Shetland Islands Council

Audit & Standards Committee   **7 November 2013**

Committee Work programme Update
Report : IP-20-13-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

Sickness Levels and Sickness Statistics

3.1   The 23 September 2013 meeting of the Audit & Standards Committee raised a number of issues about sickness levels and statistics. The following details and graphs should clarify those issues:

3.2   Sickness levels within the Council are very seasonal year-on-year, and sickness levels tend to follow the same annual pattern. The following graph shows the monthly sickness rates averaged over 10-years. Also included on the graph are the best and worst levels for each month in the same 10-year period. Generally, 2004 had the lowest sickness rates, whereas 2008 showed the highest sickness rates:

**Best, Worst and Average monthly sickness rates over 10-years**
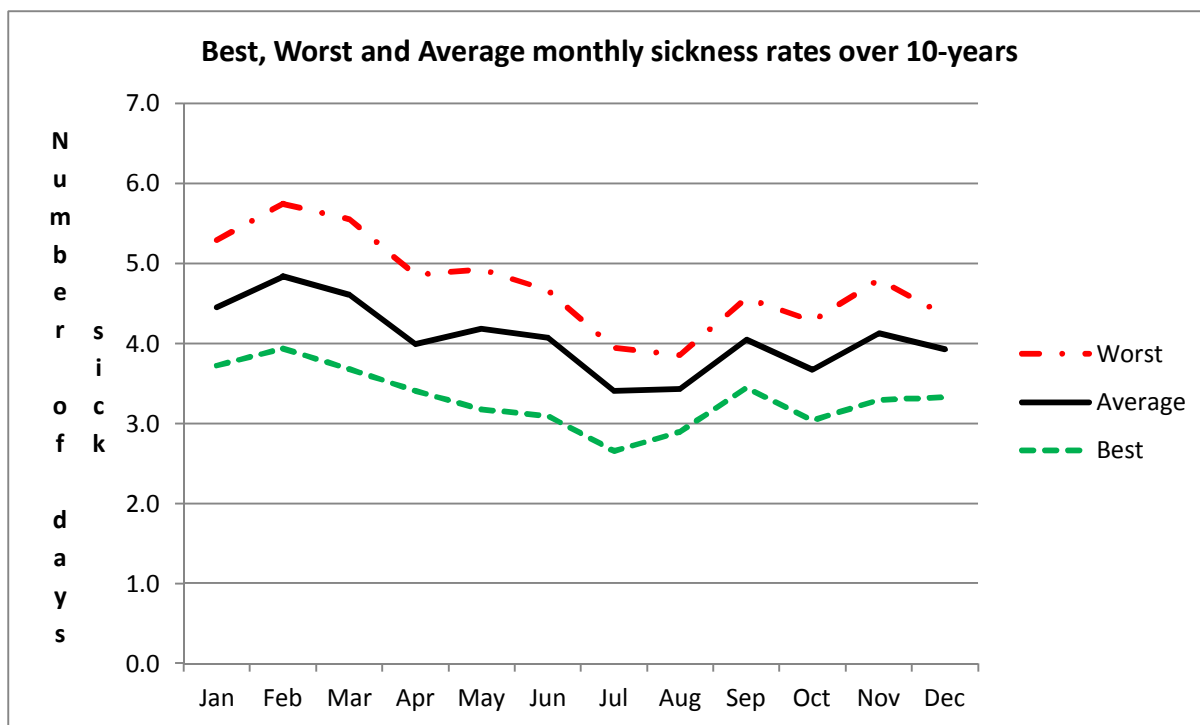
3.3 The 23 September meeting also raised the issue of the recently published Statutory Performance Indicator for Sickness compared with more up-to-date information. See report IP-15-13-F.

3.4 The following graph shows the monthly sickness rates since re-organisation in September 2011. Overlaid on the graph is a line showing the average monthly sickness rate (as shown above). It can be seen that from September 2011 to March 2013, sickness rates were similar to the 10-year average. There is a step-change in April 2013 which coincides with the introduction of the new sickness policy and procedures.

Monthly percentage sickness rate and 10-year average
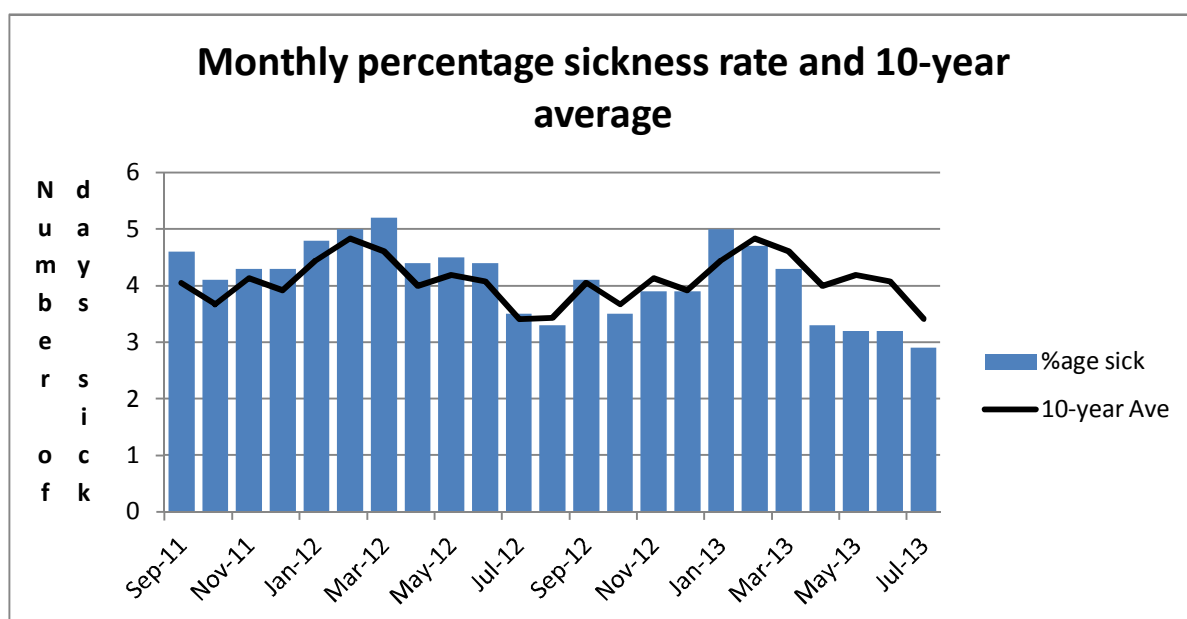
3.5 The following graph shows the months side-by-side, this gives a better comparison, given the very seasonal nature of sickness. August is excluded because reliable sickness information for August 2013 is not yet available:

Monthly sickness - Month to month comparison
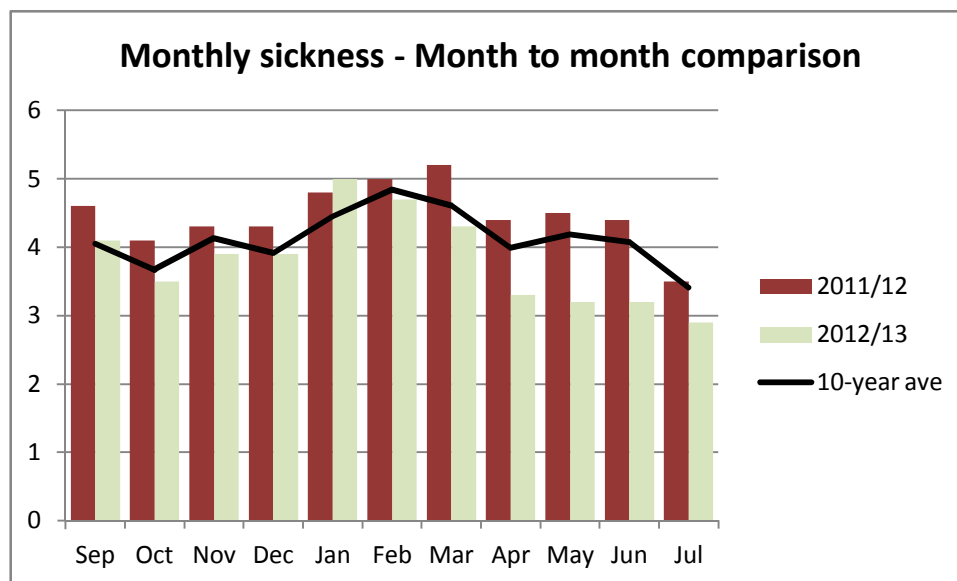
3.6 The following graph shows the percentage improvement per month, again since re-organisation in September.

2011/12 -> 2012/13 improvement per month
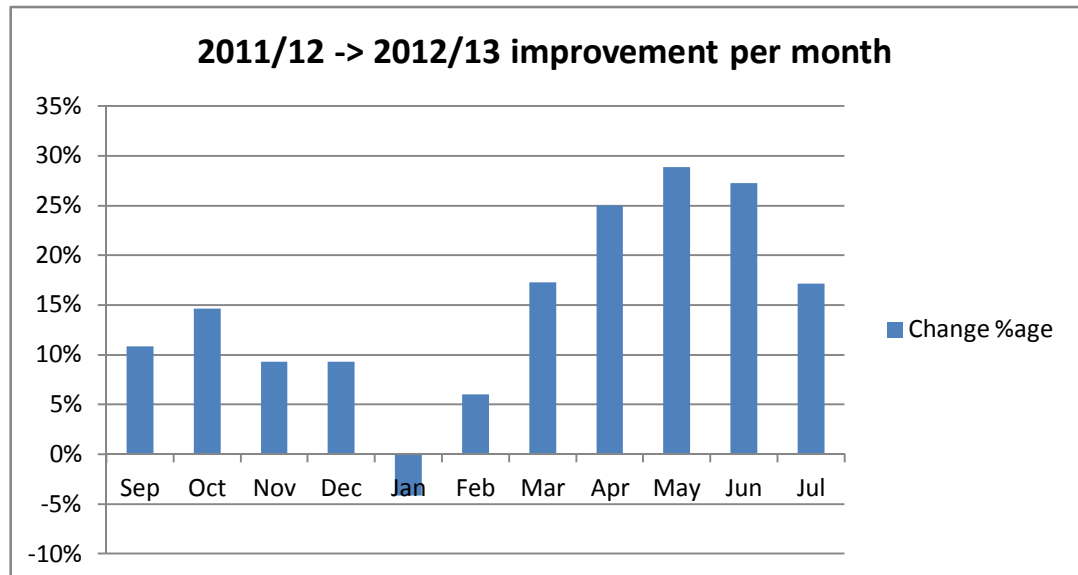
3.7 The same 23 September meeting and IP-15-13-F Report also raised the issue of long-term sickness (over 4 weeks) and very long term sickness (over 6 months). The following graphs show these in days lost, and numbers respectively:

3.8

Days lost to long-term sickness lasting 4-weeks or more

Numbers of individuals sick for over 6 months
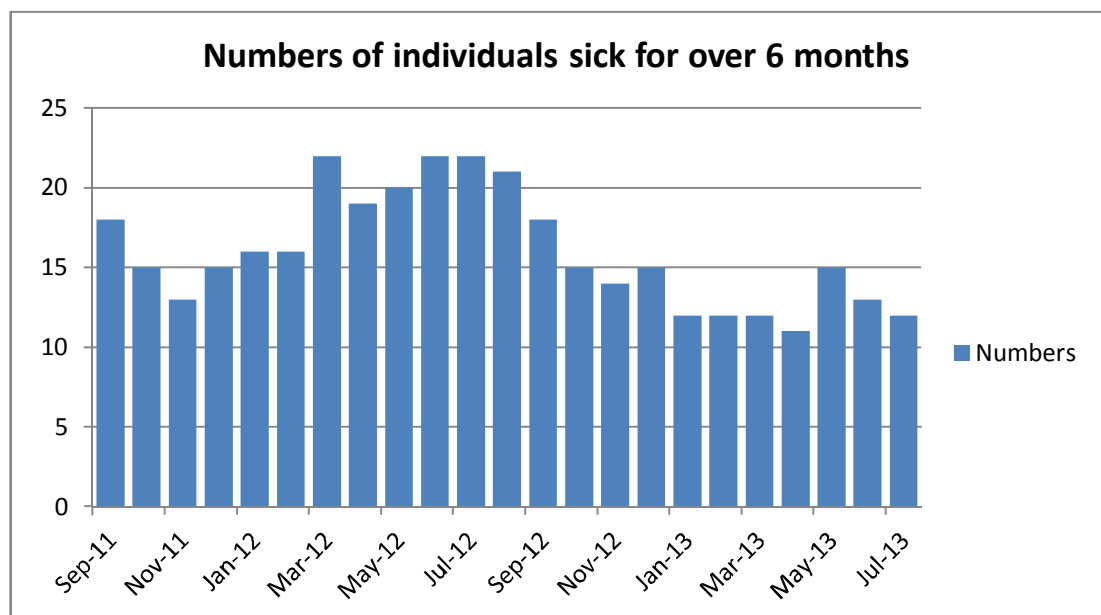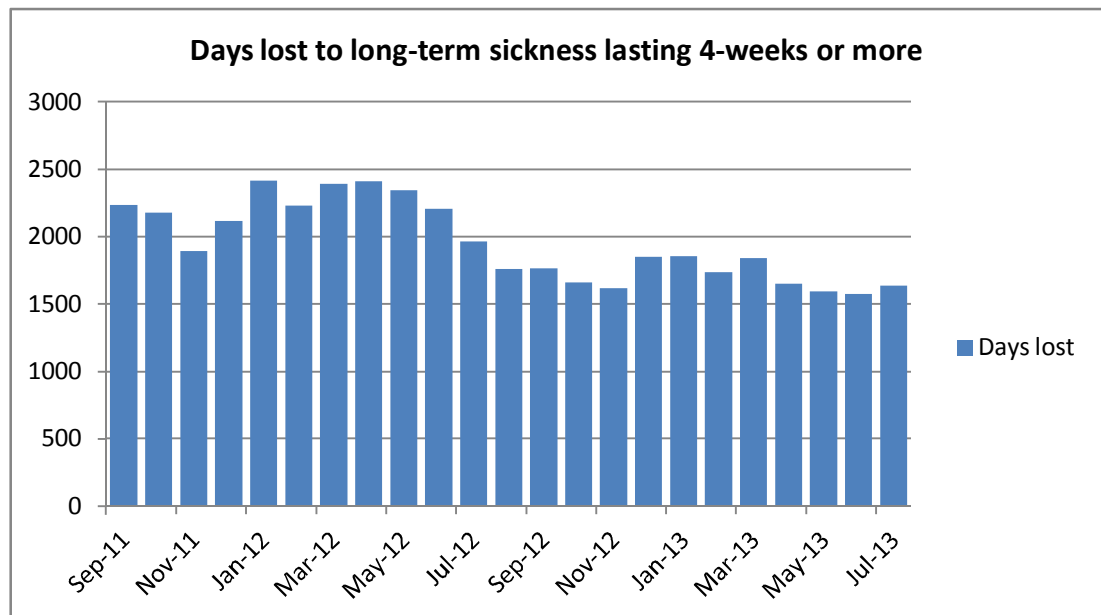
48-Hour Infection Control

3.9 The 23 September meeting also raised the issue of Social Care's 48-hour infection control period. This occurs when (mainly) Social Care staff have gastro-intestinal (GI) infection. These staff take an extra 48-hours after recovery, to minimise the risk of passing on the infection to vulnerable clients.

3.10 The issue was whether Health Care staff in other organisations, such as the NHS, operate the same arrangements. Locally, Health Board staff who have patient contact are encouraged to take a 48-hour infection control period after a GI infection. However, this is not classified as sickness, and is recorded separately on their system as a specific "Infection Control" period.

Mareel

3.11 The 7 March 2013 meeting of the Audit & Standards Committee requested a "full and comprehensive report on Mareel" (Min Ref 5/13).

3.12 The requested report will be presented at a future meeting. This must wait until all associated litigation has been concluded.

Committee Refresher Training

3.13 The 9 May 2013 meeting of the Audit & Standards Committee agreed that "Audit and Standards Committee Refresher Training would be arranged for Members on the Committee during early June 2013" (Min Ref 07/13).

3.14 The 23 September meeting of the Audit & Standards Committee agreed that the responses to the on-line survey, based on Audit Scotland's "Questions for Councillors" would be used to target November's training for Committee Members (Min Ref 020/13).

3.15 To date (23 October 2013) One Audit & Standards Committee Member has completed the survey. It is appropriate to delay the organisation of training until Members have an opportunity to complete the survey.

Community Care Staffing Levels

3.16 The 27 June 2013 meeting of the Audit & Standards Committee requested " that more detail is provided on the number of full time equivalent posts created, when they were created and the number of individuals hired to make up the FTE hours, since delegated authority was given in July 2009" (Min Ref 17/13).

3.17 It is anticipated that a report covering the above topic will be presented during the next Committee Cycle.

4 Future Items

4.1 The 13 December 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 and discuss their Committee's work (Min Ref 26/12).

4.2 It may be appropriate to re-examine this arrangement as part of the forthcoming review of Governance arrangements.

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 2013/14 "Work Programme".

For further information please contact:

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25 October 2013

Shetland Islands Council

Audit and Standards Committee   **7 November 2013**

Audit Scotland Reports
Report No: IP-19-13-F

Report from: Performance and Improvement Adviser	Corporate Services

1.0 Summary

1.1 This report contains links to ALL public reports produced by Audit Scotland, that are not part of separate reports to this Committee. It covers all reports issued 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 Audit Scotland will be at the meeting and are happy to answer questions from Members directly.

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 – As outlined in Section 2.6 of the Council's Scheme of Administration and Delegations, the Audit and Standards Committee remit includes consideration of all reports from Audit Scotland.

4.4 <u>Risk Management</u> Failure to deliver effective external engagement and learn from best practice elsewhere increases the risk of the Council working inefficiently.

4.5 <u>Equalities, Health And Human Rights</u> - NONE

4.6 <u>Environmental</u> - NONE

<u>Resources</u>

4.7 <u>Financial</u> – No direct implications

4.8 <u>Legal</u> – No direct implications

4.9 <u>Human Resources</u> – No direct implications

4.10 <u>Assets And Property</u> – 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:
Jim MacLeod, Performance & Improvement Adviser
01595 744672
25 October 2013

<u>List of Appendices</u>

Appendix A – List of Linked Reports

END

Appendix A – List of Linked Reports

Report Title	Appropriate Body	Excerpt
Renewable Energy	Development Committee	**Key message(s)** The Scottish Government has made steady progress towards its renewable energy targets for 2020. However, achieving these targets will be challenging. We estimate that to meet the renewable electricity target alone, average annual increases in installed capacity need to double.
The Moray Council Targeted Best Value audit work 2012/13	Audit & Standards	**Conclusion(s)** The local government elections in May 2012 brought changes to the political leadership of the council. Approximately one third of members are new to the council. Although the coalition administration group remains the same, there is now a new leader and convener in place. The council has also clarified its political leadership roles, with the leader taking more of a strategic, outward looking role and developing the vision for Moray. The convener has the key civic responsibilities but is also now responsible for oversight of council business and to ensure a corporate approach is taken to development of policies and provision of services in Moray.
Aberdeenshire Council Targeted Best Value audit work 2012/13	Audit & Standards	**Conclusion(s)** The council has put in place an extensive leadership development programme that supports induction of senior management and recognises the need for succession planning. The programme includes regular leadership forums, leadership master classes on specific topics, a mentoring programme for senior staff, events such as 'Aspiring to be corporate director/head of service' and Aberdeenshire Career Exploration programmes for future leaders.

Shetland Islands Council

Audit & Standards Committee   **07 November 2013**

Statutory Performance Indicators 2012-13 **Report No IP-21-13-F**	
Performance Improvement Adviser	**Corporate Services**

1.0   Summary

1.1   This annual report is a follow up to the Statutory Performance Indicators annual report that was presented to the Audit & Standards Committee in September 2013.

1.2   This report compares the Council's performance with other Councils in Scotland. It also requires relevant Officers the opportunity to provide a statement of Performance and outline the Improvement Plan.

2.0   Decision Required

2.1   Audit and Standards Committee RESOLVE to review the comparative Performance Indicators for 2012-13 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 the Worst in Scotland. There is also a separate graph that shows how the Council's ranking within Scottish Authorities has changed over time.

3.2   Not every indicator has 5 years of historical data as certain indicators have not been monitored for that period of time. Indicator 13 - Processing Time - Planning Applications is new for 2012/13. 'Percentage of household waste collected by the authority that was recycled and composted' in Indicator 23 - Refuse Collection was new last year.

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.

4.0   Implications

<u>Strategic</u>

4.1   <u>Delivery on Corporate Priorities</u> – "We provide good quality information to deliver effective public accountability"

4.2   <u>Community /Stakeholder Issues</u> – NONE

4.3   <u>Policy and/or Delegated Authority</u> – 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   <u>Risk Management</u> – Effective scrutiny of the Council's performance is necessary to minimise financial and reputational risk.

4.5   <u>Equalities, Health and Human Rights</u> – Equal Opportunities are one of the Statutory Performance Indicators.

4.6   <u>Environmental</u> – Recycling is one of the Statutory Performance Indicators.

<u>Resources</u>

4.7   <u>Financial</u> – NONE

4.8   <u>Legal</u> – NONE.

4.9   <u>Human Resources</u> – NONE

4.10   <u>Assets And Property</u> – NONE

5.0   Conclusions

5.1   This report presents comparative Performance indicators for 2008-2013. 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:
Jim MacLeod – Performance & Improvement Adviser
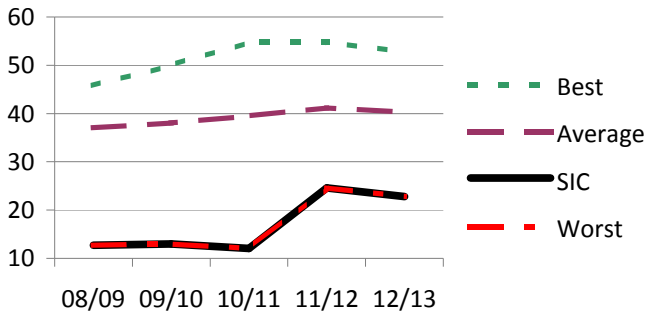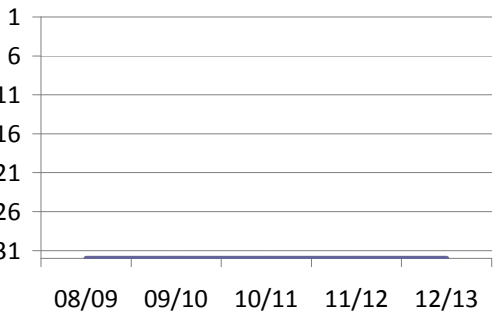*01595 744672, james.macleod@shetland.gov.uk*
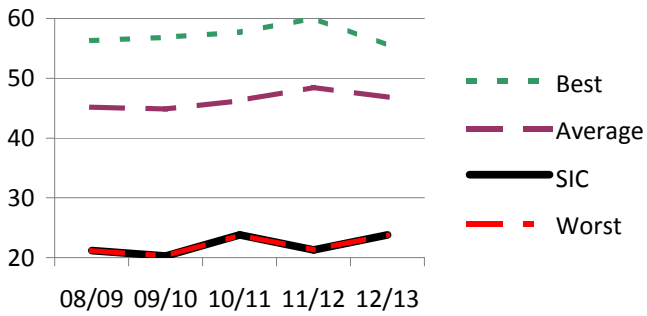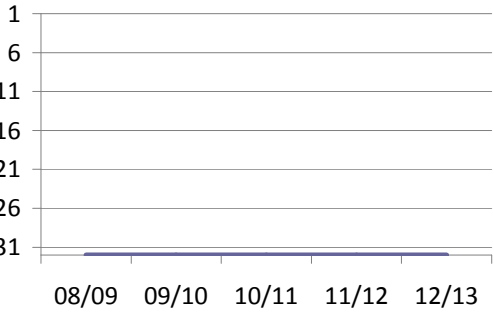*25 October 2013*

<u>List of Appendices</u>
Appendix A: Comparative Statutory Performance Indicators 2008-2013

END

Corporate Management

Sickness Absence

Indicator 1A
Average working days lost per Teacher due to sickness absence

Historical/Current Values	**Scottish Ranking**

Performance: 12/13 Value = 5.8 Days	**Current Ranking 10th**
The Scottish average deteriorated from 6.2 days in 11/12 to 6.6 in 12/13. However, the Council's performance has improved from 6.7 to 5.8 days during the same period.	The Council's ranking has improved to 10th, the highest it has been since 2009/10.

Improvement Plan

We expect this improvement to continue following the introduction of a new maximising attendance policy and a change in focus on how absences are monitored and managed.

Indicator 1B
Days lost per employee for other Local Government employees

Historical/Current Values	**Scottish Ranking**

Performance: 12/13 Value = 12.2 Days	**Current Ranking 27th**
The Scottish average deteriorated from 10.4 days in 11/12 to 11.0. However, the council's performance has improved from 13.0 to 12.2 during the same period.	The Council's ranking has improved from 29th to 27th since 2011/12.

Improvement Plan

We expect substantial improvement following the introduction of a new maximising attendance policy and a change in focus on how absences are monitored and managed.

1

Indicator 2 - Equal Opportunities	
Percentage of employees in the highest 2% of earners that are female	
Historical/Current Values	**Scottish Ranking**

Performance: 12/13 Value = 22.8%	**Current Ranking 32nd**
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, which is traditionally a male dominated employment sector.	The Council's ranking has remained lowest in Scotland since 2007/08.

Improvement Plan

We continue to monitor the profile of our workforce and to carry out Impact Assessments of all reviews to ensure any detrimental impact on any particular group is highlighted and addressed where necessary. We anticipate that our performance will improve during 2013/14.
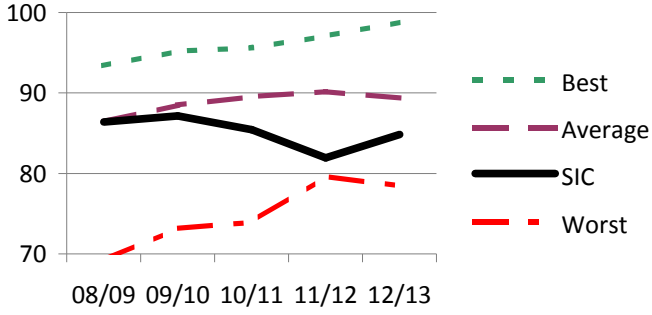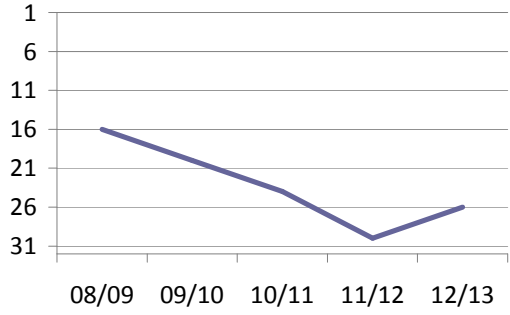
Indicator 2 - Equal Opportunities	
Percentage of employees in the highest 5% of earners that are female	
Historical/Current Values	**Scottish Ranking**

Performance: 12/13 Value = 23.8%	**Current Ranking 32nd**
See above	The Council's ranking has remained lowest in Scotland since 2007/08.

Improvement Plan

See above
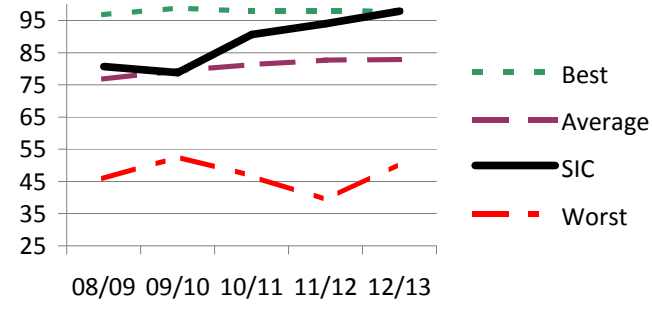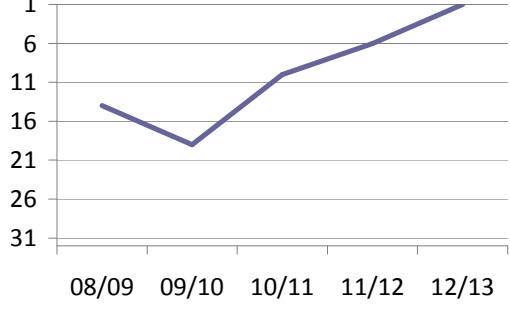
Indicator 3 - Public Access	
Percentage of public service buildings that are suitable and accessible to disabled people	
Historical/Current Values	**Scottish Ranking**

Performance: 12/13 Value = 70.6%	Current Ranking 22nd
The Scottish average has steadily increased from 64.6% in 08/09 to 73.4% in 12/13. The Councils performance increased from 62.9% in 08/09 to 70.6% in 12/13.	Despite our performance improving the rest of Scotland improved also, meaning our ranking deteriorated to 22nd in 12/13.

Improvement Plan

The majority of the properties with poor access are ferry terminal waiting rooms, these buildings tend to be small rooms attached to the side of public toilets to provide shelter for foot passengers. In the past we have decided to target our funding elsewhere as the overall provision of ferry services was under review and there was no known demand for access into these properties. Further discussions with the Ferry Service needed over the next year to review the situation.

Indicator 4 - Administration Costs	
Gross administration cost per (Council Tax and Rent Rebate) benefit case	
Historical/Current Values	**Scottish Ranking**

Performance: 12/13 Value = £75.83	Current Ranking 32nd
Small reduction from 10/11 Value = £76.40. Unit costs similar to Orkney.	The Council's ranking has remained at, or close to, the lowest in Scotland since 2009/10.

Improvement Plan

Slight increase in operating costs at a time when there are increasing demands on Benefit Section resources due to Westminster Government Welfare Reforms but due to increase in caseload gross admin cost per case reduced compared to last year.

3

Indicator 5 - Council Tax Collection	
Cost of collecting council tax per dwelling	
Historical/Current Values	**Scottish Ranking**

Performance: 12/13 Value = £15.75	**Current Ranking 25th**
Increase from 11/12 Value = £12.81	The Council's ranking had improved from 24th to 17th in the previous 3 years. But has deteriorated to 25th for 12/13.

Improvement Plan

Direct costs reduced but one off increase in recharges due to staffing cut costs. Also reduction in fees from Scottish Water and Summary Warrant Income. Summary Warrant income reduced as less payers reached this final recovery stage, which actually indicates more efficient recovery process as required payments are being made earlier resulting in the need for less recovery action.

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**

Performance: 12/13 Value = 96.5%	**Current Ranking 8th**
No change since 11/12.	Performance and ranking remain steady.

Improvement Plan

Managed to maintain constant collection levels at a time when total Council Tax income due has increased year on year.

4

Indicator 7 - Payment of Invoices
Percentage of invoices sampled that were paid within 30 days

Historical/Current Values	Scottish Ranking

Performance: 12/13 Value = 84.9%	**Current Ranking 26th**
Our performance increased from 81.9% to 84.9%.	The Council's ranking has declined from mid-table in 2008/09 to almost bottom in 2011/12, increasing from 30th to 26th in 12/13.

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 improve again.
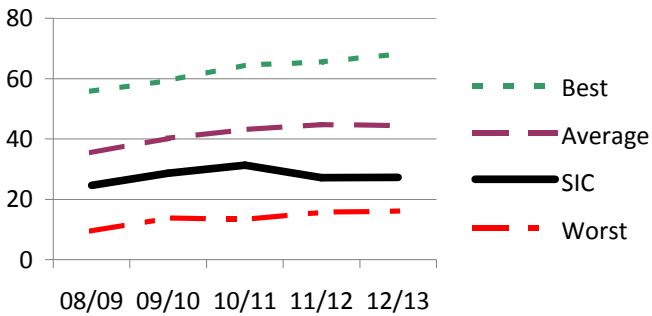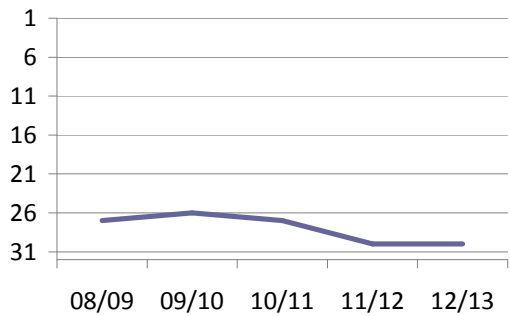
Indicator 8 - Asset Management
Proportion of internal floor area of operational buildings in satisfactory condition

Historical/Current Values	Scottish Ranking

Performance: 12/13 Value = 97.9%	**Ranking 1st**
The Asset & Properties Unit completed a detailed study of all properties used by the Council for the delivery of services. The increase in the number of properties are a result of the addition of properties used by Services but without the knowledge of the Asset & Properties Unit, for example Waste Services had arrangements with several external groups to provide public toilet facilities	The Council's ranking has improved to 1st in Scotland.

Improvement Plan

It is expected that the implementation of the Councils Asset Strategy will show a steady improvement in the Suitability indicator as there will be an reduction in the overall number of operational properties, with a large proportion of this reduction being unsuitable properties. Further improvements are likely as a result of service reviews, for example a planned reduction in the number of Public Toilets will result in the removal of a number of operational properties considered to be unsuitable.
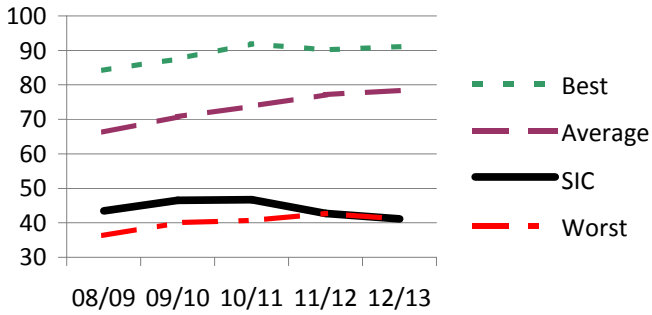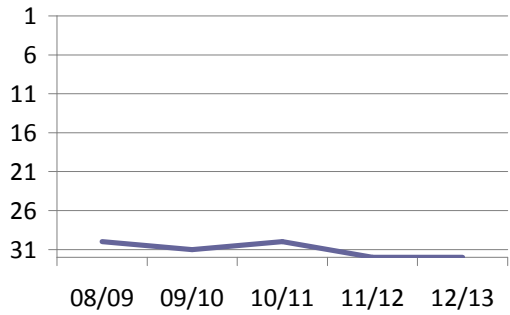
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Indicator 8 - Asset Management	
Proportion of operational buildings that are suitable for their current use	
Historical/Current Values	**Scottish Ranking**

Historical/Current Values chart, x-axis 08/09 09/10 10/11 11/12 12/13, y-axis 25 to 95. Legend: Best (green dotted), Average (purple dashed), SIC (black solid), Worst (red dash-dot).

Scottish Ranking chart, x-axis 08/09 09/10 10/11 11/12 12/13, y-axis 1 to 31.

Performance: 12/13 Value = 77.1%	**Current Ranking 25th**
The Scottish average has shown an increase from 72.1% in 08/09 to 74.8% in 11/12 and to 79.9% in 12/13. The Council's performance increased from 66.2% in 09/10 to 77.1% in 12/13.	The Council's ranking has remained in the bottom quartile for the last 5 years.

Improvement Plan

Indicator 9 - Home Care / Home Helps	
Number of people aged 65+ receiving homecare	
Historical/Current Values	

Historical/Current Values chart, x-axis 08/09 09/10 10/11 11/12 12/13, y-axis 300 to 440. Legend: SIC (black solid).

Performance: 12/13 Value = 396	
Slight decrease, respite and telecare provide alternatives in some instances.	Ranking is not appropriate for this indicator, it is mainly linked to population size.

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.

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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: 12/13 Value = 627.3	**Current Ranking 7th**
Reduction in number per population from 740 to 627 (-15.3%) due to prioritisation of care hours and implementation of telecare and reablement services. A charging procedure is being implemented for domestic care in the coming year and may cause a further reduction in hours.	

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: 12/13 Value = 56.3%	**Current Ranking 32nd**
Slight increase in percentage receiving personal care is due to slight decrease in the number receiving domestic care.	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.
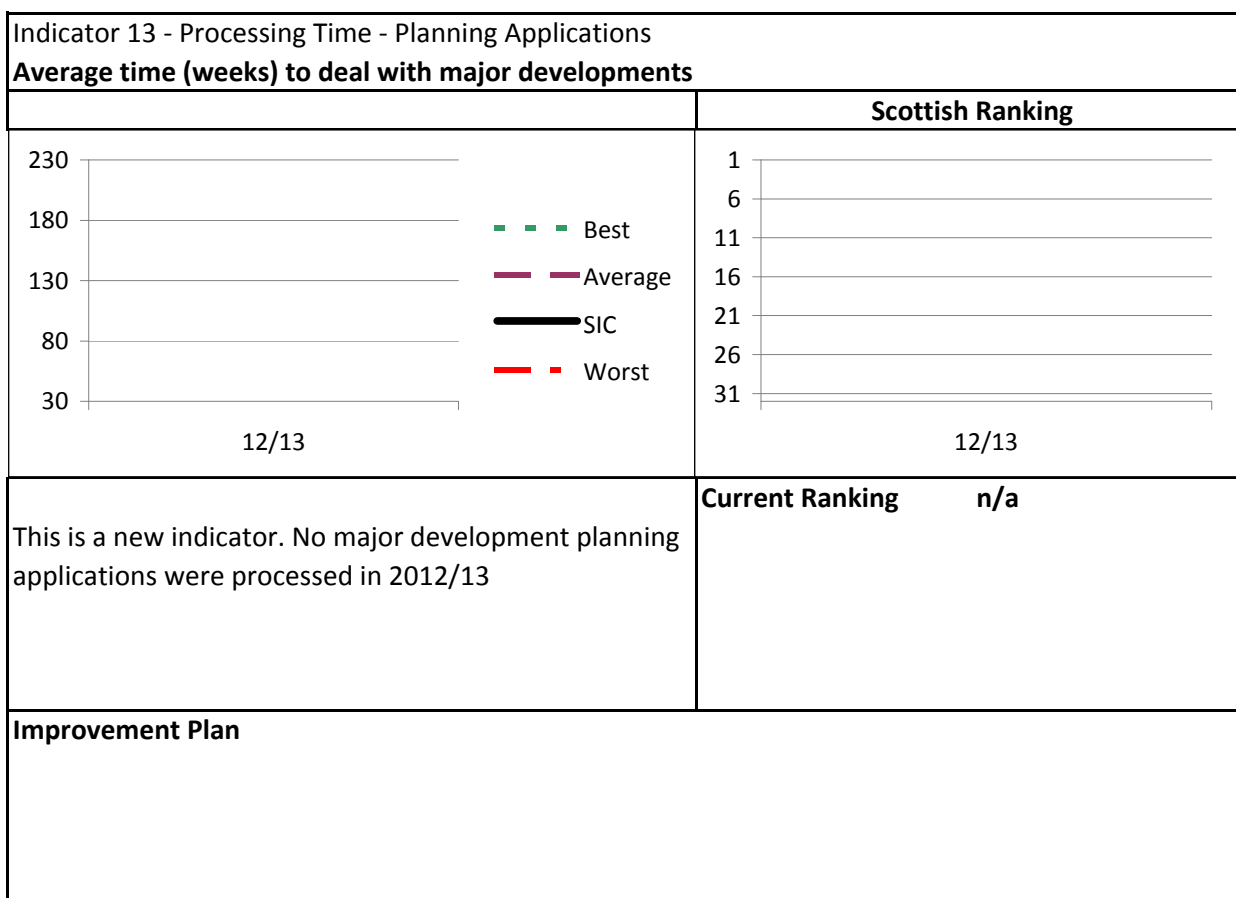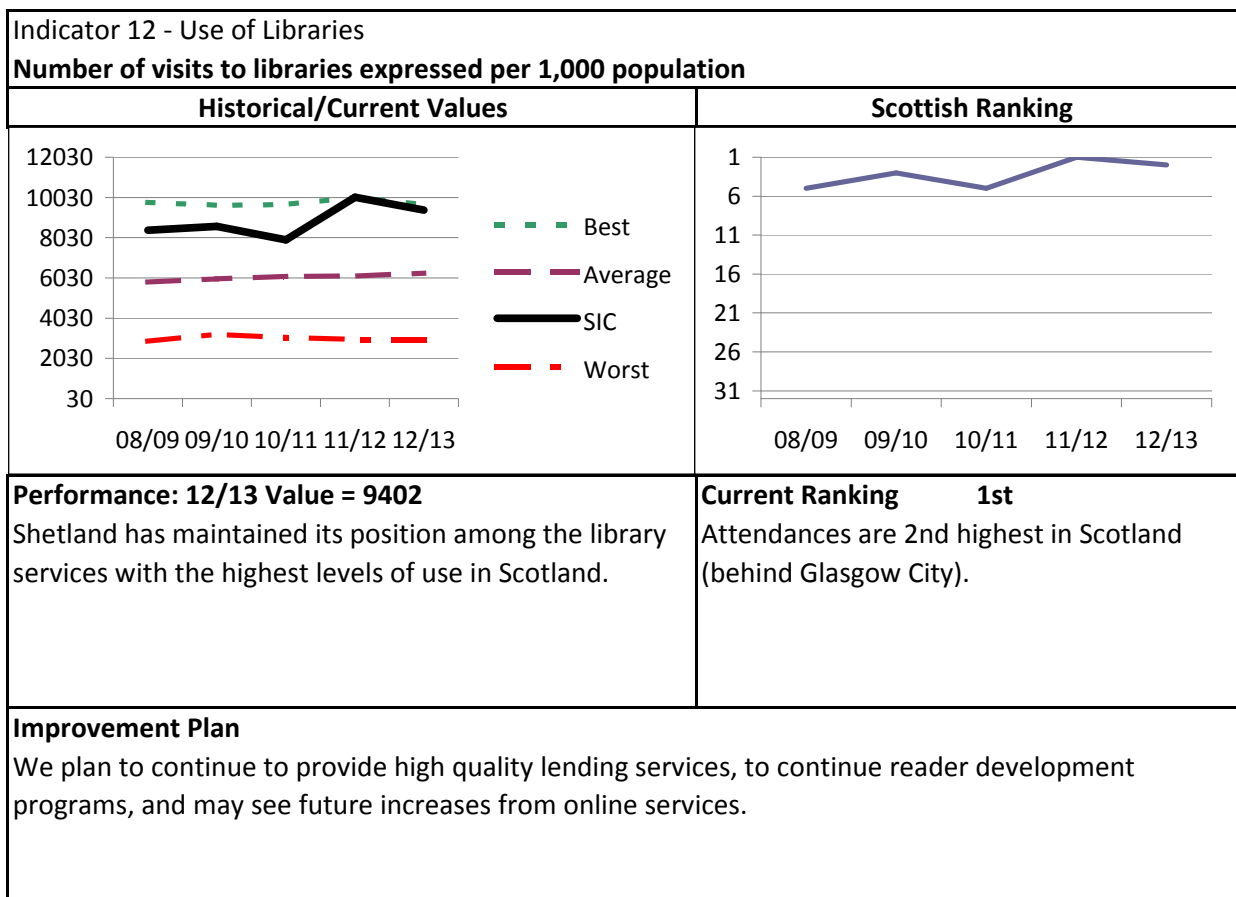
7

Indicator 9 - Home Care / Home Helps

Percentage of homecare clients receiving a service during evening/overnight

Historical/Current Values	Scottish Ranking

Performance: 12/13 Value = 27.3%

Slight increase in percentage receiving personal care is due to slight decrease in the number receiving domestic care.

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

Performance: 12/13 Value = 41.2%

Slight decrease - due to increase in proportion of daytime hours delivered.

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.

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Indicator 10 - Sport & Leisure Management	
Number of attendances per 1,000 population for all pools	
Historical/Current Values	**Scottish Ranking**

Performance: **12/13 Value = 10341.2**	Current Ranking **1st**
Slight decrease in usage figures (-4%) from previous year. Still consistently higher than other authority areas.	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**

Performance: **12/13 Value = 14915.4**	Current Ranking **1st**
Consistently higher than other authority areas, very small decrease in usage figures per population (-0.2%)	Attendances continue to be best in Scotland.

Improvement Plan

To continue providing level of service within existing resources.

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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: 12/13 Value = 9695.9	**Current Ranking 1st**
Our overall performance improved in 2012/2013 by 3%. This was mainly due to increased activity with the Museum shop website and an increase in in-person visits, which improved by 2%.	Attendances are best in Scotland since the new Museum opened.

Improvement Plan

We expect in-person visitor numbers and online activity to increase in 2013/2014 due to planned Museum activities and events.

Indicator 11 - Museum Services	
Number of visits that were in person expressed per 1,000 population	
Historical/Current Values	**Scottish Ranking**

Performance: 12/13 Value = 4112.3	**Current Ranking 2nd**
Our overall performance improved in 2012/2013 by 3%. This was mainly due to increased activity with the Museum shop website and an increase in in-person visits, which improved by 2%.	Attendances are 2nd highest in Scotland (behind Glasgow City) since the new Museum opened.

Improvement Plan

We expect in-person visitor numbers and online activity to increase in 2013/2014 due to planned Museum activities and events.

10

Indicator 12 - Use of Libraries

Number of visits to libraries expressed per 1,000 population

Historical/Current Values	Scottish Ranking

Performance: 12/13 Value = 9402

Shetland has maintained its position among the library services with the highest levels of use in Scotland.

Current Ranking   1st

Attendances are 2nd highest in Scotland (behind Glasgow City).

Improvement Plan

We plan to continue to provide high quality lending services, to continue reader development programs, and may see future increases from online services.

Indicator 13 - Processing Time - Planning Applications

Average time (weeks) to deal with major developments

	Scottish Ranking

This is a new indicator. No major development planning applications were processed in 2012/13

Current Ranking   n/a

Improvement Plan

11

Indicator 13 - Processing Time - Planning Applications	
Average time (weeks) to deal with local developments	
	Scottish Ranking

Shetland Islands	19.7
Best	7.6
Top Quartile	13.4
Average	11.8
Bottom Quartile	9.4
Worst	23.1
Rank	**31st**

	Current Ranking **31st**
In 12/13 the Council took an average of 19.7 weeks to deal with local development planning applications. This placed us 31st in Scotland. South Ayrshire was 1st, Moray was 32nd.	

Improvement Plan
See below

Indicator 13 - Processing Time - Planning Applications	
Average time (weeks) to deal with major and local developments	
	Scottish Ranking

Shetland Islands	19.7
Best	7.7
Top Quartile	13.9
Average	12.4
Bottom Quartile	9.7
Worst	23.3
Rank	**31st**

	Current Ranking **31st**
With no major development planning applications processed in 2012/13 Shetland's average time to deal with both local and major stayed the same, as did the ranking of 31st.	

Improvement Plan

It is to be hoped that other Council's in reporting on this particular indicator similarly provide the data that includes what are called 'legacy cases'. These are cases that have been determined by the planning authority in the 2012/2013 period but the lodging of the related applications for which date back to before 3 August 2009 (when the planning system was significantly changed). The Scottish Government's analysts have calculated sets of statistics that include and exclude them to seek to help the understanding of the impact of the modernised system. Using the wrong set can significantly change the picture.

12

Indicator 14 - Response Repairs
Percentage of repairs completed within target times

Historical/Current Values	Scottish Ranking

Performance: 12/13 Value = 85%	**Current Ranking 26th**
Our performance deteriorated from 92% in 2011/2012 to 85% in 2012/2013. The level of overall repairs completed within target times is the same as it was in 2010/2011. The deterioration was mainly due to an increased level of staff sickness, less overtime being available, a high level of storm damage, and the changeover to a new computer system.	The Council's ranking has increased from 25th in 11/12 to 17th in 10/11. But has deteriorated to 26th in 12/13. Only 30 Councils provide this service, we are 26th out of 30.

Improvement Plan

We will continue to monitor. The absence management procedure is in place and anticipate that our performance will improve. Inhouse procedures have been improved with weekly Foremen and Repairs Co-Ordinator planning meetings being held to monitor works required. The new computerised system should streamline the service.
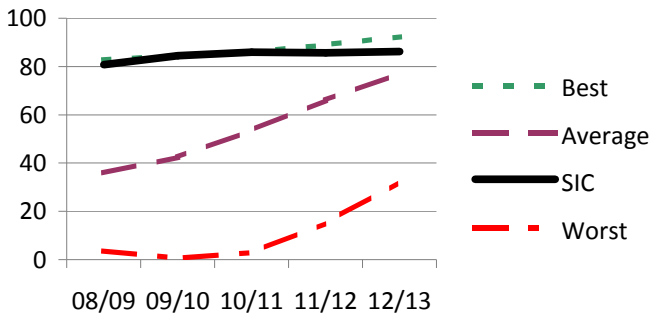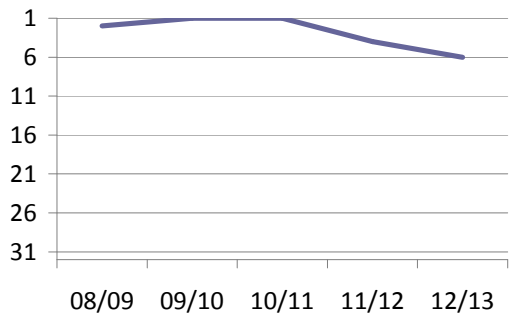
Indicator 15 - Housing Quality
Percentage of council dwellings brought up to a tolerable standard

Historical/Current Values	Scottish Ranking

Performance: 12/13 Value = 100%	**Current Ranking 1st**
No SIC housing stock are below the Tolerable Standard.	Equal 1st in Scotland for the last 4 years.

Improvement Plan

No Improvement required

13
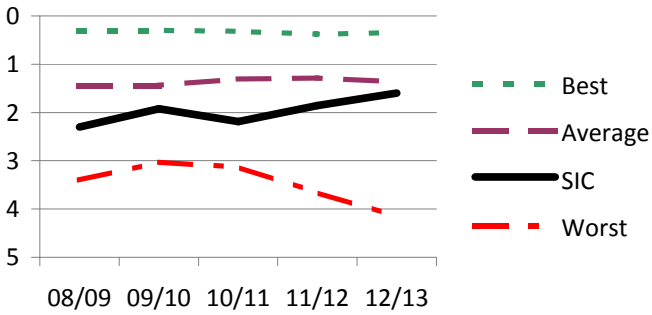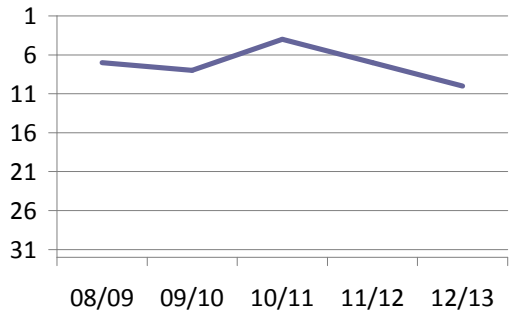
Indicator 15 - Housing Quality

Percentage of council dwellings free from serious disrepair

Historical/Current Values	Scottish Ranking

Performance: 12/13 Value = 100%	**Current Ranking 1st**
No SIC properties are in serious disrepair.	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

Performance: 12/13 Value = 87%	**Current Ranking 17th**
The energy efficiency of the SIC Housing stock in 2012/2013 has remained the same as in 2011/2012.	The Council's ranking has reduced steadily over the last 5 years.

Improvement Plan
Currently targeting energy efficiency investment to achieve SHQS by 2015.

14

Indicator 15 - Housing Quality

Percentage of council dwellings that have modern facilities and services

Historical/Current Values	Scottish Ranking

Performance: 12/13 Value = 99%	**Current Ranking 5th**
The % of SIC Housing stock considered to have modern facilities and services has increased slightly in 2012/2013 compared to 2011/2012.	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.
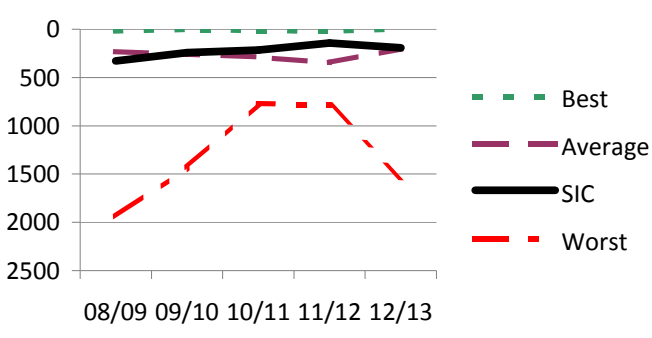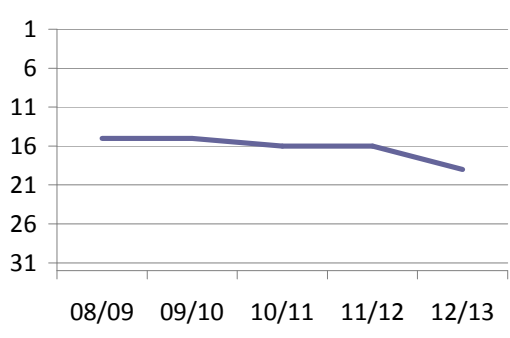
Indicator 15 - Housing Quality

Percentage of council dwellings that are healthy, safe and secure

Historical/Current Values	Scottish Ranking

Performance: 12/13 Value = 100%	**Current Ranking 1st**
Part of Scottish Housing Quality Standard	

Improvement Plan

No Improvement required

15
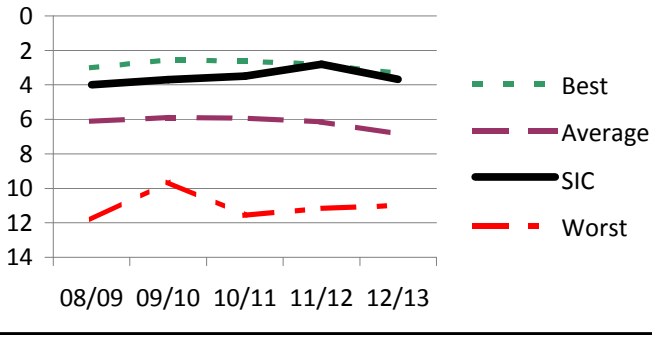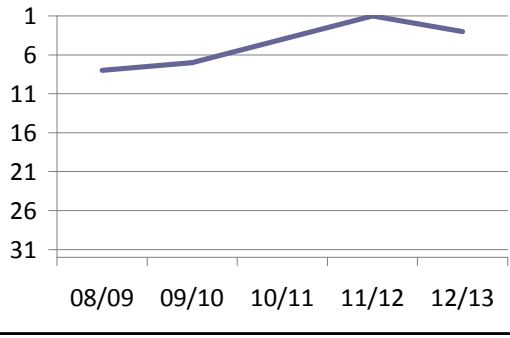
Indicator 15 - Housing Quality	
Percentage of dwellings meeting SHQS	
Historical/Current Values	**Scottish Ranking**

Performance: 12/13 Value = 86%	**Current Ranking 6th**
The Total dwellings meeting SHQS increased slightly to 86.2% in 2012/2013 compared tp 85.7% in 2011/2012.	Although the ranking is lowest it has been in 5 years the Council remains above average.

Improvement Plan

We will continue to work towards the legislative requirements whereby all properties are to meet the SHQS standards. This is a priority area. We anticipate that our performance will improve in 2012/2013.

Indicator 16 - Managing Tenancy Changes	
Percentage of rent due in the year that was lost due to voids	
Historical/Current Values	**Scottish Ranking**

Performance: 12/13 Value = 1.6%	**Current Ranking 10th**
The performance has improved by the amount of rent loss due to voids has decreased from £108,822 (1.9%) in 2011/2012 to £94,346 (1.6%) in 2012/2013. This was mainly due to prompt reletting of void properties and effective void management.	The Council's ranking has remained relatively flat over the last 5 years.

Improvement Plan

Continued close monitoring at regular Management Team meetings.

16

Indicator 17 - Managing Tenancy Changes
Average time to re-let not low demand houses

Historical/Current Values	Scottish Ranking

Performance: 12/13 Value = 22.9 days

Performance dipped in 12/13 though remains above average. The number of Not Low Demand Stock was 127.

Current Ranking   6th

The Council's ranking has improved considerably over the last 5 years, despite the dip in 12/13.

Improvement Plan

We are committed to continuing to seek ways of advertising and promoting low demand properties, and will continue to monitor our performance.

Indicator 17 - Managing Tenancy Changes
Average time to re-let low demand houses

Historical/Current Values	Scottish Ranking

Performance: 12/13 Value = 102.3 days

Overall, our performance has improved as we it took an average of 102 days to re-let Low Demand properties in 2012/2013, where it took an average of 115 days in 2011/2012.

Current Ranking   21st

Despite continued improved performance the Council's ranking remains in the bottom third in Scotland.

Improvement Plan

We are committed to continuing to seek ways of advertising and promoting low demand properties, and will continue to monitor our performance.

17

Indicator 17 - Managing Tenancy Changes	
Average time that these houses remained un-let	
Historical/Current Values	Scottish Ranking

Performance: 12/13 Value = 193.3 days	**Current Ranking 19th**
The number of days and average time these houses were unlet has increased from an average of 142 in 2011/2012 to 193 in 2012/2013. This is due to the increase of low demand properties particularly in our remote islands and sheltered housing and is linked to wider population decline.	Despite the recent dip the Council's ranking has remained relatively flat over the last 5 years.

Improvement Plan

We are committed to continue to seek ways of advertising and promoting low demand properties and will continue to monitor our performance.

Indicator 18 - Rent Management	
Current tenants' arrears as a percentage of net rent due	
Historical/Current Values	Scottish Ranking

Performance: 12/13 Value = 3.7%	**Current Ranking 3rd**
Collection levels remained constant against a backdrop of increased rent charges.	SIC remains in the top quartile.

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.

18

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

Performance: 12/13 Value = 2.1%

Arrears remained similar against backdrop of increased rent charges.

Current Ranking   2nd

SIC is now in the top quartile.

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

Performance: 12/13 Value = 33.7%

SIC performed above the Scottish average for the 1st time in 5 years. Increase in number of tenants giving up their tenancy during year had a knock on affect in number in arrears.

Current Ranking   8th

Ranking has risen steadily since 2007/08.

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.

19

Indicator 18 - Rent Management	
Average number of weeks rent owed by tenants leaving in arrears	
Historical/Current Values	**Scottish Ranking**

Performance: 12/13 Value = 8.5%	**Current Ranking 13th**
Increase in number of tenants giving up their tenancy during year had a knock on affect in number and total in arrears but reduced average debt and average number of weeks in arrears.	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**

Performance: 12/13 Value = 42.6%	**Current Ranking 17th**
Overall collection levels and ranking remain high.	The Council's ranking improved again 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.

20

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: 12/13 Value = 94.6%

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   11th

The Council's ranking has improved substantially in the last 2 years.

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: 12/13 Value = 60.9%

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   15th

The Council's ranking deteriorated to the lowest it has been in 5 years.

Improvement Plan

We will continue to monitor this closely. Housing are working on a briefing note for members on some aspects of Homelessness which they hope to issue in November. We are about to have a Scottish Housing Regulator inspection carried out on our Temporary Accommodation.

21

Indicator 19 - Homelessness

Homelessness - permanent accommodation - percentage of cases reassessed within 12 months

Historical/Current Values	Scottish Ranking

Performance: 12/13 Value = 5.4%

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   19th

The Council's ranking has improved substantially in the last year.

Improvement Plan

Continue to provide the support and maintain contact with homeless applicants.
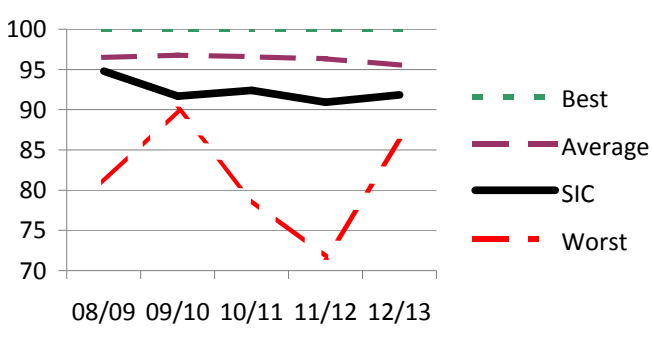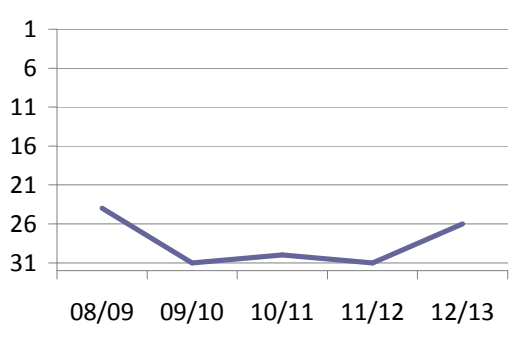
Indicator 19 - Homelessness

Percentage of decision notifications issued within 28 days of date of initial presentation for temporary accommodation

Historical/Current Values	Scottish Ranking

Performance: 12/13 Value = 88.2%

Improved from 79.2 in 11/12.

Current Ranking   17th

The Council's ranking has improved again 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.

22

Indicator 19 - Homelessness	
Percentage of temporary accommodation cases reassessed	
Historical/Current Values	**Scottish Ranking**

Performance: 12/13 Value = 0%	**Current Ranking n/a**
The % of homeless applicants who re-present as homeless has reduced. This is due to the homeless prevention work carried out where possible.	

Improvement Plan

Continue to provide the support and maintain contact with homeless applicants.

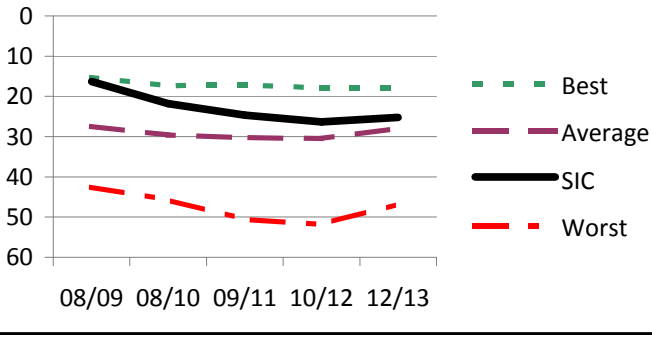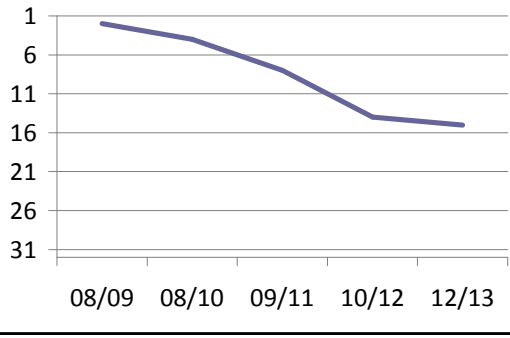| Indicator 19 - Homelessness	
The proportion of those provided with permanent accommodation in council stock who maintained their tenancy for at least 12 months	
Historical/Current Values	**Scottish Ranking**

Performance: 12/13 Value = 90%	**Current Ranking 7th**
Improved from 88% in 11/12.	The Council's ranking has improved again in the last year, reversing the trend of the previous 3 years.

Improvement Plan

We will continue to provide housing support.

23

Indicator 20 - Domestic Noise Complaints	
Total domestic noise complaints	
Historical/Current Values	**Scottish Ranking**

Performance: 12/13 Value = 379	**Current Ranking 14th**
Around 60% of Shetland's noise complaints are resolved by the first contact with the person causing the noise and 90% resolved by first or second contact with the person causing the noise, so only a very small number of complaints that need more detailed investigation need a visit to assess the noise.	The Council's ranking has remained steady.

Improvement Plan

Shetland Islands Council has developed the most effective response to noise complaints without setting up a 24 hour team on standby for noise complaints, by relying on a partnership with all the key agencies. A 24 hour response team would be costly and a disproportionate response to the number of complaints received. The investigation and response to complaints is complaint specific, and there is little value in reviewing trends year on year for response times as each complaint is different and can be investigated and resolved in different ways.

Indicator 21 - Trading Standards - Complaints & Advice	
Percentage of consumer complaints dealt with within 14 days of receipt	
Historical/Current Values	**Scottish Ranking**

Performance: 12/13 Value = 91.3%	**Current Ranking 3rd**
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.	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.

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Indicator 21 - Trading Standards - Complaints & Advice	
Percentage of business advice requests dealt with within 14 days of receipt	
Historical/Current Values	Scottish Ranking

Performance: 12/13 Value = 91.8%	Current Ranking 26th
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.	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

Performance: 12/13 Value = 25.2%	Current Ranking 15th
Although Shetlands A Class roads are still in better condition than the Scottish average, they are deteriorating at a higher rate.	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.

25

Indicator 22 - Carriageway Condition	
Percentage of B class roads that should be considered for maintenance treatment	
Historical/Current Values	**Scottish Ranking**

Performance: 12/13 Value = 39.6%	**Current Ranking 28th**
Shetlands B Class roads improved slightly.	The Council's ranking has dropped 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 C class roads that should be considered for maintenance treatment	
Historical/Current Values	**Scottish Ranking**

Performance: 12/13 Value = 39.9%	**Current Ranking 23rd**
Shetlands C Class roads improved slightly.	The Council's ranking has remaied relatively flat for the past 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.

26

Indicator 22 - Carriageway Condition	
Percentage of unclassified roads that should be considered for maintenance treatment	
Historical/Current Values	**Scottish Ranking**

Performance: 12/13 Value = 53.2%	**Current Ranking 30th**
The condition of Shetlands Unclassified roads has been fairly static over recent years.	The Council's ranking has remaied 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: 12/13 Value = 42.5%	**Current Ranking 24th**
Improved from 43.7% last year to 42.5% in 2012/13. Now 1.2% less of our carriageway "should be considered for maintenance treatment."	The Council's ranking has remained in the lower quartile for 5 years.

Improvement Plan

We anticipate a further slight improvement in performance next year achieved by continued use of the condition survey to better target works. However, the limited resources available for carriageway maintenance mean that improvement, even in the long term, is likely to be restricted.

Indicator 23 - Refuse Collection	
Net cost of refuse collection per premise	
Historical/Current Values	**Scottish Ranking**

Performance: 12/13 Value = £153.98	**Current Ranking**	**32nd**
Our performance deteriorated because the uncontrollable costs such as fuel costs increased whilst the number of premises collected from have reduced so the cost per premises and Net cost of waste collection has increased	The Council's ranking has remained in the lower quartile for 4 years and in 12/13 was worst in Scotland.	

Improvement Plan

The significant increase in cost is due mainly to the increase in cost of landfill gate fees and waste to energy Plant fees. This means that there is an increase in income to another service in the Council. There are other cost pressures such as the increase in the cost of vehicle maintenance due to older vehicles and lack of vehicle replacement programme and the rolling out of wheeled bins to housing schemes to reduce manual handling, in order to improve sickness absence.

Indicator 23 - Refuse Collection	
Net cost of refuse disposal per premise	
Historical/Current Values	**Scottish Ranking**

Performance: 12/13 Value = £58.14	**Current Ranking**	**1st**
The cost of waste disposal has increased because there has been an increase in waste handling fees at the waste to energy plant, landfill gate fee and the landfill tax has increased.	The Council's ranking has remained in the top quartile for 5 years.	

Improvement Plan

The Service has stopped Community Council skips which will reduce costs in future years. The Council has been attempting to reduce costs by promoting waste prevention and recycling. The focus for the Service is to reduce Landfill Tax as the rest of the waste fees are paid to another part of the Council. The Council is working with Zero Waste Scotland to review waste composition, collection , recycling and disposal routes to ensure the best environmental options and best economic options are pursued.

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Indicator 23 - Refuse Collection

Percentage of household waste collected by the authority that was recycled and composted

Historical/Current Values	Scottish Ranking

Performance: 12/13 Value = 14.1%

The percentage of household waste recycled decreased from 17% in 2011/12 to 14% in 2012/13. This was mainly due to the reduction in grass and trees being composted. Note: The figures for January - March 2013 have not been validated by SEPA.

Current Ranking   32nd

Improvement Plan

Recycling collections and facilities were changed in April 2013 and the service is currently being reviewed through Zero Waste Scotland to find the Best Practicable Environmental Option (BPEO) for key materials collected in Shetland. The aim is to increase the amount of household waste that is recycled.

Indicator 23 - Refuse Collection

Overall cleanliness index

Historical/Current Values	Scottish Ranking

Performance: 12/13 Value = 76%

The Keep Scotland validation of the Cleanliness Index and the inspections through the year indicate that Shetland is generally cleaner than last year.

Current Ranking   8th

The Council's ranking increased slightly after dropping significantly in the previous year.

Improvement Plan

The Service has worked hard to drive up standards of cleanliness despite a reduced number of staff and has tackled issues of long term sickness and poor performance within the team. These efforts and the increased supervision of staff will continue.

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Shetland Islands Council

Audit and Standards Committee   **7 November 2013**

INTERNAL AUDIT – Six-monthly Internal Audit Progress Report 2013/14
Report No: IA-02-13-F

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 2013/14. 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 2012 /13 (Appendix 2).

1.4   Also for information, Members are advised on progress being made in relation to the Public Sector Internal Audit Standards (PSIAS).

1.5   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   That the Audit and Standards Committee RESOLVES 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 2013/14

3.2 Appendix 1 details the Internal Audit activity for 2013/14 to date. Members are asked to note issues identified as a result of audit work undertaken. Of particular concern are the issues identified at Tingwall Airport, although management have given a commitment to resolving the issues identified.

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 has been subject to minor amendment; following audit work at Tingwall Airport and Fleet Management Unit, the then Director - Infrastructure Services requested that Buses be subject to audit review. This was agreed by the, Chief Executive and Executive Manager - Governance & Law. As a result, the audit of Administration will be rescheduled for 2014/15.

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 Internal Audit package is now fully operational with the first Internal Audit progress reports submitted to CMT in October. It is intended to discuss these reports with CMT in early course to determine what further detail should be reported. However there are issues as to what could be presented in public at Audit & Standards.

3.8 Internal Audit are also now undertaking up to eight HR disciplinary investigations per year for the Council, which is of financial benefit to the Council as otherwise these may require to be outsourced. As a result follow up work undertaken is limited.

SLACIAG

3.9 The annual report of SLACIAG for 2012/13 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.

3.10 The Principal Internal Auditor and I contribute to these groups and regularly attend meetings although frequency of attendance has reduced due to budgetary constraints.

PSIAS

3.11 Members were advised of the new Public Sector Internal Audit Standards within the Internal Audit Annual Report to Audit and Standards Committee in June. These are a new set of professional standards based on the mandatory elements of the Institute of Internal Auditors (IIA) International Practices framework and came into force on 1 April 2013.

3.12 Work is ongoing within the SLACIAG framework to ensure these standards are consistently met throughout the Scottish Local Authorities.

3.13 One of the new requirements is for an independent review of Internal Audit to be undertaken every 5 years to report on conformance with the standards. Again this is subject to discussion within SLACIAG with a potential cost effective solution being a system of Scotland wide peer reviews being undertaken.

3.14 Further to this, informal discussion has been held between the three Chief Internal Auditors of the island authorities with agreement in principle that our mandatory 5 year reviews would be undertaken among the 3 authorities. e.g. Shetland would review Orkney, Orkney would review Western Isles and Western Isles would review Shetland. This would ensure adequate independence and integrity and this is seen as a cost effective solution to this new mandatory requirement.

3.15 A revised Internal Audit Charter to reflect the new standards will be presented to Audit and Standards Committee in due course.

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 and other information, 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 2013/14. Key issues within audit reports are being addressed by Management.

For further information please contact:
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crawford.mcintyre@shetland.gov.uk
7 November 2013

List of Appendices
Appendix 1 – Internal Audit activity for 2013/14 to date.
Appendix 2 – SLACIAG Annual Report for 2012/13

END

Audit	Auditee	Progress Report / Key Audit Issues
Income & Recovery	Team Leader – Revenues & Benefits	There were no key issues identified. It is clear from a review of Covalent that the issues that were raised have been or are being addressed.
Transport Operations - FMU	Transport Manager – FMU	There was one key audit issue prevalent throughout the audit which is the lack of a Fleet Vehicle Policy. Although a policy was drafted, it was withdrawn from the approval process in January 2013. Due to the lack of a policy there are several issues that are not being adequately addressed, namely: roles and responsibilities, vehicle procurement and replacement, vehicle usage and allocation, control over access of leased vehicles and vehicle driver insurance. This issue is now part of a review being undertaken as part of the Improvement Plan which will also consider significant potential savings which could be realised by reducing the current fleet. A number of other issues were identified with commitment given to progress these.
Transport Operations – Tingwall Airport	Executive Manager – Environmental Services	There were a significant number of issues identified as part of this audit. The one key issue related to financial regulations, basis of charges, inconsistency and lack of charges and charge out rates which indicated a significant lack of control being in place at the airport. There was also a key observation noting the fragmented nature of managerial responsibilities surrounding the operation of the service. There has been a complete changeover of management and staff at

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		the airport and a significant number of the issues were resolved during the audit with commitment given to progressing the remainder.
Architectural & Surveying / Gateway Process	Team Leader – Architectural & Surveying	No key matters were raised and all issues identified have commitment for resolution.
Transport Operations - Bus	Executive Manager – Building & Transport Operations	Some issues have been covered within other strands of internal audit work. Further work required will be subject to discussion with the Executive Manager and or Director in the 4th Quarter.
Payroll & Pensions	Team Leader – Payroll & Pensions	Work was largely finalised at the time of writing this report. It was not anticipated any key issues would be identified.
ICT	Executive Manager – ICT	Work was ongoing at the time of writing this report.
Ports & Harbours	Executive Manager – Ports & Harbours	This audit had just commenced at the time of writing this report.
Legal	Team Leader – Legal	Scheduled to commence 3rd Quarter.
Procurement	Procurement Manager	Scheduled to commence 3rd Quarter.
Payments	Payments Manager	Scheduled to commence 4th Quarter.
Local Taxation	Team Leader – Revenues & Benefits	Scheduled to commence 4th Quarter.
Youth Services		Scheduled to commence 4th Quarter.

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Investigations / Reviews	Reported to:	
SUMS College	Acting Director – Shetland College	Work undertaken and charged in accordance with SLA.
Hardship Fund	Acting Director – Shetland College	Work undertaken and charged in accordance with SLA.
LEADER Funding	Executive Manager – Economic Development	Work being undertaken and will be charged in accordance with SLA.
AXIS 4	Executive Manager – Economic Development	Work undertaken and charged in accordance with SLA.
Mobile Phone Payments	Corporate Management Team	The main findings of this audit were: • There were 809 mobile telephones recorded on the most recent billing information • 194 of these telephone numbers had no usage recorded against them for the billing period • Mobile telephone user information was out of date • Income from banking money for private calls could not be located on Integra for one of the areas in the sample. These findings were reported to CMT and an agreed plan of action was determined.
Capital Project – Occupational Therapy	Contract Manager	A review of the capital project, Joint Occupational Therapy Centre, indicated that although delivery of the project was going to be some three months late, it appeared to have been efficiently managed.
Asset Register	Executive Manager – Finance	Following discussions with the Executive Manager – Finance and External Audit it was decided that this review would be limited to testing the integrity of the transfer of data from the previous Logotech Asset

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		Register to Integra's Financial Asset Module. There were no adverse issues from this review and it is clear this was a well managed and documented process.
Credit Cards / Cash Security	Executive Manager – Finance	2nd Quarter – Delayed to 4th Quarter as new Credit Card system being introduced.
Travel	CMT	3rd Quarter – Delayed to 4th Quarter. New Policy being developed.
Capital Project – Shetland College	Executive Manager – Capital Programme	Scheduled to commence 4th quarter.
Corporate Improvement – BV2	CMT	Ongoing. Subject to report to CMT.
Back Up Systems	Executive Manager – ICT	Incorporated within ongoing ICT audit.
Audit Logs	Executive Manger – ICT	Incorporated within ongoing ICT audit.
Systems Access	Various	CHRIS 21 was reviewed separately. In addition, AXIS Income Management (Income & Recovery), AXIS Cash Receipting (Income & Recovery), TRISCAN – Fuel Management System (FMU), IHS Global (Engineering System) – Architectural & Surveying and AXISe Pension System have been reviewed during service audits.

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SCOTTISH LOCAL AUTHORITIES
Chief Internal Auditors' Group

ANNUAL REPORT FROM THE CHAIR – 2012/2013

1. INTRODUCTION

1.1 SLACIAG comprises the Heads of Internal Audit from each Scottish Local Authority 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 activity and key achievements during 2012/13.

2. SLACIAG ACTIVITY AND ACHIEVEMENTS DURING 2012/13

2.1 SLACIAG met three times during 2012/13:

- 09 August 2012 at Angus Council;
- 09 November 2012 at CIPFA Education and Training Centre in Edinburgh; and
- 22 March 2013, also at CIPFA Education and Training Centre in Edinburgh.

2.2 All three meetings were very well attended, with lively discussion and debate leading to good progress against the Group's key objectives.

2.3 In addition to allowing members to discuss relevant Internal Audit developments and issues, external speakers were invited to meetings to deliver presentations on topics such as:

- Audit Scotland's role in the audit of Community Planning, Local Area Networks, Shared Risk Assessments, and Assurance and Improvement Plans;
- DWP's Single Fraud Investigation Service and corporate fraud;
- writing for impact;
- social media and cloud computing; and
- SLACIAG as a Special Interest Group of CIPFA.

2.4 In last year's Annual Report I provided an update and position statement against each of the four key objectives set out at paragraph 1.2 above. This was based on a Leadership, Quality, and Performance Action Plan developed following our 2011 Conference. In this report, I'd like to focus in on some of our achievements during 2012/13, with a revised and updated Action Plan to be developed on the basis of discussions at our June 2013 Conference in Dundee.

2.5 Probably the most significant development during 2012/13 was the formalisation of SLACIAG's status as a Special Interest Group of CIPFA Scotland. This partnership will be mutually beneficial, not least through SLACIAG's representation on the CIPFA Scottish Branch Committee. SLACIAG have always sought to work closely with our stakeholders, and as leaders in public sector governance and control, CIPFA Scotland and SLACIAG sit well together.

2.6 As part of the link up with CIPFA, SLACIAG adopted an updated Constitution at its AGM in August 2012. This was subsequently submitted to, and approved by, the CIPFA Scottish Branch Committee. At the same time, SLACIAG took the opportunity to invite a number of new members onto our own Management Committee, and confirmed existing Chair, Vice Chair, and Secretary appointments. A new Treasurer was appointed to replace the previous incumbent who wished to step down from the post.

2.7 Prior to stepping down, the Treasurer presented SLACIAG's audited accounts for 2011/12. These show a healthy financial position.

2.8 SLACIAG continues to view the training and development of its members, and their teams, as being of paramount importance. Over the course of 2012/13 a Training Needs Analysis exercise, using the CIPFA Excellent Internal Auditor framework, was undertaken to identify potential training and development needs of Local Authority Internal Auditors (a similar exercise was undertaken by the Computer Audit Sub-Group in relation to computer auditors). This will allow SLACIAG to source relevant and best value training for its members.

2.9 SLACIAG was also active in the run up to the launch of the joint CIPFA / CIIA Public Sector Internal Audit Standards on 01 April 2013. The Standards replace the previous CIPFA Code of Practice for Internal Audit in Local Government in the UK 2006, and are fundamental to how SLACIAG members, individually and collectively, require to deliver Internal Audit services within our Councils.

2.10 As a key stakeholder in the development of the Standards, SLACIAG was asked to provide representation on the UK Internal Audit Standards Advisory Board and, as Chair of SLACIAG, I was delighted to act as a Practitioner Member of that Board.

2.11 Of equal, if not more, importance, however, was the collective input SLACIAG provided via its formal response to the consultation on the draft Standards and related Application Note. The Standards have far reaching implications for Local Authority Internal Auditors, not least through the requirement for periodic external quality assessment, and it is pleasing that SLACIAG were able to take the opportunity of helping shape the way in which our services will, in future, be delivered.

3. COMPUTER AUDIT SUB-GROUP

3.1 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.

3.2 During 2012/13 CASG met three times:

- 26 April 2012 at Falkirk Council;
- 23 August 2012 at Argyll and Bute Council; and
- 22 November 2012 at Dundee City Council.

3.3 Meetings have included presentations and discussions on a range of topics with speakers from within and out-with the group. The purpose of these presentations is to keep the group updated and informed on computer audit developments, resources, and techniques.

3.4   In the past year, presentation topics have included:

- auditing databases;
- GSX code of compliance;
- cloud computing;
- social media in the workplace.

- cyber security issues;
- electronic document storage;
- Bring Your Own Device (BYOD);

3.5   The group, at the request of SLACIAG, also prepared competency matrices for the IT Audit Assistant, IT Auditor, and Lead IT Auditor roles.
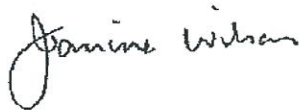
3.6   CASG meetings continue to be well attended and cater for computer audit knowledge from novice through to professional level.

4.   SUMMARY

4.1   The year 2012/13 has again been a successful and productive one for SLACIAG. The link up with CIPFA Scotland will, undoubtedly, bear fruit for both partners, and will allow SLACIAG to further develop its voice and brand. Allied to that, SLACIAG's continued ability to tap into the combined knowledge and experience of its members means that the vision of becoming the voice of Internal Audit across Scottish Local Authorities is now ever more achievable.

4.2   The June 2013 Conference is an important event for SLACIAG. By opening up the Conference to all Scottish Local Authority Internal Auditors, and by attracting a top quality line up of speakers and presenters, SLACIAG is making a clear commitment to the furtherance of the profession at a time when its value to our organisations can not be overstated or under estimated.

4.3   As with last, and previous, years, I'd like to sign off by thanking the Executive Committee for all their support and assistance throughout the year and thanking all SLACIAG members for their continued support of the Group.

Janine Wilson (Service Manager - Governance, Angus Council)
Chair of SLACIAG
10 June 2013