

**REPORT TO:** Audit and Governance Committee

**MEETING DATE:** 19 November 2013

**BY:** Depute Chief Executive – Resources & People Services

**SUBJECT:** Internal Audit Report – Statutory Performance Indicators  
2012/13

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## **1 PURPOSE**

- 1.1 To inform the Audit and Governance Committee of the recently issued audit report on Statutory Performance Indicators 2012/13.

## **2 RECOMMENDATION**

- 2.1 That the Audit and Governance Committee note the contents of the Executive Summary and Action Plan for Statutory Performance Indicators 2012/13.

## **3 BACKGROUND**

- 3.1 In 2012/13 the Council reported on 25 Statutory Performance Indicators and as part of the audit plan we reviewed a sample of five indicators.
- 3.2 The main objective of the review was to ensure that adequate arrangements were in place for the preparation and reporting of Statutory Performance Indicators and that the information produced was accurate and complete.
- 3.3 The main findings from our audit work are outlined in the attached report.

## **4 POLICY IMPLICATIONS**

- 4.1 None

## **5 EQUALITIES IMPACT ASSESSMENT**

- 5.1 This report is not applicable to the well being of equalities groups and Equality Impact Assessment is not required.

## **6 RESOURCE IMPLICATIONS**

- 6.1 Financial - None  
6.2 Personnel - None  
6.3 Other - None

## **7 BACKGROUND PAPERS**

- 7.1 None

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<b>DATE</b>	5 September 2013

**EAST LoTHIAN COUNCIL – INTERNAL AUDIT  
STATUTORY PERFORMANCE INDICATORS – 2012/13**

**1. EXECUTIVE SUMMARY**

**1.1 Introduction**

As part of the Audit Plan for 2013/14, a review was undertaken of the arrangements in place for the preparation and reporting of Statutory Performance Indicators.

**1.2 Areas where expected controls were met**

- The Council has adequate arrangements in place to ensure that it complies with its obligations in respect of Statutory Performance Indicators.
- Departments were issued with detailed guidance on the preparation and submission of performance information.

**1.3 Areas with Scope for Improvement**

- Sickness Absence – there was a failure to ensure that a consistent approach was used for calculating both Full Time Equivalent employees and Full Time Equivalent sick days. *Risk – reported figures may be inaccurate.*
- Asset Management – for the sample of cases examined, condition surveys of operational buildings had not been undertaken within the last five years, although desk top reviews had been carried out for buildings where specific work had been undertaken. *Risk – information held may be out of date.*
- Home Care/Home Helps – there was no evidence of a verification checklist being completed for this SPI to confirm that the information produced was accurate and complete. Anomalies were identified in the reports produced for this indicator – the reports were subsequently corrected and resubmitted by the department. *Risk – reported figures may be inaccurate.*
- Managing Tenancy Changes – there was a lack of checking procedures in place to ensure that the information produced was accurate and complete – an error was identified in the calculation of this SPI. *Risk – reported figures may be inaccurate.*

**1.4 Summary**

Our review of Statutory Performance Indicators identified a number of areas with scope for improvement. Detailed recommendations and opportunities for improvement are contained in our main Audit Report.

**Mala Garden  
Internal Audit Manager**

**September 2013**

**EAST LOTHIAN COUNCIL – INTERNAL AUDIT  
STATUTORY PERFORMANCE INDICATORS – 2012/13**

**ACTION PLAN**

<b>PARA REF</b>	<b>RECOMMENDATION</b>	<b>GRADE</b>	<b>RESPONSIBLE OFFICER</b>	<b>AGREED ACTION</b>	<b>RISK ACCEPTED/ MANAGED</b>	<b>AGREED DATE OF COMPLETION</b>
3.3.1	<p><b><u>Sickness Absence</u></b></p> <p>Management should ensure that a clear audit trail exists – all relevant reports supporting the Performance Indicator figures should be retained by the department for audit purposes.</p> <p>Management should ensure that a consistent approach is used for calculating both Full Time Equivalent employees and Full Time Equivalent sick days.</p>	Medium	Performance and Business Support Manager	<p>All reports required to produce the SPI are retained.</p> <p>Liaise with IT to determine whether further support can be provided to alter the Access database which generates the SPI.</p>	<p>Until such times that the Access database system can be modified.</p>	<p>In Place</p> <p>March 2014</p>
3.5.1	<p><b><u>Asset Management</u></b></p> <p>Management should ensure that assessments of operational buildings for condition are undertaken every five years.</p>	Medium	Building Surveyor	<p>The guidance is unclear regarding Condition Survey “assessments” – the guidance refers to assessments not surveys. However, a rolling programme of re-survey of assets will be implemented over a five year period.</p>		2014 - 2018

PARA REF	RECOMMENDATION	GRADE	RESPONSIBLE OFFICER	AGREED ACTION	RISK ACCEPTED/ MANAGED	AGREED DATE OF COMPLETION
3.6.1	<p><u>Home Care/Home Helps</u></p> <p>Management should ensure that reports being produced for this Statutory Performance Indicator are in accordance with the SPI definition.</p> <p>Management should ensure that a verification checklist is completed and that checks are carried out by a person independent of the preparer, but sufficiently familiar with the data being presented to identify any errors.</p>	Medium	Information Systems Manager	<p>Agreed – the errors in the report design are now corrected and the revised report will be in place for future years.</p> <p>Agreed</p>		<p>In Place</p> <p>March 2014</p>
3.7.1	<p><u>Managing Tenancy Changes</u></p> <p>The SPI figures produced by Financial Services should be checked for accuracy and completeness by a person independent of the preparer.</p>	Medium	Head of Council Resources	Under discussion		Ongoing

## **GRADING OF RECOMMENDATIONS**

To assist Management in using our reports, our recommendations are categorised according to their level of priority as follows:

<b>Level</b>	<b>Definition</b>
<b>High</b>	Recommendations which are fundamental to the system and upon which Management should take immediate action.
<b>Medium</b>	Recommendations which will improve the efficiency and effectiveness of the existing controls.
<b>Low</b>	Recommendations concerning minor issues that are not critical, but which may prevent attainment of best practice and/or operational efficiency.