

**Audit & Standards Committee****13 December 2012**

Matters Arising	
Report : IP-25-F	
Performance & Improvement Adviser	Corporate Services

1. Summary

- 1.1. This report is a standing item on the Audit & Standards Committee agenda. It provides Members with an update on items from previous meetings, items raised by Members and any forthcoming or overdue "Work Programme" items.

2. Decision Required

- 2.1. The Audit and Standards Committee should consider the contents of this report and highlight any issues that they feel should be monitored or further addressed through this Committee, other Committees or Council management.

3. Previous Items**Absence Management**

- 3.1. The June 2012 meeting of Audit & Standards Committee requested "Regular reporting and more in-depth scrutiny into absence management within the Council" ([Min Ref 12/12](#)).
- 3.2. In November 2012 the Executive Committee approved a new "Maximising Attendance" Policy ([Link](#)). Training on the new policy and associated procedures is underway and the new policy will be fully in place by April 2013.
- 3.3. All Executive Managers, Directors and the Chief Executive now receive monthly reports detailing the worst sickness records in their area. This should ensure that attendance issues are being handled in a consistent and fair manner.

Capital and Procurement issues

- 3.4. The June 2012 meeting of the Audit & Standards Committee requested reports on “Properties with peppercorn rents” ([Min Ref 12/12](#)).
- 3.5. The Executive Manager – Capital Programme has confirmed that this report will be available at the next cycle.

Impact of savings in wards/areas

- 3.6. The February 2012 meeting of the Audit & Standards Committee requested a report on the reduction in hours worked in wards/geographical areas as a result of budget savings ([Min Ref 7/12](#)). It is intended that this report will be compiled once this year’s budget cuts have been fully approved/implemented.

Financial Investigation

- 3.7. The August 2012 meeting of the Audit & Standards Committee discussed commissioning a report on how the Council’s current financial position has come about. It was agreed that, rather than a full investigative report, existing information could be collated. ([Min Ref 14/12](#)).
- 3.8. Due to the extra work involved in the recent budget setting seminars, this item has been held over till the next cycle.

Audit & Standards Training

- 3.9. In August 2012 the Council organised training for Audit & Standards Committee members. This event was well attended and those in attendance reported that the event was worthwhile.

4. Future Items

- 4.1. The September 2012 meeting of the Council approved the process of inviting Chairs and Vice Chairs from the relevant Council Committees to attend Audit & Standards Committee meetings to discuss the work of their Committee. ([Min Ref 77/12](#)).
- 4.2. It was intended that this would commence with the Convener and Leader at the December 2012 meeting. Unfortunately, the Leader is unavailable due to commitments on the mainland.
- 4.3. The Committee should consider the best way to progress this part of the 2013/14 work plan.

5. Implications

Strategic

- 5.1. Delivery On Corporate Priorities – This report is in line with Section 4 of the Council’s 2012/13 Improvement Plan, “We ensure the Council exhibits good governance and maintains strong internal accountability”.

5.2. Community /Stakeholder Issues – NONE

5.3. Policy And/Or Delegated Authority – As outlined in Section 2.6 of the Council's Scheme of Administration and Delegations, the remit of the Audit and Standards Committee includes promoting good internal control, financial management, risk, governance and performance management.

5.4. Risk Management – Failure to undertake a robust approach to Audit & Standards may risk the Council not following its own improvement plan.

5.5. Equalities, Health and Human Rights – NONE.

5.6. Environmental – NONE.

Resources

5.7. Financial – No direct implications.

5.8. Legal and Administration– No direct implications

5.9. Human Resources – No direct implications.

5.10. Assets And Property – No direct implications.

6. Conclusions

6.1. This report gives the Members of the Audit & Standards Committee an update on outstanding items and an opportunity to suggest items for the 2012/13 and 2013/14 "Work Programme".

For further information please contact:

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3 December 2012

**Audit and Standards Committee****13 December 2012****Audit Scotland Reports****Report No: IP-22-F****Report from: Performance and Improvement
Adviser****Corporate Services****1.0 Summary**

- 1.1 This report contains links to reports produced by Audit Scotland since the last meeting of the Audit and Standards Committee

2.0 Decision Required

- 2.1 The Audit and Standards Committee should consider the linked reports in Appendix A and highlight any issues that they feel should be monitored or further addressed through this Committee, other Committees or by Council management.

3.0 Detail

- 3.1 Representatives of Audit Scotland are expected to be in attendance to provide further background or answer questions.

4.0 ImplicationsStrategic

- 4.1 Delivery On Corporate Priorities – Improved external engagement and sharing best practice are both elements of the Council's Improvement Plan.
- 4.2 Community /Stakeholder Issues – NONE
- 4.3 Policy And/Or Delegated Authority – The Audit and Standards Committee remit includes consideration of all reports from Audit Scotland.
- 4.4 Risk Management Failure to deliver effective external engagement and learn from best practice elsewhere increases the risk of the Council working inefficiently.

4.5 Equalities, Health And Human Rights – NONE

4.6 Environmental - NONE

Resources

4.7 Financial – No direct implications

4.8 Legal – No direct implications

4.9 Human Resources – No direct implications

4.10 Assets And Property – No direct implications

5.0 Conclusions

5.1 The linked reports provide valuable information for Committees and officers throughout the Council.

For further information please contact:

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22 November 2012

List of Appendices

Appendix A – List of Linked Reports

END

Appendix A – List of Linked Reports

Report Title	Appropriate Body	Excerpt
<u>Fife Constabulary and Fife Police Authority – Best Value Audit & Inspection</u>	Northern Joint Police Board	“... a successful police force will...agree planned improvements with the local authority, force and the PFSC, to be reviewed by external auditors and HMICS.”
<u>Strathclyde Police Authority – Best Value Audit and Inspection follow up report</u>	Northern Joint Police Board	“The Commission had found that the authority needed to strengthen its arrangements for oversight of Strathclyde Police and its leadership of the force’s continuous improvement agenda.”
<u>Aberdeenshire Council: Performance audit of housing and council tax benefits - Progress report</u>	Executive Committee	“In considering the Controller of Audit’s previous report, the Commission expressed concern about the council’s delay in implementing agreed actions. “
<u>Strathclyde Fire and Rescue Joint Board - Statutory Report on the retirement and re-employment of the Chief Officer</u>	Highlands & Islands Fire Board	“We find that there was a systemic failure by the board and its officers to follow principles of good governance in its consideration of, and decisions about, the retirement and re-employment of the chief fire officer. “
<u>Audit Scotland – Equal Pay Review</u>		“Audit Scotland’s pay, grading and performance management systems are designed to be non-discriminatory. While this review has identified some significant pay gaps, they can be explained by factors other than the characteristics covered in this review.”
<u>Accounts Commission Annual Report 2011/12</u>	Audit & Standards Committee	‘Clean’ audit certificates were issued for all councils except Shetland Islands Council. The auditor reported that the council had failed to comply with proper accounting practice by not including the financial results of the Shetland Islands Charitable Trust in its group accounts. Since then, the Commission has engaged directly with the council to gauge progress towards a satisfactory position.”

Appendix A – List of Linked Reports

Report Title	Appropriate Body	Excerpt
<u>Scotland's Colleges: current finances, future challenges</u>	Shetland College Board	“The Scottish Government should: provide a clear assessment of the expected benefits and costs of regionalisation (including structural change), how these benefits contribute to its reform objectives and how costs are to be funded”
<u>NHS financial performance 2011/12</u>	Community Health Partnership	“Significant increase in personal and social care is due to a transfer of staff in NHS Highland between [Highland Council] and NHS board (equivalent to approximately 835 WTE).”
<u>Accounts Commission Strategy and Annual action plan</u>	Audit & Standards	<p>“The Commission identifies ... the need for:</p> <p>strong leadership ... good governance and effective financial controls</p> <p>local authorities working in partnership with other agencies...</p> <p>options for new ways of designing and delivering services...</p> <p>good quality performance information to help support better management”</p>
<u>Reducing reoffending in Scotland</u>	Social Services Committee	“There is a strong body of evidence on what is effective in reducing reoffending, but there is a mismatch between what is currently being delivered and what is known to be effective. “
<u>Best Value in police authorities and police forces in Scotland</u>	Northern Joint Police Board	“The Act makes it clear that the local authority will be involved in determining priorities and objectives for policing in the area. “



Shetland Islands Council

Agenda Item

3

Audit and Standards Committee

13 December 2012

Audit Scotland Report – “Managing performance: are you getting it right?”

Report No: IP-24-F

**Report from: Performance and Improvement
Adviser**

Corporate Services

1.0 Summary

- 1.1 This covering report gives the Committee the opportunity to discuss the attached Audit Scotland report “Managing performance: are you getting it right?”.

2.0 Decision Required

- 2.1 The Audit and Standards Committee should consider the attached report and highlight any issues that they feel should be monitored or further addressed through this Committee, other Committees or by Council management.

3.0 Detail

- 3.1 The attached report is the fourth Audit Scotland report in the series “How councils work: an improvement series for councillors and officers. The previous reports were:

[Roles and working relationships: are you getting it right?](#)

[Arm’s-Length External Organisations \(ALEOs\): are you getting it right?](#)

[Using cost information to improve performance: are you getting it right?](#)

- 3.2 The report raises a number of important issues that are relevant to this Committee, some of which were highlighted in the recent Audit and Standards training exercise. Particular attention should be made towards the following paragraphs/sections:

Part 2 – “Councillors have an important role in managing performance and delivering improvement”

- 3.2 Paragraph 22 – Benchmarking. Today’s agenda item “Statutory Performance Indicators 2011-12 – Benchmark and Comparative Data” goes some way to addressing this issue. The Committee should consider whether more information on the Council’s comparative

performance would help Members decide future priorities.

- 3.3 Paragraph 28 – Training. The Committee should consider whether further Member training is required.

Part 3 – “Developing a performance management culture”

- 3.4 Paragraph 35 – Performance reports. The Committee should consider whether the current PPMF and other reporting arrangements are sufficient to fully inform them on current performance.

Part 6 – “Using performance information effectively”

- 3.4 Paragraph 64 – 67 “Good-quality performance information must be acted on to improve performance”. The Committee should consider whether current performance information is effectively influencing decision makers.

- 3.5 **Appendix 1 – “Questions for Councillors” Toolkit/Checklist**

4.0 Implications

Strategic

- 4.1 Delivery on Corporate Priorities – Improved external engagement and sharing best practice are both elements of the Council’s Improvement Plan.
- 4.2 Community /Stakeholder Issues – NONE
- 4.3 Policy And/Or Delegated Authority – The Audit and Standards Committee remit includes consideration of all reports from Audit Scotland.
- 4.4 Risk Management Failure to deliver effective external engagement and learn from best practice elsewhere increases the risk of the Council working inefficiently.
- 4.5 Equalities, Health and Human Rights – NONE
- 4.6 Environmental - NONE

Resources

- 4.7 Financial – No direct implications
- 4.8 Legal – No direct implications
- 4.9 Human Resources – No direct implications
- 4.10 Assets and Property – No direct implications

5.0 Conclusions

- 5.1 The attached report and linked reports provide valuable guidance on improving performance throughout the Council.

For further information please contact:

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22 November 2012

List of Appendices

Appendix A – Audit Scotland report “Managing performance: are you getting it right?”.

How councils work:
an improvement series for councillors and officers

Managing performance: are you getting it right?



Prepared for the Accounts Commission
October 2012



The Accounts Commission

The Accounts Commission is a statutory, independent body which, through the audit process, requests local authorities in Scotland to achieve the highest standards of financial stewardship and the economic, efficient and effective use of their resources. The Commission has four main responsibilities:

- securing the external audit, including the audit of Best Value and Community Planning
- following up issues of concern identified through the audit, to ensure satisfactory resolutions
- carrying out national performance studies to improve economy, efficiency and effectiveness in local government
- issuing an annual direction to local authorities which sets out the range of performance information they are required to publish.

The Commission secures the audit of 32 councils and 45 joint boards and committees (including police and fire and rescue services).

Audit Scotland is a statutory body set up in April 2000 under the Public Finance and Accountability (Scotland) Act 2000. It provides services to the Auditor General for Scotland and the Accounts Commission. Together they ensure that the Scottish Government and public sector bodies in Scotland are held to account for the proper, efficient and effective use of public funds.

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What do auditors say?

These boxes appear throughout this report and represent case studies from individual councils. They have been drawn from Audit Scotland audit reports. They are not key findings for all councils.

About our 'how councils work' series

The Accounts Commission seeks to support developments in best value and how to manage resources such as people and finance. We recognise these as two components vital to successfully delivering council services.

Our 'how councils work' series of reports aims to stimulate change and improve performance. We select topics based on the recurring themes and issues from our Best Value audit work, the work of local auditors and our annual overview report.

This is the fourth report in the series. The first, published in August 2010, examined roles, responsibilities and working relationships of councillors and council officers in achieving best value. The second report, published in June 2011, examined the relationships between councils and their ALEOs (arm's-length external

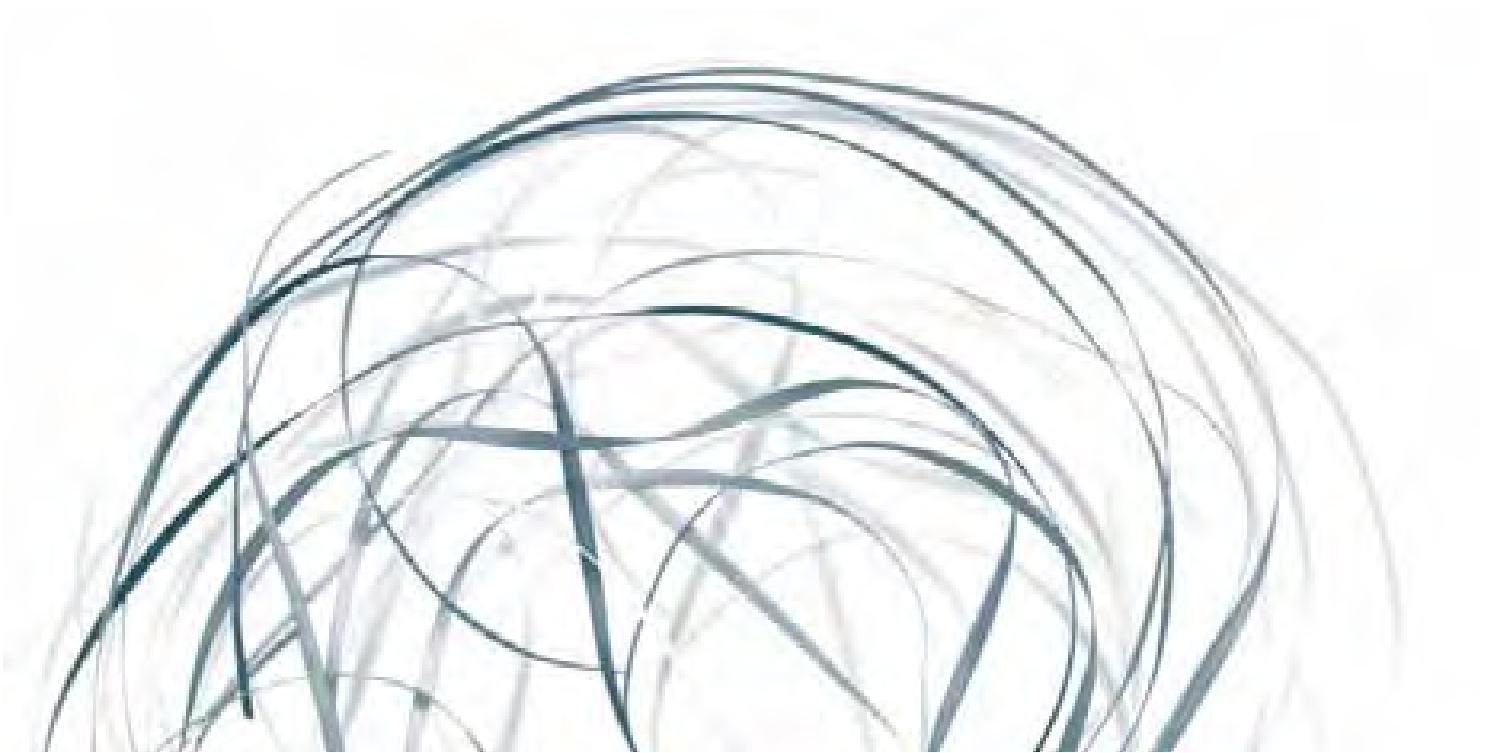
organisations). The third report, published in May 2012, highlighted the importance of good-quality cost information in policy decision-making and scrutinising performance. All reports are available on Audit Scotland's website: www.audit-scotland.gov.uk

This report highlights the importance of councils effectively managing performance and improvement to:

- deliver efficient and effective services to local communities
- show they are achieving best value.

We have worked closely with the Improvement Service in developing this report and we are grateful for their contribution.

Key messages



Everyone has a role to play in managing performance.

1. Our audit work has found that all councils can improve how they manage performance and improvement. Effectively managing performance and improvement helps councils demonstrate that they are delivering efficient and effective services to communities and are making the best use of resources.

2. Councils have a statutory duty to provide Best Value, set out in the Local Government in Scotland Act 2003. This duty applies to both councillors and council employees (council officers). Best Value is about councils continuously improving the performance of their services, and effectively managing performance and improvement is essential to achieve this.

3. The key messages in this report are:

- Everyone in the council has a role to play in managing performance.
- Councillors need good-quality performance information to make well-informed decisions, scrutinise performance and identify areas for improvement.
- Performance measures must reflect a council's priorities if it is to assure itself that its objectives are being met.
- Managing performance is important for governance and accountability.
- An effective performance management culture, led by both officers and councillors, is essential.
- Performance information must be acted on to improve outcomes.
- Self-evaluation and review activity form an important part of continuous improvement.
- Councillors and officers need to ensure that the principles of effectively managing performance apply equally when working with partners.

Part 1. Introduction



Having an effective performance management framework and culture helps councils to achieve Best Value.

Why is managing performance and improvement important?

4. In 2011/12, councils spent £21 billion on providing a wide range of important services for the public. In challenging economic times it is even more important that every pound is spent wisely, and that councils are as efficient as they can possibly be.

5. Audit Scotland reports¹ highlight that managing performance is an area where all councils can improve. No single council has all the elements of a comprehensive performance management and improvement framework in place.

What do we mean by managing performance?

Performance management involves gathering, analysing and acting on performance information to improve services and the quality of people's lives in the local community. Managing performance is a continuous part of the day-to-day role of councillors and all staff.

Source: Audit Scotland

6. Having an effective performance management framework and culture helps councils to achieve Best Value for the public money they spend. Effective and resilient performance management arrangements provide firm foundations for councils to:

- assess whether they are delivering their stated objectives
- assure themselves, and demonstrate to others, that they are delivering efficient and effective services to their communities and contributing towards outcomes.

7. Community Planning Partnerships (CPPs) also need an effective performance management framework in place to show how they are contributing towards outcomes for local communities.

8. During 2011, we gathered evidence on the self-evaluation arrangements in place across councils. This highlighted inconsistencies in the coverage and quality of information available to enable councils to implement effectively performance management. Having an informed view of how well services are performing and how corporate processes are contributing to this enables a council to focus on which areas they need to improve.

What do we mean by self-evaluation?

Self-evaluation is where a council systematically examines its own services, achievements, and processes to assess whether it is meeting its stated aims, objectives and outcomes efficiently and effectively.

Source: Audit Scotland

Who is this report for?

9. This report is for:

- councillors – who are responsible for setting the direction and scrutinising performance. They need to ensure they have the information and support available to enable them to do this. [Part 2](#) of the report focuses on the important role councillors have in managing performance
- chief executives and corporate management teams – who are responsible for delivering the council's objectives. To do this, they need to develop and sustain a culture of continuous improvement and ensure action is taken to improve performance

- managers – who are responsible for managing effective performance. They need self-evaluation frameworks to help ensure they are meeting the needs of communities and that all employees contribute to managing performance.

10. Our report combines information and guidance that already exists with the findings from our audit work ('what do auditors say?'). We have also included case studies to show how councils are using performance management in practice.


11. We want this report to stimulate discussion among councillors and officers and support change and improvement. This is critical given the current financial climate and the need to challenge existing ways of doing things. The report supports councillors and officers by signposting sources of information and guidance. We have also included checklists and other self-assessment tools that we hope councillors and officers will find helpful.

12. This report covers:

- the important role of councillors in managing performance
- the importance of leadership by both officers and councillors in developing a performance management culture
- developing effective performance management frameworks to support improvement
- developing performance measures
- using performance information effectively
- developing self-evaluation and improvement activity
- managing performance in partnerships.

1 Local audit reports, Best Value audit reports, overview reports and national performance audit reports.

Part 2. Councillors have an important role in managing performance and delivering improvement



Councillors need to be clear about what the council is trying to achieve and how they will monitor and review performance.

Councillors have an important role in managing performance. They need to be clear about what the council is wanting to achieve and how they will monitor and review performance. They also need to be prepared to challenge officers on service performance to ensure that priorities are delivered and the needs of local communities are being met. Councillors can support improvement by showing they are actively interested in performance and taking action based on what the performance information is telling them.

13. All councillors have a strategic role in managing performance. This can be council wide or may be service specific, depending on their role. They are responsible for setting the vision of the council, prioritising what needs to be done and monitoring how well it is being achieved. It is not about the operational management of services, that is the role of council officers.

14. Councillors need to develop a shared understanding of managing performance with senior officers across all service areas and partnership activity. In practice, this develops by councillors regularly considering performance reports in meetings and by discussing performance with officers. Councillors need to have the confidence, skills and appropriate training to challenge officers constructively and effectively. This sends out a clear message to council officers that managing performance is being taken seriously by councillors.

Councillors need to be clear about priorities and ensure appropriate performance measures are in place

15. Councillors need to be clear about their strategic vision and the council's priorities. All councils have finite resources and councillors have to ensure that what they are trying to achieve is effectively prioritised and resourced.



What do auditors say?

"Performance reporting to the committee is limited and inconsistent and this has impacted on the ability of councillors to scrutinise performance."

"The council reported performance against 308 indicators. The council recognised that this number of indicators did not enable clarity on the key issues for councillors."

"Quarterly performance reports have been produced since late 2009 and are made available to councillors. Councillors find the reports, particularly the narrative, useful. Reports could, however, be more balanced in terms of highlighting areas for improvement as well as the positive messages."

Source: Audit reports

16. A council's vision and its priorities are typically set out in either a strategic or corporate plan and are reflected in the community plan. Service plans or operational plans flow from these documents and should detail how individual services plan to deliver on the council's priorities. Councillors should review these plans to ensure they clearly reflect the council's priorities and therefore ensure that service performance is helping to deliver the council's objectives.

17. Once the council's priorities have been agreed, councillors need to decide what it is they want to know in order for them to assure themselves that they are achieving the desired outcomes. Councillors should work with officers to make sure they get the information they need to fulfil their role effectively and therefore need to consider:

- what information they need
- how often they need it
- how it should be presented, so that it is easily understood.

18. Councillors need a range of high-level indicators to help assess performance at a strategic and corporate level, supplemented by more detailed indicators on service performance. To be fit for purpose the information needs to be:

- accurate
- timely
- meaningful (but not overly detailed)
- relevant
- high quality
- well presented.

19. Councils are large, complicated organisations and it is not realistic or practical to routinely report on all aspects of performance. We have found that very lengthy detailed performance reports are not effective, as important issues can be buried away in the detail. Councils should therefore use tools to help councillors focus on the important issues.

20. Some measures might, for example, be reported on an exception basis to show where performance has varied from a specified standard. Councillors can be involved in helping to set the levels of variance and then be advised when performance is outside these acceptable levels.

21. Many councils use the 'traffic light' or RAG (red, amber, green) approach which uses colour coding to help highlight where performance is on track and where there are areas of concern.

22. Councillors should also use benchmarking data. Comparing performance trends against targets, over time and with other councils can prompt questions about performance such as ‘why is it other councils appear to be performing better than us?’ or ‘why are other councils apparently providing cheaper services?’

Councillors should actively scrutinise performance and act on the performance information they receive

23. Having set the strategic direction for the organisation councillors have a responsibility to scrutinise performance.

24. To fulfil this scrutiny role effectively, councillors need to hold officers to account and ensure they are delivering good-quality services by taking action to address any areas of poor performance.² Effective and challenging scrutiny by councillors demonstrates a commitment to Best Value and reinforces a positive performance management culture.

25. Councillors should robustly and constructively challenge service performance. Questioning is an important part of scrutiny. Simply considering performance reports is not sufficient and councillors have a responsibility to ask for explanations and additional analysis when necessary.

26. Many councils have committees and panels with a specific remit covering performance and scrutiny these are covered in more detail in [Part 7](#) of this report. These forums can be an effective way of scrutinising performance and supporting improvement. It is worth remembering, however, that managing performance and scrutiny needs to take place in all forums, from full council, through committees and subcommittees to less formal panels and working groups. Managing performance is not the responsibility of an individual committee.



How does it work in practice?

The council uses a combination of scrutiny committees and an audit committee to scrutinise performance. The roles and responsibilities of service scrutiny committees and the audit committee are clearly defined and do not overlap. Service scrutiny committees consider matters relating to service performance whereas the audit committee will consider matters relating to corporate service reviews, self-evaluation activity and external audit or scrutiny. A guidance booklet on scrutiny is provided to councillors. It covers:

- overall scrutiny arrangements within the council
- roles and responsibilities of individual councillors, committees and of officers
- the role of internal and external audit and inspection audit in scrutiny
- the work of the scrutiny committees
- the work of the audit committee
- contacts for members for assistance
- key techniques and lines of scrutiny questioning.

Source: *Guide to Scrutiny*, Perth & Kinross Council, September 2010



27. Performance measurement and scrutiny are only a means to an end and not an end in themselves. Councillors have an important role in taking decisions to respond to what the performance information is telling them. This might include:

- Revising plans and measures – where priorities or circumstances have changed.
- Targeting resources – to ensure priorities are delivered.
- Identifying improvement activity – to address any areas of concern.
- Considering options – about how or what services are delivered.

Councillors need training and support to fulfil their role effectively

28. Councillors need to have the appropriate support or training to ensure that they have a good understanding of how managing performance works and what their role is. This should be part of any induction process for new councillors and can also be useful for returning councillors. Training and support on managing performance should also form part of a councillor’s continuous personal development (CPD). Councillors may also benefit from specific training, for example, where they are part of specific review process or a member of a scrutiny panel.

29. Appendix 1 to this report includes a checklist of prompt questions designed to assist councillors evaluate whether they receive the information, guidance and support they need to fulfil their role effectively.



Want to know more?

- *Guide to scrutiny* (Perth & Kinross Council, September 2010)
<http://www.pkc.gov.uk/NR/rdonlyres/B3A2393E-732F-4280-A3F2-F50E2501610E/0/FINALSCRUTINYHANDBOOKSEPTEMBER10.pdf>
- *Scrutiny: Driving Performance Improvement* (Welsh Local Government Association, 2007)
<http://www.wlga.gov.uk/english/overview-scrutiny-publications/scrutiny-driving-performance-improvement-2007/>
- *Guide to becoming a councillor* (COSLA/Improvement Service)
<http://www.improvementservice.org.uk/library/download-document/3444-the-candidate-s-guide-to-becoming-a-councillor/>
- *2012 councillor induction pack, Notebook 3 Corporate Governance* (COSLA/Improvement Service)
- *A councillor's guide to performance management* (2nd edn), 2006
<http://www.idea.gov.uk/idk/aio/4810912>
- *Audit Commission: Is there something I should know: Questions for councillors to ask* (IDEA/Audit Commission)
<http://www.audit-commission.gov.uk/SiteCollectionDocuments/AuditCommissionReports/NationalStudies/20090730istheresomethingishouldknowrep.pdf>
- *Achieving excellence: An elected member guide to performance management* (APSE)
<http://www.apse.org.uk/research.html>
- *Case studies: The Role of Board Members in Strategy Execution: How an Effective Board helps to Drive Performance* (Advanced Performance Institute)
<http://www.ap-institute.com/case-studies.aspx>
- *CPD framework* (Improvement Service)
http://www.improvementservice.org.uk/component/option,com_is_blank/Itemid,1328/



Part 3. Developing a performance management culture



Councillors and senior officers need to ensure managing performance is part of their day-to-day business.

Managing performance is everyone's business. In good councils, performance management practices are embedded throughout the organisation, are part of the day job and are not seen as a burden or an add-on. Where performance management is part of the organisation's culture, councillors and managers lead by example, by actively managing performance, and communicating results. Good councils acknowledge and recognise good performance and deal with poor performance.

30. Performance management frameworks, systems and measures are essential – but they can only go so far. Having a good performance management culture in place helps councils to deliver their objectives and ensure they are providing efficient and effective services.

An effective performance management culture will help improve performance

31. An effective performance management culture will help councils deliver their priorities, improve services and outcomes and deal with the challenges that they face. This involves everyone, councillors, officers and partners, all having a shared understanding of what is expected and why. Fostering an effective performance management culture means that:

- councillors and officers share a common purpose and vision
- everyone knows how their work contributes to priorities
- managers and staff monitor and manage their own performance and achievements
- performance is reported regularly at all levels of the organisation



What do auditors say?

"The Corporate Management Team (CMT) should demonstrate strong leadership in managing performance and driving continuous improvement. CMT meetings, the forum for discussion of strategic issues, rarely focus on improvement activity and related performance issues."

"The council has not had a strong culture of improvement, with significant weaknesses in performance monitoring and scrutiny by councillors and no strategic approach to self-assessments to help drive improvements."

Source: Audit Scotland

- councils recognise and acknowledge where they are succeeding and where they need to deal with poor performance
- high standards of conduct and performance are expected and delivered.

32. Our audit work has identified a lack of an effective performance management culture as a common theme. There are a number of reasons why this seems to be the case. In some instances, we found a lack of awareness and leadership. In others, we found a focus on a system or process but not on developing a culture that would make best use of the systems that are in place.

Councillors and senior officers should demonstrate a good understanding of performance and share this across the council

33. Councillors and senior officers need to ensure that managing performance is part of their day-to-day business. In practice, this develops by councillors regularly considering performance reports in meetings and by discussing performance with officers. It also involves managers considering performance corporately in management team meetings as well as in service management meetings and team meetings.

34. Councils should regularly communicate about how they are performing throughout the organisation. This needs effective communication systems to be in place so that all staff are kept up to date on performance. Councils can do this in various ways, depending on where and when people work. For example, they can use:

- electronic media such as email or the council's intranet
- written media such as newsletters, briefings and notice boards
- discussions at staff conferences, team meetings and briefings.

35. Councillors should be kept up to date through performance reports and formal meetings but councils can also supplement this by communicating in other ways, such as councillors' briefings and notices on notice boards in the councillors' lounge.

36. Managers need to recognise good performance and openly acknowledge it at both individual and team level. Recognising good performance is also about sharing success stories and knowledge across the council and with councillors and partners. It is about highlighting how improved performance has made a positive impact on communities.

Everyone has a role to play in managing performance

37. Performance management is not something that is just done by managers; everyone has a role to play. [Exhibit 1](#) summarises the main roles and responsibilities within councils.

38. All employees need a clear understanding of how:

- their day-to-day own work contributes to the organisation's priorities
- their individual work objectives link to corporate objectives.

39. Effective induction processes for new employees are extremely important in setting the right expectations of performance for both the employee and the manager. In an effective performance review process, employees and managers focus on improvement and the employee's development. This forms the basis of the employee's personal development plan.

Exhibit 1

Main roles and responsibilities within councils

Group	Role	Responsibility
Councillors		
Council	Strategic role in setting vision and direction.	Setting council objectives and priorities. Monitoring overall council performance. Agreeing performance measures.
Committee	Holding officers to account on performance issues and providing constructive challenge.	Directing specific reviews to scrutinise decisions and offer alternative policy or service proposals to help improvement.
Councillor	Keeping a watching brief of the council's overall performance position, particularly areas of poorer performance and risk as well as areas of good practice and innovation. Use information received through surgeries and queries from members of the public when considering performance.	Providing challenge on performance issues.
Officers		
Chief executive	Ensuring action is being taken to deal with areas of poorer performance and risk as well as developing areas of best practice and innovation.	Taking action to deal with, or referring them to, the CMT or the council as appropriate.
Corporate Management Team	Managing performance and setting out what the council wants to achieve.	Challenging areas to improve and areas of risk. Implementing strategic decisions and sharing good practice.
Senior managers	Leading council services and taking the lead on continuous improvement; reporting performance to the public and corporately.	Carrying out self-evaluation of strengths, areas for improvement, outstanding risks and how these are being dealt with.

Source: Audit Scotland

40. Members of staff should discuss their performance regularly with their manager ensuring they have enough time and the appropriate skills to enable them to achieve their objectives. An employee's personal development plan should explain how the council will meet their development needs and should be reviewed annually.



What do auditors say?

"The chief executive, directors and assistant chief executive are using progress reports and delivery of performance targets described in business plans as part of the evidence to support regular performance management reviews with senior officers. The information forms part of the evidence for annual appraisal of senior officers and is being built into the current work to revise personal development processes within the council."

"The council has made good progress against its improvement priorities over the last year including a council-wide appraisal process for staff linked to performance management."

Source: Audit Scotland

Part 4. Developing an effective performance management framework



Managing performance is essentially about planning what an organisation wants to achieve, doing the work, reviewing what has been done and assessing whether it has the desired impact.

For a performance management framework to be effective it needs to reflect the council's priorities and be integrated into business planning arrangements.

41. Managing performance is essentially about planning what it is an organisation wants to achieve, doing the work, reviewing what has been done and assessing whether it has had the desired impact. This is often called the 'plan, do, review, revise' cycle ([Exhibit 2](#)).

42. Councils need to be clear about their priorities so they can understand what they need to measure when developing their approach to managing performance.

43. Councils also need to find effective ways of involving local communities and developing a good understanding of what local people need, want and expect from them. The results of this community engagement activity can then feed into the council's business planning processes.

Sound business planning forms the basis of what to measure

44. Good councils have business planning processes which clearly link high-level strategic priorities with more specific objectives for services, teams and individuals. This is often referred to as the 'golden thread' ([Exhibit 3, overleaf](#)). Audit work tells us that in the most effective councils there are clear links between strategic priorities (typically set out in Single Outcome Agreements (SOAs) and corporate plans), service priorities (captured in service plans) through to plans at an operational and individual level.

45. Each level of business planning should be accompanied by a relevant set of performance objectives and measures to assess progress and impact.

Exhibit 2

Types of performance measure



Source: Audit Scotland



What do auditors say?

"...we reported that work was under way to map the service plans' objectives and performance measures against the council's strategic priorities, key actions and the SOA outcomes. This work has been completed resulting in improved linkages between key objectives, strategic priorities and the SOA within service plans."

"The targets and indicators used in the performance management system are linked to service business plans and national outcomes. Links to SOA local outcomes and corporate priorities could be clearer and more explicit."

Source: Audit Scotland

Exhibit 3

What we mean by the 'golden thread'



Source: Audit Scotland

Many councils have had difficulty in implementing a comprehensive approach to managing performance

46. The principles of performance management are widely known. However, many councils have found it difficult to design and implement a comprehensive corporate approach to managing performance.

47. Audit work tells us that commonly experienced difficulties include:

- a lack of a corporate approach to managing performance – there are different arrangements across services
- weaknesses in the information available – information is of poor quality, unclear or incomplete
- a focus on introducing electronic systems at the expense of developing a performance management culture.

48. We have previously reported on the main features of an effective performance management framework (Exhibit 4).³

Exhibit 4

Key features of an effective performance management system

The process

- There is an effective corporate framework in place and embedded across the organisation.
- The system produces information that is accurate, timely and relevant to the council's priorities and service activities.
- The data is analysed to enable the quality of services at a global level, eg social work, and at a divisional level or area level to support the different levels of accountability within the council.

Focusing on action and improvement

- Information is monitored at an appropriate level.
- Poor performance is challenged.
- Effective action is taken to improve performance and the impact is monitored.
- Improvement actions are specific and measurable.

Source: Audit Scotland

3 Making an impact: An overview of the audits of Best Value and Community Planning 2004–09, Accounts Commission, October 2009.

Part 5. Developing good performance measures



Good performance measures are SMART.

A good performance management framework uses a range of robust performance measures that provide a clear picture of performance. The measures should reflect a council's priorities and meet the needs of those who use them.

Councils need to set clear performance measures

49. Councils need to use a range of measures including performance indicators, targets and trends to get a clear picture of whether the council is achieving its objectives. This is essentially the 'do' part of the 'plan, do, review, revise' cycle ([Exhibit 2 in Part 4](#)).

50. Good performance measures typically have the characteristics set out in [Exhibit 5](#). Performance measures are most effective where they:

- focus on the council's priorities
- are based on a sound understanding of current and past performance and what is likely to influence future performance.

51. Council strategic plans rightly span a number of years and it is therefore important that shorter-term, interim objectives or milestones are in place to assess progress. Similarly it is important that councils have a clear picture of current performance – a 'baseline' – so that they can assess both progress and impact over time.

Types of performance measures

52. To manage performance effectively, councils need to set clear objectives and then use a combination of measures to track progress and impact. They need good-quality information on:

- inputs – to understand what resources the council is using to deliver services and objectives

Exhibit 5

Characteristics of good performance measures

Good performance measures are SMART:

- **Specific:** the performance measure indicates exactly what result is expected so that performance can be judged accurately
- **Measurable:** data are available or can be collected relatively easily
- **Achievable:** they are realistic, not based on aspirations
- **Relevant:** they matter to the intended audience and clearly relate to the service being measured
- **Timely** and have information available frequently enough to have value in making decisions
- combine fact (quantitative) with views and opinions (qualitative)
- measure inputs, outputs and outcomes.

Source: Audit Scotland



What do auditors say?

"The BV2 pathfinder report highlighted the need for more comprehensive performance management arrangements including the need for good performance information which includes the views of customers and local people and analysis of comments and complaints."

"The council's performance reporting and monitoring remains too dependent on process-based information, such as the progress of specific projects, and SPIs divorced from local outcomes. It should rather take into account information on customer views and other service-user data; value for money; how well the council is achieving service standards; and delivering wider outcomes."

"The council has over 5,000 performance indicators on the performance management system, providing a wide range of detailed management information on the efficiency and effectiveness of services. Each service in the council has a suite of indicators that provide a multi-faceted view of performance, including the level of customer satisfaction, quality of service provision against service standards, efficiency and effectiveness."

Source: Audit Scotland

- processes – to know when and where services are being delivered and if they are being delivered on time
- outputs – to understand both the level and quality of the service the council is delivering
- outcomes – to assess what impact the services are having and whether they are achieving the agreed objectives.

53. Good performance management frameworks combine these measures to give a council an overview of performance. [Exhibit 6](#) describes the types of performance measures and gives examples. Knowing what it costs to deliver a service is an important input measure. Our recent report *Using cost information to improve performance* focuses specifically on using cost information and measures.⁴

54. People need different kinds of performance information at the different levels of the organisation. Councillors and senior managers need a strategic overview of organisational performance while service managers require information that helps them to manage their service or team. Individual members of staff also need to know how they are performing. This means that there is a natural hierarchy of measures ([Exhibit 7, overleaf](#)) which should reflect the hierarchy of plans described in [Part 4](#) of this report and the structure of the organisation.

Good performance measures take account of who and what they are for

55. Performance measures need to serve the purpose they were designed for. They should, therefore, be tailored for the information user. Councillors typically need a set of

Exhibit 6

Types of performance measure

Type of performance measure	Description	Example
Input measure	A measure of the resources used by a service or process. Some inputs relate to workload, others relate to the amount of resources used in a process.	Staff hours used Cost of school books
Output measure	The number of units of a process or service produced or delivered.	Number of hours of care provided
Process measure	Aspects of business or service processes such as completion rates, processing times, backlogs, error rates.	Days between request for care assessment and assessment Days to process benefits application
Outcome measure	A measure of the ultimate benefit from undertaking an activity or providing a service.	Improvement in standard of living and equality of opportunity Reduction in deaths

Source: Audit Scotland

high-level indicators giving them an overview of overall performance. Managers need more detailed measures to help them manage services, and team leaders need operational indicators to manage their teams.

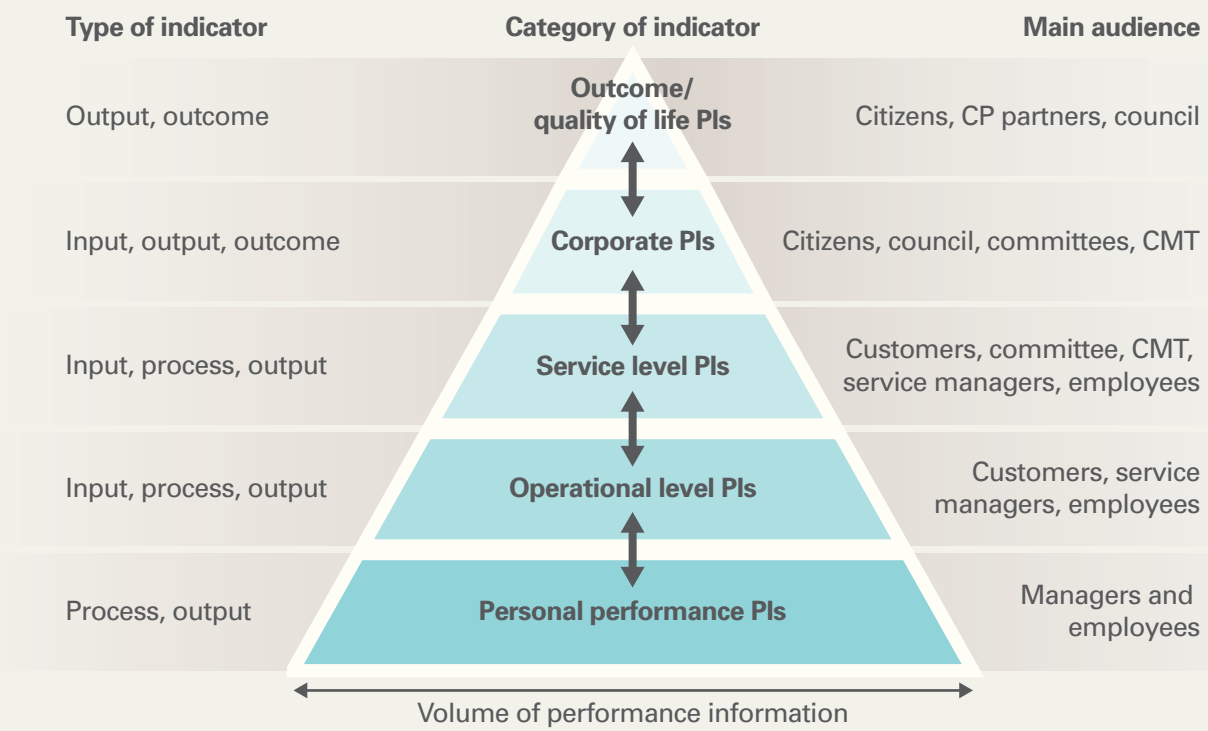
56. A regular core set of measures that summarises the council's overall achievement is useful for councillors, especially when backed up by a commentary that provides clear messages on performance. Other measures might be reported only to highlight where performance has varied from an expected standard. Councils use various methods to report performance information. For

example the RAG (red, amber, green) system uses colours to highlight positive performance as well as under-achievement or where there is a risk of not meeting a target.

57. Simply reporting performance by itself cannot explain success or failure. In some cases, extra analysis is needed, perhaps using statistics or graphs, to understand the trend, history and probable direction of performance. Service managers and staff who collect performance information have a responsibility to identify areas where additional analysis can help. Equally, councillors and senior officers have a responsibility to ask for and provide

⁴ *Using cost information to improve performance: are you getting it right?*, Accounts Commission, May 2012.

Exhibit 7
Hierarchy of performance indicators (PIs)



Source: Audit Scotland

- resources (people or money) for additional analysis if necessary. The most effective reporting by performance officers:
- presents information in an accessible way using appropriate charts rather than tables
 - limits the number of measures in any one report to avoid information overload
 - highlights measures that are causing concern, for example by using a dashboard to graphically represent performance information
 - clearly explains reasons for performance being off target
 - sets out what action will be taken to restore performance where measures are off target.

Good performance measures take account of customer satisfaction and the needs of specific user groups

- 58.** Councils need to take account of the needs of their communities and people who use their services when deciding what performance measures to use. This is because customer feedback is an important measure of success or progress towards outcomes.
- 59.** Councils that take account of the needs and preferences of the people who use services can adapt services and better satisfy the needs of their communities. Most councils survey service users and citizens in some way. Some have established customer standards that set out what people can expect by way of service quality. Reports from surveys, and about how well the council is meeting

customer standards, are useful performance measures. Information from complaints systems identify problems and also helps gauge customer satisfaction.

Performance measures are vital to demonstrate Best Value

- 60.** Our Best Value audits have shown that councils need to do more to demonstrate cost effectiveness across the whole range of their services. They can do this by comparing cost and service performance trends over a period of time. Performance measures therefore need to include a combination of cost and quality indicators. Councils can also demonstrate Best Value by using benchmarking to compare themselves with other councils or comparable organisations. [Part 6](#) of this report covers benchmarking in more detail.



What do auditors say?

“As part of the improvement model all services are developing efficiency indicators to help the council understand its costs relative to other providers and authorities.”

Source: Audit Scotland

61. In May 2012, we published a report called *Using cost information to improve service performance: are you getting it right?* This report highlighted the benefits of using cost measures as part of a performance management framework. Would an apparently high-performing service be viewed in the same light if it appeared to be costing twice as much as a similar service in a neighbouring council, for example? Without good cost information, councillors cannot fully monitor and scrutinise service performance.

Good outcome measures are vital to demonstrate impact

62. Delivering better outcomes is a complicated business and can be difficult to measure. The measures councils use must not only adequately reflect what is going on but also provide a basis for decision-making, identifying areas for improvement or where learning could be shared.

63. Part of the value of a good measure is in comparing performance against others, so, wherever possible, councils should use existing measures. Using a range of sources of performance information to provide comparisons makes data more reliable. Sources include the Society of Local Authority Chief Executives (SOLACE) local outcome indicators, benchmarking groups, and statutory performance indicators from the Accounts Commission.



What does a good set of performance measures look like in practice?

In 2007, the five UK audit agencies (Audit Commission, Audit Scotland, National Audit Office, Northern Ireland Audit Office and Wales Audit Office) jointly launched a set of indicators for each of five corporate service activities: estates management, finance, human resources, ICT, and procurement. Two further services were added later: communications and legal. The indicators are widely acknowledged as a reliable source of measurement. Many public bodies across the UK adopted them voluntarily, and they are used for benchmarking. This suggests they have been successful.

The indicators produced for each corporate service area comprise a set of primary and secondary indicators that combine indicators of cost, user satisfaction, management practice, input, process and outcomes.

Source: Audit Scotland



Want to know more?

- *Using cost information to improve service performance: are you getting it right?* (Accounts Commission)
http://www.audit-scotland.gov.uk/docs/local/2012/nr_120510_hcw_costs.pdf
- *Value for money in public sector corporate services: A joint project by the UK public sector audit agencies*
http://www.nao.org.uk/publications/0607/vfm_in_public_sector_corporate.aspx
- *On target: The practice of performance indicators* (Audit Commission)
http://www.audit-commission.gov.uk/SiteCollectionDocuments/AuditCommissionReports/NationalStudies/archive_mptarget.pdf
- *A measure of success: Setting and monitoring local performance targets* (Audit Commission)
<http://www.audit-commission.gov.uk/Pages/default.aspx>
- *How to design key performance indicators: management white paper* (Advanced Performance Institute)
<http://www.ap-institute.com/white-papers.aspx>
- *Customer satisfaction measurement tool* (Improvement Service)
<http://www.improvementservice.org.uk/library/592-customer-first-programme/777-customer-satisfaction-measurement-tool/view-category/>
- *SOLACE/Improvement service local outcome indicators*
<http://www.improvementservice.org.uk/local-outcome-indicators/>
- *ABC benchmarking partnership*
<http://www.improvementservice.org.uk/resources/toolkits/benchmarking-for-improvement-toolkit/>
- *SOCITM benchmarking ICT service*
http://www.socitm.net/info/216/benchmarking_services/106/benchmarking_ict_service/1
- *CIPFA corporate services benchmarking club*
<http://www.cipfabenchmarking.net/corporateservices/>
- *Accounts Commission Statutory Performance Indicators*
<http://www.audit-scotland.gov.uk/performance/>

Part 6. Using performance information effectively



Councillors and officers need good-quality performance information that enables them to identify areas of concern and respond to these through well-informed decisions.

Performance information must be acted on to improve performance. Performance reports for the public are important for accountability and should be easy to find and easy to understand. Benchmarking is an effective way of helping organisations to deliver better services.

Good-quality performance information must be acted on to improve performance

64. Having a highly developed performance management framework is not an end in itself. It is vital that decision-makers take action based on what the performance information is telling them. For example, where performance measures are indicating that performance is poor, or deteriorating, a council should decide what action needs to be taken to improve performance.

65. Councillors and officers therefore need good-quality performance information that enables them to identify areas of concern and respond to these through well-informed decisions. The performance information therefore needs to be accurate, timely and meaningful.

66. Councils that manage performance well focus on gathering and using information about performance – at all levels of the organisation. Reliable information means they can start to make decisions about what needs to improve.

67. Where an action plan is developed to respond to performance issues councils need to have good governance in place to ensure they are delivered. Improvement plans therefore need to clearly identify:

- the issues
- action to be taken

- who will be responsible for action
- timescales
- what resources are required to implement the actions
- how progress will be monitored and by whom
- what the measure of success will be.

Performance reports for the public should be easy to find and easy to understand

68. Public performance reporting (PPR) is all about informing the local community about where the council is performing well and where they need to do better. It is an essential part of accountability. However, a recent Audit Scotland review showed there is significant scope to improve the methods councils use to tell the public how they are performing.

What do auditors say?

“The council has developed a PPR strategy and uses a range of methods for communicating and engaging with stakeholders. The council has worked with its residents to develop its PPR arrangements in line with residents’ needs. However, performance reports to councillors and the public did not set out clear targets for the council’s services and objectives for future service delivery. In addition, the reports did not set out timescales and measurable targets for how the council will address areas of poor performance.”

Source: Audit Scotland

69. To meet public performance reporting expectations councils need to:⁵

- clearly identify what information to provide at a service activity level and which at a corporate level
- use information from its performance management and information systems
- use a range of media to report how they are performing
- include guidance on how people can find more detailed information
- present information in a clear, easy-to-understand and concise format
- have an accessible feedback system which encourages people to comment on the information, and ensures the feedback is regularly reviewed.

70. An easy-to-understand and concise public performance report would typically include the following:

- Information on what services the authority provides, what people can expect from them, and how to find out more detailed information.
- Information on what the council has learned from consultations and how it will respond to them.
- Information on how the council works with partners on Community Planning.
- Information that shows the council is spending its money wisely and providing value for money.
- Information that provides a rounded, honest and balanced picture of how the council is performing.



What does it look like in practice?

A council carries out effective public performance reporting. The main aspects of this are:

- making information publicly available within a reasonable time of the period it refers to
- reporting on a range of information to show that it is securing best value across all services in:
 - how it uses resources, such as skills and money
 - in responding to community concerns
 - on equality
 - on sustainability
- using several media to communicate with the public. It makes information available on its website but also uses local newspapers and mailshots to inform the public. Performance information is easy for people to access from the website's homepage
- all reports and website information are in plain, clear language
- using visual devices to show performance information using red, amber and green 'traffic lights' graphics to help readers understand the information
- benchmarking family groups of councils to show how the council compares with similar councils. Data cover a three-year period where it is possible to make comparisons
- using cost information to show that value for money is improving over time. This is accompanied by contextual information explaining the data
- including information to show that the council listens and responds to the public. Examples include satisfaction survey results, complaints data and what action the council has taken in response to customer feedback
- including a balanced view of performance on areas of good performance and where improvement is needed.

Source: Audit Scotland



Want to know more?

- *The Local Government in Scotland Act 2003 – Best Value Guidance Measures to Support public Performance Reporting – Guidance for local authorities on reporting performance to the public (2005)*
<http://www.scotland.gov.uk/Publications/2005/01/20531/50061>
- *Best Value toolkit: Public Performance Reporting (Audit Scotland)*
http://www.audit-scotland.gov.uk/docs/best_value/2010/bv_100809_performance_management_toolkit.pdf
- Trend information, comparative information, and performance against targets or benchmarks to help people assess how performance is changing.
- Information that explains:
 - what the council is doing to improve its performance and impact
 - what targets it has for improvement
 - what improvements have been achieved since it last reported.

Benchmarking performance information helps improvement

71. At its most basic level, benchmarking is simply about making comparisons. Councils can compare their own performance over time, or compare how they are doing with other councils or other organisations. As far back as 1999, we published guidance about benchmarking in a report called *Measuring up to*

the best: a manager's guide to benchmarking which remains relevant today.⁶ More recently the report *Using cost information to improve performance*⁷ focuses on using cost information in benchmarking.

72. Using benchmarking effectively, councils might ask questions about their performance such as:

- Why is performance deteriorating over time?
- Why is it other councils appear to be performing better than us?
- Why are other councils providing cheaper services?

73. Benchmarking can be an effective way of helping organisations to deliver better services by sharing knowledge and information directly and learning from other organisations. Benchmarking can be a powerful tool for managers to improve services, but used inappropriately it can also be expensive and can fail to deliver benefits.

74. Councils need to be clear about what they expect from benchmarking. This will provide a focus for their work, and will reduce the danger of making performance comparison an end in itself. Outcomes might include:

- lower costs
- better value for money
- improved 'customer' satisfaction
- achieving targets
- implementing good practice.

75. The factors that lead to successful benchmarking include:

- allowing enough time for planning and devoting enough people and time to benchmarking



What do auditors say?

"The council has been active in the development of the SCOTS¹ national road asset management performance indicator suite and national benchmarking exercises and can demonstrate improved performance management and reporting."

"The performance management framework can be further enhanced by the use of comparative data and clearer links to SOA performance."

Note: 1. Society of Chief Officers of Transportation in Scotland
Source: Audit Scotland



Want to know more?

- **ABC benchmarking survey**
The Improvement Service (IS) has developed a benchmarking toolkit in response to findings from research by the ABC Benchmarking Partnership.¹ The research found that managers in local authorities believed benchmarking to be important but they sometimes faced practical barriers when undertaking it. The toolkit aims to respond to some of the issues raised by the research by providing opportunities for self-learning and facilitated learning to help managers develop practical knowledge and skills.
<http://www.apse.org.uk/>
- **APSE performance networks**
Association for Public Service Excellence (APSE) performance networks are public sector benchmarking groups across the UK. They cover 14 services and members get a range of performance reports, comparative data and access to other resources.
<http://www.apse.org.uk/>
- **Public Audit Forum**
The UK audit agencies developed indicators designed to help public sector organisations understand, compare and demonstrate the value for money performance of their corporate services. These indicators have been used extensively by public sector organisations across the UK. More detail is available on the forum's website:
www.public-audit-forum.gov.uk
- *Measuring up to the best: a manager's guide to benchmarking* (Accounts Commission, January 1999)
http://www.audit-scotland.gov.uk/docs/local/pre1999/nr_9901_managers_guide_benchmarking.pdf
- *Better benchmarking for high performance* (CIPFA, 2010)
<http://www.cipfa.org/Policy-and-Guidance/Publications/B/Better-Benchmarking-for-High-Performance>

Note: 1. Members of the ABC Benchmarking Partnership work together to improve services by sharing and comparing data, processes and solutions to common problems.

⁶ http://www.audit-scotland.gov.uk/docs/local/pre1999/nr_9901_managers_guide_benchmarking.pdf

⁷ *Using cost information to improve service performance: are you getting it right?*, Accounts Commission, May 2012.

- ensuring councillors and senior officers support benchmarking activities
- organising the process of benchmarking
- defining the measures for comparison
- having clear objectives
- focusing on important issues
- identifying partners such as those with similar issues
- understanding why performance varies
- implementing change.

76. Overall, councils do not use benchmarking as much as they could. Some councils use benchmarking for specific services but it is not used consistently. Our report on *Maintaining Scotland's roads* for example, identified that councils have developed around 80 local performance indicators but that they are not used consistently across councils.⁸ This means that councils might not compare their costs and performance with other councils. The vast majority of indicators are about promptness of response. Only seven councils reported using indicators relating to customer service such as satisfaction levels or the number of third-party liability claims they received. As part of the road asset management project, the Society of Chief Officers of Transportation in Scotland (SCOTS) has developed performance indicators for road maintenance that all Scottish councils can use. This consistency allows councils to use benchmarking.



How does it work in practice?

A council has a single live, active corporate improvement plan that includes all its improvement activity and actions required at any point in time. The corporate improvement plan clearly details the action required and its intended outcome, the officer responsible for the action and timescales. All improvement activity is reported and monitored through committees and all committees are responsible for ensuring all activities make their way into the corporate improvement plan. The corporate management team and audit and scrutiny committee have joint responsibility for considering and monitoring improvement actions.

Source: Audit Scotland



What do auditors say?

"We found limited evidence that progress against the Best Value improvement plan and corporate improvement plan is being regularly monitored."

Source: Audit Scotland

Revising activity in response to information improves performance

77. The 'revise' stage of the performance management cycle ([Exhibit 2](#)) identifies how councils might respond to what performance information is telling them. This might include:

- revising plans and measures – where circumstances may have changed so that plans are no longer achievable, objectives have changed or where measures are under – or over – ambitious or no longer relevant
- realigning resources – where a council may need to make changes to its workforce, assets or financial resources to achieve its objectives

- changing performance information – a council may need to change the quality of the performance information collected if this is not providing a basis for effective decision-making and scrutiny.

78. Audit work tells us that an integrated corporate improvement plan makes it easier for councils to prioritise improvements and manage improvement activity. Councils may in turn need to amend corporate, divisional, business, team and individual plans to reflect improvement priorities.

⁸ *Maintaining Scotland's roads: a follow-up report*, Accounts Commission/Auditor General for Scotland, February 2011.

Part 7. Developing self-evaluation and improvement activity



Having considered the need for improvement, councils then need to consider the most appropriate way to respond.

Performance management information should clearly identify where improvement is needed. There is a wide range of improvement tools techniques available and councils need to select the most effective way to review and improve services. Self-evaluation and review must be robust and honest to be effective.

Performance management supports continuous improvement

79. Continuous improvement requires councils to consider whether they are providing services in the most efficient and effective way on an ongoing basis. Effective performance management arrangements should clearly identify where improvement is needed.

80. Having identified the need for improvement, councils then need to consider the most appropriate way to respond.

Self-evaluation and review is key to improving performance

81. Self-evaluation is a process which uses evidence, challenge and critical reflection to improve performance. To continuously improve councils should consider:

- how services are performing
- what impact services are having
- how effectively corporate processes support service delivery.

82. Councils need to 'know themselves' and what they can realistically achieve. Self-assessment activity can provide an organisation with a structured approach to improvement. It should also provide assurance:

- for the council – that it is improving
- for the public – that services are being provided efficiently

- for auditors and inspectors – that the council is critically evaluating its services.

83. Where there is evidence that self-evaluation is working well, auditors and other scrutiny partners can reduce their audit and scrutiny activity.

84. There is a wide range of review and improvement tools and methodologies available to councils. They include:

- Public Sector Improvement Framework (PSIF)
- European Framework for Quality Management (EFQM Excellence model)
- reviews at strategic, service and operational levels.

85. Appendix 2 summarises some of these and other methodologies. We do not favour any particular methodology over another. The most important thing is that councils choose tools that are effective and deliver improvement.

86. The characteristics of an effective improvement methodology are that it is:

- focused and proportionate – so that the council looks at the right things, and strikes the right balance to ensure that the time it spends reviewing things leads to tangible results
- structured, rigorous and challenging
- transparent, honest and realistic
- flexible – the review should be a learning process; positive experiences should be shared across the organisation and negative experiences should not be replicated elsewhere in the council.

87. During 2012, we surveyed councils to gauge the level and range of self-evaluation activity. Overall, this showed a commitment to self-evaluation. But it also showed inconsistencies in coverage and in the quality of how it was being used across services, outcome areas and corporate systems.



What do auditors say?

"The corporate self-assessment was completed in May 2010, and helped the council identify a number of areas for improvement. These actions are being taken forward in the Corporate Improvement Plan, and include an organisational development framework, a number of leadership development programmes, and further improvements in internal communications. A programme of PSIF reviews is also being rolled out across service areas."

"The service has undertaken self-assessment exercises but these have not been used effectively to provide internal challenge and prompt improvement. A cyclical programme of Best Value reviews has been undertaken covering all service areas. The reviews have contributed to improvements, however there is little prioritisation of the areas that are subject to review."

Source: Audit Scotland



What does good self-evaluation look like?

The council has a self-evaluation and improvement plan. This comprises:

- a regular strategic level self-assessment
- a cycle of service level reviews
- an annual review of corporate governance arrangements
- a cycle for service level self-evaluation using an established model
- a programme of business reviews targeting areas for efficiencies
- cross-cutting service reviews led by the Governance and Scrutiny Committee.

The council ask suitably experienced officers from across the organisation and internal audit to perform the reviews. A peer from another council acts as a 'critical friend' throughout the reviews providing an independent perspective and judgements. The output from each self-improvement activity is a clear, detailed improvement plan identifying actions, responsibilities and timescales. It feeds into the council's single corporate improvement plan. Progress is scrutinised and monitored by both the CMT and the Governance and Scrutiny Committee. The council has a track record of delivering improvements effectively.

Source: Audit Scotland



Want to know more?

- *Assess yourself: using self assessment for performance improvement (Accounts Commission, May 1998)*
<http://www.audit-scotland.gov.uk/about/ac/>

Audit work can help with continuous improvement

88. Both internal and external audit can support continuous improvement. Audit provides an independent and objective check on systems, processes and performance.

89. Internal audit teams are responsible for evaluating the effectiveness of a council's internal control systems. These are the systems that help an organisation to use its resources, economically, efficiently and effectively.

90. The CIPFA publication *Measuring up: An introduction to theories and concepts of performance management in the public services*⁹ states that 'Internal audit has a key role in relation to an organisation's performance management systems. It is in a unique position to provide an organisation with assurances about the overall integrity of the performance management systems: that they have been appropriately designed and are balanced, that they reflect both internal and external requirements, and that the data can be used with a measure of confidence.'

91. CIPFA's Technical Information Service ([Exhibit 8](#)) covers the internal audit's responsibility for providing assurance on performance information and supporting systems.

92. Most councils have audit and scrutiny committees. These committees typically are charged with considering internal and external audit reports and checking that the council's governance arrangements are sound. In some cases, they are also responsible for:

- holding administration councillors and officers to account for managing performance

Exhibit 8**Extract from CIPFA's Technical Information Service**

"It is the responsibility of management to ensure it has an effective performance management system but this can be independently validated by the internal audit service and may be subject to scrutiny by external agencies. This should enable managers across the council to use the information with confidence and manage more effectively. The aim of internal audit in this context is to provide independent assurance on the performance information and the supporting systems. The main audit objectives are:

- to review the extent that the performance management system and its accompanying targets and measures adequately supports and promotes the achievement of corporate objectives
- to establish to what extent the council has sound systems and controls to support performance management and to validate performance outputs
- to examine how far those systems and controls operate satisfactorily in practice and link with effective management information systems to monitor performance
- to examine the extent to which performance information is reliable, accurate and timely
- to identify appropriate ways of improving performance information systems and recommend actions where improvements are shown to be necessary, practicable and cost effective."

Source: CIPFA Technical Information Service – Internal Audit

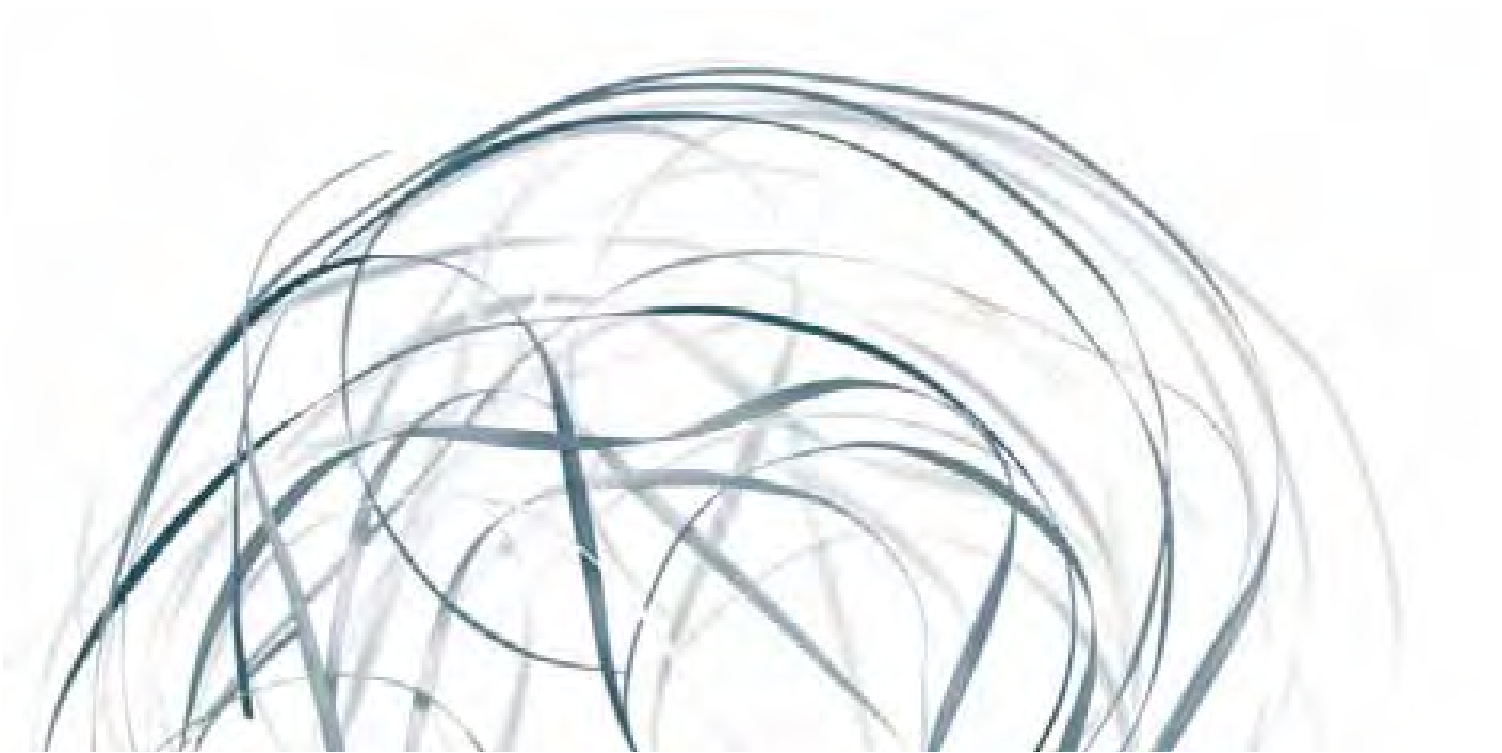
- identifying areas of need or issues of concern
- directing service, cross-cutting or policy reviews
- directing and occasionally being directly involved in reviewing the performance review activity
- coordinating and managing the programme of scrutiny.

93. An effective audit committee can therefore provide a valuable independent check of the council's financial and non-financial performance and support improvement.

94. Councils are subject also to external audit and inspection and this provides a useful source of information to help them improve. Councils should have processes in place so that the relevant councillors and officers consider findings and recommendations. It is important that councils consider how the findings from external scrutiny can best be incorporated within its existing improvement plans.

95. Some councils, however, can rely too much on audits and inspections for assurance or to 'cover' specific areas of corporate activity. This leads them to exclude audit and inspection focus areas when considering their own improvement activity. External scrutiny is not a substitute for rigorous self-evaluation.

Part 8. Partnership working



Managing performance in a partnership is complex.

The principles of effectively managing performance also apply to partnership working. Partners need to have a shared understanding of priorities and the impact their work is having.

96. Managing performance in a partnership is complex. The organisations in any partnership are likely to have different decision-making and accountability arrangements, organisational cultures and planning and performance systems.

97. All of this makes it all the more important that partnerships have good performance management arrangements in place as this helps to ensure partners have a shared understanding of the priorities and the impact that the partnership work is having.

98. Our audit work shows that:

- the performance management and reporting processes of

partnerships are not well developed

- there is a clear need to improve the way they report performance to the public.

99. Performance management systems for community planning need to cope with the demands of reporting on SOAs and the complexities of partnership working (Exhibit 9).

100. In November 2011, we published a report on economic development in Community Planning Partnerships (CPPs).¹⁰ The report found that, in more complex partnerships, CPPs differ in how they manage performance. Some CPPs acknowledge that they are not achieving some outcomes as planned, but take little further action. Sometimes this is because they feel lack of progress is outwith the CPP's control. In other CPPs, board members may work behind the scenes to find out why outcomes are

not being achieved and may agree informal actions to deal with this.

101. Some CPPs adopt a more collective and transparent approach to managing performance. They work together to understand why they are not achieving outcomes and to identify what different partners can do to deal with the problem. Building a culture of mutual respect and trust to enable partners to constructively challenge each other when outcomes are not being achieved is vital.



What do auditors say?

"The partnership is unable to effectively demonstrate progress against partnership outcomes due to partnership arrangements still developing and limitations with the partnership's performance management arrangements."

Source: Audit Scotland

Exhibit 9

Good governance principle for partnership working

Key principles	Features of partnerships when things are going well	Features of partnerships when things are not going well
Performance measurement and management		
<p>Clearly defined outcomes for partnership activity</p> <p>Partners agree what success looks like and indicators for measuring progress</p> <p>Partners implement a system for managing and reporting on their performance</p>	<ul style="list-style-type: none"> Understand the needs of their local communities and prioritise these Have a clear picture of what success looks like and can articulate this Have clearly defined outcomes, objectives, targets and milestones that they own collectively Have a system in place to monitor, report to stakeholders and improve their performance Demonstrate that the actions they carry out produce the intended outcomes and objectives 	<ul style="list-style-type: none"> Prioritise their own objectives over those of the partnership Unable to identify what success looks like Fail to deliver on their partnership commitments Do not have agreed indicators for measuring each partner's contribution and overall performance or do not use monitoring information to improve performance Unable to demonstrate what difference they are making

Source: Audit Scotland

10 The role of community planning partnerships in economic development, Accounts Commission/Auditor General for Scotland, November 2011.

102. Our recent report on community health partnerships (CHPs) also emphasised how over-complicated performance reporting arrangements are for CHPs.¹¹ They are burdensome on CHPs as they need to take account of different national and local planning and performance monitoring systems and targets which have been developing over time. This means there is a risk that the different requirements may overlap and are not always aligned.



What do auditors say?

“We noted that arrangements to extend the council’s performance and risk management processes to the Community Planning Partnership (CPP) are now embedded. The council’s partners have access to the pyramid system and are able to populate and comment upon data in the scorecards.”

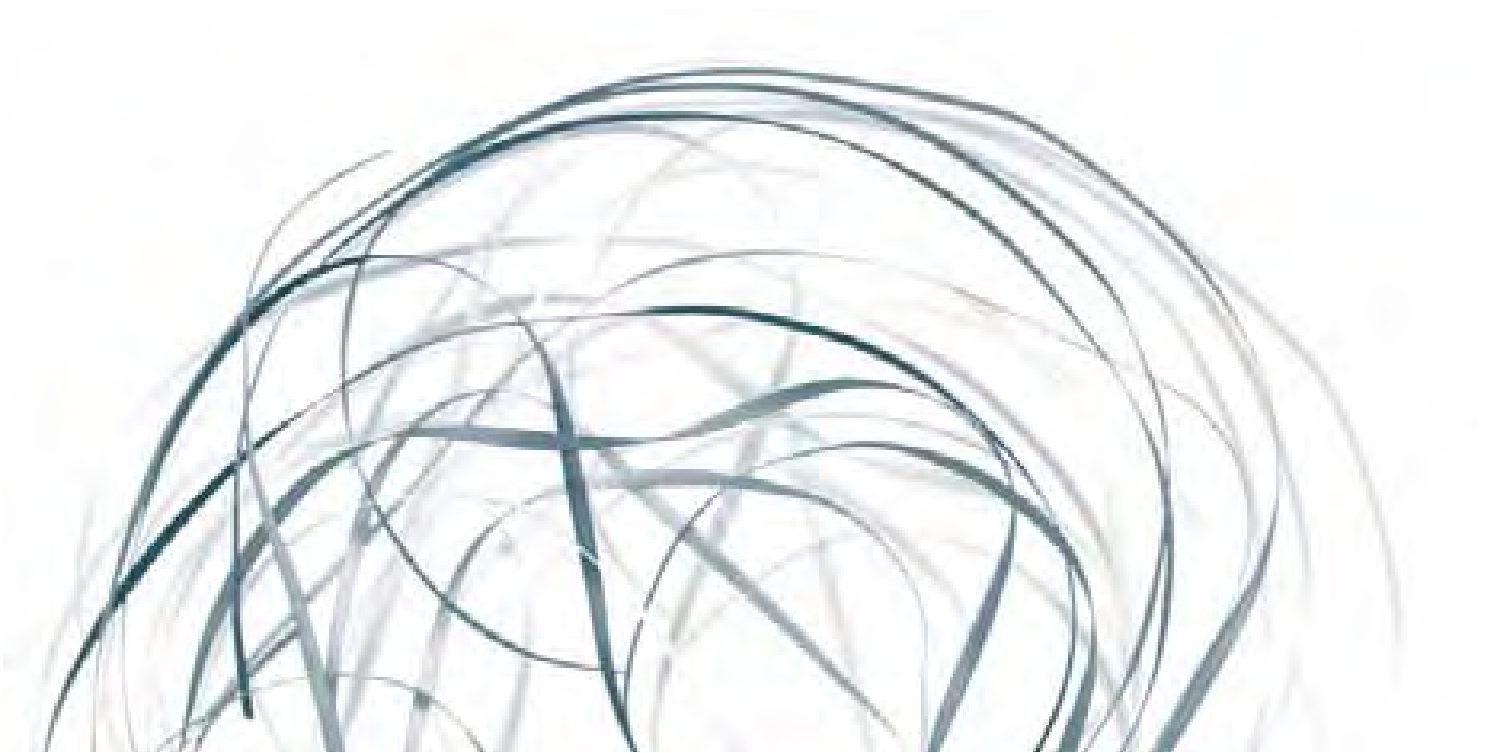
“The council has extended the improvement model and performance management system to its community planning partners ensuring consistency of approach to performance improvement.”

“Performance management remains underdeveloped and needs to improve to enable partners to effectively monitor progress against identified outcomes.”

Source: Audit Scotland

11 *Review of Community Health Partnerships*, Accounts Commission/Auditor General for Scotland, June 2011.

Part 9. Key points for action



An effective council will have the key characteristics for managing performance and improvement.

The characteristics of a council with effective performance management and improvement

An effective council will:

- have a developed culture where leaders demonstrate good management of performance and communicate regularly on performance and improvement issues
- have a corporate framework for performance management and continuous improvement
- be clear on its priorities and have plans that meet the 'golden thread' test
- use a wide range of measures to effectively manage performance
- use benchmarking to compare and monitor improvement against other councils
- encourage scrutiny and challenge from councillors
- use overview and scrutiny panels to challenge performance
- actively respond to areas requiring improvement
- use self-evaluation and reviews to demonstrate continuous improvement
- use internal audit service to assure performance management systems and measures
- work constructively with partners to manage performance and improvement.

An effective council will ensure that:

- all staff understand their role in managing performance and use it in their day-to-day work
- councillors understand their role in all aspects of performance management and improvement
- councillors are provided with clearly presented and quality information to enable them to make decisions
- both internal and public reports are of good quality and are tailored appropriately for their use
- the principles of performance management apply equally to working with partners.

Appendix 1.

A tool for checking progress

Questions for councillors	Yes/No	Action
<p>Performance management culture</p> <p>1. Do I have a good understanding of performance across the council?</p> <p>2. Does a key aspect of my role involve scrutinising performance information and challenging officers?</p> <p>3. Do I need training to help me understand performance management?</p> <p>Performance management framework</p> <p>4. Am I involved in establishing what communities need, allowing me to establish priorities?</p> <p>Performance measures</p> <p>5. Does the information I receive cover:</p> <ul style="list-style-type: none"> • service performance? • customer satisfaction? • trend data? • benchmarking data? • targets? • outcomes? <p>Performance information</p> <p>6. Is the performance information I receive concise, accurate, balanced and presented in an easily understandable format?</p> <p>7. Do officers provide me with performance information which is clear and concise and allows me to judge how well we are doing?</p> <p>8. Does the information I receive tell me:</p> <ul style="list-style-type: none"> • if we are meeting our targets? • why variances occurred? • what the implications are of not meeting the target? • if resources are adequate? • what impact it will have on people who use services, local people and partner agencies? • if there is an impact on equalities, sustainability or efficiency? • what impact this might have on corporate priorities? 		

Questions for councillors	Yes/No	Action
<p>9. Does the information presented by officers tell me:</p> <ul style="list-style-type: none"> • what performance is predicted over the short and longer term? • what action needs to be taken to see improved performance (this could include additional resources, more training)? • where there is under-performance when will it be back on track and whether additional resources are required to achieve this? <p>10. Does the information I receive allow me to challenge over and under-performance and question whether we are achieving value for money?</p> <p>11. Do I regularly challenge officers on the performance information presented to me?</p> <p>12. Does performance information provided by officers allow me to monitor progress on priorities and plans?</p> <p>13. Do I require any training or support to help me challenge officers on performance?</p> <p>Self-evaluation and improvement</p> <p>14. Am I aware of the self-evaluation and review processes in the council?</p> <p>15. Do I scrutinise the results of reviews and suggest appropriate action?</p> <p>16. Do I receive regular updates on progress against the improvement plan?</p> <p>Partnership working</p> <p>17. Do I work constructively with partners to improve performance?</p>		

Questions for officers	Yes/No	Action
Performance management culture 1. Do I regularly discuss performance and improvement at meetings? 2. Do I communicate and discuss our performance with my team? 3. Do all staff understand their role in managing performance? 4. Am I managing performance in day-to day activities and do I share practice with others? Performance management framework 5. Am I clear on our approach to managing performance? 6. Is it the approach based on a clearly structured framework? 7. Do we have a clear link in plans from corporate plans to personal work plans? Performance measures 8. Do we have a comprehensive hierarchy of performance measures which provides councillors with the information they need to judge performance? 9. Am I involved in benchmarking across our service, and do I compare performance with our peers? Performance information 10. Does information provide a clear picture of performance? 11. Am I clear on where we need to improve? 12. Am I regularly challenged by councillors on performance issues? 13. Do I use the internal audit service to provide assurance on our performance management systems? 14. Do we present clear performance information to the public on our performance? 15. Are our plans and resources revised in response to areas of concern? 16. Do I regularly monitor action plans from improvement activity?		

Questions for officers	Yes/No	Action
Self-evaluation and improvement		
17. Do we have a framework for self-evaluation and improvement activity?		
18. Is our corporate improvement activity well coordinated?		
Partnership working		
19. Do we have a performance framework in place for partnership working?		

Appendix 2.

Tools to aid performance management and improvement

Tool	What is it?	Estimate of time to implement
Balanced scorecard	<p>A strategic planning and management system. It provides a method of:</p> <ul style="list-style-type: none"> ensuring business activities are in line with the organisation's vision and strategy of the organisation improving internal and external communications monitoring organisation performance against strategic goals. 	Four to six months to implement depending on level of measurement in place.
Business process re-engineering	This is about analysing and designing workflows and processes within an organisation. A business process is a set of logically related tasks performed to achieve a defined business outcome.	Improvements anticipated in 6-12 months from the start of the project, although can be sooner for individual processes.
EFQM excellence model	<p>This is used as a basis for self-assessment, an exercise in which a service assesses itself against nine criteria. This helps to identify current strengths and areas for improvement against strategic goals. The model takes an all-over view to enable organisations to:</p> <ul style="list-style-type: none"> assess where they are understand their strengths and potential gaps in performance. 	Approximately 35 staff days over six weeks.
Investors in People	Specialises in transforming business performance through people. A framework of best practice that's outcome focused: it outlines what you need to achieve but never prescribes how, making it truly flexible.	Six months to three years from committing to achieving it.
ISO9001 quality management system	It is the internationally recognised standard for Quality Management Systems (QMS). It is a framework and a set of principles that ensure a common-sense approach to managing business activities to consistently achieve customer satisfaction.	Implementation to assessment takes approximately six to nine months.
Kaizen Blitz	It is a focused short-term project to improve a process. It includes training followed by analysis, design and implementation.	Usually two to three months from conception to bedding in a new process.
Lean review	Aims to eliminate waste in processes at all levels, from identified need to service delivery. It involves constantly reviewing processes to ensure they are constantly and consistently delivering value to customers.	Three to 36 months to fully implement.
Public Service Improvement Framework	A self-assessment framework that encourages organisations to comprehensively review their own activities and results. It provides various improvement tools so that organisations can look at how continuous improvement is working across the whole organisation.	Approximately two to four months.

Managing performance: are you getting it right?

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**Audit & Standards Committee****13 December 2012****Statutory Performance Indicators 2011-12****Report No: IP-26-F****Performance Improvement Adviser****Corporate Services****1.0 Summary**

- 1.1 This report is a follow up to the Statutory Performance Indicators report that was presented to the Audit & Standards Committee in September 2012.
- 1.2 This report compares the Council's performance with other Councils in Scotland. It also allows relevant Officers the opportunity to provide a Performance Statement, and an Improvement Statement.

2.0 Decision Required

- 2.1 That Audit and Standards Committee RESOLVE to review the comparative Performance Indicators for 2011-12 outlined in Appendix A and highlight any areas to be investigated further by this Committee, or the relevant functional Committee.

3.0 Detail

- 3.1 Appendix A contains graphs showing the Council's Performance over a number of years and compares it to: the Scottish Average, the Best and Worst in Scotland. There is also a separate graph that shows how the Council's ranking within Authorities has changed over time.
- 3.2 Some indicators have more than 5 year's historical data whereas others only have comparable data for 3 years.
- 3.3 In some cases, an increase in performance is indicated by a reduction in the value but in all cases, an upward trend in the graph is an increase in performance.

- 3.4 This report gives the Committee an opportunity to request the attendance of relevant Chairs, Vice-chairs and officers to discuss particular Indicators in detail.

4.0 Implications

Strategic

- 4.1 Delivery on Corporate Priorities – “We provide good quality information to deliver effective public accountability”
- 4.2 Community /Stakeholder Issues – NONE
- 4.3 Policy and/or Delegated Authority – As described in the Council’s Scheme of Administration and Delegations, the remit of the Audit and Standards Committee includes assessing the effectiveness of the Council’s Performance Management by reviewing key performance indicators.
- 4.4 Risk Management – Effective scrutiny of the Council’s performance is necessary to minimise financial and reputational risk.
- 4.5 Equalities, Health and Human Rights – Equal Opportunities are one of the Statutory Performance Indicators.
- 4.6 Environmental – Recycling is one of the Statutory Performance Indicators.

Resources

- 4.7 Financial – NONE
- 4.8 Legal – NONE.
- 4.9 Human Resources – NONE
- 4.10 Assets And Property – NONE

5.0 Conclusions

- 5.1 This report presents comparative Performance indicators for 2007-2012. These have been verified by Audit Scotland for all Authorities. The Audit and Standards Committee have the remit to review the indicators and decide whether any areas require further investigation.

For further information please contact:

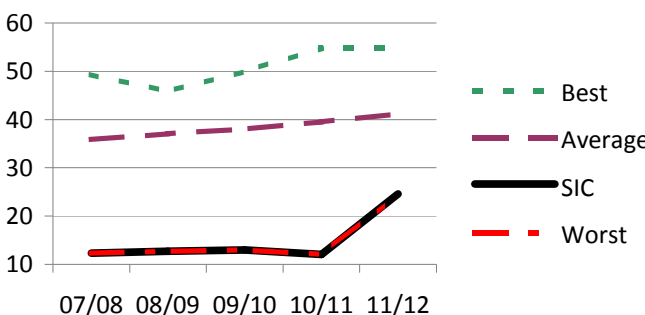
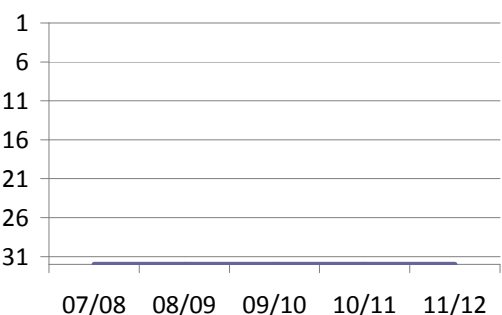
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22 November 2012

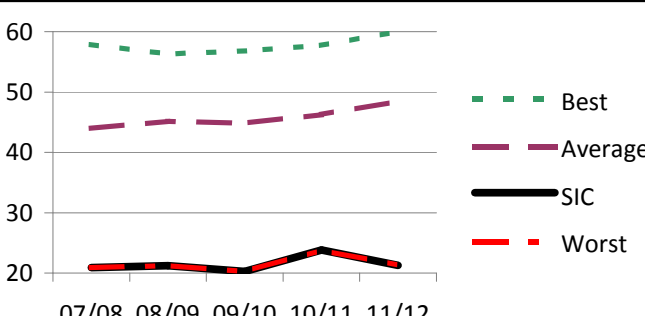

List of Appendices

Appendix A: Comparative Statutory Performance Indicators 2007-2012
END

Indicator 1A Average working days lost per Teacher due to sickness absence	
Historical/Current Values	Scottish Ranking
<p>Performance: 11/12 Value = 6.7 Days The Scottish average has steadily improved from 7.6 days in 08/09 to 6.2 days in 11/12. However, the Council's performance has reduced from 5.3 to 6.7 days during the same period.</p>	<p>Current Ranking 21st The Council's ranking has dropped from 3rd to 21st since 2008/09.</p>
Improvement Plan A "Promoting Attendance" group has been established to revise policies and procedures and to support head teachers. The new policy was approved by the Executive Committee on 23rd November and will be in place from 1st April 2013. The 2013/14 Target is 5.6 days (top quartile performance at 2011/12 levels).	

Indicator 1B Days lost per employee for other Local Government employees	
Historical/Current Values	Scottish Ranking
<p>Performance: 11/12 Value = 13 Days The Scottish average has steadily improved from 12.5 days in 08/09 to 10.4 days in 11/12. However, the council's performance has remained relatively flat during the same period.</p>	<p>Current Ranking 29th The Council's ranking has dropped from 23rd to 29th since 2008/09.</p>
Improvement Plan A "Promoting Attendance" group has been established to revise policies and procedures and to support managers in problem areas. This has already resulted in a reduction in sickness in 2012/13. The new policy was approved by the Executive Committee on 23rd November and will be in place from 1st April 2013. The 2013/14 Target is 9.8 days (top quartile performance at 2011/12 levels).	

Indicator 2 - Equal Opportunities Percentage of employees in the highest 2% of earners that are female	
Historical/Current Values	Scottish Ranking
	
Performance: 11/12 Value = 24.6% Historical and current performance figures are skewed due to the large number of marine staff employed here. No other Authority has significant numbers of Marine staff.	Current Ranking 32nd The Council's ranking has remained lowest in Scotland since 2007/08. However, if Marine employees are ignored, the Council's ranking is 9th.
Improvement Plan A short life Equalities Working Group has been set up to prepare for the publication of the Equal Pay Audit by April 2013. This will identify key actions where any inequality exists in the pay, terms and conditions of staff.	

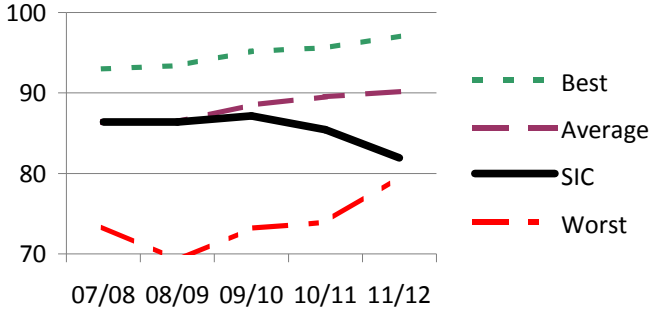
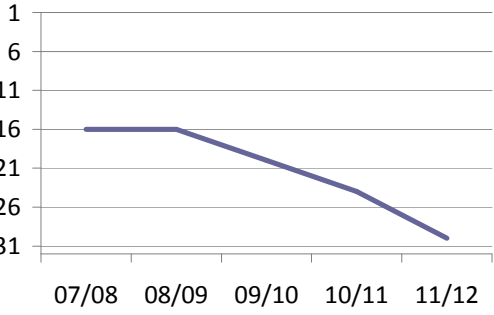
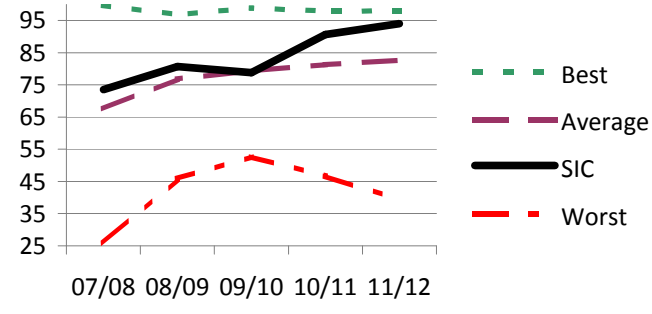
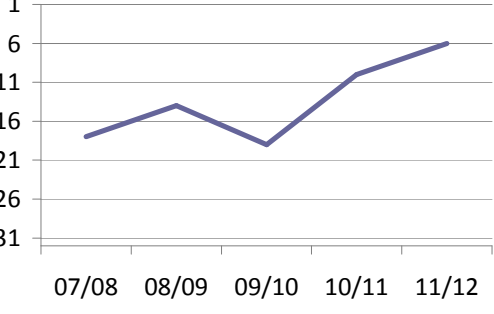
Indicator 2 - Equal Opportunities Percentage of employees in the highest 5% of earners that are female	
Historical/Current Values	Scottish Ranking
	
Performance: 11/12 Value = 21.3% See above	Current Ranking 32nd The Council's ranking has remained lowest in Scotland since 2007/08. However, if Marine employees are ignored, the Council's ranking is 23rd.
Improvement Plan A short life Equalities Working Group has been set up to prepare for the publication of the Equal Pay Audit by April 2013. This will identify key actions where any inequality exists in the pay, terms and conditions of staff.	

Indicator 3 - Public Access	
Percentage of public service buildings that are suitable and accessible to disabled people	
Historical/Current Values	Scottish Ranking
<p>07/08 08/09 09/10 10/11 11/12</p> <p>Best Average SIC Worst</p>	<p>07/08 08/09 09/10 10/11 11/12</p>
Performance: 11/12 Value = 63.9% The Scottish average has steadily increased from 64.6% in 08/09 to 70.7% in 11/12. The Council's performance increased from 62.9% in 08/09 to 63.6% in 09/10 and has remained at that level.	Current Ranking 22nd The Council's ranking has dropped from 15th to 22nd since 2007/08.
Improvement Plan The implementation of the Council's "Asset Strategy" will result in a significant improvement to the Council's performance going forward. The addition of the new Council Headquarters will see an overall reduction in the number of properties as services are relocated from unsuitable buildings with significant access issues. The inclusion of rural Ferry Waiting Rooms in the figures reduces the Council's performance in comparison with other regions and discussions are on going regarding the removal of these properties which would further improve the Council's performance.	

Indicator 4 - Administration Costs	
Gross administration cost per (Council Tax and Rent Rebate) benefit case	
Historical/Current Values	Scottish Ranking
<p>09/10 10/11 11/12</p> <p>Best Average SIC Worst</p>	<p>09/10 10/11 11/12</p>
Performance: 11/12 Value = £76.36 Small reduction from 10/11 Value = £77.30. Unit costs similar to Orkney. Visited Orkney to compare service. Both small councils so unable to achieve economies of scale. Receive specific grant from Westminster Govt for admin costs, which reduces actual cost per case to £41.91. Delivered continuous improvement for claims processing from 2010/11.	Current Ranking 32nd The Council's ranking has remained at, or close to, the lowest in Scotland since 2009/10.
Improvement Plan Per 2012-13 Finance Service Plan, staffing structure reviewed and resulted in a reduction in staffing complement, which will reduce costs. Also per Finance Service Plan review working practices and procedures with the aim of making more efficient and effective	

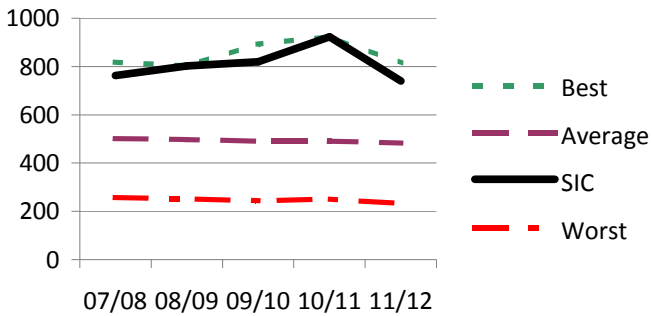
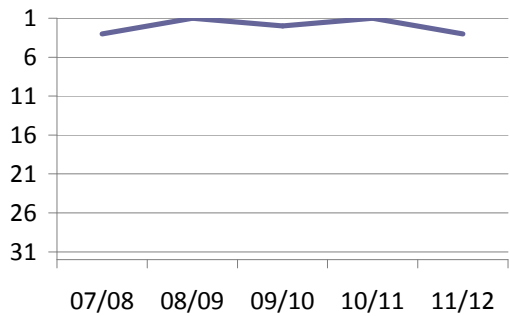
Indicator 5 - Council Tax Collection	
Cost of collecting council tax per dwelling	
Historical/Current Values	Scottish Ranking
<p>07/08 08/09 09/10 10/11 11/12</p> <p>Best Average SIC Worst</p>	<p>07/08 08/09 09/10 10/11 11/12</p>
Performance: 11/12 Value = £12.81 Small reduction from 10/11 Value = £14.39 Council Tax collection costs are more than compensated for by high collection rates and the cash flow benefits which arise from receiving this income as early as possible.	Current Ranking 17th The Council's ranking has improved from 24th to 17th in the last 3 years. There was a sharp decline in ranking from 07/08 to 08/09.
Improvement Plan Per 2012-13 Finance Service Plan, staffing structure reviewed and resulted in a reduction in staffing compliment, which will reduce costs. Also per Finance Service Plan review working practices and procedures with the aim of making more efficient and effective	

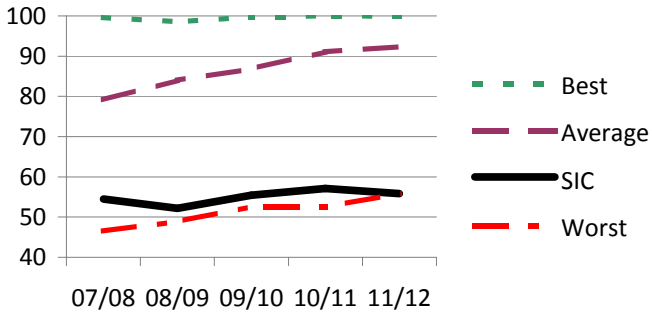
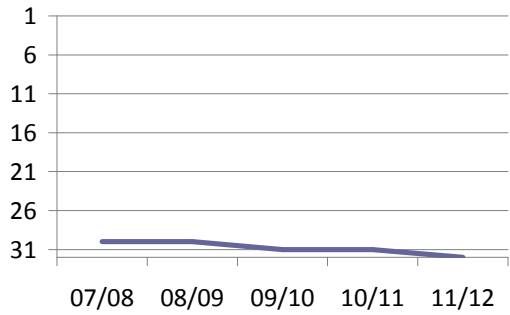
Indicator 6 - Council Tax Income	
Percentage of income due from council tax for the year that was received by the end of the year	
Historical/Current Values	Scottish Ranking
<p>07/08 08/09 09/10 10/11 11/12</p> <p>Best Average SIC Worst</p>	<p>07/08 08/09 09/10 10/11 11/12</p>
Performance: 11/12 Value = 96.5% Slight improvement from 10/11 = 96.4% Within a two years 99% collection level achieved.	Current Ranking 8th Ranking has dropped slightly, while performance has been relatively steady.
Improvement Plan Per 2012-13 Finance Service Plan, review working practices and procedures with the aim of making more efficient and effective, regularly monitor current performance to previous levels reached.	

Indicator 7 - Payment of Invoices		
Percentage of invoices sampled that were paid within 30 days		
Historical/Current Values		Scottish Ranking
		
Performance: 11/12 Value = 81.9% Over the last 3 years our performance has dropped from 87.1% to 81.9%. This has been mainly due to a long running staffing issue within a relatively small section.		Current Ranking 30th The Council's ranking has declined from mid-table in 2008/09 to almost bottom in 2011/12.
Improvement Plan The staffing issue has been resolved and the Section is up to a fully trained compliment again. This should ensure that next year's SPI will show an improvement to around 84%.		
Indicator 8 - Asset Management		
Proportion of internal floor area of operational buildings in satisfactory condition		
Historical/Current Values		Scottish Ranking
		
Performance: 11/12 Value = 94.1% At present the SIC corporate estate is ranked 6th. The figures shown here include the AHS being rated as a "B" Satisfactory - this large property is a borderline B/C and any change in ranking will have a disproportionate effect on the return. The condition of the estate will degrade over the next five year cycle due to budget constraints it is likely ranking position will slip to around 25th before showing an improvement when the new AHS is opened and the old school is disposed of. Construction industry cost pressures will also have an impact, as will the price of oil.		Ranking 6th The Council's ranking has improved steadily over the last 5 years.
Improvement Plan To offset the reduction in budgets we are looking to maximum efficiencies by: <ul style="list-style-type: none"> - Generating income to support front line service delivery by increasing the level of work sourced from outwit the Council and exploring increased partnership working with external organisations such as the NHS, Police and Fire Services - Collaborative construction procurement which realises "economy of scale" benefits with NHS Shetland by putting in place joint NEC3 Term Service Contract Arrangements - Aligning management structures and resources to suit budgets and essential services and identify and deliver efficiencies - Ensuring projects meet client needs and achieve desired outcomes at minimum cost to the tax payer by ensuring that all projects meet best value quality criteria and embed carbon reduction as a specific objective - Reporting our performance to our customers more effectively throughout the year using the Web facilities in TF Facility to provide live performance data to customers and senior managers 		

Indicator 8 - Asset Management	
Proportion of operational buildings that are suitable for their current use	
Historical/Current Values	Scottish Ranking
<p>07/08 08/09 09/10 10/11 11/12</p> <p>Best Average SIC Worst</p>	<p>07/08 08/09 09/10 10/11 11/12</p>
<p>Performance: 11/12 Value = 72.2%</p> <p>The Scottish average has shown a slight increase from 72.1% in 08/09 to 74.8% in 11/12. The Council's performance has increased from 66.2% in 09/10 to 72.2% in 11/12.</p>	<p>Current Ranking 25th</p> <p>The Council's ranking has remained in the bottom quartile for the last 5 years.</p>
<p>Improvement Plan</p> <p>The implementation of the Council's "Asset Strategy" has resulted in a steady progress over recent years. Further improvement is expected with the new Council Headquarters allowing services to be relocated from unsuitable buildings and a reduction in the overall number of operational properties. A proportion of the properties deemed unsuitable are rural public toilets with no accessible toilet facilities. The cost of upgrading these facilities would be considerable therefore the Council has taken a regional approach to providing accessible toilets throughout Shetland, creating a network of accessible facilities within reasonable travel distances.</p>	

Indicator 9 - Home Care / Home Helps	
Number of people aged 65+ receiving homecare	
Historical/Current Values	
<p>07/08 08/09 09/10 10/11 11/12</p> <p>SIC</p>	
<p>Performance: 11/12 Value = 419</p> <p>Down on previous year due to prioritisation of services, still very high in comparison to other authorities.</p>	
<p>Improvement Plan</p> <p>We are continuing to work with re-enablement programme to complement or replace some services to enable people to remain in their own home.</p>	

Indicator 9 - Home Care / Home Helps	
Total number of homecare hours as a rate per 1,000 population aged 65+	
Historical/Current Values	Scottish Ranking
	
Performance: 11/12 Value = 740.1 Down on previous year due to prioritisation of services, still very high in comparison to other authorities.	Current Ranking 3rd The Council's ranking has remained at the top of the table for the last 5 years.
Improvement Plan We are continuing to work with re-enablement programme to complement or replace some services to enable people to remain in their own home.	

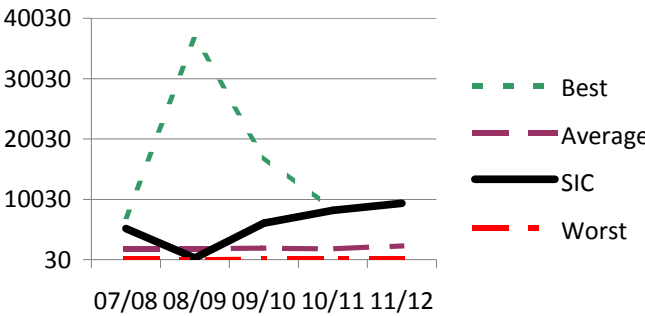
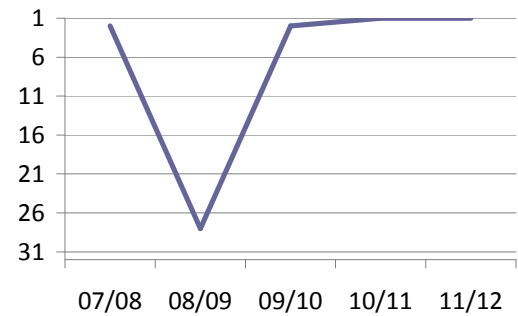
Indicator 9 - Home Care / Home Helps	
Percentage of homecare clients receiving personal care	
Historical/Current Values	Scottish Ranking
	
Performance: 11/12 Value = 55.8% Appears low due to the fact that we continue to provide high levels of domestic care.	Current Ranking 32nd The Council's ranking has remained at the bottom of the table for the last 5 years.
Improvement Plan We are continuing to work with re-enablement programme to complement or replace some services to enable people to remain in their own home.	

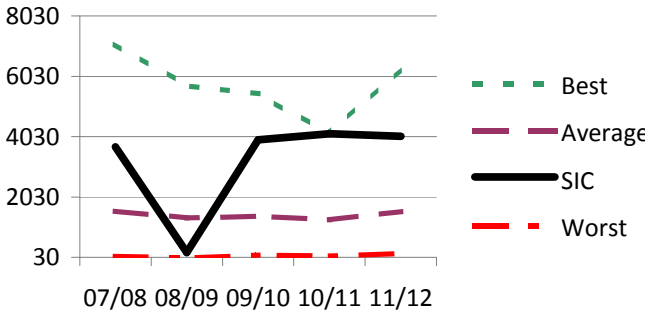
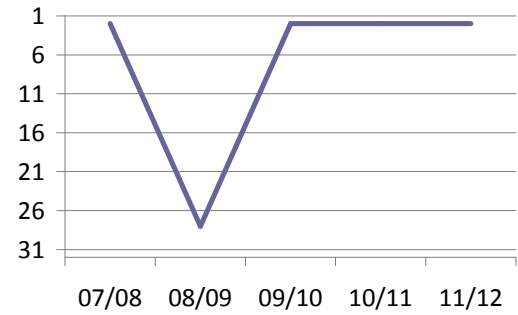
Indicator 9 - Home Care / Home Helps	
Percentage of homecare clients receiving a service during evening/overnight	
Historical/Current Values	Scottish Ranking
<p>Best Average SIC Worst</p>	
Performance: 11/12 Value = 27.2% As above, we continue to provide high levels of domestic care during day hours.	Current Ranking 30th The Council's ranking has declined over the last 5 years to 30th.
Improvement Plan We are continuing to work with re-enablement programme to complement or replace some services to enable people to remain in their own home.	

Indicator 9 - Home Care / Home Helps	
Percentage of homecare clients receiving a service at weekends	
Historical/Current Values	Scottish Ranking
<p>Best Average SIC Worst</p>	
Performance: 11/12 Value = 42.7% As above, high levels of care are provided during weekdays.	Current Ranking 32nd The Council remains at the bottom of the ranking table.
Improvement Plan We are continuing to work with re-enablement programme to complement or replace some services to enable people to remain in their own home.	

Indicator 10 - Sport & Leisure Management	
Number of attendances per 1,000 population for all pools	
Historical/Current Values	Scottish Ranking
<p>14030 12030 10030 8030 6030 4030 2030 30</p> <p>07/08 08/09</p> <p>Best Average SIC Worst</p>	<p>1 6 11 16 21 26 31</p> <p>07/08 08/09 09/10 10/11 11/12</p>
Performance: 11/12 Value = 10782.8 Consistently higher than other authority areas, decrease this year (8%) due to economic factors and high usage in previous year.	Current Ranking 1st Attendances continue to be best in Scotland.
Improvement Plan To continue providing level of service within existing resources.	

Indicator 10 - Sport & Leisure Management	
Number of attendances per 1,000 population for indoor sports and leisure facilities excluding pools in a combined complex	
Historical/Current Values	Scottish Ranking
<p>20030 15030 10030 5030 30</p> <p>07/08 08/09</p> <p>Best Average SIC Worst</p>	<p>1 6 11 16 21 26 31</p> <p>07/08 08/09 09/10 10/11 11/12</p>
Performance: 11/12 Value = 14950.4 Consistently higher than other authority areas, slight decrease this year due to economic factors and high usage in previous year.	Current Ranking 1st Attendances continue to be best in Scotland.
Improvement Plan To continue providing level of service within existing resources.	

Indicator 11 - Museum Services	
Number of visits to/usages of council funded or part funded museums expressed per 1,000 population	
Historical/Current Values	Scottish Ranking
	
Performance: 11/12 Value = 9391.2	Current Ranking 1st Attendances are best in Scotland since the new Museum opened.
Improvement Plan	

Indicator 11 - Museum Services	
Number of visits that were in person expressed per 1,000 population	
Historical/Current Values	Scottish Ranking
	
Performance: 11/12 Value = 4044.6	Current Ranking 2nd Attendances are 2nd highest in Scotland (behind Glasgow City) since the new Museum opened.
Improvement Plan	

Indicator 12 - Use of Libraries	
Number of visits to libraries expressed per 1,000 population	
Historical/Current Values	Scottish Ranking
<p>12030 10030 8030 6030 4030 2030 30</p> <p>07/08 08/09 09/10 10/11 11/12</p> <p>Best Average SIC Worst</p>	<p>1 6 11 16 21 26 31</p> <p>07/08 08/09 09/10 10/11 11/12</p>
Performance: 11/12 Value = 10040 This rise was due to a very busy tourist and cruise season including the Tall Ships. Other factors were an increase in virtual visits to our online services, use of wi-fi in the Library and high uptake of children's promotions which draw in family groups.	Current Ranking 1st The library is now ranked 1st in Scotland.
Improvement Plan This unusually high count is unlikely to be maintained this year as tourist numbers have reduced, and 3G availability in Lerwick may be lessening wi-fi use. However we aim to keep a healthy visitor number count of over 9,000, as development of online services will further increase virtual visits. We will continue to give high priority to early years literacy, to bring in families.	

Indicator 13 - Processing Time - Planning Applications	
Percentage of householder applications dealt with within 2 months	
Historical/Current Values	Scottish Ranking
<p>110 90 70 50 30</p> <p>07/08 08/09 09/10 10/11 11/12</p> <p>Best Average SIC Worst</p>	<p>1 6 11 16 21 26 31</p> <p>07/08 08/09 09/10 10/11 11/12</p>
Performance: 11/12 Value = 60% See below	Current Ranking 30th Apart from 2009/10, the Council's ranking remain at the bottom of the table.
Improvement Plan See below	

Indicator 13 - Processing Time - Planning Applications Percentage of non-householder applications dealt with within 2 months	
Historical/Current Values	Scottish Ranking
<p>100 80 60 40 20</p> <p>07/08 08/09 09/10 10/11 11/12</p> <p>Best Average SIC Worst</p>	<p>1 6 11 16 21 26 31</p> <p>07/08 08/09 09/10 10/11 11/12</p>
Performance: 11/12 Value = 29% See below	Current Ranking 32nd Apart from 2009/10, the Council's ranking remain at the bottom of the table.
Improvement Plan See below	

Indicator 13 - Processing Time - Planning Applications Percentage of all planning applications dealt with within 2 months	
Historical/Current Values	Scottish Ranking
<p>100 80 60 40 20</p> <p>07/08 08/09 09/10 10/11 11/12</p> <p>Best Average SIC Worst</p>	<p>1 6 11 16 21 26 31</p> <p>07/08 08/09 09/10 10/11 11/12</p>
Performance: 11/12 Value = 37% In the year 2011-12, we were implementing the new back office systems. The man hours and resources required are the same for every authority, but a huge task for a small authority with only a handful of staff. The officer time (recorded) was 172 days. The LEAN type exercise was a significant commitment but is starting to deliver benefits.	Current Ranking 32nd Apart from 2009/10, the Council's ranking remain at the bottom of the table.
Improvement Plan Recent figures show a marked improvement. The LEAN type exercise, additional business support staff and training, near completion of implementation of back office systems and a small drop in numbers have contributed. As our Planning Performance Framework submission has indicated, we are undertaking a full review of the Planning Service, which will highlight failings and produce an implementation strategy for an outcomes focussed improvement plan.	

Indicator 14 - Response Repairs Percentage of repairs completed within target times	
Historical/Current Values	Scottish Ranking
Performance: 11/12 Value = 92% Over the last 4 years, the % of repairs completed on time has steadily increased. The introduction of a dedicated repairs team has improved the quality of information received from tenants ensuring accurate repairs are ordered at the most appropriate priority.	Current Ranking 17th The Council's ranking has increased in the last year from 25th to 17th.
Improvement Plan Improved working practices were introduced in November 2010 which are continuing. As well as this, the introduction of the OPEN Contractor system means that only one system is used for repairs which will lead to a more streamlined process.	

Indicator 15 - Housing Quality Percentage of council dwellings brought up to a tolerable standard	
Historical/Current Values	Scottish Ranking
Performance: 11/12 Value = 100% No SIC housing stock are below the Tolerable Standard.	Current Ranking 1st Equal 1st in Scotland for the last 2 years.
Improvement Plan No Improvement required	

Indicator 15 - Housing Quality Percentage of council dwellings free from serious disrepair	
Historical/Current Values	Scottish Ranking
<p>120 100 80 60 40 20 0</p> <p>08/09 09/10 10/11 11/12</p> <p>Best Average SIC Worst</p>	<p>1 6 11 16 21 26 31</p> <p>08/09 09/10 10/11 11/12</p>
Performance: 11/12 Value = 100% No SIC properties are in serious disrepair.	Current Ranking 1st Equal 1st in Scotland for the last 4 years.
Improvement Plan No Improvement required	

Indicator 15 - Housing Quality Percentage of council dwellings that are energy efficient	
Historical/Current Values	Scottish Ranking
<p>100 80 60 40 20 0</p> <p>08/09 09/10 10/11 11/12</p> <p>Best Average SIC Worst</p>	<p>1 6 11 16 21 26 31</p> <p>08/09 09/10 10/11 11/12</p>
Performance: 11/12 Value = 87% Part of Scottish Housing Quality Standard	Current Ranking 12th The Council's ranking has reduced steadily over the last 4 years.
Improvement Plan Currently targeting energy efficiency investment to achieve SHQS by 2015.	

Indicator 15 - Housing Quality Percentage of council dwellings that have modern facilities and services	
Historical/Current Values	Scottish Ranking
<p>100 80 60 40 20 0</p> <p>08/09 09/10 10/11 11/12</p> <p>Best Average SIC Worst</p>	<p>1 6 11 16 21 26 31</p> <p>08/09 09/10 10/11 11/12</p>
Performance: 11/12 Value = 99% Part of Scottish Housing Quality Standard	Current Ranking 5th Although the Council's ranking has reduced steadily over the last 4 years, performance is at 99%.
Improvement Plan Being addressed through investment to achieve SHQS.	

Indicator 15 - Housing Quality Percentage of council dwellings that are healthy, safe and secure	
Historical/Current Values	Scottish Ranking
<p>100 80 60 40 20 0</p> <p>08/09 09/10 10/11 11/12</p> <p>Best Average SIC Worst</p>	<p>1 6 11 16 21 26 31</p> <p>08/09 09/10 10/11 11/12</p>
Performance: 11/12 Value = 100% Part of Scottish Housing Quality Standard	Current Ranking 1st
Improvement Plan No Improvement required	

Indicator 15 - Housing Quality Percentage of dwellings meeting SHQS	
Historical/Current Values	Scottish Ranking
Performance: 11/12 Value = 86% SHQS to be achieved by 2015.	Current Ranking 4th The Council's ranking and performance is very high.
Improvement Plan Targeted investment to meet SHQS by 2015 through Planned and Capital works.	

Indicator 16 - Managing Tenancy Changes Percentage of rent due in the year that was lost due to voids	
Historical/Current Values	Scottish Ranking
Performance: 11/12 Value = 1.9% The void loss has been reduced to 1.9%. There has been an improvement in the length of time taken to re-let properties resulting in a lower void period.	Current Ranking 7th The Council's ranking has remained relatively flat over the last 5 years.
Improvement Plan Continued close monitoring at regular Management Team meetings.	

Indicator 17 - Managing Tenancy Changes	
Average time to re-let not low demand houses	
Historical/Current Values	Scottish Ranking
Performance: 11/12 Value = 20 days There has been a continued improvement in the length of time taken to re-let SIC properties.	Current Ranking 4th The Council's ranking has improved considerably over the last 5 years.
Improvement Plan A dedicated team deal with re-lets who closely monitor void turnover. Working practices have led to improvements in managing and minimising void time. Any long term voids are advertised regularly.	

Indicator 17 - Managing Tenancy Changes	
Average time to re-let low demand houses	
Historical/Current Values	Scottish Ranking
Performance: 11/12 Value = 115 days 72% of the low demand properties were sheltered and there has been a continued decrease in demand for such housing, particularly in rural areas. Of the 10 low demand properties which took the longest to let, they were all in remote rural areas.	Current Ranking 22nd The Council's ranking remains in the bottom third in Scotland.
Improvement Plan A dedicated team deal with re-lets who closely monitor void turnover. Working practices have led to improvements in managing and minimising void time. Any long term voids are advertised regularly. Applicants are actively encouraged to include areas of low demand to their application to increase their likelihood of rehousing.	

Indicator 17 - Managing Tenancy Changes	
Average time that these houses remained un-let	
Historical/Current Values	Scottish Ranking
Performance: 11/12 Value = 142.3 days A dedicated team deal with re-lets who closely monitor void turnover. Working practices have led to improvements in managing and minimising void time. Any long term voids are advertised regularly. Applicants are actively encouraged to include areas of low demand to their application to increase their likelihood of rehousing.	Current Ranking 16th The Council's ranking has remained relatively flat over the last 5 years.
Improvement Plan A dedicated team deal with re-lets who closely monitor void turnover. Working practices have led to improvements in managing and minimising void time. Any long term voids are advertised regularly.	

Indicator 18 - Rent Management	
Current tenants' arrears as a percentage of net rent due	
Historical/Current Values	Scottish Ranking
Performance: 11/12 Value = 2.8% Improved from 10-11 value	Current Ranking 1st Ranking has risen steadily for the last 4 years to top of table.
Improvement Plan Per 2012-13 Finance Service Plan, review working practices and procedures with the aim of making more efficient and effective, regularly monitor current performance to previous levels reached.	

Indicator 18 - Rent Management	
Percentage of current tenants owing more than 13 weeks rent excluding those owing less than £250	
Historical/Current Values	Scottish Ranking
<p>07/08 08/09 09/10 10/11 11/12</p> <p>Best Average SIC Worst</p>	<p>07/08 08/09 09/10 10/11 11/12</p>
Performance: 11/12 Value = 5.3% Overall collection levels and ranking remained high - see previous indicator - 'Current tenants' arrears as a percentage of net rent due'.	Current Ranking 18th Ranking has remained around 12th since 2007/08 with a dip last year.
Improvement Plan Per 2012-13 Finance Service Plan, review working practices and procedures with the aim of making more efficient and effective, regularly monitor current performance to previous levels reached.	

Indicator 18 - Rent Management	
Proportion of those tenants that were in rent arrears	
Historical/Current Values	Scottish Ranking
<p>07/08 08/09 09/10 10/11 11/12</p> <p>Best Average SIC Worst</p>	<p>07/08 08/09 09/10 10/11 11/12</p>
Performance: 11/12 Value = 45.2% Overall collection levels and ranking remained high - see previous indicator - 'Current tenants' arrears as a percentage of net rent due'.	Current Ranking 16th Ranking has risen steadily since 2007/08 with a slight dip last year.
Improvement Plan Per 2012-13 Finance Service Plan, review working practices and procedures with the aim of making more efficient and effective, regularly monitor current performance to previous levels reached.	

Indicator 18 - Rent Management	
Average number of weeks rent owed by tenants leaving in arrears	
Historical/Current Values	Scottish Ranking
<p>07/08 08/09 09/10 10/11 11/12</p>	<p>07/08 08/09 09/10 10/11 11/12</p>
Performance: 11/12 Value = 9.4% Overall collection levels and ranking remained high - see previous indicator - 'Current tenants' arrears as a percentage of net rent due'.	Current Ranking 16th Overall ranking has remained above mid-table for 5 years.
Improvement Plan 012-13 Finance Service Plan, review working practices and procedures with the aim of making more efficient and effective, regularly monitor current performance to previous levels reached.	

Indicator 18 - Rent Management	
Percentage of former tenant arrears written off or collected during the year	
Historical/Current Values	Scottish Ranking
<p>07/08 08/09 09/10 10/11 11/12</p>	<p>07/08 08/09 09/10 10/11 11/12</p>
Performance: 11/12 Value = 52% Overall collection levels and ranking remained high - see previous indicator - 'Current tenants' arrears as a percentage of net rent due'.	Current Ranking 21st The Council's ranking has improved slightly in the last year, reversing the trend of the previous 4 years.
Improvement Plan Per 2012-13 Finance Service Plan, review working practices and procedures with the aim of making more efficient and effective, regularly monitor current performance to previous levels reached.	

Indicator 19 - Homelessness	
Percentage of decision notifications issued within 28 days of date of initial presentation for permanent accommodation	
Historical/Current Values	Scottish Ranking
Performance: 11/12 Value = 89.2% The % of homeless applicants receiving notifications within 28 days has increased by 10.8%. This improvement is due to closer monitoring of performance by staff.	Current Ranking 17th The Council's ranking has improved substantially in the last year.
Improvement Plan Staff will continue to monitor this closely as well as this being included as part of our regular Management Meetings.	

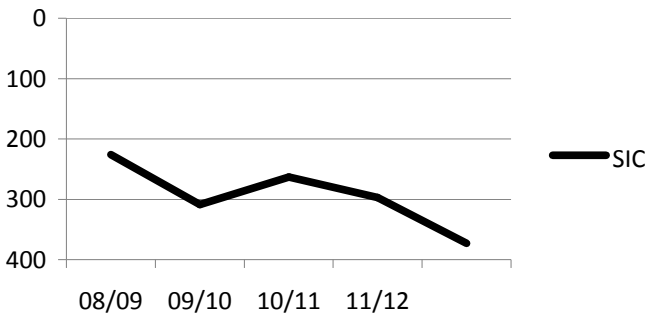
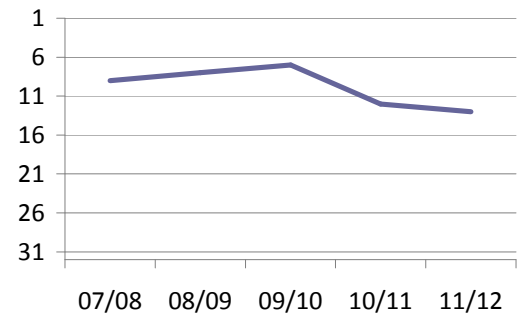
Indicator 19 - Homelessness	
Percentage who are housed into permanent accommodation	
Historical/Current Values	Scottish Ranking
Performance: 11/12 Value = 74.7% The % of homeless applicants who have a duty to be re-housed permanently has increased by 6.3%. Removing priority need ahead of target may have an impact on future figures.	Current Ranking 3rd The Council's ranking has remained close to top of table for the last 3 years.
Improvement Plan We will continue to monitor this closely.	

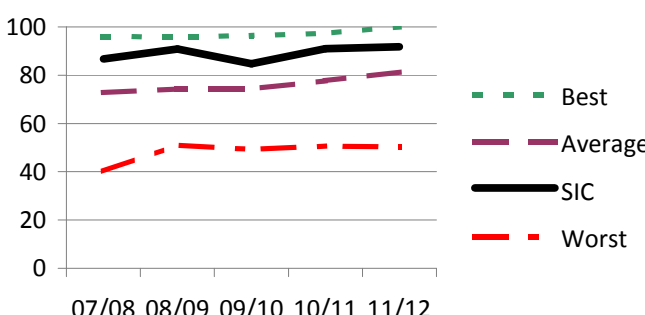
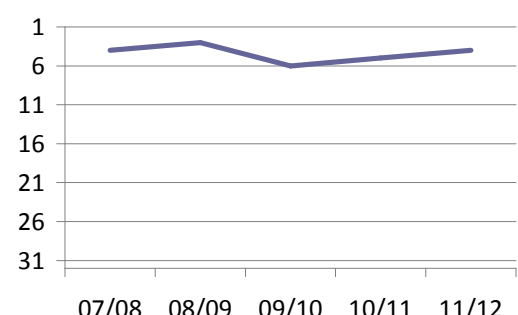
Indicator 19 - Homelessness	
Homelessness - permanent accommodation - percentage of cases reassessed within 12 months	
Historical/Current Values	Scottish Ranking
Performance: 11/12 Value = 3.8% The % of homeless applicants who re-present as homeless has reduced significantly. This is due to the homeless prevention work carried out where possible.	Current Ranking 7th The Council's ranking has improved substantially in the last year.
Improvement Plan Continue to provide the support and maintain contact with homeless applicants.	

Indicator 19 - Homelessness	
Percentage of decision notifications issued within 28 days of date of initial presentation for temporary accommodation	
Historical/Current Values	Scottish Ranking
Performance: 11/12 Value = 79.2% The % of homeless applicants receiving notifications within 28 days has increased by 1.4%. This improvement is due to closer monitoring of performance by staff.	Current Ranking 23rd The Council's ranking has improved slightly in the last year, reversing the trend of the previous 3 years.
Improvement Plan Continue to monitor regularly by staff and as part of Management Team meetings.	

Indicator 19 - Homelessness																																				
Percentage of temporary accommodation cases reassessed																																				
Historical/Current Values	Scottish Ranking																																			
<table><caption>Historical/Current Values Data</caption><thead><tr><th>Year</th><th>Best</th><th>Average</th><th>SIC</th><th>Worst</th></tr></thead><tbody><tr><td>08/09</td><td>0</td><td>5</td><td>12</td><td>30</td></tr><tr><td>09/10</td><td>0</td><td>5</td><td>7</td><td>22</td></tr><tr><td>10/11</td><td>0</td><td>5</td><td>15</td><td>18</td></tr><tr><td>11/12</td><td>0</td><td>5</td><td>8</td><td>25</td></tr></tbody></table>	Year	Best	Average	SIC	Worst	08/09	0	5	12	30	09/10	0	5	7	22	10/11	0	5	15	18	11/12	0	5	8	25	<table><caption>Scottish Ranking Data</caption><thead><tr><th>Year</th><th>Ranking</th></tr></thead><tbody><tr><td>08/09</td><td>26</td></tr><tr><td>09/10</td><td>26</td></tr><tr><td>10/11</td><td>31</td></tr><tr><td>11/12</td><td>26</td></tr></tbody></table>	Year	Ranking	08/09	26	09/10	26	10/11	31	11/12	26
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Performance: 11/12 Value = 8% The % of homeless applicants who re-present as homeless has reduced. This is due to the homeless prevention work carried out where possible.	Current Ranking 26th The Council's ranking has improved in the last year but remains in the bottom quartile in Scotland.																																			
Improvement Plan Continue to provide the support and maintain contact with homeless applicants.																																				

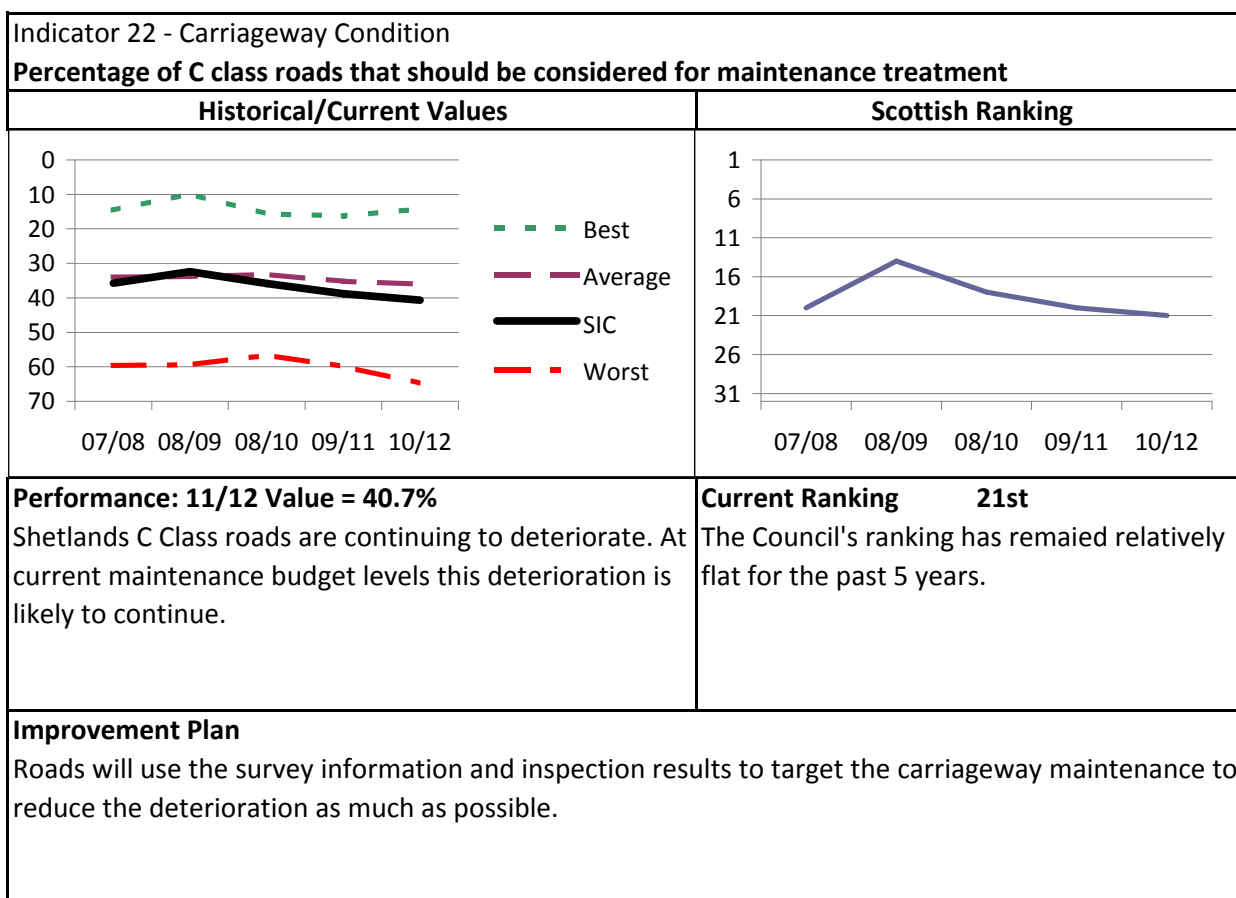
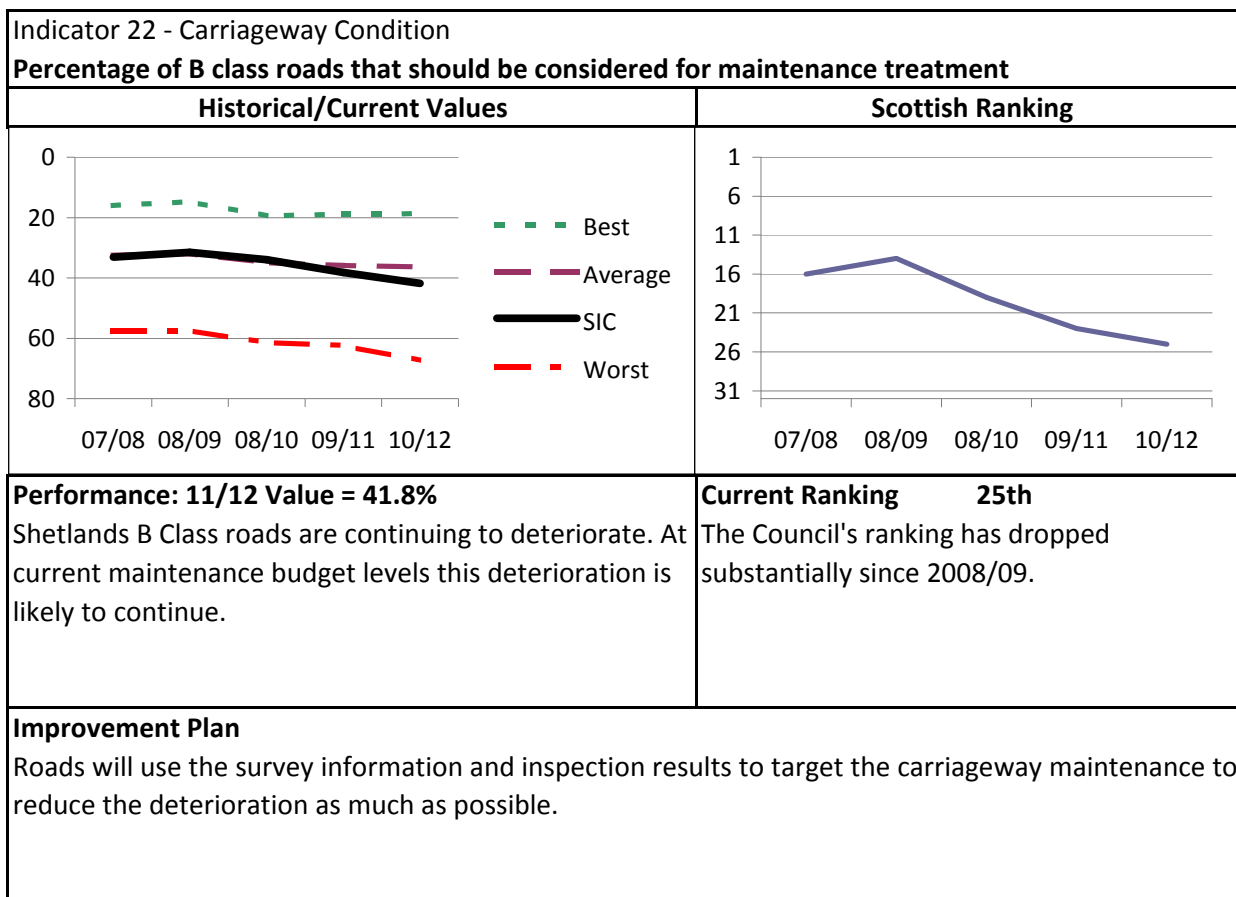
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Performance: 11/12 Value = 88% The proportion of new tenants who initially applied as homeless who sustained their tenancy for up to 1 year increased by 16% in 2011/2012. This is largely considered to be due to continued support provided by the Housing Outreach Service and the settling in visits.	Current Ranking 11th The Council's ranking has improved significantly in the last year, reversing the trend of the previous 3 years.																																			
Improvement Plan We will continue to provide housing support.																																				

Indicator 20 - Domestic Noise Complaints	
Total domestic noise complaints	
Historical/Current Values	Scottish Ranking
 <p>08/09 09/10 10/11 11/12</p>	 <p>07/08 08/09 09/10 10/11 11/12</p>
Performance: 11/12 Value = 373 This shows a steady increase in the number of complaints received. However, better reporting process and better publicity increases the number of complaints recorded.	Current Ranking 13th The Council's ranking has remained steady at around 10th.
Improvement Plan We will continue to promote noise service and work with Police and Housing to capture all noise complaints. This will ensure that all Shetland residents are aware of the service we provide to tackle nuisance neighbours.	

Indicator 21 - Trading Standards - Complaints & Advice	
Percentage of consumer complaints dealt with within 14 days of receipt	
Historical/Current Values	Scottish Ranking
 <p>07/08 08/09 09/10 10/11 11/12</p>	 <p>07/08 08/09 09/10 10/11 11/12</p>
Performance: 11/12 Value = 91.8% The Council's performance has stayed above the Scottish average. We continue to seek to resolve consumer complaints as quickly as possible, but the time taken is very dependent on the nature and complexity of the issue.	Current Ranking 4th The Council's ranking has remained in the top quartile for the last 5 years.
Improvement Plan We will continue to work to resolve consumer complaints as quickly as possible, but the time taken is very dependent on the nature and complexity of the issue. Our target for 2013-2014 will be to complete at least 85% within 14 days, and we carry out checks to avoid any undue delays.	

Indicator 21 - Trading Standards - Complaints & Advice	
Percentage of business advice requests dealt with within 14 days of receipt	
Historical/Current Values	Scottish Ranking
<p>07/08 08/09 09/10 10/11 11/12</p>	<p>07/08 08/09 09/10 10/11 11/12</p>
Performance: 11/12 Value = 90.9% Almost all Scottish Councils are in the range 90% - 100%. We continue to seek to resolve business advice requests as quickly as possible, but the time taken is very dependent on the nature and complexity of the issue.	Current Ranking 31th The Council's ranking has remained at the bottom of the table for the last 3 years.
Improvement Plan We will continue to work to resolve business advice requests as quickly as possible, but the time taken is very dependent on the nature and complexity of the issue. Our target is to complete at least 90% within 14 days, and we carry out checks to avoid any undue delays.	

Indicator 22 - Carriageway Condition	
Percentage of A class roads that should be considered for maintenance treatment	
Historical/Current Values	Scottish Ranking
<p>07/08 08/09 08/10 09/11 10/12</p>	<p>07/08 08/09 08/10 09/11 10/12</p>
Performance: 11/12 Value = 26.4% Although Shetlands A Class roads are still in better condition than the Scottish average, they are deteriorating at a higher rate.	Current Ranking 14th The Council's ranking has declined substantially since 2008/09.
Improvement Plan Roads will use the survey information and inspection results to target the carriageway maintenance to reduce the deterioration as much as possible.	



Indicator 22 - Carriageway Condition	
Percentage of unclassified roads that should be considered for maintenance treatment	
Historical/Current Values	Scottish Ranking
Performance: 11/12 Value = 40.7% The condition of Shetlands Unclassified roads has been fairly static over recent years but showing a more marked deterioration since 2009/11. There is likely be a further impact from reduced maintenance budgets.	Current Ranking 21st The Council's ranking has remained towards the bottom of the table since 2007/08.
Improvement Plan Roads will use the survey information and inspection results to target the carriageway maintenance to reduce the deterioration as much as possible.	

Indicator 22 - Carriageway Condition	
Overall percentage of road network that should be considered for maintenance treatment	
Historical/Current Values	Scottish Ranking
Performance: 11/12 Value = 43.7% Shetlands Overall road network is showing a steady deterioration over recent years. This has been mainly influenced by the more marked deterioration in the Classified roads.	Current Ranking 25th The Council's ranking has remained in the lower quartile for 5 years.
Improvement Plan Roads will use the survey information and inspection results to target the carriageway maintenance to reduce the deterioration as much as possible.	

Indicator 23 - Refuse Collection	
Net cost of refuse collection per premise	
Historical/Current Values	Scottish Ranking
<p>07/08 08/09 09/10 10/11 11/12</p>	<p>07/08 08/09 09/10 10/11 11/12</p>
Performance: 11/12 Value = £77.68 Following the re-structuring of the Waste Collection and Disposal Services, the costs included in the calculation of this Indicator were reviewed. In addition there was the short-term revenue expenditure incurred with the introduction of wheeled bins. Both factors contributed to the increase.	Current Ranking 25th The Council's ranking has remained in the lower quartile for 4 years.
Improvement Plan It is expected that the costs should stabilise next year after last year's changes, apart from uncontrollable increases in vehicle fuel costs which are a significant proportion of refuse collection costs.	

Indicator 23 - Refuse Collection	
Net cost of refuse disposal per premise	
Historical/Current Values	Scottish Ranking
<p>07/08 08/09 09/10 10/11 11/12</p>	<p>07/08 08/09 09/10 10/11 11/12</p>
Performance: 11/12 Value = £72.18 The SIC's waste disposal costs are steady and consistent with Council's in mainland Scotland.	Current Ranking 6th The Council's ranking has remained in the top quartile for 5 years.
Improvement Plan No significant improvements planned except aiming to keep costs at or below current levels whilst resisting external upward pressures.	

Indicator 23 - Refuse Collection	
Percentage of municipal waste recycled	
Historical/Current Values	Scottish Ranking
<p>08/09 09/10 10/11</p>	<p>08/09 09/10 10/11</p>
<p>Performance: 11/12 Value = 39.9%</p> <p>The SIC's waste recycling rate is steady and consistent with similar rural or remote Island Council's in Scotland.</p>	<p>Current Ranking 17th</p> <p>The Council's ranking has remained steady for the last 3 years.</p>
<p>Improvement Plan</p> <p>As part of the Scotland (Waste) Regulations 2012 and the Scottish Government's 'Zero Waste Plan', the SIC is taking steps to promote more recycling.</p>	

Indicator 23 - Refuse Collection	
Overall cleanliness index	
Historical/Current Values	Scottish Ranking
<p>07/08 08/09 09/10 10/11 11/12</p>	<p>07/08 08/09 09/10 10/11 11/12</p>
<p>Performance: 11/12 Value = 74%</p> <p>Due to less staff being employed in the Cleansing Service last year, less resources were able to be allocated to street cleaning. This had an impact on the outcome of the service compared to previous years.</p>	<p>Current Ranking 17th</p> <p>The Council's ranking has dropped significantly in the last year.</p>
<p>Improvement Plan</p> <p>Following a review of the Street Cleansing Service in Lerwick this year, new arrangements have been implemented. Initial results indicate an improvement in the standard of cleanliness being achieved.</p>	

**Audit and Standards Committee****13 December 2012****INTERNAL AUDIT – Six-monthly Internal Audit Progress Report 2012/13****Report No: IA-002-D1****Report Presented by Executive Manager –
Internal Audit****Executive Services – Internal Audit****1.0 Summary**

- 1.1 This report is being presented to the Audit and Standards Committee as the Audit Committee of Shetland Islands Council.
- 1.2 This report presents Members with details of progress made to date against the Audit Plan approved for 2012/13. It also highlights the main issues identified during Internal Audit assignments (Appendix 1).
- 1.3 For information Members are also presented with the Scottish Local Authorities Chief Internal Auditors Group (SLACIAG) Annual Report for 2011 /12 (Appendix 2).
- 1.4 Members are also reminded that Internal Audit reports are published on the Council website following clearance for Freedom of Information (FOI) and Data Protection purposes. Members can find information on issues identified, in addition to those deemed as key / main, within these reports. http://www.shetland.gov.uk/about_internal_audits/

2.0 Decision Required

- 2.1 Members are asked to note the contents of this report.

3.0 Detail

- 3.1 The purpose of Internal Audit, as defined in the Audit Charter, is to reassure Council Members that:
- there is adequate monitoring of the internal control environment throughout Council operations so that serious breakdowns are avoided, and
 - the Council's system of internal control is both sound and effective so that its assets are safeguarded and its performance reporting can be accepted with confidence.

Progress Report 2012/13

- 3.2 Appendix 1 details the Internal Audit activity for 2012/13 to date.
- 3.3 Progress to date on the Audit Plan is substantially on target, as at the end of October. The situation will continue to be closely monitored. It is anticipated that over 90% of the plan will be completed by the financial year end.
- 3.4 The plan will be subject to minor amendment, following discussion with the Executive Manager Finance, as the scheduled audit of Management Accountancy will now also cover Financial Accountancy since the functions are now effectively amalgamated. As a result, the audit of Performance & Improvement will be rescheduled for 2013/14.
- 3.5 All draft reports have been issued within 14 days of completion of audit work.
- 3.6 Employee performance reviews in Internal Audit have all been undertaken.
- 3.7 The Covalent Performance Management System has an audit module. This has been purchased with the intention that from 2013/14 follow up audits will cease, with responsibility for reporting progress lying with the relevant manager.
- 3.8 It is intended that progress will continue to be reported to the Audit and Standards Committee in a similar manner to Covalent performance reports once these are developed. This will promote a consistent reporting approach utilising the performance software.
- 3.9 As a result of the reduction in follow-up audits, it is envisaged that Internal Audit will have resource to undertake up to eight HR Disciplinary Investigations per year which will deliver financial savings to the Council estimated at over £60k.

ISO Accreditation

- 3.10 Internal Audit is no longer ISO accredited due to budgetary cuts. However the same standards will continue to be adhered to.

SLACIAG

- 3.11 The annual report of SLACIAG for 2011/12 forms part of this report as Appendix 2. SLACIAG meets quarterly, and in addition there is a Computer Audit Sub Group (CASG) that meets 3 times a year.
- 3.12 The Principal Internal Auditor and I contribute to these groups and regularly attend meetings although frequency of attendance has reduced due to budgetary constraints.

4.0 Implications

Strategic

- 4.1 Delivery On Corporate Priorities – Although not contributing to a specific corporate priority, this report, which provides Members with an update on audit activity, contributes to improving the arrangements for Member engagement in monitoring Council performance
- 4.2 Community /Stakeholder Issues – None.
- 4.3 Policy And/Or Delegated Authority – The Audit and Standards Committee remit includes consideration of audit matters and one of its roles is to serve as the Council's Audit Committee.
- 4.4 Risk Management – Whilst no specific risk can be attributed to this report, Internal Audit facilitates reduction of risks identified as a result of work undertaken. This can only be the case if Council management act as per agreed action plans to deal with issues identified by Internal Audit.
- 4.5 Equalities, Health And Human Rights – None
- 4.6 Environmental – None

Resources

- 4.7 Financial – None
- 4.8 Legal – None
- 4.9 Human Resources – None
- 4.10 Assets And Property – None

5.0 Conclusions

- 5.1 Satisfactory progress is being made against the Internal Audit Plan for 2012/13. Members are asked to note issues identified as a result of audit work undertaken. Of particular concern is the lack of progress in relation to the undertaking of Return to Work Interviews and Employee Performance Reviews. In general, satisfactory progress has been made in relation to follow up audits undertaken and management have given commitment to resolve issues identified as a result of our work in relation to audit assignments.

For further information please contact:

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December 2012

List of Appendices

Appendix 1 – Internal Audit activity for 2012/13 to date.

Appendix 2 – SLACIAG Annual Report for 2011/12

END

Audit	Auditee	Progress Report / Key Audit Issues
Roads	Executive Manager - Roads	<p>One key audit issue was identified through this audit. In one instance, the Rules of Procedure were not correctly applied and a sub contract was not let in a fair and proper manner.</p> <p>A number of other issues were identified with commitment given to address all matters identified</p>
Planning – Development Plans / Heritage	Team Leader – Development Plans / Heritage	<p>One key issue was identified surrounding the need for Council Standing Orders/Small Contractor Procedures for the procurement of services to be observed to ensure best value is clearly demonstrated. Single sourcing of services should only take place in exceptional circumstances and the procedure for so doing must always be followed.</p> <p>Other issues were identified. The need to resolve all issues was acknowledged. The final report was being finalised at the time of this report going through clearance.</p>
Adult Learning	Team Leader – Adult Learning	<p>One key issue was identified whereby an insufficient reconciliation was being performed between the evening class database and Integra to ensure completeness of income.</p> <p>A number of other issues were identified with commitment given to address matters identified.</p>
Grants	Grants Co-ordinator	Only one issue was noted and commitment was given to resolve this.
Ferries	Executive Manager - Ferries	Audit ongoing at time of report clearance. Due to be reported in December



Transport Planning	Executive Manager – Transport Planning	One key audit issue arose from the audit concerning the working time directive requirements. Commitment was given to resolve this and other issues identified.
Accountancy	Team Leader – Accountancy	Audit due to commence in December.
Human Resources	Executive Manager – Human Resources	Audit currently ongoing.
Income & Recovery / Cashiers	Team Leader – Revenues	4 th quarter.
Charitable Trust	Chief Executive – Charitable Trust	Audit subject to SLA. Findings will not be reported to Audit and Standards Committee.

Follow up Audit	Auditee	Progress Report
Children's Resources	Executive Manager – Children's Resources	All issues identified have been addressed or suitable arrangements are in hand.
Criminal Justice	Executive Manager – Criminal Justice	Matters have been addressed with the exception of one relating to petty cash which the Executive Manager will address.
Housing	Executive Manager – Housing	Scheduled for 3 rd Quarter
Schools	Executive Managers – Schools Service & Quality Improvement	Scheduled for 4 th Quarter
Asset & Properties	Team Leader – Asset & Properties	All issues had been or were being addressed.
Flexitime	Corporate Review follow up	There are still areas of non-compliance in relation to the operation of flexitime. It was agreed at CMT that HR are to undertake a review of



		flexitime as part of the overall review of terms and conditions. In the meantime it is management's responsibility to manage their services to ensure compliance with current policy.
Development Management	Team Leader – Development Management	With one exception all issues had been or were being addressed. The Director – Development Services has assumed responsibility for addressing the outstanding matter.
Investigations / Reviews		
SUMS College	Director – Shetland College	Work undertaken and charged in accordance with SLA.
Hardship Fund	Director – Shetland College	Work undertaken and charged in accordance with SLA.
LEADER Funding	Executive Manager – Economic Development	Work undertaken and charged in accordance with SLA.
Corporate Improvement	Strategic Audit Plan	Ongoing.
Driver Development Training / Insurance	Strategic Audit Plan	Scheduled Feb 2013.
Asset Register	Strategic Audit Plan	Scheduled 4 th quarter. Review of transfer of data between systems per discussions with External Audit.
Contracts	Strategic Audit Plan	Scheduled 4 th quarter.
Performance Reviews	Strategic Audit Plan	<p>In March, the then Chief Executive requested that a further review of Employee Review and Development be undertaken following an original corporate review in 2011, which demonstrated that a concerning number of reviews were not being undertaken. The main findings are:</p> <ul style="list-style-type: none"> • From a sample of 100 employees, 63 have not had an employee review and development session in the last year (65 in 2011)



		<ul style="list-style-type: none"> • In 42 of these cases a review has never been undertaken (41 in 2011) • Other lesser issues were also identified <p>It is extremely disappointing that there has been no appreciable improvement in this area. This was reported to CMT. A new policy and procedure has recently been reported to Executive Committee. CMT are to closely monitor compliance.</p>
Absence Management	Strategic Audit Plan	<p>In March, the then Chief Executive requested that a further review of Absence Management be undertaken following an original corporate review in 2011, which demonstrated that a concerning number of reviews were not being undertaken. The main findings are:</p> <p>From a corporate sample of 100 employees whose absences required action to be taken in accordance with the Council's Absence Management Policy, 87 cases had been dealt with to varying degrees, allowing for departmental understanding of the policy. Primarily interviews were late in being held or covered a large number of absences which should have been dealt with at an earlier stage. Only 4 were dealt with completely as per policy within 30 days.</p> <p>In the remaining 13 cases policy requirements appear to have been ignored. This does show improvement from 2010 when this had been the case on 24 occasions but is still, in our view, unacceptable.</p> <p>Records of contact for employees on long term absence are still of a varying standard.</p> <p>It is apparent that some managers and administrators (responsible for triggering "return to work interviews") have not attended the "Managing Absence in the SIC" course or received any specific absence</p>



		<p>management training.</p> <p>Clearly training and management accountability issues require addressed.</p> <p>As per Employee Review and Development, a new policy and procedure has recently been reported to Executive Committee. CMT are to closely monitor compliance.</p>
Specific Capital Project	Strategic Audit Plan	4 th Quarter – Occupational Therapy Building.
Mobile Telephone Bill payments	Strategic Audit Plan	4 th Quarter.



ANNUAL REPORT FROM THE CHAIR – 2011/2012

1. INTRODUCTION

- 1.1 SLACIAG comprises the Heads of Internal Audit from each Scottish Local Authority, Strathclyde Police, and Strathclyde Partnership for Transport.
- 1.2 The overarching vision of the Group is to be the voice of Internal Audit across Scottish Local Authorities and a driving force for best practice in respect of Local Authority Internal Audit, governance, and operations. In support of that vision we have four key objectives, namely:
- to raise our profile with key stakeholders and to be recognised as the logical, respected, and essential source of opinion on governance, risk, and control within Scottish Local Government;
 - to identify areas of Internal Audit work where a pan-Scotland or inter-Authority approach will bring benefits to our people, clients, and stakeholders;
 - to consider the development and training needs of our people; and
 - to seek statutory recognition for the role of Internal Audit in Scotland.
- 1.3 The purpose of this Annual Report is to summarise our work during 2011/12 and to provide a position statement in relation to each of our four key objectives.

2. ACTIVITY

- 2.1 As with previous years, SLACIAG held a series of formal meetings during 2011/12.
- 2.2 A summary of the outcomes from the first of these, our 2011 Annual Conference, was included in last year's Annual Report. To recap, however, the Conference theme was 'Leadership, Quality, and Performance (LQP)' and was the starting point for the broader SLACIAG LQP improvement programme. Key outputs from the Conference were the agreement of the Vision and Objectives set out above, and the development of an Action Plan to help ensure their practical implementation. Section 3 below provides details of our progress to date against each objective.
- 2.3 The Group also met in September 2011 and March 2012, with both meetings well attended¹. As well as allowing members to discuss Action Plan progress and other relevant Internal Audit developments and issues, external speakers delivered presentations on topics such as:
- the role of the Audit Committee;
 - collaboration between CIPFA and the CIIA;
 - social networking and other emerging IT risks and opportunities; and
 - the Scottish Government's approach to risk management and counter fraud.
- 2.4 The Group is supported by a Management Committee, and an Annual General Meeting will be held in August 2012 to confirm Committee Membership and the roles of the various Office Bearers.
- 2.5 The success of the Group depends on the commitment of its members. This has always been a strength of SLACIAG, and it has been pleasing to see this continue during 2011/12 as the membership of the Group changes and evolves. It is testament to members' perception of the value of the Group that attendance and involvement has remained strong at a time when greater demands are being placed on us all, individually and collectively.

¹ The meeting scheduled for December 2011 was cancelled at short notice due to bad weather.

3. OBJECTIVES – POSITION STATEMENT

To raise our profile with key stakeholders and to be recognised as the logical, respected, and essential source of opinion on governance, risk, and control within Scottish Local Government

- 3.1 Much work has been undertaken on this objective.
- 3.2 SLACIAG has built positive relationships with both the CIIA and CIPFA, and is in the process of making arrangements to become a formal Special Interest Group of the latter. This will bring many benefits, not least the opportunity for us to review and update the Group's existing constitution and to tap into the resources and technical expertise of CIPFA Scotland. From CIPFA Scotland's perspective the link-up allows them to draw on SLACIAG's combined experience and know-how, and this has already realised benefit through CIPFA Scotland and SLACIAG's joint response to the Scottish Government's consultation on Police and Fire Service reform.
- 3.3 As well as the developing relationship with CIPFA Scotland, SLACIAG is now represented on the CIIA Scotland management committee, and productive discussions with other stakeholders, such as Audit Scotland and the Association of Local Authority Risk Managers (ALARM) Scotland, suggest that there is further scope for mutually beneficial partnership and joint working.
- 3.4 As Chair of SLACIAG I was delighted to be appointed as a Practitioner Member to the Internal Audit Standards Advisory Board (IASAB), the group established by CIPFA and the CIIA to develop pan-public sector Internal Audit Standards. IASAB has recently issued a set of draft Standards for consultation, and SLACIAG will seek to provide a comprehensive and considered response to that consultation, cementing our position as an important group in the shaping of Internal Audit policy and practices.
- 3.5 As well as building our profile with external stakeholders, we have sought to build on existing channels of involvement and communication for our own members. We have updated and refreshed our website, and have used social media such as LinkedIn to facilitate discussion and debate. SLACIAG continues to use short life working groups to deliver individual projects, and by opening up these working groups to non-HIAs we have benefitted from new ideas and fresh thinking.
- 3.6 Our work on Leadership, Quality, and Performance was featured in the leading national Internal Auditing journal, and it is our aim to further raise our profile in this way by encouraging our members to write on topics of interest and relevance.

To identify areas of Internal Audit work where a pan-Scotland or inter-Authority approach will bring benefits to our people, clients, and stakeholders

- 3.7 As a natural progression from the relationships we are building with our key stakeholders, it is our aim to identify and develop work programmes to benefit all of our constituent Authorities.
- 3.8 This objective will be more fully developed over the coming year, but already short life working groups have started to develop:
- a common suite of Internal Audit performance indicators; and
 - a Training Needs Analysis based on CIPFA's 'Excellent Internal Auditor' good practice guide.
- 3.9 Looking forward, the implications of putting the IASAB standards into practice undoubtedly offers the opportunity for further joint working between Internal Audit teams, not least through the new requirement for five yearly external assessments of Authorities' compliance with the Standards.

To consider the development and training needs of our people

- 3.10 The development of the Training Needs Analysis referred to above will be key to identifying common future training needs.

- 3.11 SLACIAG has, however, always been proactive in identifying and sourcing relevant and good value training for its members. During 2011/12, for example, external trainers were commissioned to deliver sessions on topical subjects such as Assurance Mapping and the Balanced Scorecard. Both of these areas feed directly into other SLACIAG workstreams, and feedback on course content, delivery, and value was very positive.
- 3.12 As well as continuing with our programme of scheduled meetings, it is SLACIAG's intention to organise and deliver a formal conference during 2013 that will be open to SLACIAG members and the senior members of our Internal Audit teams. This will provide another opportunity to attract high profile and respected experts in the Internal Audit field to the benefit of our members.

To seek statutory recognition for the role of Internal Audit in Scotland

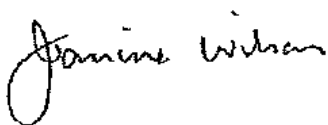
- 3.13 When developing the Action Plan it was acknowledged that this would be a longer term objective, and it remains so. That said, the various links and collaborations detailed above should be seen as a first step in pursuing this objective, and we will continue to canvass for statutory recognition as and when the opportunity arises.

4. COMPUTER AUDIT SUB-GROUP

- 4.1 The main aim of the Computer Audit Sub-Group (CASG), which is a permanent sub-group of SLACIAG, is to provide a forum to share and discuss computer audit practices and issues. This includes raising awareness of new standards, updates to legislation, and new and current topics of interest.
- 4.2 During 2011/12 CASG met three times, in Dundee, Irvine, and Glasgow. Meetings have included presentations and discussions on a range of topics. The purpose of these presentations is to keep the group updated and informed on computer audit developments, resources, and techniques. In the past year these have included:
- security and cloud computing;
 - data classification;
 - auditing in a virtual world;
 - primary tasks for an Information Security Officer;
 - data security at third party suppliers;
 - continuous auditing;
 - expectations from LA computer audits;
 - Payment Card Industry Data Security Standard.
- 4.3 CASG meetings continue to be well attended and cater for computer audit knowledge from novice through to professional level.

5. SUMMARY

- 5.1 The year 2011/12 was one of change for SLACIAG, and I'm pleased that an encouraging start has been made to achieving the challenging objectives we set ourselves. Progress in areas such as building relationships with our stakeholders and in recognising and addressing the training and development needs of our members has been particularly pleasing. It is important, however, that momentum is not lost, and that will be my priority, as Chair, over the coming year.
- 5.2 I hope that the value of the Group, to its members and stakeholders, is evident, and that you will see the Group grow and develop further during 2012/13.
- 5.3 Finally, I think it's important for me to sign off by formally recognising and acknowledging the contributions and commitment of my fellow committee and Group members.



Janine Wilson (Chief Internal Auditor, Angus Council)
Chair of SLACIAG
01 August 2012