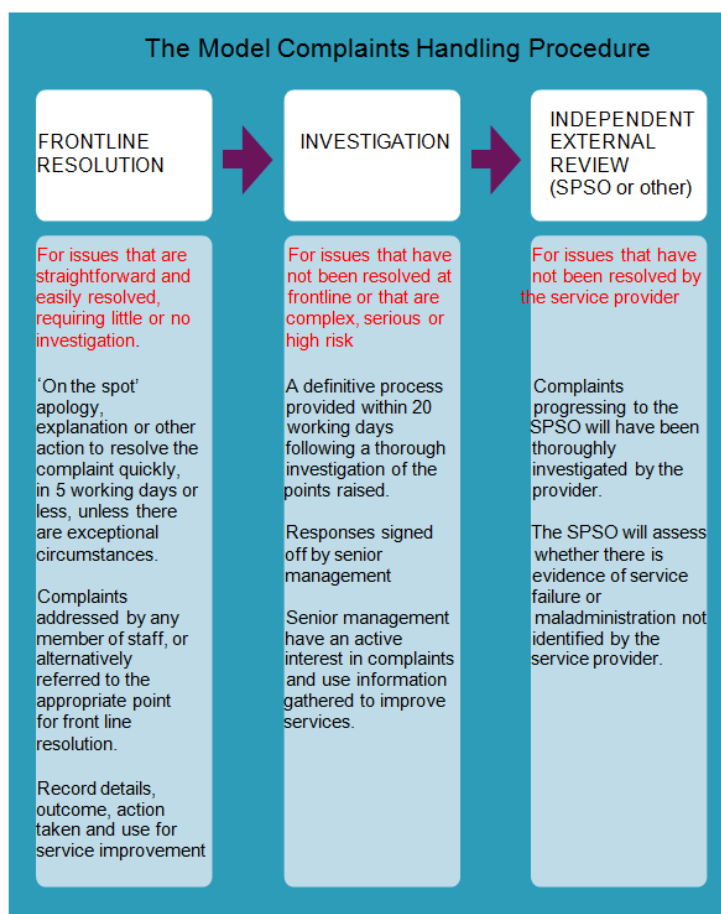
The model complaints procedure has two stages.

Stage 1: We always try to resolve Stage 1 complaints within 5 working days.

Stage 2: If a customer is not satisfied with a Stage 1 resolution, we can escalate their complaint to Stage 2. Some complaints will also start here if they require detailed investigation.   All Stage 2 complaints are acknowledged in 3 working days and we aim for a resolution within 20 days.

If the customer is still dissatisfied they can ask the SPSO to review it.

The Model Complaints Handling Procedure

FRONTLINE RESOLUTION → **INVESTIGATION** → **INDEPENDENT EXTERNAL REVIEW (SPSO or other)**

FRONTLINE RESOLUTION	INVESTIGATION	INDEPENDENT EXTERNAL REVIEW (SPSO or other)
For issues that are straightforward and easily resolved, requiring little or no investigation.	For issues that have not been resolved at frontline or that are complex, serious or high risk	For issues that have not been resolved by the service provider
'On the spot' apology, explanation or other action to resolve the complaint quickly, in 5 working days or less, unless there are exceptional circumstances.	A definitive process provided within 20 working days following a thorough investigation of the points raised.	Complaints progressing to the SPSO will have been thoroughly investigated by the provider.
Complaints addressed by any member of staff, or alternatively referred to the appropriate point for front line resolution.	Responses signed off by senior management	The SPSO will assess whether there is evidence of service failure or maladministration not identified by the service provider.
Record details, outcome, action taken and use for service improvement	Senior management have an active interest in complaints and use information gathered to improve services.	

4

Our Performance – Key Figures

The following sections of this report provide information on our complaints handling based on performance indicators as described by the Scottish Public Services Ombudsman (SPSO)

5

Indicator 1 – Complaints Received per 1,000 of Population

This section details the total number of complaints handled by Argyll and Bute Council between 1 April 2018 and 31 March 2019.   So a fair comparison can be made across all 32 Scottish councils, the figure of complaints per 1,000 of population is used.

The population of Argyll and Bute is estimated at around **86,810***
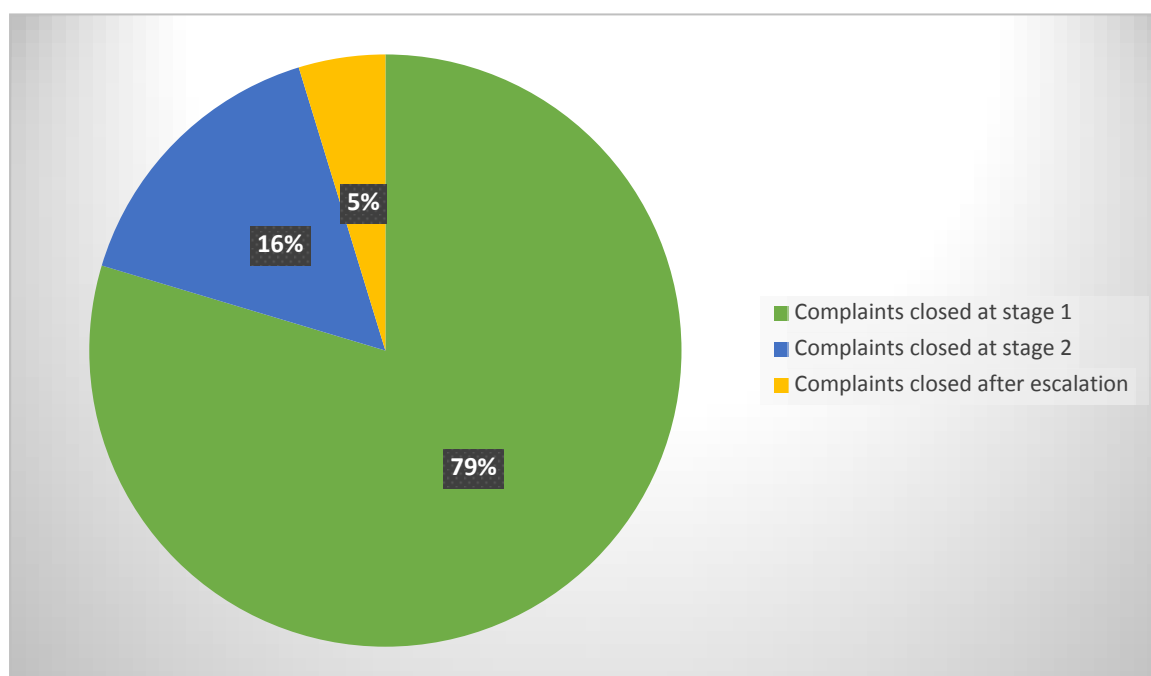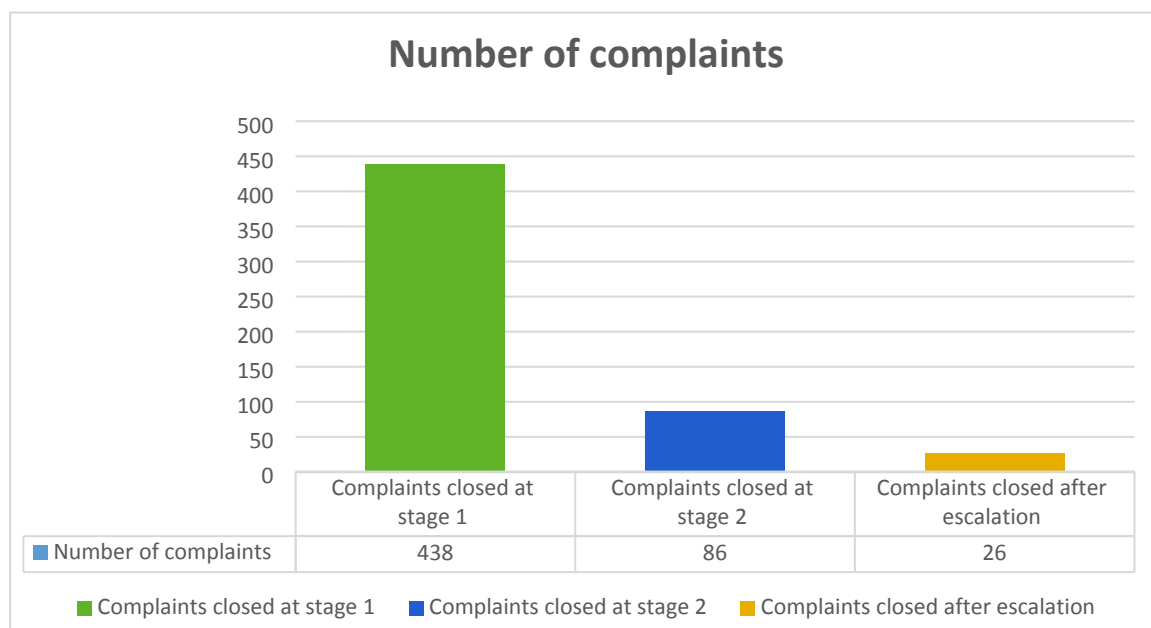
In 2018/2019 Argyll and Bute received and processed **552** complaints (550 closed within the period).

This means there were **6.4** complaints per **1,000 population**, or roughly **1** resident in **157** made a complaint about our services.

* National Records of Scotland mid-year 2017 to 2018 population estimate for Argyll and Bute.

Indicator 2 – Number of Complaints

This indicator details information on the number of complaint closed at Stages 1 and 2 and also as a percentage of all complaints received (please note there may be discrepancies due to data rounding)

Number of complaints

	Complaints closed at stage 1	Complaints closed at stage 2	Complaints closed after escalation
Number of complaints	438	86	26

Legend: Complaints closed at stage 1, Complaints closed at stage 2, Complaints closed after escalation

Pie chart: 79% Complaints closed at stage 1, 16% Complaints closed at stage 2, 5% Complaints closed after escalation

438 complaints were closed at Stage 1 – 80%

86 complaints were closed at Stage 2 – 15%

26 complaints were closed after escalation – 5%

7

Indicator 3, Stage 1 – Complaints Upheld, Not Upheld and Partially Upheld

With every complaint, we contact the customer and explain if their complaint was Upheld, Not Upheld or Partially Upheld and why.

	Complaints upheld at stage 1	Complaints not upheld at stage 1	Complaints partially upheld at stage 1
Stage 1	184	169	85
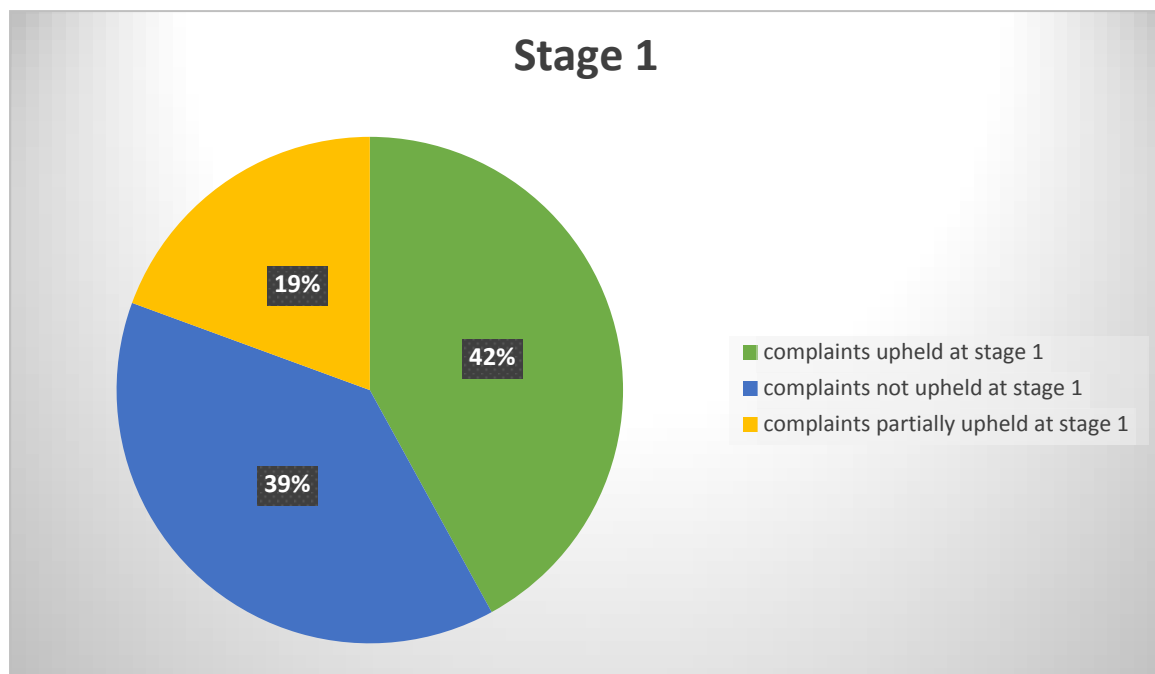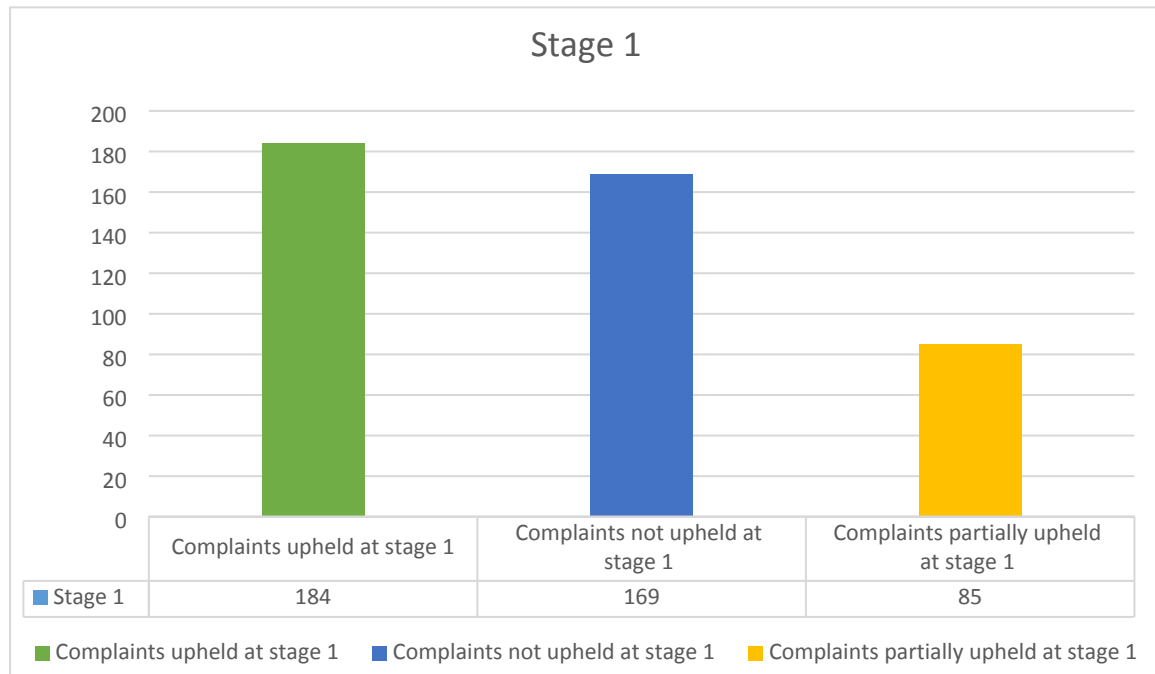
184 complaints were Upheld at Stage 1 – 42%

169 complaints were Not Upheld at Stage 1 – 39%

85 complaints were Partially Upheld at Stage 1 – 19%

Indicator 3, Stage 2 – Complaints Upheld, Not Upheld & Partially Upheld

With every complaint, we contact the customer and explain if their complaint was Upheld, Not Upheld or partially Upheld, and why.
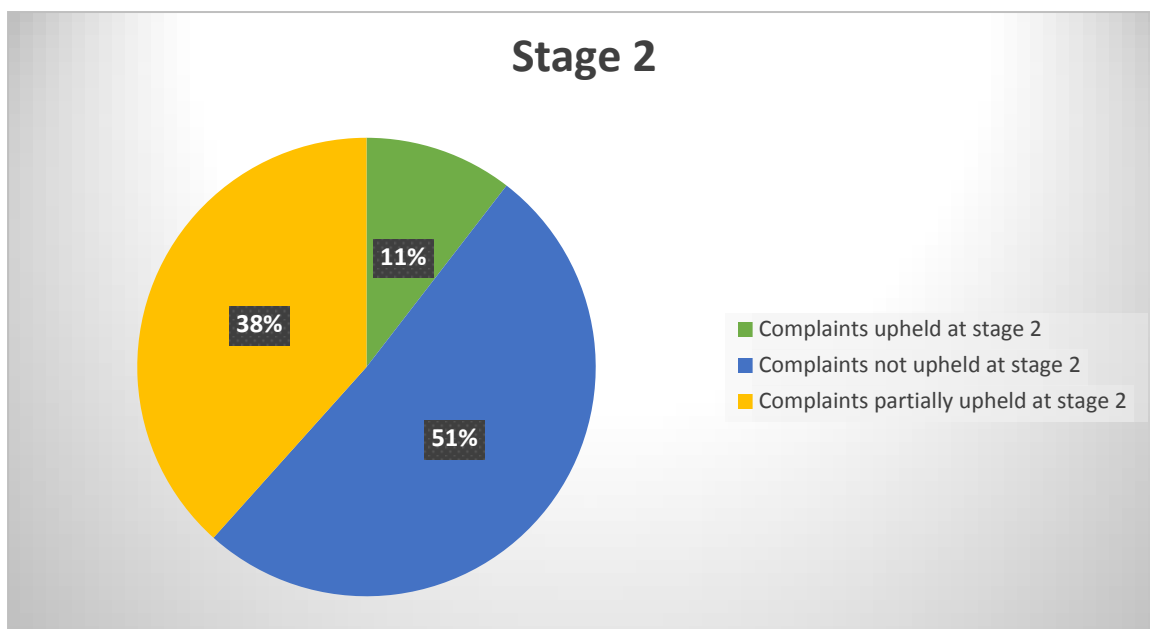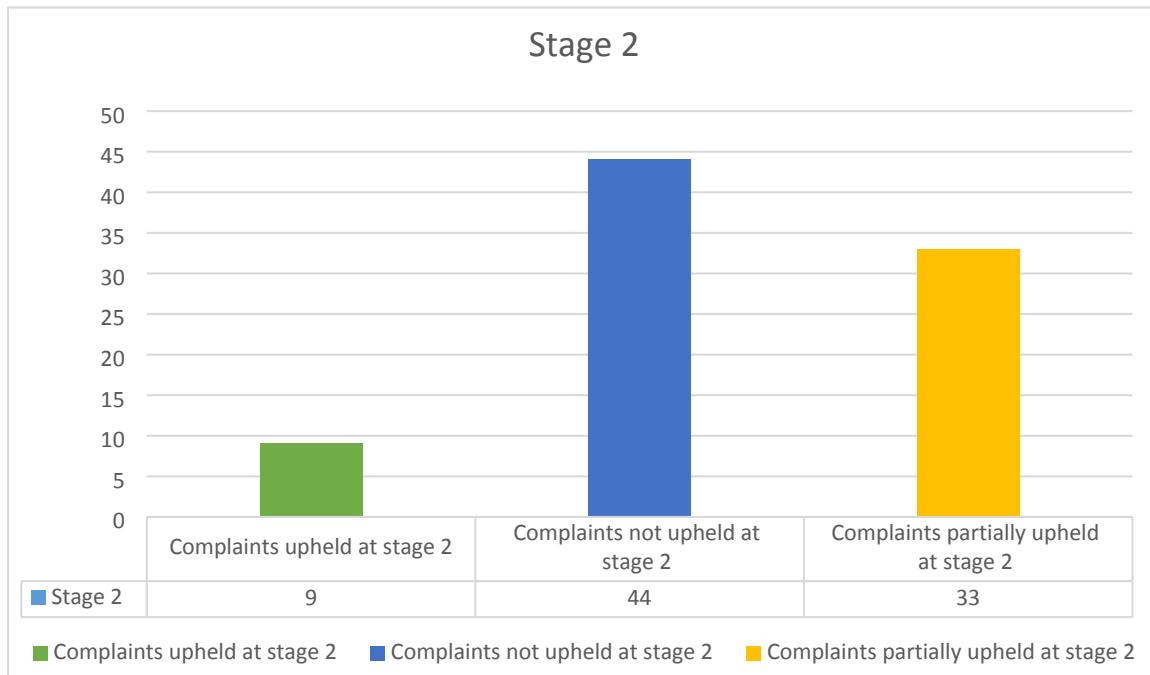

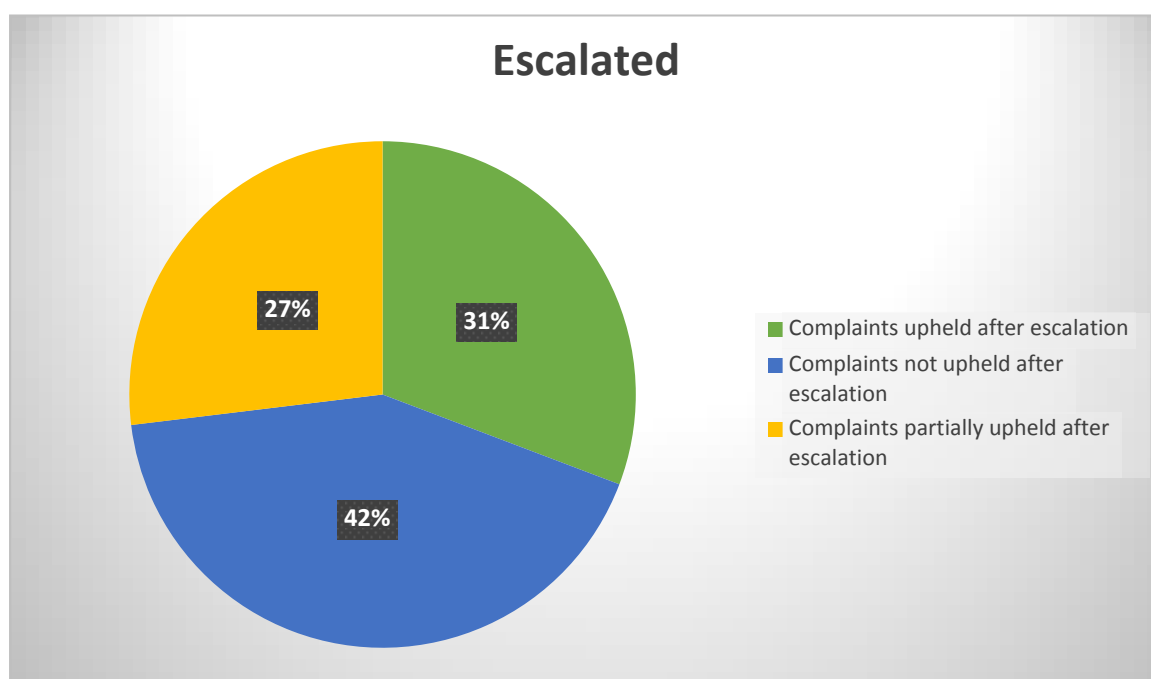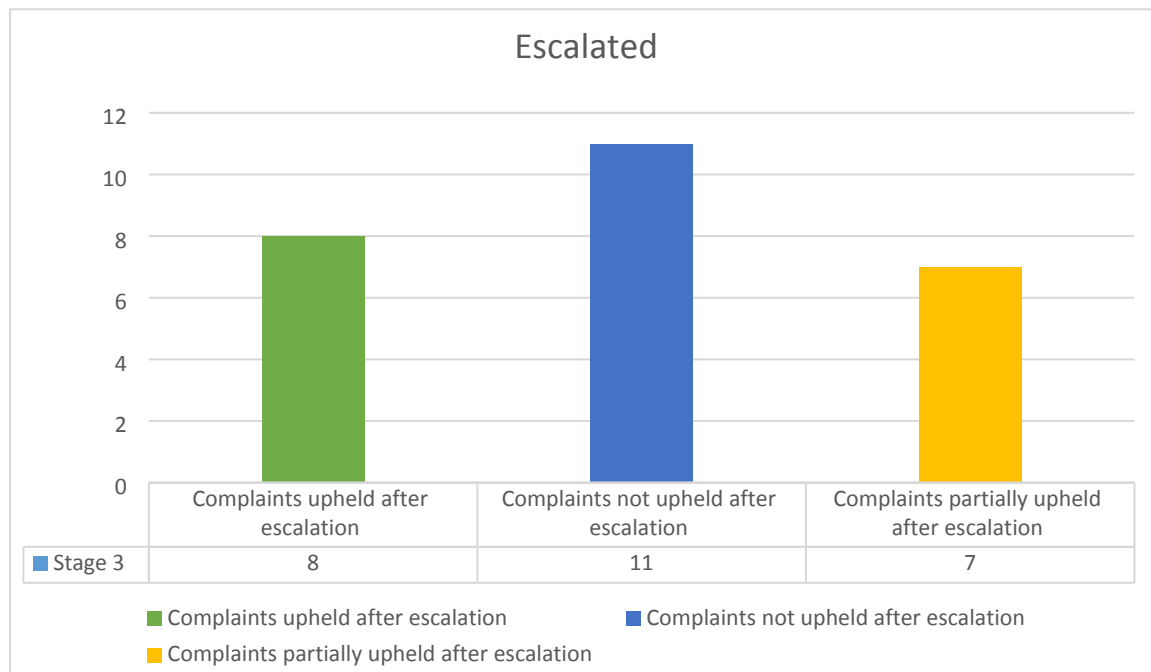|	Complaints upheld at stage 2	Complaints not upheld at stage 2	Complaints partially upheld at stage 2
Stage 2	9	44	33

9 Complaints were Upheld at Stage 2 – 11%

44 Complaints were Not Upheld at Stage 2 – 51%

33 Complaints were Partially Upheld at Stage 2 – 38%

Indicator 3 – Complaints Escalated

A complaint is escalated to the investigation stage when the customer remains unsatisfied with the frontline resolution, the issues are complex and will require investigation or if the complaint is identified as serious, high risk or high profile.

	Complaints upheld after escalation	Complaints not upheld after escalation	Complaints partially upheld after escalation
Stage 3	8	11	7

8 complaints were Upheld after escalation -31%

**11 complaints were Not Upheld after escalation – 42%**

7 complaints were Partially Upheld after escalation – 27%

10

Indicator 4 – Average Times

Stage 1 – We aim to respond to and close all Stage 1 complaints within **5 working days**.   In 2018/2019, we closed **438** complaints at Stage 1, with a total sum of **2,810 working days** used to close them. Our average time to close a Stage 1 complaint was **6.4 working days**.

Stage 2 – We aim to respond to and close all Stage 2 complaints within **20 working days** from the date of Escalation to Stage 2.   In 2018/ 2019, we closed **86** complaints at Stage 2, with a total sum of **1,663 working days** used to close them.   Our average time to close a Stage 2 complaint was **19.3 working days**.

After Escalation – in 2018/2019, we closed **26** complaints after Escalation with a total sum of **400 working days.**   Our average time to close a complaint after Escalation was **15.4 working days**.
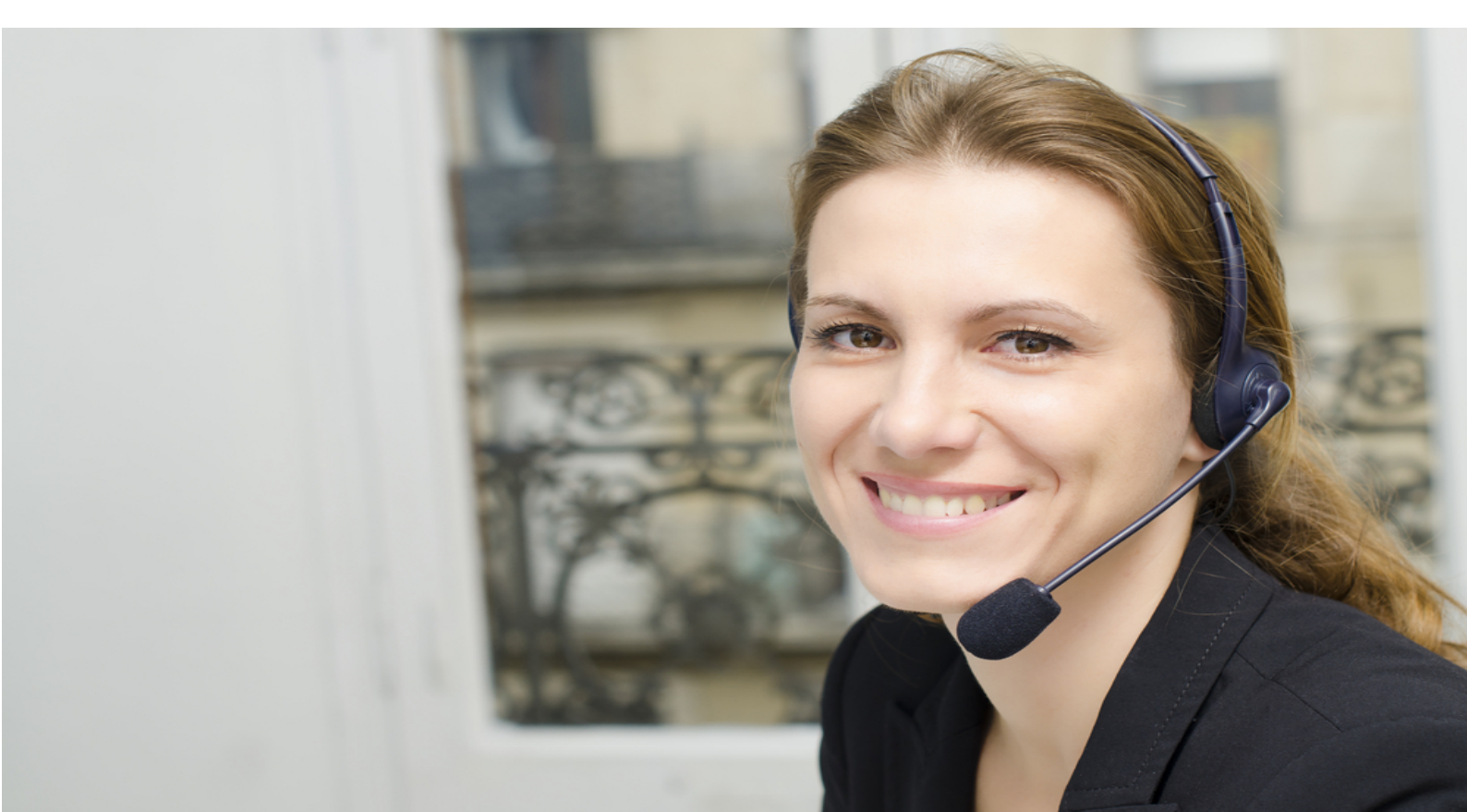
Indicator 5 – Performance Against Timescales

This indicator reports the number and percentage of complaints at each stage which were closed within the correct timescales of 5 and 20 days.

Stage 1 – We aim to respond to and close all Stage 1 complaints within **5 working days**.   In 2018/2019 we closed **438** complaints at Stage 1 with **293** of these within timescale, or **66.9%**.   **22 (5%)** were closed after an extension was agreed with the customer.

Stage 2 – we aim to respond to and close all Stage 2 complaints within **20 working days**. In 2018/2019 we closed **86** complaints at Stage 2, with **56** of these within timescale, or **65.1%.**   **2 (2.3%)** were closed after an extension was agreed with the customer.

After Escalation – in 2018/2019, we closed **26** complaints after Escalation, with **15** of these within timescale, or **57.7 %. 10 (38.5%)** were closed after an extension was agree with the customer.

Indicator 6 – Extensions to Timescales

This indicator reports the number and percentage of complaints at each stage which were closed after an extension to the 5 or 20 day timeline was authorised.

Stage 1 – in 2018/2019, we had a total of **22** complaints where an extension was authorised, or **5%** of the total complaints closed.

Stage 2 – in 2018/2019, we had a total of **2** complaints where an extension was authorised, or **2.3%** of the total complaints closed.

Following Escalation – in 2018/2019, we had a total of **10** complaints where an extension was authorised, or **38.5%** of the total complaints closed.

Indicator 7 – Customer Satisfaction

Our Customer Contact Centre has developed an automatic customer satisfaction survey which is sent out to customers when a complaint is closed.   This survey aims to assess how the customer found the complaints process, rather than looking at the outcome of the complaint.

On average, over half of our customers who completed the survey were satisfied or very satisfied with the process for making a complaint.

We report the feedback and any suggestions for improvements back to our quarterly complaints meetings, and look at how our complaints process could be improved.

Indicator 8 Learning from Complaints – Reporting

Who looks at our complaint figures and trends?

Information about complaint figures and corrective action taken is reported regularly to senior managers and a quarterly report is submitted to the Strategic Management Team.   This process ensures the appropriate level of scrutiny takes place.

We also report our complaint figures to the Scottish Public Service Ombudsman (SPSO) by submitting an annual return.

How we report Complaints Performance and Trends to our Customers

We publish the quarterly reports on our website: https://www.argyll-bute.gov.uk/do-it-online/comments-and-complaints

Indicator 8 – Learning from Complaints – Improvements

In general, no major policy or procedural changes were required in response to complaints, however, a number of relatively minor changes or actions were taken in order to improve our service to customers.   Whilst these improvements may have been minor in the overall scale of activities within the Council, it is our hope that they have made significant changes to the quality of service received by our customers.   Some examples of these improvements include:

- Additional information added to our website – service disruptions, changes to bin collections etc.
- Standard letter amended to make the information clearer to customers
- Toolbox talks given to staff to ensure that they are familiar with service standards

Complaints investigated by the SPSO

When a customer is not satisfied with our final response to a complaint, they can take it to the Scottish Public Service Ombudsman (SPSO) and ask for the complaint to be investigated.   The SPSO is the final arbiter for complaints about public services.

Cases passed to SPSO during 2018/2019

24 Cases were received by the SPSO in relation to Argyll and Bute Council in 2018/2019.   Of these 13 were not progressed (ie. they were withdrawn, premature, out with SPSO jurisdiction etc.); 8 cases were resolved early; 1 was investigated by the SPSO and upheld, 1 was not upheld and 1 was partially upheld.

The SPSO publishes reports about all the organisations it has involvement with – more information is available from:

https://www.spso.org.uk/statistics-2018-19

Benchmarking 2018/2019

Performance indicators developed in partnership with the Local Authority Complaints Handlers Network help councils to understand their complaints handling performance in more detail. They also ensure that councils are capturing consistent and directly comparable information to enhance their benchmarking of complaints performance with their peers. The indicators are linked to the core recording, reporting and publicising requirements within the model Complaints Handling Procedure (CHP).

This process has been organised around 'Family Groups' of councils so that comparison can be made between councils that are similar in terms of the type of population that they serve (e.g. relative deprivation and affluence) and the type of geographical area which they cover (e.g. urban, semi-rural, rural). The point of comparing like with like is that this is expected to lead to useful learning and improvement.

Argyll & Bute are in Family Group One for LACHN benchmarking purposes.

LACHN 'Family Group 1' includes - Argyll & Bute, Eilean Siar, Shetland Islands, Highland, Orkney Islands, Scottish Borders, Dumfries & Galloway and Aberdeenshire.

At the time of this annual report compilation, LACHN are waiting for submissions from some local authorities which are outstanding.   Family Group 1 are not affected, but, for this reason, we are unable to benchmark against the Scottish average as this would change in respect to the missing information.

The performance of Argyll and Bute in 2018/2019 with respect to Indicators 1-5 is compared to Family Group 1, as a whole on the following pages:

Benchmarking 2018/2019

Indicator 1 – Complaints received per 1,000 of population

	Family Group 1	Argyll & Bute
Population	920,040	86,810
Total Complaints	5,125	552
Complaints per 1,000 population	5.6	6.4

Indicator 2 – Closed Complaints

	Family Group 1	Argyll & Bute
	% of Total	% of Total
Stage 1	74.7	79.6
Stage 2	21.8	15.6
Escalated	3.5	4.7

* Percentage figures may add within a 0.1 percentage point to 100% due to rounding up / down.

Indicator 3 – Complaints upheld/ not upheld / partially upheld

	Family Group 1	Argyll & Bute
	% of Stage Total	% of Stage Total
Stage 1 Upheld	35.1	42
Stage 1 Partially Upheld	13.0	19.4
Stage 1 Not Upheld	51.9	38.6
Stage 2 Upheld	22.0	10.5
Stage 2 Partially Upheld	15.0	38.4
Stage 2 Not Upheld	63.1	51.2
Escalated Upheld	28.0	30.8
Escalated Partially Upheld	20.0	26.9
Escalated Not Upheld	52.0	42.3

* Percentage figures may add within a 0.1 percentage point to 100% due to rounding up / down.

Benchmarking 2018/2019

Indicator 4 – Average time spent (in days)

	Family Group 1	Argyll & Bute
Stage 1	7.9	6.4
Stage 2	18.5	19.3
Escalated	20.1	15.4

Indicator 5 – Complaints closed within timescale

	Family Group 1	Argyll & Bute
	% of Stage Total	% of Stage Total
Stage 1	61.9	66.9
Stage 2	71.0	65.1
Escalated	61.7	57.7

Conclusion

Argyll and Bute Council is committed to using feedback and listening to customers so we can continually improve the way we do things.

Our complaint handling is benchmarked with other local authorities and we will continue to work closely with the Scottish Public Services Ombudsman to ensure this best-practice is on-going.

Contact Us

If you would like to know more about our complaints procedure, please contact us.

Phone – 01546 605522

Text – 07860023933

Post – Argyll and Bute Council, Kilmory, Lochgilphead, Argyll, PA31 8RT

Email - mailto:enquiries@argyll-bute.gov.uk

Online - http://www.argyll-bute.gov.uk/content/enquiriesform

Audit & Scrutiny Committee Work Plan 2018 – 2019

This is an outline plan to facilitate forward planning of reports to the Audit & Scrutiny Committee

24 January 2020	Reports to Committee Services by 17 December 2019	
Report	**Lead Service**	**Regularity**
Internal Summary of Activities	Chief Internal Auditor	Quarterly
Internal Audit Report Follow Up	Chief Internal Auditor	Quarterly
Internal Audit Reports to Audit and Scrutiny Committee 2019/20 • Live Argyll - Operating Procedures • Building Standards • Care Home Provision • Following the Public Pound • Risk Management	Chief Internal Auditor	Quarterly
Internal Audit Benchmarking	Chief Internal Auditor	Annual
Council 6 Month Performance: October 2018 to March 2019	Executive Director Customer Support Services	Bi-annual
2020/21 Internal Audit Plan (Draft)	Chief Internal Auditor	Annual
External Audit Update Report	Audit Scotland	Quarterly
Corporate Complaints – Annual Report 2018-19	Executive Director Customer Support Services	Annual
TRO Review Paper	Procurement and Commissioning Manager	One-Off
17 March 2020	Reports to Committee Services by 21 February 2020	
Internal Summary of Activities	Chief Internal Auditor	Quarterly
Internal Audit Report Follow Up	Chief Internal Auditor	Quarterly
Internal Audit Reports to Audit and Scrutiny Committee 2019/20 • Legionella Improvement Plan • Logical Access	Chief Internal Auditor	Quarterly

Audit & Scrutiny Committee Work Plan 2018 – 2019

• Cyber Security • Information Asset Registers • Social Care Contract Management • Grounds Maintenance • School Procurement • Fleet Management • Pupil Equity Fund		
Internal Audit Charter and Internal Audit Manual Update	Chief Internal Auditor	Annual
2020/21 Internal Audit Plan (Final)	Chief Internal Auditor	Annual
Internal Audit Summary of Activities	Chief Internal Auditor	Quarterly
External Audit – 2019/20 Annual Plan	Audit Scotland	Annual
Audit Scotland Report – Financial Overview 2018/19	Head of Financial Services	Annual
2019/20 Unaudited Annual Accounts Preparation Plan and Timetable	Head of Financial Services	Annual
Treasury Management Strategy and Annual Investment Strategy	Head of Financial Services	Annual
Scrutiny Lessons Learned	Chief Internal Auditor	One-off
16 June 2020	Reports to Committee Services by 22 May 2020	
Internal Summary of Activities	Chief Internal Auditor	Quarterly
Internal Audit Report Follow Up	Chief Internal Auditor	Quarterly
Internal Audit Reports to Audit and Scrutiny Committee 2019/20 • LiveArgyll – Performance Management • Interfaces & Reconciliations	Chief Internal Auditor	Quarterly
Strategic Risk Register Update	Chief Executive	Annual
Internal Audit 2019/20 Annual Report	Chief Internal Auditor	Annual
Review of Code of Corporate Governance	Governance, Risk and Safety Manager	Annual
External Audit 2019/20 Management Report	Audit Scotland	Annual
Economic Strategy Scrutiny Report	Audit & Scrutiny Committee Chair	One-off

Audit & Scrutiny Committee Work Plan 2018 – 2019

Strategic Housing Fund Scrutiny Report	Audit & Scrutiny Vice Chair	One-off
External Audit Update Report	Audit Scotland	Quarterly
Local Government Benchmarking Framework Report	Head of Customer Support Services	Annual
Unaudited Financial Accounts	Head of Financial Services	Annual
2020/21 Scrutiny Plan	Chief Internal Auditor	Annual
Local Government in Scotland: Challenges and Performance 2020	Audit Scotland	Annual
22 September 2020	Reports to Committee Services by 28 August 2020	
Internal Audit – PSIAS Self-Assessment	Chief Internal Auditor	Annual
Out of Authority Placements Scrutiny Report	Audit & Scrutiny Committee Chair	One-off
Audit & Scrutiny Committee 2018/19 Annual Report	Audit & Scrutiny Committee Chair	Annual
External Audit Annual Audit Report	Audit Scotland	Annual
Audited 2018/19 Annual Accounts	Head of Financial Services	Annual
Strategic Risk Register – Assurance Mapping	Chief Internal Auditor	Annual

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