



**Item: 7**

**Monitoring and Audit Committee: 26 September 2024**

**Internal Audit – Statutory Performance Indicator Reporting**

**Report by Chief Internal Auditor**

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## **1. Overview**

- 1.1. The internal audit plan 2024/25 included a review of Statutory Performance Indicator Reporting, this audit has been completed and the internal audit report is attached as Appendix 1 to this report.
- 1.2. The Statutory Performance Indicator procedure is issued annually by the Council's Improvement and Performance Service to ensure that performance against the Local Government Benchmarking Framework (LGBF) performance indicators is reported to the Improvement Service accurately and timeously, and that there is a robust data gathering process to ensure the returns are completed in compliance with the guidance issued and that the figures submitted are reliable and accurate.
- 1.3. The objective of this audit is to ensure the indicator figures correlate with the supporting evidence. This report covers reviews of Statutory Performance Indicators and Cross Council Generic (CCG) Performance Indicators.
- 1.4. The audit provides Substantial assurance that processes and controls relating to Performance Indicator Reporting are well controlled and managed.
- 1.5. The internal audit report, attached as Appendix 1 to this report, does not include any recommendations.

## **2. Recommendations**

- 2.1. It is recommended that members of the Committee:
  - i. Scrutinise the findings contained in the internal audit report, attached as Appendix 1 to this report, relating to the processes and controls around Performance Indicator Reporting, in order to obtain assurance that action has been taken or agreed where necessary.

**For Further Information please contact:**

Andrew Paterson, Chief Internal Auditor, Extension 2107, email [andrew.paterson@orkney.gov.uk](mailto:andrew.paterson@orkney.gov.uk).

## Implications of Report

1. **Financial:** None directly related to the recommendations in this report.
2. **Legal:** None directly related to the recommendations in this report.
3. **Corporate Governance:** In terms of the Scheme of Administration, consideration of Internal Audit findings and recommendations and to review actions taken on recommendations made, is a referred function of the Monitoring and Audit Committee.
4. **Human Resources:** None directly related to the recommendations in this report.
5. **Equalities:** An Equality Impact Assessment is not required in respect of Internal Audit reporting.
6. **Island Communities Impact:** An Island Communities Impact Assessment is not required in respect of Internal Audit reporting.
7. **Links to Council Plan:** The proposals in this report support and contribute to improved outcomes for communities as outlined in the following Council Plan strategic priorities:
  - Growing our Economy.
  - Strengthening our Communities.
  - Developing our Infrastructure.
  - Transforming our Council.
8. **Links to Local Outcomes Improvement Plan:** The proposals in this report support and contribute to improved outcomes for communities as outlined in the following Local Outcomes Improvement Plan priorities:
  - Cost of Living.
  - Sustainable Development.
  - Local Equality.
9. **Environmental and Climate Risk:** None directly related to the recommendations in this report.
10. **Risk:** Internal Audit evaluates the effectiveness and contributes to the improvement of the risk management processes.
11. **Procurement:** None directly related to the recommendations in this report.
12. **Health and Safety:** None directly related to the recommendations in this report.
13. **Property and Assets:** None directly related to the recommendations in this report.
14. **Information Technology:** None directly related to the recommendations in this report.
15. **Cost of Living:** None directly related to the recommendations in this report.

## List of Background Papers

Internal Audit Plan 2024/25.

## **Appendix**

Appendix 1: Internal Audit Report – Performance Indicator Reporting.



## Internal Audit

### Audit Report

### Performance Indicator Reporting

Draft issue date: 14 August 2024

Final issue date: 2 September 2024

<b>Distribution list:</b>	<p><b>Corporate Director for Strategy, Performance and Business Solutions</b></p> <p><b>Corporate Director for Enterprise and Sustainable Regeneration</b></p> <p><b>Corporate Director for Education, Leisure and Housing</b></p> <p><b>Corporate Director for Neighbourhood Services and Infrastructure</b></p> <p><b>Head of Improvement and Performance</b></p>
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## Audit Opinion

Based on our findings in these reviews we have given the following audit opinion.

### Substantial

**The framework of governance, risk management and control were found to be comprehensive and effective.**

A key to our audit opinions is shown at the end of this report.

## Executive Summary

In order to meet the requirements of the Local Government Act 1992 and the Local Government in Scotland Act 2003, the Council is directed by the Accounts Commission to report on a range of information. The Commission requires this information to allow comparison, both over time and with other similar bodies, as well as how best value is demonstrated.

Some aspects of the Statutory Performance Indicator (SPI) requirements are met through the monitoring and publication of Council Plan performance reports, Service Plan performance reports, and a range of other Council publications. Other aspects of the SPI requirements are met through the monitoring and publication of cross-Council generic and service-specific performance indicators.

The SPI requirements in relation to the Local Government Benchmarking Framework (LGBF) are facilitated by the Improvement Service. The Improvement Service gathers the data for a nationally agreed set of indicators each year, using information from various sources to which all Scottish local authorities make annual returns.

As part of this process, performance against thirteen LGBF indicators is reported by the Council directly to the Improvement Service. The objective of this audit is to ensure the indicator figures correlate with the supporting evidence. This report covers reviews of SPIs and cross-Council generic (CCG) Performance Indicators.

The returns that are required for SPIs are completed in compliance with the guidance issued and the figures submitted for all indicators are reliable and accurate.

The report does not include any recommendations.

The assistance provided by officers contacted during these reviews is gratefully acknowledged.

## Introduction

An SPI procedure is issued annually by the Council's Improvement and Performance Team to ensure that the performance against LGBF performance indicators is reported to the Improvement Service accurately and timeously, and that there is a robust data gathering process to ensure the accuracy of the data submitted.

All data is submitted to the Council's SPI co-ordinator who collates the information within the Local Government Benchmarking Framework (LGBF) performance indicator spreadsheet.

The objective of this audit is to ensure that all indicator figures correlate with the supporting evidence. A sample of indicators and supporting evidence is subject to detailed testing to verify that each indicator is reliable.

The indicators sampled for detailed testing this year were:

- Corporate Services 3b - Percentage of the highest paid 5% of employees who are women.
- Corporate Services 7 - Percentage of income due from council tax received by the end of the year.
- Culture & Leisure 2a – Number of library visits.

Similar checks are carried out on a sample of CCG Performance Indicators, this year the sample included:

- CCG03 - Staff Accidents.
- CCG09 - Mandatory Training.

This review was conducted in conformance with the Public Sector Internal Audit Standards.

# Audit Findings

## 1.0 Statutory Performance Indicators

### 1.1 Percentage of the highest paid 5% of employees who are women

The figures for this indicator are extracted by Human Resources from the Zellis Resource Link system. The calculation for this indicator was reperformed and found to be correct. On the basis of the testing carried out it is considered that the figures provided for this indicator are reliable and accurate and in line with the LGBF guidance.

### 1.2 Percentage of income due from Council Tax received by the end of the year

Figures and calculations supplied were checked back to source data. A miscalculation had resulted in the percentage of income being overstated slightly. The figures were updated and calculations reperformed prior to the submission of the LGBF spreadsheet. On the basis of the testing carried out and subsequent corrections, it is considered that the figures submitted for this indicator are reliable and accurate and in line with the LGBF guidance.

### 1.3 Number of library visits

A spreadsheet was provided with data for monthly physical visits to libraries and virtual visits to the Orkney Library website and other online library resources. The data and calculations were correct and were calculated in accordance with the LGBF guidance and Association of Public Libraries Scotland (APLS) Public Libraries Virtual Visitor Indicator Guidance.

### 1.4 Remaining SPIs

Audit testing has shown that the figures provided for the other indicators reported are being compiled according to the LGBF guidance issued. Minor discrepancies discovered during our checks were investigated and resolved to our satisfaction, on the basis of the testing carried out it is considered that the figures submitted for all indicators are reliable and accurate.

## 2.0 Cross-Council Generic Performance Indicators

### 2.1 CCG03 Staff Accidents

Spreadsheets provided by the Service Manager (Safety and Resilience) were reviewed. The figures produced were calculated in accordance with the guidance outlined in the data dictionary for this indicator. The figures as at 31 March 2024, calculated from the data provided, were those recorded in the Ideagen system and reported to the respective Committees as part of the Directorate Performance Reports.

### 2.2 CCG09 Mandatory Training

Spreadsheets provided by HR containing data from the Council's iLearn system were reviewed. The figures produced were calculated in accordance with the guidance outlined in the data dictionary for this indicator. The figures as at 31 March 2024, calculated from the data provided, were those recorded in the Ideagen system and reported to the respective Committees as part of the Directorate Performance Reports.

## Key to Opinions

### Audit Opinion

Opinion	Definition
<b>Substantial</b>	The framework of governance, risk management and control were found to be comprehensive and effective.
<b>Adequate</b>	Some improvements are required to enhance the effectiveness of the framework of governance, risk management and control.
<b>Limited</b>	There are significant weaknesses in the framework of governance, risk management and control such that it could be or become inadequate and ineffective.
<b>Unsatisfactory</b>	There are fundamental weaknesses in the framework of governance, risk management and control such that it is inadequate and ineffective or is likely to fail.