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# East Lothian Council

Statutory Performance Indicators

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in connection with this  
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**About this report**

This report has been prepared in accordance with the responsibilities set out in Audit Scotland's *Code of Audit Practice* ("the Code").

This report is for the benefit of East Lothian Council ("the Council") and is made available to Audit Scotland and the Controller of Audit (together "the beneficiaries"), and has been released to the beneficiaries on the basis that wider disclosure is permitted for information purposes, but that we have not taken account of the wider requirements or circumstances of anyone other than the beneficiaries.

Nothing in this report constitutes an opinion on a valuation or legal advice.

We have not verified the reliability or accuracy of any information obtained in the course of our work, other than in the limited circumstances required to complete the questionnaire.

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**This report is presented in connection with our audit for the year ended 31 March 2015 under the terms of our appointment by the Accounts Commission.**

**This report outlines our findings from a review of East Lothian Council's ("the Council") approach to Statutory Performance Indicators ("SPIs").**

### Background

Under the Local Government Act 1992, local authorities have a statutory duty to ensure appropriate arrangements for collecting, recording and publishing performance information. Auditors have a statutory duty to be satisfied that the Council has made adequate arrangements for collecting and recording information, and for publishing it, as are required for the performance of its duties.

The Accounts Commission has a statutory power to define the performance information that local authorities must publish. Since 2013-14, performance indicators are no longer specified but criteria is provided to guide local authorities in the performance indicators they should develop and report. The Council has developed a number of key performance indicators ("KPIs") to comply with this criteria.

Audit Scotland provides auditors with a pro forma template to review the Council's SPIs. The aim of this template is to assess whether adequate arrangements are in place for collection and publication of accurate and complete information in relation to the SPI categories, and report our findings to Audit Scotland.

### Approach

Our audit approach has therefore involved a review of policies and procedures in operation at the Council as well as information gathering in respect of SPI monitoring and reporting. To support reporting to the Accounts Commission, we have included judgements on the effectiveness of performance management arrangements within the Council.

This report is structured to answer the specific questions identified in the stage one pro forma provided by Audit Scotland. This focuses on two key areas:

- planning arrangements
- systems assessment

Our findings are outlined within the summary of findings.

As part of our review of performance management, Audit Scotland requires consideration of the process for collecting and reporting data on Statutory Performance Indicators ('SPIs'). We performed the stage one work over SPIs using the Audit Scotland template.

### Statutory Performance Indicators

The aim of this work is to assess how local authorities are compiling and reporting data and ensuring it is complete and accurate. Local authorities have a statutory duty to ensure appropriate arrangements are in place for collecting, recording and publishing performance information. Auditors have a statutory duty to be satisfied that the Council has made adequate arrangements for collecting and recording information, and for publishing it, as are required for the performance of their duties.

#### 1. To ascertain and appraise the Council's overall approach to Scottish Local Government Benchmarking Framework indicators and Public Performance Reporting

Area	Procedures	KPMG comment
<b>Planning arrangements</b>	Inspect and assess the Council's overall plans for collecting performance information.	<p>Data is collected from a variety of sources and is maintained in the performance monitoring system, Aspireview. The requirements for quality data, as well as the processes for the collection of data, are outlined in the performance data quality policy.</p> <p>Each KPI has a responsible officer, or a collator, who is responsible for the collection of data.</p> <p>Each KPI also has a verifier to confirm the data is complete and accurate. The collator is then responsible for uploading the information to Aspireview, or passing it to the policy officer.</p> <p>The KPI data is due to be collected by the end of August, to link with the deadline for reporting the Local Government benchmarking framework data.</p>
	Confirm the work the Council has done to identify the information its communities want to see and how this has impacted on the Council's arrangements.	<p>The Council has established a citizens' panel; comprising over 1,000 people. These people have agreed to be consultees to the Council and receive questions on a quarterly basis and respond to them. They have been recruited to be representative of the wider population of East Lothian. Two questionnaires were completed by the citizens' panel in 2014. The results of the questionnaires are available on the Council's website.</p> <p>KPIs are developed with feedback from the policy and performance review committee to ensure the key issues are appropriately addressed. This process was last performed in September 2014 where the policy and performance review committee approved the 2014-15 KPIs.</p> <p>Elected members are asked for feedback on performance related matters, as they are seen as intrinsically linked to their communities.</p>

## Statutory Performance Indicators (continued)

### 1. To ascertain and appraise the Council's overall approach to Scottish Local Government Benchmarking Framework indicators and Public Performance Reporting (continued)

Area	Procedures	KPMG comment
<b>Planning arrangements</b> (continued)	Inspect and assess the alignment of performance measures to key priorities and outcomes.	Performance indicators are developed using the Council plan objectives, Single Outcome Agreement outcomes and SPI categories. Each objective, outcome and category is linked to at least one indicator during the development process. This was most recently performed in September 2014, when the 2014-15 indicators were developed. A report was presented to the policy and performance review committee on 23 September 2014 showing how these are aligned.
	For the indicators listed in SPI 1 and 2 inspect and assess the Council's plans for collection and reporting.	<p>In the 23 September 2014 report to the policy and performance review committee each indicator listed in SPI1 and 2 was linked to at least one KPI.</p> <p>The data is collected in Aspireview and reported in the Council's annual performance report, as well as through updates on the Council's performance website.</p> <p>We consider this method of collection and reporting of data in relation to indicators to be appropriate.</p>
	Confirm the Council's plans for internal verification of the indicators listed in SPI 1 and 2.	<p>Each service must fill out a verification sheet for each of their KPIs. Performance against the KPI is reported by the collator and verified by both the assigned verifier and the head of service. The policy officer introduced a generic verification checklist required for KPIs to ensure consistency of approach.</p> <p>Internal audit also verify a sample of performance indicators, using a risk based approach. Internal audit conducted a review of the systems in place for the preparation and reporting of performance information for 2013-14 and reported its findings to the audit and governance committee in January 2015. The generic verification checklist referred to above, was introduced in part in relation to internal audit's findings. Internal audit will review a sample of 2014-15 KPIs in late 2015, the results of which will be reported to the audit and governance committee in January 2016.</p>

### 1. To ascertain and appraise the Council's overall approach to Scottish Local Government Benchmarking Framework indicators and Public Performance Reporting (continued)

Area	Procedures	KPMG comment
<p><b>Planning arrangements</b> (continued)</p>	<p>Inspect and assess the Council's plans for publishing indicators and performance information.</p>	<p>The East Lothian Council Annual Performance Report is completed on an annual basis and is due to be published in September 2015. However, updates against indicators are reported on the performance website more frequently. The website is automatically updated when Aspireview is updated. Some indicators can be measured quarterly. Progress against these indicators is reported to the policy and performance review committee on a quarterly basis, and this is published on the website. The quarterly reports focus on areas of challenge and how performance can be improved. The annual report includes both achievements and challenges.</p> <p>The Scottish Local Government Benchmarking Framework ('SLGBF') indicators are due to be published by December 2015, once the collation exercise is complete. The completion deadline is the end of August 2015 and the process is running on schedule. These indicators will be published on the performance website, and also referenced in the annual report. The full SLGBF for all authorities will be published at a later date. Once these results are available, there will be a separate report to the policy and performance review committee and published on the website to show how East Lothian Council's results compare with other local authorities.</p> <p>The majority of comparative data comes from the SLGBF on an annual basis. If there is a comparative available for an indicator, it is shown alongside the Council's position on a graph linked to the indicator on the performance website. The website also shows whether the position of the indicator has increased or decreased since it was last reported. Prior period results are also shown on the graph.</p> <p>The overall reporting contains varying levels of quantitative and qualitative information. There are links in the annual performance report to guide users to the performance website for further information on the indicators.</p> <p>Audit Scotland's Report by the Director of Performance Audit and Best Value June 2015 identified the Council as being in the top quartile in terms of full compliance with the 18 themes from SPI1 and SPI2. Furthermore, the Audit Scotland Erratum note dated 27 July 2015 confirms that two areas previously identified as areas for improvement (AFIs) were amended to findings of full compliance.</p> <p>We consider the Council's plans for publishing indicators and performance information to be appropriate and in line with best practice.</p>

### 2. To ascertain and appraise the Council's systems for Scottish Local Government Benchmarking Framework indicators and Public Performance Reporting

Area	Procedures	KPMG comment
<b>System Assessment</b>	Inspect the Council's progress against their planned timetable for collecting and publishing performance information. Consider the impact of any delays.	<p>The Council is on track with the timetable for the Scottish Local Government Benchmarking Framework reporting, due to be completed at the end of August 2015, as the majority of the information required for this has been received.</p> <p>The Council is also on track in relation to SPI reporting. Despite the extension of the reporting date from October 2015 to March 2016, the Council is on track to provide the data by October 2015.</p>
	Confirm the internal verification that has taken place. Review the results and action taken.	<p>Internal verification takes place on the verification checklist completed for each indicator. An example was reviewed and had been verified by the verifier and the head of service. However, not all checklists have been completed to date.</p> <p>Internal audit conducted a review of the systems in place for the preparation and reporting of performance information for 2013-14 and reported these findings to the audit and governance committee in January 2015. The generic verification checklist referred to above, was introduced in part in relation to internal audit's findings. Internal audit will review a sample of 2014-15 KPIs in late 2015, the results of which will be reported to the audit and governance committee in January 2016.</p>

## Statutory Performance Indicators (continued)

### 2. To ascertain and appraise the Council's systems for Scottish Local Government Benchmarking Framework indicators and Public Performance Reporting

Area	Procedures	KPMG comment
<b>System Assessment</b> (continued)	Confirm that arrangements for collection, verification and reporting are communicated to all staff involved and understood.	<p>The arrangements for the collection, verification and reporting of data is outlined in the Performance Data Quality Policy, which is available to all staff. This is followed up with emails from policy officer responsible for the SPI process to the collators.</p> <p>One-to-one meetings between the policy officer and collators/verifiers were held in March 2015 to ensure all staff understand the process and requirements. However, there is no additional formal training.</p> <p>To update indicators in Aspireview, collators can do this directly or pass on the information to the policy officer to upload for them. The policy officer introduced a template excel document to be completed by all collators which can be uploaded directly or passed to the policy officer to upload.</p>





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