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## Audit and Scrutiny Committee

Tuesday, 25 June 2024

**NOTICE IS HEREBY GIVEN** that a Meeting of the **Audit and Scrutiny Committee** is to be held at **Council Chambers, Council Office, High Street, Elgin, IV30 1BX** on **Tuesday, 25 June 2024** at **14:00**.

### BUSINESS

1. **Sederunt**
2. **Declaration of Group Decisions and Members Interests \***
3. **Minute of meeting of 8 May 2024** **5 - 10**
4. **Written Questions \*\***
5. **Internal Audit Annual Report - 2023-24** **11 - 24**  
Report by Audit and Risk Manager
6. **Internal Audit Section Update Report** **25 - 50**  
Report by Audit and Risk Manager
7. **Internal Audit Section - Completed Projects Report** **51 - 66**  
Report by Audit and Risk Manager
8. **Annual Governance Statement** **67 - 82**  
Report by Interim Chief Executive
9. **Local Government Benchmarking Framework 2022-23** **83 -**  
**and 2021-22 Results** **112**  
Report by Depute Chief Executive (Education, Communities and Organisational Development)

## **Summary of Audit and Scrutiny Committee functions:**

**Audit Functions** - Consider reports from the Council's internal auditor & Audit Scotland concerning Council Functions.

**Scrutiny Functions** - Scrutinising the policies of the Council and their effectiveness in meeting the action plans of the Council as set out in the Corporate Development Plan and evaluating the actions of Committees in implementing the action plans set out in the Corporate Development Plan.

**Performance Monitoring** - To receive reports on the performance of and trends within all of the Council's services in terms of service standards and performance information.

**Standards** - To ensure that the highest standards of probity and public accountability are demonstrated.

## GUIDANCE NOTES

- \* **Declaration of Group Decisions and Members Interests** - The Chair of the meeting shall seek declarations from any individual or political group at the beginning of a meeting whether any prior decision has been reached on how the individual or members of the group will vote on any item(s) of business on the Agenda, and if so on which item(s). A prior decision shall be one that the individual or the group deems to be mandatory on the individual or the group members such that the individual or the group members will be subject to sanctions should they not vote in accordance with the prior decision. Any such prior decisions will be recorded in the Minute of the meeting.
  
- \*\* **Written Questions** - Any Member can put one written question about any relevant and competent business within the specified remits not already on the agenda, to the Chair provided it is received by the Proper Officer or Committee Services by 12 noon two working days prior to the day of the meeting. A copy of any written answer provided by the Chair will be tabled at the start of the relevant section of the meeting. The Member who has put the question may, after the answer has been given, ask one supplementary question directly related to the subject matter, but no discussion will be allowed.

No supplementary question can be put or answered more than 10 minutes after the Council has started on the relevant item of business, except with the consent of the Chair. If a Member does not have the opportunity to put a supplementary question because no time remains, then he or she can submit it in writing to the Proper Officer who will arrange for a written answer to be provided within 7 working days.

# MORAY COUNCIL

## Audit and Scrutiny Committee

### SEDERUNT

Councillor Graham Leadbitter (Chair)  
Councillor Shona Morrison (Depute Chair)

Councillor Peter Bloomfield (Member)  
Councillor Theresa Coull (Member)  
Councillor John Cowe (Member)  
Councillor John Divers (Member)  
Councillor Amber Dunbar (Member)  
Councillor Jérémie Fernandes (Member)  
Councillor Donald Gatt (Member)  
Councillor David Gordon (Member)  
Councillor Sandy Keith (Member)  
Councillor Scott Lawrence (Member)  
Councillor Marc Macrae (Member)  
Councillor Neil McLennan (Member)

Mr Ivan Augustus (Non-Voting Member)  
Ms Margaret Wilson (Non-Voting Member)

Clerk Name:	Caroline O'Connor
Clerk Telephone:	07779 999296
Clerk Email:	committee.services@moray.gov.uk

**Minute of Meeting of the Audit and Scrutiny Committee**

**Wednesday, 08 May 2024**

**Council Chambers, Council Office, High Street, Elgin, IV30 1BX**

**PRESENT**

Councillor Peter Bloomfield, Councillor Theresa Coull, Councillor John Cowe, Councillor John Divers, Councillor Amber Dunbar, Councillor Jérémie Fernandes, Councillor Donald Gatt, Councillor David Gordon, Councillor Sandy Keith, Councillor Graham Leadbitter, Councillor Marc Macrae, Councillor Neil McLennan, Councillor Shona Morrison, Councillor John Stuart, Ms Margaret Wilson

**APOLOGIES**

Mr Ivan Augustus

**IN ATTENDANCE**

The Chief Executive; Depute Chief Executive (Education, Communities and Organisational Development); Depute Chief Executive (Economy, Environment and Finance); Head of Governance, Strategy and Performance; Head of Financial Services; Audit and Risk Manager; Records and Heritage Manager; Caroline O'Connor, Committee Services Officer as Clerk to the meeting, all Moray Council and Angela Pieri, Grant Thornton - External Auditors.

**1. Chair**

Councillor Leadbitter, as Chair of the Audit and Scrutiny Committee, chaired the meeting.

**2. Declaration of Group Decisions and Members Interests \***

In terms of Standing Orders 21 and 23 and the Councillors' Code of Conduct, there were no declarations from Group Leaders or Spokespersons in regard to any prior decisions taken on how Members will vote on any item on the agenda or any declarations of Member's interests in respect of any item on the agenda.

With regard to Item 7 "Annual Audit Plan for Year Ending 31 March 2024", Councillor Gatt stated, for transparency, that he is Convener of the Grampian Valuation Joint Board and would be taking part in the debate.

**3. Minute of meeting of 14 February 2024**

The minute of the Audit and Scrutiny Committee of 14 February 2024 was submitted and approved.

**4. Written Questions \*\***

The Committee noted that no written questions had been submitted.

## 5. Internal Audit Section Update Report

The meeting had before it a report by the Audit and Risk Manager providing Committee with an update on the work of the Internal Audit Section.

In response to a question from Councillor Stuart relating to the serious concerns around resources referred to by the Audit and Risk Manager and whether processes require to be streamlined or if the Committee required to keep the situation under close review, the Audit and Risk Manager advised that resources have reduced however demands have increased including measures including a requirement to support counter fraud and corruption arrangements. The main issue is coverage, meaning the service is struggling to meet the auditing requirements of the Council and partner organisations in accordance with the Public Sector Internal Standards. The Audit and Risk Manager advised that with the current resources of the Internal Audit Section, it is at a point where consideration is required to provide limited assurances on the adequacy and effectiveness of the Council's internal control systems.

In response to a question from Councillor Gatt also relating to the serious concerns around resources and whether there are enough staff to undertake the work and if Internal Audit staffing resources should be revisited when considering the next budget, the Chief Executive advised there is an increasing expectation of self-evaluation within local authorities combined with the reduction in corporate services as a result of frontline services which are protected in terms of budget setting. He further advised a national report regarding workforce issues within the public sector and local authorities has been published and considered by the Convention of Scottish Local Authorities (COSLA). The Chief Executive suggested the immediate solution lies with the cross-party working group recently commissioned by Corporate Committee to review workforce issues.

In response to a follow-up question from Councillor Stuart regarding whether the impacts were known when the decisions were made to cut resources as part of the budget, the Chief Executive explained the fundamental change is the changing nature of audit and scrutiny noting it is now clear that self-evaluation requires more effort and resources than previously considered and therefore consideration by the cross-party working group would be the most appropriate way forward to provide assurance to Committee there are sufficient resources to undertake the level of audit inspection members would wish as a local authority.

Councillor McLennan echoed the concerns raised by Councillor Stuart noting there requires to be effective regulation. He welcomed the scrutiny by the Audit and Risk Manager raising his concerns which now require to be addressed.

Given the concerns raised by members of Committee together with the advice provided by the Chief Executive, the Chair moved to add an additional recommendation that the concerns about staff resources will be taken forward through discussion at the Strategic Leadership Forum and cross-party working group.

In response to a query from the Chair regarding the Data Protection audit review and whether it requires more discussion at Corporate Committee given the links to cyber security, the Audit and Risk Manager stated that implementing some of the recommendations with current resources of the service would require a multi-year timescale. He further proposed a full audit of the areas for improvement would be undertaken and included in a future audit plan. The Head of Governance, Strategy

and Performance further advised it would be reported as part of the Annual Information Governance report to Corporate Committee to keep focus on this area.

In response to a question from Councillor Gordon regarding whether there was any benchmarking in relation to the Roads maintenance performance indicators comparing in-house contractor pricing, the Audit and Risk Manager advised some work has done with a local comparator however it needs to be more comprehensive across the range of services.

Thereafter the Committee unanimously agreed:-

- i. to note the contents of the report; and
- ii. to invite the Council's Strategic Leadership Forum and the cross-party Workforce Working Group to consider the Council's Internal Auditor's serious concerns about whether the existing resources of the Internal Audit Section are sufficient to meet the Council and partner organisation's audit requirements and to support effective counter fraud and corruptions.

## **6. Internal Audit Section - Completed Projects Report**

The meeting had before it a report by the Audit and Risk Manager advising Committee on the work of the Internal Audit Section for the period from 14 February 2024 to 8 May 2024.

In response to a question from Councillor Gatt relating to the Pool Cars review and the rechargeable rate not having being reviewed for a number years and why this is not reviewed annually in line with other council charges, the Audit and Risk Manager confirmed that this will be an annual review. The Head of Financial Services confirmed an efficiency exercise had been undertaken some years ago to minimise internal recharging to ensure only took place in areas where there was some financial benefit to focus attention on financial controls, with pool cars being one of the areas where there is recharging within general services to ensure the person using the car is the one who bears the costs and stated a review of the rechargeable rate would be helpful.

In response to a question from Ms Wilson relating to the Payroll Regularity Review and in particular whether the new policy/procedures should quantify the balances of Time Off in Lieu (TOIL) at year end where a restriction in staffing may mean it is not possible to recover the TOIL, the Chief Executive agreed it would be helpful to be quantify as there may be a connection to earlier discussions regarding lack of capacity which does create a hidden cost.

In response to a question from the Chair relating to whether the findings from the Early Learning and Childcare Premises Security review would be shared with partners given a large number are private providers, the Depute Chief Executive (Education, Communities and Organisational Development) confirmed the Early Years Service Manager has passed the information onto the providers who will be following through the risk assessment process which will be supported through the central management team.

In response to a question from Councillor Gordon regarding how much VAT had not been claimed in relation to the Purchasing Card review, the Head of Financial Services advised the inability to claim VAT was mainly due to those making purchases with cards not submitting receipts. The absolute highest estimate

would be £25K not backed by receipt, however not all purchases have reclaimable VAT and when the Payments Section sends out quarterly reminders, this typically results in receipts being sent for more than half of those purchases. Following consideration the Committee unanimously agreed to note the contents of the report.

## **7. Annual Audit Plan for Year Ending 31 March 2024**

The meeting had before it a report by the Depute Chief Executive (Economy, Environment and Finance) informing the Committee of the Auditor's Annual Audit plan for 2023/24.

In response to a request for more information from Ms Wilson regarding the Audit Fees on page 86 where it is mention of increased fees due to high-risk control environment relating to journals, the External Auditor advised the fee is levied due to the way journals are authorised at the Council which results in more testing being required for high than low risk areas. Ms Wilson stated limited staff have access to process journals meaning access is restricted and security measures are in place so was unclear why it is noted as a high risk area. In response the External Auditor advised it had been assessed due to authorisation controls before journals are input which had put the council into the high risk category.

In response to a further question from Ms Wilson regarding whether that meant every single journal would require to be authorised by the Chief Financial Officer at year end to reduce the auditor's fee, the External Auditor advised that would be an internal matter for council officers. The Head of Financial Services noted there appeared to be differing interpretation of the word 'journals' where the Council's interpretation was that they were entries in the general ledger but the external auditor's use was that it includes all transactions. In response to a request from the Chair that it would be useful for a glossary explanation on how the term is used by both in terms of governance, the Head of Financial Services agreed to prepare such an explanation.

Following consideration the Committee unanimously agreed to note the contents of the External Auditor's Annual Plan for 2023/24.

## **8. National Fraud Initiative 2022-23**

The meeting had before it a report by the Audit and Risk Manager advising the Committee of outcomes from the Council's participation in the National Fraud Initiative for 2022/23.

In response to a question from Ms Wilson on whether there was any avenue to ask whether the mandatory element could be reduced in line with the outcomes, the Audit and Risk Manager advised valid matches were producing little benefit given the reasons for the matches and suggested the best way was to test on a set sample based on the limited resources to provide evidence to Audit Scotland.

In response to a question from the Chair regarding whether it would be beneficial to have dialogue with the Cabinet Office or Audit Scotland about more flexibility around the Council's risk assessment process, the Audit and Risk Manager advised the level of testing undertaken needs to be risk-based and proportionate considering the resource levels and benefits being realised.



In response to a question from Councillor McLennan regarding whether if staffing levels were at pre 2023/24 budget level this would still be a concern, the Audit and Risk Manager advised a proportionate approach was required to make best use of resources across all services of the Council.

Councillor McLennan stated the report is for noting but queried whether an additional recommendation was required given a significant change was being proposed. In response the Chair moved to add an additional recommendation instructing the Internal Auditor to explore options around making the National Fraud Initiative work more proportionate. This was seconded by Councillor McLennan.

There being no one otherwise minded the Committee unanimously agreed:-

- i. to note the contents of the report; and
- ii. to instruct the Audit and Risk Manager to explore options around making the National Fraud work more proportionate.





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**REPORT TO: AUDIT AND SCRUTINY COMMITTEE ON 25 JUNE 2024**

**SUBJECT: INTERNAL AUDIT ANNUAL REPORT – 2023/24**

**BY: AUDIT AND RISK MANAGER**

**1. REASON FOR REPORT**

- 1.1 To provide Committee with a copy of the Internal Audit Annual Report for the year ended 31 March 2024, together with the Audit and Risk Manager's opinion on the adequacy and effectiveness of the Council's system of internal control.
- 1.2 This report is submitted to Committee in terms of Section III (2) and (10) of the Council's Scheme of Administration relating to the consideration of reports from the Council's Internal Auditor and the provision of the annual assurance statement provided by Internal Audit on the Council's control environment.

**2. RECOMMENDATION**

- 2.1 **That Committee considers the contents of the annual report given as Appendix 1 to this report and seeks clarification on any matters relating thereto.**

**3. BACKGROUND**

- 3.1 The purpose of this report is to present to the Audit and Scrutiny Committee the Internal Audit Annual Report for the year to 31 March 2024, which includes the Audit and Risk Manager's independent assurance opinion on the adequacy of the Council's overall control environment.
- 3.2 The Public Sector Internal Audit Standards (PSIAS) requires the Chief Audit Executive (CAE), the Council's Audit and Risk Manager, to provide an annual internal audit opinion and report on the adequacy and effectiveness of the Council's governance, risk management and internal controls to support the preparation of the Annual Governance Statement.
- 3.3 To meet the requirements of the PSIAS, the Internal Audit Annual Report 2023/24, at **Appendix 1**, includes the annual Internal Audit opinion and provides details of the internal audit activity and performance during the year.

#### **4. SUMMARY OF IMPLICATIONS**

**(a) Corporate Plan and 10 Year Plan (Local Outcome Improvement Plan (LOIP))**

Internal audit work supports good governance and the delivery of efficient services.

**(b) Policy and Legal**

No implications.

**(c) Financial Implications**

No implications directly arising from this report.

**(d) Risk Implications**

The independent review of selected systems and procedures mitigates the risks associated with inadequate or ineffective control procedures.

**(e) Staffing Implications**

No implications.

**(f) Property**

No implications.

**(g) Equalities/ Socio Economic Impacts**

No implications.

**(h) Climate Change and Biodiversity Impacts**

No implications.

**(i) Consultations**

There have been no direct consultations during the preparation of this report.

#### **5. CONCLUSION**

- 5.1 The Internal Audit annual report provides a summary overview of the nature and extent of audit work carried out during the year to inform the audit opinion on the internal control environment operating within the Council.**

Author of Report: Dafydd Lewis, Audit and Risk Manager  
Background Papers: Internal audit files  
Ref: SPMAN-1042990102-233

**INTERNAL AUDIT ANNUAL REPORT  
1 APRIL 2023 to 31 MARCH 2024**



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### Contact Details

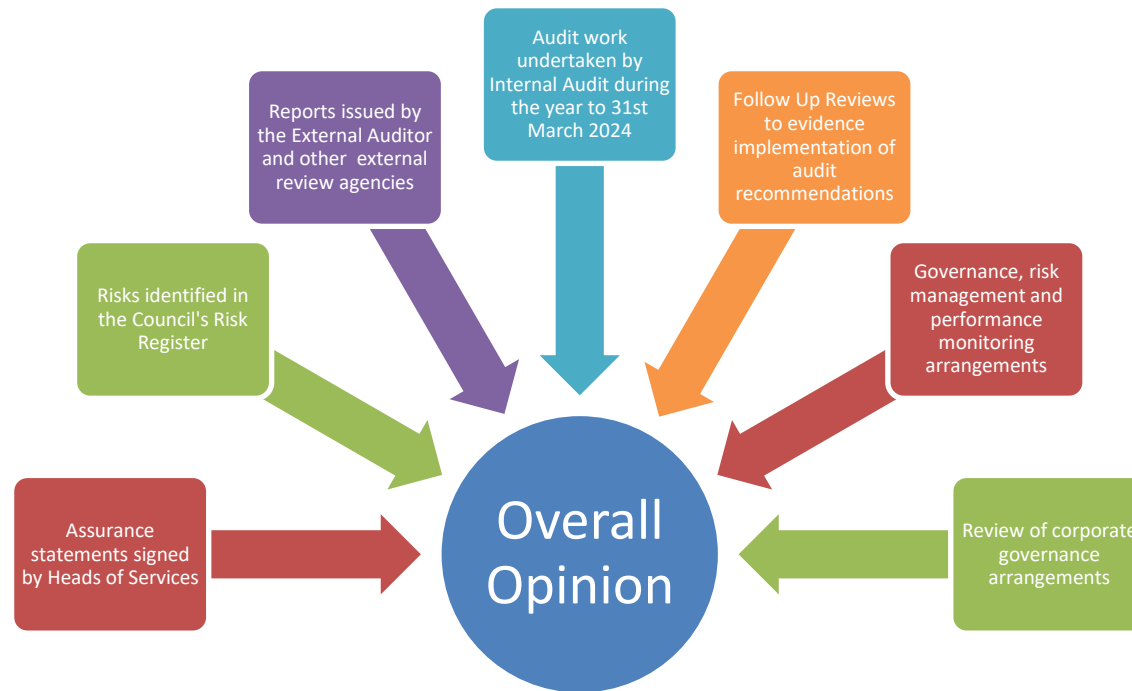
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## SECTION 1 – INTRODUCTION

- 1.1 This report is issued in compliance with the Public Sector Internal Audit Standards (PSIAS), which requires the Audit and Risk Manager to deliver 'an annual internal audit opinion and report that can be used by the organisation to inform its governance statement', and which 'must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.' This report constitutes the required statement.
- 1.2 It is management's responsibility to maintain risk management systems, internal control and governance. Internal audit is an element of the internal control framework established by management to examine, evaluate and report on accounting and other controls over operations. Internal audit assists management in effectively discharging its responsibilities and functions by examining and evaluating controls. Internal audit cannot be held responsible for internal control failures.
- 1.3 Internal audit's role includes assessing the adequacy of the risk management, internal controls and governance arrangements put in place by management and performing testing on a sample of transactions to ensure those controls were operating for the period under review.
- 1.3 Public Sector Internal Audit Standards (PSIAS) require officers of the Internal Audit Section to communicate on a timely basis all facts and matters that may have a bearing on their independence. I can confirm that all staff members involved in the 2023/24 internal audit reviews were independent of operational processes and their objectivity was not compromised in any way.

## **SECTION 2- BASIS OF OPINION**

- 2.1 This opinion is based on my knowledge of the Council's governance, risk and control processes and from the audit work completed during the period 1 April 2023 to 31 March 2024. There are limitations to the level of assurance that can be provided, dependent on the scope and coverage of the audit work completed. My evaluation is based on the following:

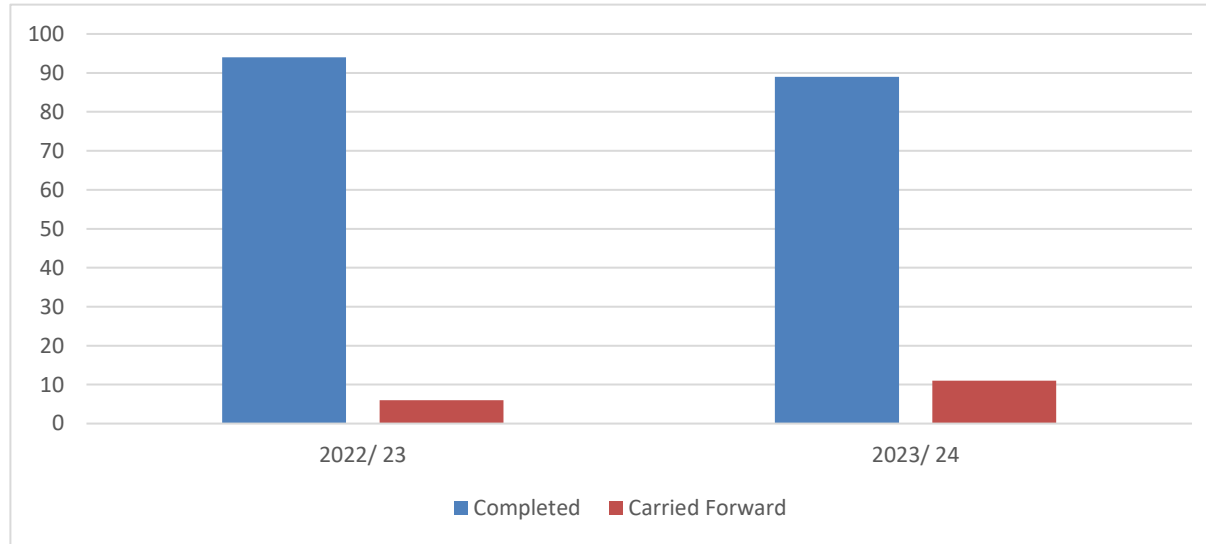


### SECTION 3- SUMMARY AND LIMITATIONS OF WORK THAT SUPPORTS THE OPINION

- 3.1 Internal audit operates independently within the Council. It helps the Council accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. There have been no limitations imposed by management on the scope of audit work performed. The internal audit opinion has been informed by the audit work completed during the year.
- 3.2 The annual audit plan presented to the Audit and Scrutiny Committee describes in some detail the framework around which audit work is developed. In addition, the selection of audit topics was selected with regard to corporate planning documents, budget data, and information drawn from the corporate risk register, and take into account input from senior management regarding possible areas for audit. The percentage of internal audit plans completed for 2023/2024, together with a comparison to the previous year, is summarised below, with a more detailed analysis also provided of the status of each audit project.



**Percentage of Internal Audit Plan Completed (%) - 2022/ 23 and 2023/ 24**



**Status of each project included within the Internal Audit Plan 2023/ 24**

<b>Audit Projects</b>	<b>Status</b>
Housing Benefits - Rent Rebates and Rent Allowances	External Audit now undertaking review as part of core audit fee
Payroll	Completed
Procurement and Creditor Payments	Completed
Debtors	Completed
Transformation Programme	Completed
Housing and Property- Reactive Maintenance Works	Audit Review to be carried forward to a future Audit Plan
Environmental & Commercial Services – Grant Claims	Awaiting re-submission of supporting evidence for certification

Pool Cars	Completed
E-Mail Security	Completed
Moray Growth Deal	Completed
Education – Secondary School	Completed
Purchasing Cards	Completed
ICT Disaster Recovery	Audit Review to be carried forward to a future Audit Plan
Food Standards Scotland Guidelines	Completed
Keith Sports and Community Centre	Completed
Burial Services	Completed
Refugee Integration Scheme	Completed
Early Learning and Childcare Premises Security	Completed
Children Services-Commissioning Service	Completed
Disabled Parking System	Completed
Occupational Therapy Services – Stores	Completed
Grampian Valuation Joint Board	Completed

3.3 The internal audit work has been conducted in accordance with an established methodology that promotes quality and conformance with the Public Sector Internal Audit Standards and the approved Internal Audit Annual Audit Plan.

#### **Progress on the 2023/2024 Internal Audit Plan**

3.4 Progress against planned audit work for the year to 31 March 2023 can be summarised as follows:-

- Each year, an element of the plan covers work on core financial systems, which are of key significance to the good financial governance of the Council. These systems receive the most significant focus in terms of management control and are also reviewed on a cyclical basis by the External Auditor to obtain assurances needed for the audit of the annual accounts. Internal audit testing has noted examples of non-compliance with the Council's Financial Regulations, but generally, effective controls are operating in the management of financial systems.
- Summaries of the issues arising in relation to each system or activity covered by internal audit work in 2023/2024 have been reported separately to the Audit and Scrutiny Committee. Appropriate responses to the recommendations are also included. When actioned, the recommendations made in the internal audit reports should provide management with additional comfort that the system of control operates as intended. It is therefore imperative that the agreed actions are implemented by management.
- The changes in working practices within services of officers working from home have required changes in established working practices, e.g., making greater use of audio, video, and screen-sharing software applications. These changes have brought challenges to resolving audit queries and responding to audit report recommendations timeously. Despite these constraints, I am pleased to report that the majority of the audit plan for 2023/24 has been completed. However, it has been required to carry forward the Housing and Property- Reactive Maintenance Works and Information, Communication and Technology (ICT) Section Disaster Recovery reviews to a future audit plan. This is disappointing. The Internal Audit Section has been operating with a vacancy in the post of Corporate Investigations Officer, who was responsible for investigating fraud, supporting the audit team's work on the National Fraud Initiative, and performing other routine audit work. The duties of the post have been covered by other officers within the Section.
- The Internal Audit Section has introduced revised arrangements where follow-up reviews to evidence the implementation of recommendations are reported to the Audit and Scrutiny Committee. It is appreciated the demands on services, however the follow-up audits undertaken found recommendations that had yet to be implemented within the agreed timescales. The need to revisit audit reviews to evidence the implementation of recommendations has resulted in an additional workload commitment for the Internal Audit Section. Implementation of recommendations is a key determinant in assessing the adequacy and effectiveness of the Council's internal control system. If recommendations are not implemented in a timely manner, then weaknesses in control and governance frameworks will remain in place.
- The audit role for the Moray Integration Joint Board (MIJB) involves providing assurances that governance and financial arrangements have been developed and are operating in accordance with policies and that selected systems and processes are suitably controlled. The audits undertaken have noted significant findings, especially in the administration and management of adult social care. These audits and the follow-up reviews to evidence implementation of the recommendations have been a

particularly time-consuming commitment on the Internal Audit Section. It is anticipated this requirement will continue in 2024/25. In my role as the Chief Internal Auditor of the MIJB, I have highlighted concerns regarding the adequacy and effectiveness of their governance and control environment. It is appreciated that the MIJB is a separate statutory body; however, as the Audit and Risk Manager of the Council, I note the Council has a significant ongoing funding contribution in the delivery of services. I am of the opinion that the Council needs to develop further monitoring arrangements for MIJB delivered services by receiving regular assurance reports to confirm effective operating arrangements of internal control systems and governance arrangements. This should include receiving regular updates on progress in implementing improvements highlighted by regulatory bodies, including External and Internal Audit Services.

3.5 The total number of recommendations made is set out in the following table:

Report	Risk Ratings for Recommendations			System/ Testing Assessment
	High	Medium	Low	
<b>2023/24 Audit Plan</b>				
Payroll	1	2	0	Full
Procurement and Creditor Payments	0	0	0	Full
Debtors	1	4	0	Substantial
Transformation Programme	1	2	0	Full
Pool Cars	2	2	3	Substantial
E-Mail Security	5	2	0	Substantial
Moray Growth Deal	2	3	0	Substantial
Education – Secondary School	0	3	0	Substantial
Purchasing Cards	3	6	3	Substantial
Food Standards Scotland Guidelines	0	3	6	Substantial
Keith Sports and Community Centre	1	5	2	Substantial
Burial Services	0	2	2	Substantial
Refugee Integration Scheme	2	2	4	Substantial
Early Learning and Childcare Premises Security	2	6	0	Substantial
Children Services - Commissioning Service	0	3	0	Substantial
Disabled Parking System	2	2	1	Limited
Occupational Therapy Services – Stores	2	13	2	Limited

3.6 The following performance measures were in place for 2023/2024:

Measure	Description	Target	Actual 2022/23	Actual 2023/34
Final Report	Percentage of Auditee(s) responding within 20 days of receiving the draft report.	100%	69%	65%
Final Report	Percentage of final audit reports issued within 10 days of agreeing the draft report	100%	100%	100%
Audit Plan Delivery	Percentage of audits completed v planned.	85%	94%	89%
Audit Budget	Percentage of audits completed within budgeted days.	80%	75%	76%
Audit Recommendations	Percentage of audit recommendations agreed.	90%	100%	100%
Customer Feedback	Percentage of respondents who rated that the audit added value and provided meaningful results.	100%	100%	100%
Follow Up Reviews	Percentage of Follow Up Reviews completed v planned	100%	90%	92%

Analysis of the performance of the Internal Audit Section for 2023/24 details the majority of planned projects within the audit plan for last year were completed. A comparison to the previous year's percentage of audits completed against the audit plan has seen a reduction in performance. However, as detailed previously in this report, the Internal Audit Section has had staffing issues with the duties of the vacant Corporate Investigations Officer being undertaken by other officers within the Section. All reports were issued as "final" within 10 days of agreeing on the draft report, and officers agreed to all recommendations. Unfortunately, difficulties were again experienced in obtaining replies to audit recommendations within 20 days of officers receiving the draft report. In addition, delays were also found in obtaining the information requested or explanations to audit queries. Heads of Services have been informed of the need to respond promptly to audit questions and recommendations. The demands on officers to meet service requirements are appreciated, but delays in responding within agreed timescales will impact the Audit and Risk Manager's ability to deliver the audit plan to members of the Audit and Risk Committee.

3.7 **Governance** – regarding the preparation of the Council's Annual Governance Statement, it is considered that sufficient information has been obtained to conclude that the Council generally complies with the latest good governance practice issued

by CIPFA /SOLACE and that the Corporate Management Team (comprising the Chief Executive, two Depute Chief Executives and the Chief Officer - Health and Social Care Moray) and Senior Managers have a strong awareness of the challenges facing the Council in the incoming period. Written assurances from senior managers also considered governance practice within individual service areas.

- 3.8 Key governance and internal control arrangements have been maintained, albeit capacity issues called for resources to be prioritised for essential services and to take forward the Council's strategic priorities. Progress has been noted in several key priority areas. However, a review of findings detailed within the audit reports issued during the year has found that some Council Policies and Regulations are in need of review and if required, updating. Maintaining up to date policies and regulations is an important control element in the governance arrangements of the Council.
- 3.9 The Audit and Risk Manager facilitated a workshop with Members of the Audit and Scrutiny Committee to carry out self-assessments of Compliance with the Good Practice Principles Checklist and Evaluation of Effectiveness Toolkit from the CIPFA Publication – Audit Committees - Practical Guidance for Local Authorities and Police 2022 Edition. This CIPFA Publication sets out its guidance on the function and operation of audit committees in local authorities and police bodies and represents CIPFA's view of best practices for audit committees in local authorities throughout the UK. The outcome of the self-assessment and evaluation noted significant compliance with good practice principles and a high degree of effectiveness and was reported to the Audit and Scrutiny Committee on 14 February 2024 (para 9 of the minute refers).
- 3.10 **Counter Fraud** - While the prevention of fraud and error rests with management through the design and operation of suitable systems of control, the audit plan continues to provide time for Internal Audit to coordinate the Council's participation in the National Fraud Initiative (NFI), a data matching exercise involving a range of public sector bodies. This activity is viewed as complementary to other audit activities, and participation assists Internal Audit in assessing the potential for the occurrence of fraud and related fraud risk. The findings of the NFI 2022/23 data matching exercise were reported to the Audit and Scrutiny Committee on 8 May 2024 (para 8 of the minute refers). No fraud was found, but the exercise generally noted information that is out of date or simply timing differences, e.g., if an individual changes jobs or address around the time the data for matching is submitted, the old and new information can appear as a match but on checking can be quickly discounted.
- 3.11 An element of the audit plan is devoted to core financial systems including both payroll expenditure and creditor payments, i.e., payment for works, goods and services to suppliers or contractors. Testing was undertaken using a data analysis software application to extract a random sample of transactions for review. The audit programme of testing undertaken was developed from the Chartered Institute of Public Finance and Accountancy Systems Based Auditing Control Matrices and consultation with the External Auditor. Findings found examples of non-compliance with Council Policies, Regulations and Procedures, but generally appropriate controls are operating effectively, and the integrity of systems had been maintained. Further use is planned

of the data analysis software application to ensure more focused audit testing can be undertaken to provide additional assurance in the prevention of fraud and error.

- 3.12 The Policy to Combat Fraud, Theft, Bribery and Corruption was reviewed and updated during the year. This involved consultations with the Human Resources Service and other consultative groups. The revised Policy was reported and agreed by the Corporate Committee on 30 January 2024 (para 13 of the minute refers).
- 3.13 **Risk Management** – procedures have been developed with a risk management policy in place and risk registers have been maintained at corporate and service levels. The Risk Management and Business Continuity Officer has assisted in facilitating further implementation and development of risk management arrangements. This has included updating policies covering risk management and business continuity. It was noted that the full Corporate Risk Register was reported to the Corporate Committee for review and consideration at its meeting on 23 April 2024. At this Committee, it was agreed there should be quarterly reporting to the Committee on risks that had a high-risk score to enable regular review of the risks and mitigating actions.
- 3.14 Financial, staffing, information, communication and technology risks remain acute challenges to the Council. These are prominent risks for the Council covering how it discharges its functions in terms of good governance, how it manages its financial affairs, the arrangements for managing and supporting its workforce, and the use of technology, which is key to delivering most, if not all services. It is appreciated these high-risk categories come not only from circumstances internal to the Council but also from challenges from the broader economic and social environment faced by all local authorities.

### **Statement on Conformance with the Public Sector Internal Audit Standards**

- 3.15 The Local Authority Accounts (Scotland) Regulations 2014 require that 'a local authority must operate a professional and objective internal auditing service in accordance with recognised standards and practices in relation to internal auditing'. The recognised standards adopted by all Scottish councils are the Public Sector Internal Audit Standards (PSIAS) developed by the Chartered Institute of Public Finance and Accountancy and the Chartered Institute of Internal Auditors.
- 3.16 Internal performance monitoring against PSIAS has been ongoing over the last few years. All Scottish local authorities are required to have an External Quality Assessment (EQA) every 5 years. As part of the Council's membership of the Scottish Local Authorities Chief Internal Auditors' Group, it was agreed that this EQA requirement would be met by each local authority internal audit service undertaking a review of another council and will thereafter receive a review in return. An EQA of the Internal Audit Section has recently been completed by Perth and Kinross Council. It is pleasing to report that the initial feedback provided has indicated full compliance with PSIAS. A separate report of the assessment will be provided to the Audit and Scrutiny Committee.

- 3.17 The Public Sector Internal Audit Standards require the Audit and Risk Manager to consider whether or not the audit staffing resources are sufficient to meet the audit needs of the organisation, and where it is believed that the level of resources may adversely impact the provision of the annual internal audit opinion and draw this to the attention of the Committee.
- 3.18 Demands on the Internal Audit Section have increased over a number of years, and it is expected this will continue. Further to a Special Meeting of the Moray Council on 28 February 2024, it was agreed to reduce the Internal Audit Section staffing budget by replacing the Corporate Investigations Officer's post with a 0.5 full-time equivalent. This is in addition to deleting an Assistant Auditor post in 2022/23. However, further to the additional funding secured and the remaining budget from the reduction of the Corporate Investigations Officer post, it has provided a sufficient budget to seek the appointment of a full time Assistant Auditor. I hope that appointing an Assistant Auditor can mitigate the risks associated with reducing staff resources while still maintaining the delivery of an effective internal audit service. As the Audit and Risk Manager, I am concerned about whether available resources will be sufficient to meet the future auditing needs of the Council, Moray Integration Joint Board and the Grampian Valuation Joint Board.
- 3.19 In considering the sufficiency of the audit coverage, the Committee is reminded that the responsibility for developing and maintaining a sound control environment rests with management and not with internal audit.

#### SECTION 4- OPINION

- 4.1 Any system of control can only ever provide reasonable and not absolute assurances that control weaknesses or irregularities do not exist or that there is no risk of error, fraud, or breaches of laws or regulations. Furthermore, it is the responsibility of management to establish an appropriate sound system of internal control and monitor its effectiveness. It is the responsibility of the Audit and Risk Manager to provide an annual assessment of the robustness of the internal control system.
- 4.2 It is my opinion, based on the audit work completed and other sources of assurance, that reasonable assurance can be placed on the adequacy and effectiveness of the Council's internal control system for the year ending 31 March 2024.

Dafydd Lewis  
Audit and Risk Manager  
13 May 2024





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**REPORT TO: AUDIT AND SCRUTINY COMMITTEE ON 25 JUNE 2024**

**SUBJECT: INTERNAL AUDIT SECTION UPDATE REPORT**

**BY: AUDIT AND RISK MANAGER**

**1. REASON FOR REPORT**

- 1.1 The report provides Committee with an update on the work of the Internal Audit Section.
- 1.2 This report is submitted to Committee in terms of Section III (1) (2) and (8) of the Council's Scheme of Administration relating to consideration of reports from the Council's Internal Auditor and monitoring delivery of the audit service through receipt of quarterly reports on work carried out by Internal Audit.

**2. RECOMMENDATION**

- 2.1 **Committee is asked to consider the contents of this report, seek clarification on any points noted and otherwise note the report.**

**3. BACKGROUND**

- 3.1 Public Sector Internal Audit Standards requires the Audit and Risk Manager to prepare and present reports to committee on internal audit's activity, performance relative to its Audit Plan, and any other relevant matters.
- 3.2 This report provides an update on audit activity and projects progressed since the last meeting.

**4. UPDATE OF PROGRESS AGAINST THE 2024/25 AUDIT PLAN**

**Audit Plan Update**

- 4.1 The Internal Audit Plan is a means of determining the priorities of the internal audit activity and how these fit with the wider goals of the Council. Enclosed as **Appendix 1** is an update on the progress undertaken by the Internal Audit Section regarding the completion of audit review projects against the Annual Audit Plan.

## **CIPFA Publication – Audit Committees - Practical Guidance for Local Authorities and Police 2022 Edition**

- 4.2 The CIPFA Publication – Audit Committees - Practical Guidance for Local Authorities and Police 2022 Edition provides guidance on the function and operation of audit committees and represents their view of best practices for audit committees in local authorities throughout the UK. A report was provided to Audit and Scrutiny Committee on 14 February 2024 (para 9 of minute refers), detailing the outcome from a self-assessment of compliance with the good practice guidelines from the CIPFA Guidance. An action identified was for the Audit and Risk Manager to meet in private with the Audit and Scrutiny Committee Members at least annually, where Members are required to seek assurance that the Audit Risk Manager is free to determine the scope of internal audit work without interference and to discuss any governance issues within the Council that may be of concern. In addition, the meeting can also provide the “opportunity to test out a question on the auditor, perhaps when the audit committee member is not sure if it is an appropriate question to ask”.
- 4.3 Further to a meeting held with Members on 4 June 2024, I am pleased to confirm there has not been any interference in the work undertaken or the reporting of the Internal Audit Section. However, a discussion was held regarding the Council’s governance arrangements that included the role of the Internal Audit Section. The scrutiny function of the Audit and Scrutiny Committee was also discussed, and whether this could be further expanded in the reporting to this Committee. This issue has already been highlighted for development by senior management. The meeting also provided an opportunity to update members on service developments within the Internal Audit Section regarding a revised internal audit reporting format.

### **Follow Up Reviews**

- 4.4 Internal audit reports are regularly presented to Members detailing not only findings but also the responses by management to the recommendations with agreed dates of implementation. The Internal Audit Section will also undertake follow up reviews to evidence the effective implementation of these recommendations. Please see detailed the following completed follow up reviews:
- 4.5 **Domestic Refuse Collection**  
A follow up review was undertaken of the audit undertaken into the arrangements for collecting refuse materials from domestic properties. Moray Council collects refuse at approximately 46,000 domestic properties at the cost of £3.1 million annually. Systems were reviewed to ensure the most effective and efficient use are made of resources in collecting domestic waste. The audit also checked the procedures for disposing of recyclable waste. It is pleasing to report that the majority of recommendations have been implemented. However, some recommendations remain outstanding as the Scottish Government has delayed the introduction of the national Deposit Return Scheme until October 2027. The Follow Up Report to review the implementation of the agreed recommendations is given in **Appendix 2**.

### **Disabled Parking Permit Scheme**

- 4.6 A follow up review to evidence implementation of the recommendations contained within an audit report regarding the administrative arrangements of the Disabled Parking Permit Scheme has been completed. Disabled parking permits, also known as blue badges, help people with disabilities or health conditions park closer to their destination. Local authorities are responsible for the day-to-day administration and enforcement of the scheme. However, Transport Scotland has set the framework for the scheme. The audit reviewed the systems and procedures for administering the Disabled Parking Permit Scheme. This has also included the processes for investigating blue badge misuse. It is pleasing to report that all the recommendations detailed within the audit report have been implemented. The Follow Up Report to review the implementation of the agreed recommendations is given in **Appendix 3**.

### **Debtors**

- 4.7 A follow-up review has been undertaken to evidence the implementation of the recommendations for an audit review of the Debtors System. Invoices are raised for various types of services, e.g., financial contribution for care, trade waste, special uplifts, hire of facilities and rechargeable repairs. The audit scope involved testing to ensure invoices can be evidenced with enough backing documentation to be able to support debt recovery should the need arise; confirming payments had been auto-matched to debtor accounts; receipts without a valid reference have been posted to and cleared from a suspense account on a regular basis; effective monitoring of unpaid invoices are monitored and chased in accordance with debt recovery procedures; collection performance is monitored and reported. It is pleasing to report that most recommendations have been implemented, but further development is still required regarding the performance management of debt recovery arrangements. The Follow Up Report to review the implementation of the agreed recommendations is given in **Appendix 4**.

## **5 SUMMARY OF IMPLICATIONS**

**(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))**

Internal audit work supports good governance and the delivery of efficient services.

**(b) Policy and Legal**

No implications directly arising from this report.

**(c) Financial Implications**

No implications directly arising from this report.

**(d) Risk Implications**

The independent review of selected systems and procedures mitigates the risk associated with inadequate or ineffective control procedures.

**(e) Staffing Implications**

No implications directly arising from this report.

**(f) Property**

No implications directly arising from this report.

**(g) Equalities/Socio Economic Impact**

No implications directly arising from this report.

**(h) Climate Change and Biodiversity Impacts**

No implications.

**(i) Consultations**

There have been no direct consultations during the preparation of this report.

**6. CONCLUSION**

**6.1 This report provides committee with an update on internal audit work progressed in the latest review period.**

Author of Report:	Dafydd Lewis	Audit and Risk Manager
Background Papers:	Internal Audit files	
Ref:	SPMAN- 1042990102-228	

**MORAY COUNCIL**  
**INTERNAL AUDIT SERVICE**  
**ANNUAL AUDIT PLAN 2024/25**

<b>CORE FINANCIAL SYSTEMS</b>		
<b>Area</b>	<b>Type of coverage</b>	<b>Status/ Comments</b>
Payroll	Continuous auditing to confirm the adequacy of the systems and procedures for the payment of salaries.	Audit programmed to start in the next quarter(s)
Procurement and Creditor Payments	Continuous auditing of samples of non-pay expenditure to test compliance with procurement and payment processing regulations.	Audit testing completed
ICT Hardware Asset	Management review of systems and practices to record / monitor the location and use of ICT hardware.	Audit programmed to start in the next quarter(s)
Stocks and stores - year end valuations	Attendance at stocktaking and reconciliation of stocks held to ledger balances.	Year end stock valuations agreed
<b>OTHER SYSTEMS</b>		
<b>Area</b>	<b>Type of coverage</b>	
Housing and Property Reactive Maintenance Works	Audit of works undertaken within Building Services for the completion of reactive maintenance works (Council Housing).	Audit programmed to start in the next quarter(s)
Grant Claims	Certification of grant claims as required: strategic timber; network support grant, regeneration schemes as appropriate	Review of Network Support Grant in progress.

Housing Rent Collection & Arrears Management	A review of the income collection and accounting arrangements for housing rents.	Audit programmed to start in the next quarter(s)
Moray Growth Deal	An audit review of the governance and administrative procedures within the Council for the management of the Moray Growth Deal. The scope will include the concerning partnership working, financial management and measuring success.	Audit programmed to start in the next quarter(s)
Education – Secondary School	Establishment visits as part of cyclical review.	Audit programmed to start in the next quarter(s)
Treasury Management	To provide assurance that processes and controls are continuing to operate effectively for the Council's treasury management system.	Audit programmed to start in the next quarter(s)
Commercial Refuse Collection	To consider whether adequate control is in place covering trade waste income and expenditure, that appropriate agreements and other paperwork is in place, and that accounting arrangements are robust.	Audit testing completed and draft report prepared
Governance arrangements to prevent Fraud and Corruption	Overview of the Councils governance arrangements to prevent fraud and corruption. The audit will use the Cipfa Code of practice on managing the risk of fraud and corruption as the basis in developing the audit programme for the review.	Fieldwork in progress
Education- Secondary School Premises Security	Review the controls in place to mitigate the risk of unauthorised access to Secondary School Premises.	Audit programmed to start in the next quarter(s)

Absence Management	An audit to consider the effectiveness of sickness absence monitoring and reporting.	Audit programmed to start in the next quarter(s)
Following the Public Pound	To ensure that there is proper accountability for public funds used in delivering services, irrespective of the means of service delivery.	Fieldwork in progress
<b>Moray Integration Joint Board</b>		
Residential Care	An audit to review the adequacy of procedures and administrative arrangements regarding the third party suppliers appointed to provide care home services The audit will also include testing to verify the accuracy of the financial assessments and the charging for residential care of both respite and permanent care residents.	Audit programmed to start in the next quarter(s)
Out of area placement	A review of the systems and procedures regarding adult services users that are out of area but responsibility remains to meet their eligible care and support needs under the Care Act.	Audit programmed to start in the next quarter(s)
Fostering and Kinship payments	A review to ensure that the internal controls in place for administering Fostering and Kinship Care Allowances are operating effectively.	Fieldwork in progress
<b>Follow Up reviews to be undertaken from previous Audit Assignments *</b>	<b>Audit Review: Original Scope</b>	<b>Status/ Comments</b>
Business Continuity	The audit reviewed the Council's Business Continuity arrangements to confirm up to date policies, procedures and plans are regularly	

	tested and reviewed, and that an appropriate level of awareness of Business Continuity is held throughout the organisation.	Follow Up Review programmed to start in this quarter
Self Directed Support (SDS) – Option 1	This audit remit was to review Option 1 Direct Payments under the SDS scheme, where a payment is made by the local authority directly to a supported person for the provision of support. The scope of the audit was to ensure compliance with operating guidelines in the financial management of SDS packages, expenditure incurred is in accordance with the agreed budget and support plans, and surplus funds are recovered from service users where appropriate.	Follow Up Review programmed to start in the next quarter(s)
Self Directed Support (SDS) – Option 2/3	The scope of the audit was to review systems and procedures in the delivery and management of adult social care provided under Options 2 and 3 of the SDS scheme. This included examination of the processes to support individuals in determining their preferred care delivery option, contractual relationships with care providers, financial management and monitoring of individual care packages.	Follow Up Review programmed to start in the next quarter(s)
Building Services - Planned Maintenance Projects	An overview was undertaken of how the annual planned maintenance programme is determined and the contract management arrangements of these projects by Building Services. The audit also involved a random selection of projects to verify costs can be evidenced to supporting documentation. Additional testing was also undertaken of the systems regarding the management and control of overtime paid to officers.	Follow Up Review programmed to start in this quarter
Emergency Planning	The objective of this audit was to provide assurance over the adequacy and effectiveness of current controls over emergency planning. The audit scope included a check to ensure adequate training, planning and testing has been developed in the event of an emergency.	Follow Up Review programmed to start in the next quarter(s)



Disabled Parking Permit Scheme- Blue Badge	The scope of this audit was to review systems and procedures in the administration of the Disabled Parking Permit Scheme. This included the processes for assessment, management and investigation of misuse of blue badges. The audit also reviewed the procedures for the issue, control and income collection arrangements.	Completed
Refugee Integration Scheme	The scope of this audit involved a review systems and procedures to account for the relatively new and increasing source of funding for national humanitarian protection schemes. This audit has specifically covered the financial and administrative processes involved in the operation of the Ukrainian Refugee Scheme.	Follow Up Review programmed to start in the next quarter(s)
Building Services - Stores	This audit scope reviewed the systems and controls in managing stock held within Building Services Stores. Testing involved a review of the stores software application called Servitor used for the recording and valuation of materials and equipment. Testing also included a check of the security arrangements to safeguard against unauthorised access to the storage areas.	Follow Up Review programmed to start in the next quarter(s)
Debtors	The audit scope was to review the key operational controls within the Council's Debtors System. The audit checked the systems for raising invoices, collecting income, recording income and debt recovery arrangements. The audit review did not include the arrangements for recovering debts concerning council tax, non domestic rates, and housing rents.	Completed
Domestic Refuse Collection	The scope of this audit was to review systems and procedures to ensure the most effective and efficient use is made of resources for the collection of domestic waste. The audit also checked the arrangements for disposing of recyclable waste. This included disposal of plastic, glass and biodegradable waste, in addition to paper / card, aluminium and steel	Completed

	cans for which the Council received regular payments from recycling contractors.	
Pool Cars Scheme	The scope of this audit was to review systems and procedures in the management and use of pool cars. Policies and procedures were checked to ensure they provide appropriate operating guidance to officers in the booking and use of pool cars. The audit included a review of arrangements for internal recharging to services and also exploration if further use of pool cars could provide additional value for money opportunities to the Council.	Follow Up Review programmed to start in the next quarter(s)
Cyber Security	The audit reviewed systems, practices and an assessment of the controls in place to protect the Council from a cyber-attack. The audit also reviewed Information, Communication and Technology (ICT) security policies and procedures to ensure they are regularly reviewed and promote best practices. The audit programme has been developed from the Scottish Government Cyber Resilience Framework and other good practice guidelines.	Follow Up Review programmed to start in the next quarter(s)
Moray Integrated Community Stores	The audit reviewed the management of the Moray Integrated Community Stores. This included reviewing the procedures for ordering and issuing occupational therapy equipment to service users. In addition, a check was made to compare stock records to the actual equipment held within the Stores.	Follow Up Review programmed to start in the next quarter(s)
Forres Academy	The audit reviewed the operation of the Devolved School Management Scheme regarding the allocation of funding and the management of these funds at the school level. The review involved a study of the management of the significant staffing costs involved in delivering the curriculum, a review of procurement practices, an examination of the School's administration of income and also confirming accountability for School Fund monies.	Follow Up Review programmed to start in the next quarter(s)
* Additional follow up reviews may be reported depending on the implementation dates detailed by Services for recommendation		





# Moray Council

## Internal Audit Section

**DEPARTMENT:** Economy, Environmental & Finance

**SUBJECT:** Domestic Refuse Collection

**REPORT REF:** 23'016

### Follow Up Audit Review

Risk Ratings for Recommendations					
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	Medium	Less critically important controls absent, not being operated as designed or could be improved.	Low	Lower level controls absent, not being operated as designed or could be improved.
No.	Audit Recommendation	Priority	Accepted (Yes/ No)	Date of Completion	Status / Explanation
<b>Key Control:</b> Service operations are planned to achieve best value principles.					
5.01	Consideration should be given to exploring software applications that could assist the process and provide value for money opportunities in the determination of operational routes and the resources required.	Low	Yes	31/05/2023	<b>Implemented-</b> Demonstrations of route optimisation software were sourced from multiple providers. Whilst the benefits of the products were clearly seen and would be welcomed as an improvement to the current manual route planning system, costings proved to be prohibitive with funding not available for the considerable costs of installation and ongoing provision.

# Moray Council

## Internal Audit Section

<b>Risk Ratings for Recommendations</b>					
<b>High</b>	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	<b>Medium</b>	Less critically important controls absent, not being operated as designed or could be improved.	<b>Low</b>	Lower level controls absent, not being operated as designed or could be improved.
<b>No.</b>	<b>Audit Recommendation</b>	<b>Priority</b>	<b>Accepted (Yes/ No)</b>	<b>Date of Completion</b>	<b>Status / Explanation</b>
					Management decision has been taken that due to financial climate, the use of route optimisation software is not feasible.
<b>Key Control:</b> Staffing requirements are carefully assessed based on operational needs and payments made to staff are appropriately controlled.					
<b>5.02</b>	Documented business continuity plans should be agreed to ensure continuous delivery of services in the event of any disruption in meeting operational requirements.	Medium	Yes	31/01/2023	<b>Implemented-</b> Work has been undertaken by the Service and the Business Continuity & Risk Management Officer and a Business Impact Assessment is now seen to be in place which will be updated as required, on changes to operations and associated risks.
<b>5.03</b>	Officers should be reminded to ensure timesheets are carefully checked prior to authorisation, and supporting documentation is completed accurately before	Medium	Yes	12/01/2023	<b>Implemented-</b> Enhanced checking procedures are now embedded on submission of timesheets to the Administration Section and on preparing summary detail for the Payroll Service to process. Audit testing of a

# Moray Council

## Internal Audit Section

<b>Risk Ratings for Recommendations</b>					
<b>High</b>	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	<b>Medium</b>	Less critically important controls absent, not being operated as designed or could be improved.	<b>Low</b>	Lower level controls absent, not being operated as designed or could be improved.
<b>No.</b>	<b>Audit Recommendation</b>	<b>Priority</b>	<b>Accepted (Yes/ No)</b>	<b>Date of Completion</b>	<b>Status / Explanation</b>
	being passed to the payroll service for payment.				sample of employee payments and supporting documentation has found no errors and the process in place is considered to be working effectively.
<b>Key Control:</b> Vehicle costs borne by the service are accurately calculated and allocated based on service requirements and resource planning.					
<b>5.04</b>	Consideration should be given to the apportionment of vehicle and transport costs to the green waste collection cost centre to enable further budgetary control of all elements of the domestic refuse collection service.	Low	Yes	31/01/2023	<b>Implemented-</b> Vehicle and transport costs pertaining to the green waste collection service are now separately identified in the financial ledger, with accompanying budget provision.
<b>Key Control:</b> Disposal of recyclable materials collected from kerbside is controlled by formalised contractual arrangements with approved external contractors and all payments made in line with contractual terms.					
<b>5.05</b>	Management should review current arrangements for plastic recycling to determine whether	Medium	Yes	31/01/2024	<b>Outstanding-</b> With the national Deposit Return Scheme (DRS) anticipated to capture up to 90% of materials currently processed, a

# Moray Council

## Internal Audit Section

Risk Ratings for Recommendations					
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	Medium	Less critically important controls absent, not being operated as designed or could be improved.	Low	Lower level controls absent, not being operated as designed or could be improved.
No.	Audit Recommendation	Priority	Accepted (Yes/ No)	Date of Completion	Status / Explanation
	improvements can be made to decrease haulage costs and achieve higher quality submissions that could generate additional income for the Council.				review of plastic recycling arrangements was intended to be undertaken after the early impact of DRS was evaluated. However, the Scottish Government has now delayed the introduction of DRS from August 2023 until October 2027. A review of operations is not beneficial until the substantial change in the recycling landscape is effected which is outwith the control of the Service. Due to the revised date of possible implementation, another audit review of this subject will be included in a future Audit Plan to evidence implementation.
5.06	A contract should be agreed between the Council and a third sector organisation for providing a rediverting and recycling of waste service. The agreement should include the rates payable and	Low	Yes	30/04/2023	<b>Part Implemented-</b> Discussions have been held with the third sector organisation and efforts made by the Service to initiate a formal service level agreement. Support from Legal Services to progress the service level agreement is awaited but involves work



# Moray Council

## Internal Audit Section

<b>Risk Ratings for Recommendations</b>						
<b>High</b>	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	<b>Medium</b>	Less critically important controls absent, not being operated as designed or could be improved.		<b>Low</b>	Lower level controls absent, not being operated as designed or could be improved.
<b>No.</b>	<b>Audit Recommendation</b>	<b>Priority</b>	<b>Accepted (Yes/ No)</b>	<b>Date of Completion</b>	<b>Status / Explanation</b>	
	service specification.				prioritisation issues with Legal Services experiencing acute staffing shortages. As no revised date of completion could be provided, another audit review of this subject will be included in a future Audit Plan to evidence implementation.	
<b>5.07</b>	Supporting documentation should be provided of VAT applicable income received by the Service to the Payments Section to ensure proper accounting arrangements can be followed in compliance with HMRC regulations.	High	Yes	12/01/2023	<b>Implemented-</b> It has been evidenced that self-billing invoices are being sent by the Service to Payments on a monthly basis to ensure VAT is appropriately and fully accounted for at the point of receipt of paper income.	
<b>5.08</b>	Documented agreement should be undertaken to formalise arrangements for recycling aluminium and steel cans.	Medium	Yes	30/04/2023 (Revised Implementation Date 10/02/2025)	<b>Outstanding-</b> Aluminium and steel cans are being administered under the terms of the Dry Mixed Recyclates contract. The implementation of DRS was awaited to determine implications for can recycling but this has now been delayed nationally until	

# Moray Council

## Internal Audit Section

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Risk Ratings for Recommendations					
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	Medium	Less critically important controls absent, not being operated as designed or could be improved.	Low	Lower level controls absent, not being operated as designed or could be improved.
No.	Audit Recommendation	Priority	Accepted (Yes/ No)	Date of Completion	Status / Explanation
					October 2027. Advice has been obtained from the Procurement Service and aluminium and steel cans will be included as a separate lot in the new Dry Mixed Recyclates contract which will be awarded in February 2025.

# Moray Council

## Internal Audit Section

**BODY:** Health & Social Care Moray

**SUBJECT:** Disabled Parking Permit Scheme

**REPORT REF:** 24'010

### Follow Up Audit Review

Risk Ratings for Recommendations					
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	Medium	Less critically important controls absent, not being operated as designed or could be improved.	Low	Lower level controls absent, not being operated as designed or could be improved.
No.	Audit Recommendation	Priority	Accepted (Yes/ No)	Date of Completion	Status / Explanation
<b>Key Control:</b> Effective management controls operate to ensure the delivery of the Disabled Parking Permits System is in accordance with Transport Scotland guidelines.					
5.01	The Blue Badge Scheme Policy should be reviewed and updated. This should include reference to responsibility for investigating misuse and arrangements if required to cancel a service users' blue badge.	Medium	Yes	31/03/2024	<b>Implemented-</b> The Blue Badge Scheme Policy has been updated to include procedures for investigating allegations of misuse of blue badges.

# Moray Council

## Internal Audit Section

Risk Ratings for Recommendations					
High	Key controls absent, not being operated as designed, not being improved. Urgent attention required.	Medium	Less critically important controls absent, not being operated as designed or could be improved.	Low	Lower level controls absent, not being operated as designed or could be improved.
No.	Audit Recommendation	Priority	Accepted (Yes/ No)	Date of Completion	Status / Explanation
5.02	All service users identified that have received a blue badge in 2020 a 2021 but not billed should be invoiced as a matter of priority.	High	Yes	31/01/2024	<b>Implemented-</b> The Service has reviewed and invoiced all service users who received a blue badge in 2020/21 but had not been billed. It was noted that this required 1424 invoices to be issued, with a total value of £28,480.
5.03	In accordance with Financial Regulations, service users should be invoiced within one month of receiving a blue badge. An action plan should also be agreed to resolve any backlog of blue badges issued to applicants who have yet to be invoiced.	Medium	Yes	31/08/2023	<b>Implemented-</b> Audit testing of recent applications has found that service users receiving a blue badge are invoiced in accordance with Financial Regulations. In addition, it was also confirmed that the backlog of blue badges issued to applicants but not invoiced has been resolved.
	The audit review noted that the fee for a blue badge is payable on application in some Local Authorities. Consideration should	Low	Yes	31/12/2023	<b>Implemented –</b> It was noted that a working group was established to investigate the possibility of changing the current invoicing procedures to request payment for a blue

# Moray Council

## Internal Audit Section

Risk Ratings for Recommendations					
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	Medium	Less critically important controls absent, not being operated as designed or could be improved.	Low	Lower level controls absent, not being operated as designed or could be improved.
No.	Audit Recommendation	Priority	Accepted (Yes/ No)	Date of Completion	Status / Explanation
	be given to investigating the option for an individual to pay the charge for a blue badge on completion of the application form.				badge within the application process. Further to this review, the Head of Service has decided to require individuals to pay the charge for a blue badge upon completion of the application form. The Service has advised these new arrangements will be implemented by 30 September 2024.
5.04	All sensitive personal data held within the Community Care Finance Office should be stored securely with access restricted to only authorised officers.	High	Yes	31/08/2023	<b>Implemented-</b> All sensitive personal data are now being stored securely and access is restricted to authorised officers only.



# Moray Council

## Internal Audit Section

**DEPARTMENT:** Economy, Environment & Finance

**SUBJECT:** Debtors

**REPORT REF:** 24'011

### Follow Up Audit Review

Risk Ratings for Recommendations					
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	Medium	Less critically important controls absent, not being operated as designed or could be improved.	Low	Lower level controls absent, not being operated as designed or could be improved.
No.	Audit Recommendation	Priority	Accepted (Yes/ No)	Date of Completion	Status / Explanation
<b>Key Control:</b> The audit reviewed the key operational controls in the management of the Debtors System.					
5.01	Further to a review undertaken by the Payments Section, additional controls have been implemented to ensure more effective monitoring of software licensing requirements. This will include establishing a register of software	High	Yes	31/12/2023	<b>Implemented</b> – Revised processes have been introduced to ensure software licenses are renewed in accordance with contract conditions.

# Moray Council

## Internal Audit Section

<b>Risk Ratings for Recommendations</b>						
<b>High</b>	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	<b>Medium</b>	Less critically important controls absent, not being operated as designed or could be improved.		<b>Low</b>	Lower level controls absent, not being operated as designed or could be improved.
<b>No.</b>	<b>Audit Recommendation</b>	<b>Priority</b>	<b>Accepted (Yes/ No)</b>	<b>Date of Completion</b>	<b>Status / Explanation</b>	
	certificates requiring future renewal.					
<b>5.02</b>	To ensure the Council is maximising income recovering arrangements, services should be reminded to resolve any disputed invoices as quickly as possible.	Medium	Yes	31/01/2024	<b>Implemented</b> – The Payments Section sends quarterly debt management reports of unpaid invoices to services. Services have been reminded of the need to resolve disputed invoices promptly. Payments Section also undertakes regular age debt analysis to highlight unpaid invoices over different time periods.	
<b>5.03</b>	In accordance with Financial Regulations, services should be reminded of the requirement that invoices are issued promptly, either in advance or within a maximum of 30 days of the service or goods being provided.	Medium	Yes	31/01/2024	<b>Implemented</b> – Quarterly debt management reports are sent to services, which include a reminder of the Financial Regulations requirement of issuing invoices within 30 days of providing a service or goods.	
<b>5.04</b>	Consideration should be given for additional guidance to be included	Medium	Yes	31/01/2024	<b>Implemented</b> – Revised Sundry Debt Management Procedures have been updated	



# Moray Council

## Internal Audit Section

Risk Ratings for Recommendations					
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	Medium	Less critically important controls absent, not being operated as designed or could be improved.	Low	Lower level controls absent, not being operated as designed or could be improved.
No.	Audit Recommendation	Priority	Accepted (Yes/ No)	Date of Completion	Status / Explanation
	within the Sundry Debt Management Procedures to ensure a uniform approach is taken where the use of legal action should be considered by services for the recovery of unpaid invoices.				to include guidance on the use of legal action for unpaid invoices. Procedures remain within the consultation period with an expectation of final agreement by the end of June 2024.
<b>5.05</b>	Consideration should be given to further developing performance management information to allow benchmarking with other local authorities and for the internal management of debt recovery action undertaken by individual services.	Medium	Yes	31/03/2024 Revised Implementation Date 31/08/2024	<b>Outstanding</b> – Operational demands and staffing vacancies have delayed the implementation of this recommendation. Work has started on the analysis of information, which will then be used to develop performance indicators for benchmarking with other local authorities. Revised implementation date 31/08/2024.





**REPORT TO: AUDIT AND SCRUTINY COMMITTEE ON 25 JUNE 2024**

**SUBJECT: INTERNAL AUDIT SECTION – COMPLETED PROJECTS REPORT**

**BY: AUDIT AND RISK MANAGER**

**1. REASON FOR REPORT**

- 1.1 The report advises Committee on the work of the Internal Audit Section for the period from 8 May 2024 to 25 June 2024.
- 1.2 This report is submitted to Committee in terms of Section III (I) (2) and (8) of the Council's Scheme of Administration relating to consideration of reports from the Council's Internal Auditor and monitoring delivery of the audit service through receipt of quarterly reports on work carried out by Internal Audit.

**2. RECOMMENDATION**

- 2.1 That Committee consider the contents of this report, seeks clarification on any points noted and otherwise notes the report.**

**3. BACKGROUND**

- 3.1 This report provides details of the following internal audit work concluded during the period 8 May 2024 to 25 June 2024:

**Forres Academy**

- 3.2 A review of the administrative arrangements within Forres Academy has been completed. The scope of this audit was to undertake a review of the Devolved School Management Scheme in terms of the allocation of funding and the management of these funds at the School. In addition to undertaking an overview of how the School develops, monitors and controls its £5.1 million budget, the audit reviewed the management of the staffing costs involved in delivering the curriculum. The audit checked that non payroll expenditure complied with Financial Regulations and Procurement Guidelines. A review was also undertaken to ensure appropriate accounting arrangements are followed when managing school fund monies. The review found that within the audit scope, Forres Academy was well managed. The executive summary and recommendations for this project are given in **Appendix 1**.

### **Keith Sports and Community Centre**

- 3.3 An audit of Keith Sports and Community Centre has been undertaken. The audit reviewed and evaluated the effectiveness of internal controls relating to income and expenditure. Included within the audit was a review of the income collection and monitoring arrangements of the FitLife? membership scheme. The scope of the audit also included a check that the processing of debit and credit card transactions adhere to the Payment Card Industry Data Security Standard. The Centre provides various services, including a swimming pool, gym, indoor and outdoor sports facilities. In addition, the Centre undertakes the administrative overview and management responsibility for the other Council operated sporting facilities. Findings from the audit found improvements are needed in the administrative arrangements, especially regarding the FitLife? membership scheme. The executive summary and recommendations for this project are given in **Appendix 2**.

## **4. SUMMARY OF IMPLICATIONS**

**(a) Corporate Plan and 10 Year Plan (Local Outcome Improvement Plan (LOIP))**

Internal audit work supports good governance and the delivery of efficient services.

**(b) Policy and Legal**

No implications.

**(c) Financial Implications**

No implications directly arising from this report.

**(d) Risk Implications**

The independent review of selected systems and procedures mitigates the risks associated with inadequate or ineffective control procedures.

**(e) Staffing Implications**

No implications.

**(f) Property**

No implications.

**(g) Equalities/ Socio Economic Impacts**

No implications.

**(h) Climate Change and Biodiversity Impacts**

No implications.

**(i) Consultations**

There have been no direct consultations during the preparation of this report.

## **5. CONCLUSION**

- 5.1 **This report provides Committee with a summary of findings arising from an audit project completed during the review period.**

Author of Report: Dafydd Lewis, Audit and Risk Manager  
Background Papers: Internal audit files  
Ref: SPMAN-1042990102-235



**AUDIT REPORT 24'025****FORRES ACADEMY****Executive Summary**

The annual Internal Audit plan for 2023/24 provides for a review of a secondary school within Education Services. This audit details the findings from the review undertaken of Forres Academy as part of a rolling programme of visits planned for all secondary schools.

The scope of this audit was to review the Devolved School Management Scheme in terms of funding allocation and management at the school level. Consideration was given to how budgets are affected by National, Council, and School priorities.

In addition to undertaking an overview of how the School develops, monitors and controls its £5.1 million budget, the audit involved a study of the management of the staffing costs involved in delivering the curriculum. The audit checked that non payroll expenditure complied with Financial Regulations and Procurement Guidelines. A review was also undertaken to ensure appropriate accounting arrangements are followed when managing School Fund monies in accordance with the School Fund Regulations. This report sets out the work undertaken in relation to the 2023/24 financial year.

The audit was carried out in accordance with the Public Sector Internal Audit Standards (PSIAS).

The review found that within the scope of the audit that Forres Academy was well managed and had a good appreciation of policies, procedures, and financial management processes. However, consideration should be given to the following: -

- It was noted that an independent accountant prepares the School Fund annual accounts. It is appreciated that preparation of the annual accounts requires the accountant to have an understanding of School Fund transactions. However, the accountant details that the preparation of the annual accounts does not include any auditing certification. In accordance with the School Fund Regulations, annual accounts must be independently audited. Further clarification of the role of the appointed accountant to the School Fund should be undertaken, or an Auditor must be appointed to certify the annual accounts.
- The School was found to have a good awareness of the need to ensure effective arrangements to protect and restrict access to confidential information to only authorised officers. It was noted that information is held on mobile storage devices and stored securely within a secure location. However, there are recognised security risks with mobile devices. Consideration should be given to using the Council network for storing information where user access can be restricted.

The Internal Audit Section provides Management with an opinion on the internal control environment and also categories risk ratings for recommendations as high, medium or low. The audit recommendations for this review have been classified as follows:

<b>Risk Ratings for Recommendations</b>		
<b>High</b>	<b>Medium</b>	<b>Low</b>
Key controls absent, not being operated as designed or could be improved. Urgent attention required.	Less critically important controls absent, not being operated as designed or could be improved.	Lower level controls absent, not being operated as designed or could be improved.
<b>0</b>	<b>3</b>	<b>0</b>



## Recommendations

Risk Ratings for Recommendations						
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	Medium	Less critically important controls absent, not being operated as designed or could be improved.	Low	Lower level controls absent, not being operated as designed or could be improved.	
No.	Audit Recommendation	Priority	Accepted (Yes/ No)	Comments	Responsible Officer	Timescale for Implementation
<b>Key Control:</b> School Funds are administered in compliance with the School Fund Regulations.						
<b>5.01</b>	Current auditing arrangements of the School Fund should be clarified, and in accordance with the School Fund Regulations, an auditor appointed.	Medium	Yes	Meeting to be held with the School Fund Accountant to make arrangements for the accounts to be audited going forward.	Head Teacher	31/08/2024
<b>5.02</b>	A full reconciliation between the cashbook and bank statements should be undertaken every month, and evidence retained.	Medium	Yes	School Fund reconciliation procedures have now been amended to ensure full reconciliation takes place.	School Support Co-Ordinator	Implemented

Risk Ratings for Recommendations						
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	Medium	Less critically important controls absent, not being operated as designed or could be improved.	Low	Lower level controls absent, not being operated as designed or could be improved.	
No.	Audit Recommendation	Priority	Accepted (Yes/ No)	Comments	Responsible Officer	Timescale for Implementation
<b>Key Control:</b> Effective information management controls are operating in the use of ICT systems at the School.						
<b>5.03</b>	Investigation should be undertaken into using the Council network for saving confidential information, rather than within mobile storage devices.	Medium	Yes	A review of information currently held on mobile storage devices is being conducted with a view to storing any confidential or information using the Council network.	School Support Co-Ordinator	31/08/2024

**AUDIT REPORT 24'024****KEITH SPORTS AND COMMUNITY CENTRE****Executive Summary**

The annual Internal Audit Plan for 2023/24 provided for an audit of the arrangements for the accounting of income and expenditure at Keith Sports and Community Centre. In addition, the review also included a check of whether the procedures followed in processing debit and credit card transactions comply with the Payment Card Industry Data Security Standard.

The Keith Sports and Community Centre provides a range of services that include a swimming pool, gym, indoor and outdoor sports facilities. In addition, the Centre undertakes the administrative overview and management responsibility for the other Council operated sporting facilities. The audit also reviewed the income collection and monitoring arrangements of the 'FitLife?' membership scheme.

In 2023/24, Keith Sports and Community Centre's operating costs were approximately £472,000. The income collected at the Centre was approximately £412,000. Council income received from the FitLife? membership scheme was £1.45 million. The audit involved a review of systems to evaluate the effectiveness of internal controls. This involved the sample testing of individual transactions to ensure compliance with Financial Regulations and Procurement Guidelines. In addition, an appraisal of working practices was also undertaken to assess if the Service was maximising the income due to the Council.

The audit was carried out in accordance with Public Sector Internal Audit Standards (PSIAS).

The main findings of the audit were as follows: -

- FitLife? membership is administered through a software application system called Gladstone. However, the Council's Financial Management System (FMS) manages direct debits for membership payments. A reconciliation between both systems noted that more service users were recorded within Gladstone than in FMS. The format of data fields held between Gladstone and FMS is different, but from the audit testing undertaken, service users were identified where access to sporting facilities remained, but without a payment plan.
- It was noted that the FitLife? scheme allows for a family membership category with a set number of adults and under 18 service users. However, once a family membership has been established, there is no alert within the Gladstone System or a manual review currently being undertaken to highlight when an individual becomes 18 with a requirement for a separate membership category.

- The Centre has some sporting clothing and equipment for sale. However, a review of the purchases of these items for resale noted examples where they had not been bought from an approved supplier in accordance with the Council's Procurement Guidelines. The audit review also noted where further improvements are required in the stock management arrangements.

The Internal Audit Section provides Management with an opinion on the internal control environment and also categories risk ratings for recommendations as high, medium or low. The audit recommendations for this review have been classified as follows:

<b>Risk Ratings for Recommendations</b>		
<b>High</b>	<b>Medium</b>	<b>Low</b>
Key controls absent, not being operated as designed or could be improved. Urgent attention required.	Less critically important controls absent, not being operated as designed or could be improved.	Lower level controls absent, not being operated as designed or could be improved.
<b>1</b>	<b>5</b>	<b>2</b>

## Recommendations

Risk Ratings for Recommendations						
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	Medium	Less critically important controls absent, not being operated as designed or could be improved.	Low	Lower level controls absent, not being operated as designed or could be improved.	
No.	Audit Recommendation	Priority	Accepted (Yes/ No)	Comments	Responsible Officer	Timescale for Implementation
<b>Key Control:</b> Effective controls operate in the financial management of the Keith Sports and Community Centre and the FitLife? membership scheme.						
5.01	In accordance with Financial Regulations and Petty Cash Guidance, reimbursement of parking fees must be made through an officer's expenses claim and not from the petty cash account.	Low	Yes	Parking fees will no longer be reimbursed through Petty Cash, but will be claimed by officers through a Mileage & Other Expenses Claim Form.	Principal Sport & Leisure Officer	Implemented
5.02	Details of the numbered receipt provided by a security company for cash collections should be recorded within the income records at the Centre.	Medium	Yes	Cash Collection procedures are to be amended to ensure that security company receipt numbers are recorded on corresponding	Principal Sport & Leisure Officer	30/06/2024

Risk Ratings for Recommendations						
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	Medium	Less critically important controls absent, not being operated as designed or could be improved.	Low	Lower level controls absent, not being operated as designed or could be improved.	
No.	Audit Recommendation	Priority	Accepted (Yes/ No)	Comments	Responsible Officer	Timescale for Implementation
				income records.		
5.03	Officers must use their individual login credentials when using the Gladstone system.	Medium	Yes	All staff are to be reminded of the requirement to use their individual allocated log in credentials when using the Gladstone System.	Principal Sport & Leisure Officer	30/06/2024
5.04	A reconciliation between the Gladstone system and FMS should be undertaken to identify service users with no agreed payment plans. New payment plans should then be agreed for the service users identified, or membership should be cancelled.	High	Yes	A reconciliation exercise between the Gladstone System and FMS is currently underway to identify all active FitLife? members with no payment plan.	Principal Sport & Leisure Officer	31/07/2024

Risk Ratings for Recommendations						
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	Medium	Less critically important controls absent, not being operated as designed or could be improved.	Low	Lower level controls absent, not being operated as designed or could be improved.	
No.	Audit Recommendation	Priority	Accepted (Yes/ No)	Comments	Responsible Officer	Timescale for Implementation
				Membership status will then be agreed with service users, and if required, any outstanding membership fees will be recovered.		
5.05	Failure in direct debit payments should result in the immediate suspension of a service users FitLife? membership.	Medium	Yes	A service user's Fitlife? membership will be suspended on notification of a stopped or failed direct debit from the Payments Service. A review is also planned of whether further use could be	Principal Sport & Leisure Officer / Sport & Culture Service Manager	30/09/2024

Risk Ratings for Recommendations						
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	Medium	Less critically important controls absent, not being operated as designed or could be improved.	Low	Lower level controls absent, not being operated as designed or could be improved.	
No.	Audit Recommendation	Priority	Accepted (Yes/ No)	Comments	Responsible Officer	Timescale for Implementation
				made of the Gladstone System to allow for the management of direct debit membership payments.		
<b>5.06</b>	Regular reviews should be undertaken of FitLife? Service users to ensure they remain within the correct category of membership.	Medium	Yes	A system was in place to identify and amend family membership when a person turns 18, but unfortunately, it lapsed due to staff capacity issues. These monthly procedures will be reinstated.	Principal Sport & Leisure Officer / Sport & Culture Service Manager	30/06/2024
<b>5.07</b>	A review should be undertaken to assess the need to maintain a Repairs	Low	Yes	Repairs and Works Log recording	Principal Sport & Leisure Officer	30/06/2024



Risk Ratings for Recommendations						
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	Medium	Less critically important controls absent, not being operated as designed or could be improved.	Low	Lower level controls absent, not being operated as designed or could be improved.	
No.	Audit Recommendation	Priority	Accepted (Yes/ No)	Comments	Responsible Officer	Timescale for Implementation
	and Works Log. If required, processing of minor work orders should be in accordance with agreed Centre procedures.			procedures at the Centre are to be maintained in accordance with agreed procedures used at other leisure facilities.		
<b>5.08</b>	Sporting equipment and clothing bought for re-sale should be purchased in accordance with Procurement Guidelines. In addition, appropriate stock control records should be maintained of sporting clothing and equipment held for resale.	Medium	Yes	A review of the procurement of sporting equipment will be carried out to ensure that future arrangements comply with Procurement Guidelines.  Stock control procedure to be introduced	Principal Sport & Leisure Officer	31/08/2024

Risk Ratings for Recommendations						
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	Medium	Less critically important controls absent, not being operated as designed or could be improved.	Low	Lower level controls absent, not being operated as designed or could be improved.	
No.	Audit Recommendation	Priority	Accepted (Yes/ No)	Comments	Responsible Officer	Timescale for Implementation
				across all facilities.		



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**REPORT TO: AUDIT AND SCRUTINY COMMITTEE ON 25 JUNE 2024**

**SUBJECT: ANNUAL GOVERNANCE STATEMENT**

**BY: INTERIM CHIEF EXECUTIVE**

**1. REASON FOR REPORT**

- 1.1 This report provides Committee with a copy of the Council's Annual Governance Statement for 2023/24 for review and approval.
- 1.2 This report is submitted to Committee in terms of Section III (I) (5) of the Council's Scheme of Administration relating to supporting the council's governance arrangements through review of the Annual Governance Statement.

**2. RECOMMENDATION**

- 2.1 **Committee is asked to scrutinise the draft Annual Governance Statement provided as Appendix 1.**

**3. BACKGROUND**

- 3.1 The function of good governance in the public sector ensures that entities act in the public interest at all times. Governance comprises the arrangements put in place to ensure intended outcomes are defined and achieved.
- 3.2 The Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE), building on work undertaken by the International Federation of Accountants, have published a guidance framework on 'Delivering Good Governance in Local Government'.
- 3.3 The Local Authority Accounts (Scotland) Regulations 2014 requires the Council to publish an Annual Governance Statement with its annual accounts. The Statement is based on the guidance and summarises practice across the seven principles identified within the framework, considers the roles of those who oversee the development and operation of such practice, and provides an overall assessment of the effectiveness of governance arrangements. The statement includes an annual opinion provided by the Audit and Risk Manager in line with Public Sector Internal Audit Standards.

- 3.4 Good governance practice involves both elected members and officers and this is reflected in the requirement for the statement to be certified by both the Leader of the Council and the Interim Chief Executive as Acting Head of Paid Service.
- 3.5 The statement is subject to review by external audit, where the external auditor is required to report on anything believed to be inconsistent with any other findings disclosed from the audit work completed. There has been nothing to report in this regard in previous annual audits.

#### **4. SUMMARY OF IMPLICATIONS**

**(a) Corporate Plan and 10 Year Plan (Local Outcome Improvement Plan (LOIP))**

Governance refers to how organisations are managed and controlled. Effective governance is key to the delivery of the strategic priorities promoted in Community and Council strategic plans.

**(b) Policy and Legal**

The Annual Governance Statement forms part of the annual accounts the Council is required to prepare under statute.

**(c) Financial Implications**

No implications directly arising from this report.

**(d) Risk Implications**

Good governance includes the effective management of risk, as evidenced in this 'risk implications' paragraph in all reports that come before the council and its committees, and in the council's corporate risk register that is kept under review by Senior Management and reported at agreed intervals to the Corporate Committee.

**(e) Staffing Implications**

No implications directly arising from this report.

**(f) Property**

No implications.

**(g) Equalities/ Socio Economic Impacts**

No implications.

**(h) Climate Change and Biodiversity Impacts**

No implications.

**(i) Consultations**

The Interim Chief Executive, and Corporate and Senior Management Teams have been consulted and have contributed to the content of the Annual Governance Statement. In addition, the Leader of the Council, as a signatory to the Statement, has also been consulted.

**5. CONCLUSION**

- 5.1 This report provides Committee with a copy of the draft 2023/24 Annual Governance Statement, which has been produced following completion of the annual review of the Council's governance arrangements and system of internal control.**

Author of Report: Atholl Scott, Business Continuity and Risk Management Officer  
Background Papers: Various including Committee Reports and Senior Manager Assurance Statements  
Ref: AS/asc250624/ags



# Annual Governance Statement 2023/24

## Scope of Responsibility

The council is responsible for ensuring its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. The council has a statutory duty to make arrangements to secure Best Value under the Local Government in Scotland Act 2003.

In discharging these responsibilities, elected members and the corporate and senior management teams are responsible for putting in place proper arrangements for the governance of the council's affairs and for facilitating the effective exercise of its functions. In delivering these functions, there is a requirement to maintain effective partnership working with others, principally with NHS Grampian and Moray Integration Joint Board, Grampian Valuation Joint Board, and the Moray Leisure Centre, as well as with other bodies involved in Community Planning and in the delivery of the Moray Growth Deal.

This annual governance statement, which covers the period from 1 April 2023 through to the date of signing of these annual accounts, explains how the council has used the CIPFA/SOLACE 2016 Framework 'Delivering Good Governance in Local Government' as a basis for considering the effectiveness of its own governance arrangements.

## Framework for Good Governance

The overall aim of the 'Delivering Good Governance in Local Government' Framework is to ensure that: resources are directed in accordance with agreed policy and according to priorities; there is sound and inclusive decision making; and there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities.

The CIPFA/SOLACE Framework defines the seven core principles of good governance, namely:

1. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law;
2. Ensuring openness and comprehensive stakeholder engagement;
3. Defining outcomes in terms of sustainable, economic, social and environmental benefits;
4. Determining the interventions necessary to optimise the achievement of the intended outcomes;
5. Developing the entity's capacity, including the capability of its leadership and the individuals within it;

6. Managing risks and performance through robust internal control and strong public financial management; and
7. Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

The key elements of the council's governance arrangements are described in terms of the seven principles defined in the Framework, summarised as follows:

### **1. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law;**

The roles and responsibilities of elected members and senior officers and the processes to govern the conduct of the council's business are defined in procedural Standing Orders, a Scheme of Administration, a Scheme of Delegation, and Financial Regulations. These are updated in response to strategic need. The Schemes of Administration and Delegation were revised during the year primarily to reflect amendments to the Integration Scheme for the Health and Social Care Partnership. Standing Orders were also updated to support improvements in collaborative leadership. Codes of Conduct for both elected members and officers are in place, and these define the ethical values and standards of behaviour expected. The Codes draw on the 'Standards in Public Life' covering issues including leadership, fairness and integrity.

The Council's Head of Governance, Strategy and Performance is the designated Monitoring Officer responsible for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with. External support during the period has also assisted in the development of collaborative leadership as an aid to good governance in decision making.

### **2. Ensuring openness and comprehensive stakeholder engagement;**

In developing improvement and modernisation opportunities, meetings of the council and its committees are delivered using a hybrid format that enables attendance in person or via web link. Meetings are live streamed and available for public viewing, with matters discussed and determined in confidence relating only to those deemed confidential in terms of Part 1 of Schedule 7A of the Local Government (Scotland) Act 1973. The rationale for all decisions proposed and taken is fully set out in committee reports.

Stakeholder engagement is central to the council's work at a strategic level, notably in the development of the Corporate Plan which was refreshed during the year. Both staff and the public were surveyed, and the results reported to a meeting of the council to aid and inform consideration of the priorities to be taken forward. Service consultations are also conducted as appropriate, recent examples including a tenant satisfaction survey in housing, and on options for future school provision in several communities across Moray. The council's petitions process was also widened to include and improve engagement with groups under 18 years of age.



The council seeks and obtains feedback on delivery of its services having adopted a comprehensive complaints procedure based on a model scheme developed by the Office of the Scottish Public Services Ombudsman. All complaints are responded to as appropriate, and inform improvements to service delivery. A comprehensive report on complaints handling is prepared and presented annually to a council committee.

### **3. Defining outcomes in terms of sustainable economic, social, and environmental benefits;**

The creation and implementation of a vision for the local area, including expected outcomes for the community, is encompassed in the Local Outcomes Improvement Plan (LOIP). The overarching aim and purpose of this 10-year Plan is ‘to raise aspirations by creating an enabling environment where our residents can achieve expanded choices, improved livelihoods and wellbeing’.

In particular, the LOIP recognises the importance of and benefits from reducing inequalities and poverty, with outcomes focused on the need for a growing, diverse and sustainable economy, building a better future for our children and young people in Moray, empowering and connecting communities, and a broadened objective of improving the wellbeing of our population.

The LOIP is a partnership plan, and its strategic delivery is overseen by a Community Planning Board, which meets quarterly. The Board comprises representatives from a broad range of organisations as reflected in agenda items considered during the year. These included reports on School Age Childcare, Climate Change, Moray Growth Deal, Behaviour in Moray schools; Promotion of Physical Activity, and Health and Transport partnership working. Development sessions have been held to further strengthen good governance arrangements, recognising the benefits that working in partnership can bring.

A proposal under active consideration is the development of a single multi-agency strategic plan for Moray. Currently the LOIP sits alongside a refreshed Corporate Plan Moray 2024-2029, that sets out the vision and priorities of the council for the next five years. The council plan updates council priorities focussing on three key themes; tackling poverty and inequality, building a stronger greener vibrant economy, and seeking to build thriving, resilient, empowered communities. The plan sets targets for outcomes consistent with maintaining a sustainable council that provides valued services to its communities.

### **4. Determining the interventions necessary to optimise the achievement of the intended outcomes;**

The strategic partnership and corporate plans are translated into service plans prepared within each council service area. These facilitate delivery of agreed outcomes and assist in securing continuous improvement. Service plans are reported to a meeting of the council or appropriate service committee for consideration and approval, in reports that provide information on planned activity. More generally, all committee reports contain a ‘Summary of Implications’ section that links report content to strategic plans, legal and policy issues; financial

implications, risk, staffing and property matters; equalities; social impact; and climate change and biodiversity considerations. A particular focus is given to financial implications given the current economic climate.

The council is fully aware of the financial challenges it faces and through its established committee structures, elected members have been provided with an extensive volume of information on both the availability of resources and options for future service delivery. This has been reflected in reports to the council on budget setting, including projections for the medium to longer term, and regular budget monitoring reports. The council successfully delivered a balanced budget for 2024/25, noting that its financial position in future years is not sustainable based on current known factors.

This sustainability issue is one of a number of issues highlighted by the Accounts Commission during the period in its latest report on Best Value, with concerns raised about the council's capacity to effect change of the scale required within a relatively short time frame.

The achievement of agreed outcomes is monitored through an established Performance Management Framework that calls for frequent reporting on key performance measures developed for each service. In addition, the council participates in the Local Government Benchmarking Framework which compares a range of established performance measures with those of other Scottish local authorities. Elected members are provided with reports to review, scrutinise and note actions undertaken by services to meet performance objectives and an annual Public Performance Report is prepared and published.

## **5. Developing the entity's capacity, including the capability of its leadership and the individuals within it;**

The Corporate Management Team (CMT) consists of a Chief Executive, two Deputy Chief Executives and the Chief Officer, Health & Social Care Moray. CMT is supported by a Senior Management Team (SMT) comprising nine Heads of Service. CMT/SMT meet frequently to discuss and provide leadership on the strategic direction of the council.

The Chief Executive is responsible and accountable to the council for all aspects of management including promoting sound governance, providing quality information/support to inform decision making and scrutiny, supporting other statutory officers, and building relationships with all elected members. This role is currently filled on an interim basis following retirement of the permanent jobholder. Four other senior management posts have also seen changes during the period due to staff retiring or leaving the organisation.

Leadership capacity of senior officers is supported through the promotion of a Leadership Forum, which brings together senior managers from all services to provide a wider perspective to the consideration of issues facing the council. Forum meetings ensure consistent messaging is available from senior management to

managers. Human Resources has continued to review and refine the leadership development strategy and provide training opportunities online.

The council has an agreed elected members' development strategy that includes an on-going training programme of learning, development and briefings. Members appointed to certain committees also receive specific training related to the responsibilities of these committees. A Strategic Leadership Forum has been established involving both elected members and senior officers to facilitate cross party discussions on the future direction of council services.

In addition, elected members represent the council on a range of outside bodies, including on boards of other Community Planning partners, across partnership bodies such as the Moray Economic Partnership, various national bodies such as COSLA and its themed Boards, and a broad range of charitable and third sector organisations. This representation provides valuable learning and networking opportunities for those members.

## **6. Managing risks and performance through robust internal control and strong public financial management;**

The council has a risk management policy designed to support the identification, evaluation and mitigation of risks that may impact on its ability to meet its objectives. The policy was updated during the year. A Corporate Risk Register is also maintained providing summary information on what the CMT/SMT considers are the principal risks facing the council. The register describes how these are managed and controlled. Risk implications feature in committee reports to inform the decision-making process.

The council's system of internal control is based on a framework of financial regulations, regular management information, administrative procedures, management supervision and a scheme of delegation that defines accountabilities of senior officers. Establishing and maintaining an effective system of internal control is a management function. An Audit and Scrutiny Committee, through its consideration of reports by internal and external auditors, monitors the effectiveness of the system of internal control.

Strong financial management is secured through the work of the Chief Financial Officer appointed in terms of s.5 of the Local Government (Scotland) Act 1973. This officer advises the Council on all financial matters and ensures the timely production and reporting of budget estimates, budget monitoring reports and annual accounts. Draft and audited Annual Accounts are published on the council website.

## **7. Implementing good practices in transparency, reporting, and audit to deliver effective accountability;**

Council business is conducted through an established cycle of webcast committee meetings. Webcasts remain available for viewing for 12 months following a meeting. Meeting dates are published in advance, and agenda papers are made available at

least one week before meetings take place. Minutes of meetings are prepared, and important decisions are publicised on the council website and through social media.

The council's website provides a platform from which to disseminate a wide range of information including news items on policy decisions, guidance on council services, and on service disruptions/interruptions arising from weather events or similar. The website increasingly facilitates efficient access to digital services across a range of service areas and allows for consultations to be undertaken and for interested parties to provide feedback electronically.

The council responds to the findings and recommendations of Internal Audit, External Audit, and other Scrutiny and Inspection bodies by developing improvement Action Plans. The Audit and Scrutiny Committee is integral to overseeing independent and objective assurance processes that make recommendations for improvements to the system of internal control. Training for elected members on the specifics of effective scrutiny was provided during the period.

The council responds to requests for information under Freedom of Information legislation having processed over 1,500 such requests during the period covered by this statement.

## **Review of the Adequacy and Effectiveness of the Council's Governance Framework**

In order to assess the effectiveness of the governance framework, including the system of internal control, it is necessary to consider the role of the functions and individuals who contribute to it, as follows:

- **Elected Members**

Governance arrangements at a political level emanate from the council, its committees and from other roles that elected members fulfil. These include participation in the Community Planning Board and associated groups for multi-agency issues. Elected members also have substantive roles on the Moray Integration Joint Board for Health and Social Care, the Grampian Valuation Joint Board, and the Moray Leisure Arm's Length External Organisation (ALEO), each of which has its own governance arrangements. In addition, elected members have membership and represent Moray Council interests in partnerships that contribute to meeting council aims and objectives, notably in the development and delivery of the Moray Growth Deal.

### **Audit and Scrutiny Committee**

The council has an Audit and Scrutiny Committee where elected members consider reports on audit matters. These provide assurances on the adequacy and effectiveness of the system of internal controls including those relative to the delivery of plans, compliance with laws and regulations, accuracy of information and safeguarding of assets. The Committee functions in line with best practice guidance published by the Chartered Institute of Public Finance and Accountancy. Two

external members sit on the committee to provide an independent perspective on issues under consideration.

This committee is a key component of good governance, distinguished from other committees by the role elected members are required to fulfil, not in setting policy or considering service matters, but by providing independent oversight and challenge in support of the council's duty to secure continuous improvement. These functions are delivered independently from the supervisory oversight roles of the Corporate and Senior Management Teams.

#### • **The Corporate Management Team**

The Corporate Management Team (CMT) has overarching operational responsibility for good governance arrangements. The team comprises the Chief Executive, two Depute Chief Executives with portfolio responsibilities for Education, Communities and Organisational Development; and Economy, Environment and Finance respectively, and the Chief Officer (Health and Social Care Moray).

#### • **The Corporate Management Team / Senior Management Team**

This is an extended management team comprising the CMT and Heads of Services. The role and remit of this group is to support the formulation and implementation of policies, strategies and plans to achieve local and national outcomes, to share and promote good practice from an inter-service perspective, to act with the wider objectives of the council in mind to ensure the resources are effectively deployed, and to assist CMT in keeping the governance of the council and its services under review.

Individual Heads of Service, collectively the Senior Management Team (SMT), have considered the effectiveness of governance arrangements within their respective services by reference to the principal risks identified in the council's Corporate Risk Register and provided assurance statements for use in the preparation of this corporate statement. This affirms the broad ownership of good governance and recognition of its importance within the senior leadership of the council.

Overall, the assurance statements provided confirm that governance arrangements within services are working as intended, and in support commentary has been given on elevated risks and on mitigating actions taken in response. The main issues raised in these returns are:

- Staffing shortages and vacancies impacting on capacity to deliver change at pace and on the interdependencies required to progress complex areas of work.
- Continuing risk of data breaches with monitoring statistics showing the number of breaches remaining broadly similar compared with last year. This despite mitigating actions having been taken to provide refresher training and remind staff of the importance of holding personal data safely and securely.

- Elements of partnership working require on-going attention, including oversight and control of the council's funding contribution to the Health and Social Care Partnership (as detailed further below), and a need to progress work to secure an updated service level agreement with Moray Leisure Centre.
  - Housing Service obligations to monitor homelessness data and progress electrical safety improvements in council houses in support of national initiatives directed by the Scottish Housing Regulator.
  - A need for continued focus on Health and Safety requirements thereby protecting the workforce and minimising the number of reportable incidents.
- **The Head of Governance, Strategy and Performance (Monitoring Officer) / Chief Financial Officer**

The Head of Governance, Strategy and Performance and the Chief Financial Officer perform their respective statutory duties as outlined elsewhere in this statement. In discharging the responsibilities of the role, the Chief Financial Officer complies with the governance requirements of the CIPFA Statement on the role of the Chief Financial Officer, and the Head of Governance, Strategy and Performance provides an annual report on the duties of Monitoring Officer to a meeting of the council.

- **The Chief Social Work Officer**

The Head of Service, Health and Social Care Moray fulfils the statutory role of Chief Social Work Officer (CSWO) as part of the duties of the post. The latest available CSWO annual report for the year to 31 March 2024 notes continuing challenges, with increased service needs set against financial and recruitment pressures.

This is the first year Children & Young People and Criminal Justice Social Work services have been fully integrated into the Health and Social Care Partnership. The report describes this as a period of many changes and adjustment, and that work will continue to better align governance structures across Health and Social Care.

Improvements under way include replacement of the case management system, development of data used for performance reporting, and progressing the review of adult commissioning arrangements in response to a recently completed audit of current practice by an external firm.

The report also noted an impending change in the holder of the CSWO post and in a number of other senior manager roles and stresses the importance of ensuring services remain as stable as possible during a period of further transition. Key to this will be the realisation of savings plans, while delivering appropriate and proportionate services that uphold the rights and best interests of individuals in need of support. Interim appointments have since been made to the posts of CSWO and Chief Officer - Health and Social Care.

- **Internal Audit**

The Audit and Risk Manager is accountable on a day-to-day basis to the Head of Governance, Strategy and Performance and to the Audit and Scrutiny Committee. Internal Audit applies mandatory Public Sector Internal Audit Standards (PSIAS) in delivering the Internal Audit Service.

PSIAS requires an external quality assessment of Internal Audit to be undertaken at least every five years. This assessment was conducted during the year and disclosed that the service fully complies with these Standards.

The Council has a system of internal control designed to manage risk to a reasonable level. Internal controls cannot eliminate the risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

The internal audit plan for the year includes a range of audit projects covering main financial systems, other systems operating within services and several ad-hoc/unplanned projects. The outcomes from these projects, together with any recommendations to enhance the control environment, are reported to the Audit and Scrutiny Committee. This Committee is chaired by an elected member who is not part of the council Administration. Almost all planned reviews detailed within the Annual Internal Audit Plan for 2023/24 were completed as scheduled.

PSIAS requires an internal audit opinion to be provided annually. As planned audit work was substantially completed by the year-end and based on this and other knowledge of the organisation and its control systems, it is the opinion of the Audit and Risk Manager that reasonable assurance can be placed upon the adequacy and effectiveness of the internal control environment which operated in the council during the year.

- **Health & Social Care Partnership**

The council, as a key partner of Health and Social Care Moray has an interest in the governance arrangements of the Moray Integration Joint Board (MIJB). This given its financial exposure as a principal funder and continuing statutory responsibilities for Social Work services and the role of the Chief Social Work Officer.

Audit arrangements for the MIJB are provided jointly by the council's Internal Audit Service and NHS Grampian's Internal Auditors. The council's Audit and Risk Manager (as Chief Internal Auditor for the MIJB) provides assurance over social care services, and oversight of the MIJB governance arrangements. There is no formal reporting of internal audit work relative to NHS services delivered under direction by the IJB, these audits are reported solely to the NHS Grampian's Audit Committee. This position remains under review, the appointed NHS internal auditors being contractually accountable only to the NHS and not to any other third party.

From audit work completed in this role, the Chief Internal Auditor has provided an opinion of only limited assurance that the Moray Integration Joint Board has adequate systems of governance and internal control for the year ended 31st March 2024.

A particular governance consideration for the council on a recurring basis is the financial sustainability of the MIJB, with any overspend against budget requiring to be met by NHS Grampian and the council as principal funders, pro-rata in line with an agreed funding agreement. For the 2023/24 financial year, an overspend was forecast and work undertaken to identify savings. While progress has been made, service pressures in Health and Social Care are likely to persist and require close monitoring going forward.

- **External Agencies**

In addition to the various internal review processes and the external audit of the Annual Accounts, aspects of the council's governance arrangements are considered in various inspection reports produced by the external auditor and other inspectorate agencies.

The latest Accounts Commission Best Value Report on the council, while highlighting areas of good practice, made a number of recommendations to further strengthen systems and processes in key strategic areas. The council in response has reviewed its governance arrangements around priorities and strategic direction, and prepared a comprehensive Best Value Action Plan and Transformation Strategy to aid progress. The Best Value Report findings were formally accepted at a special meeting of the council on 12 June 2024. A need for additional resources to support implementation of these plans has been identified.

### **Overall assessment of the effectiveness of governance arrangements**

Having regard to the information provided in the preceding paragraphs, it is considered that established systems and processes are broadly fit for purpose and not inconsistent with the seven principles identified in the 'CIPFA/SOLACE' Framework 'Delivering Good Governance in Local Government.'

### **Significant governance issues**

Governance issues requiring attention for the prior financial year 2022/23 were described in the management commentary published with the Annual Accounts for that year as risks and mitigation measures. They were not restated in the Annual Governance Statement. The council has a good awareness of its risks through regular consideration of its Corporate Risk Register, and of how it seeks to mitigate these risks having regard to the extensive regulatory framework in which it operates.

Looking forward, the focus on strengthening governance arrangements further has been aligned to a recent Accounts Commission Best Value report, and to a report prepared by an external adviser who provided consultancy support during the period. These reports informed a Best Value self-assessment exercise completed by council



managers and the development of a three-year action plan designed to effect improvements. The following are priority areas:

- Continue work to establish a clear shared vision for Moray that supports delivery of sustainable public services.
- Maintain current activity to ensure leadership is effective and there is good collaboration between elected members and senior officers.
- Increase the pace of transformation and identify savings with the intention of securing longer term financial sustainability.
- Revisit governance arrangements covering partnerships; principally for Health and Social Care Moray in respect of performance and early identification of any significant financial and service risks.

Creating capacity to deliver these priorities alongside the 'routine' business of the council will be key to maintaining good governance arrangements. The challenge of doing so remains considerable with difficulty in recruiting staff an issue reported across many services and a number of senior manager positions presently vacant or filled on an interim basis. Despite the risk this presents in terms of service continuity, it also provides an opportunity to review roles and responsibilities within current structures and determine any revisions necessary to support the effective delivery of change going forward.

### **Concluding Remarks**

This Annual Governance Statement summarises the extensive governance arrangements the council has in place to support delivery of its strategic plans and to secure Best Value in its use of resources. While the statement demonstrates that these arrangements are comprehensive and broadly fit for purpose, there are multiple influences, both external and internal, that will impact on how council services are designed and delivered going forward. It is clear that a period of significant change and challenge lies ahead and this, inevitably, will require further refinement of existing governance arrangements. In our respective roles as Council Leader and Interim Chief Executive, we are committed to making this happen to ensure the council and its resources continue to be effectively managed and controlled.

Kathleen Robertson  
Leader of the Council

John W Mundell OBE  
Interim Chief Executive

26th June 2024






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**REPORT TO: AUDIT AND SCRUTINY COMMITTEE ON 25 JUNE 2024**

**SUBJECT: LOCAL GOVERNMENT BENCHMARKING FRAMEWORK 2022-23 AND 2021-22 RESULTS**

**BY: DEPUTE CHIEF EXECUTIVE (EDUCATION, COMMUNITIES & ORGANISATIONAL DEVELOPMENT)**

**1. REASON FOR REPORT**

- 1.1 The reason for this report is to present to the Committee a corporate overview of benchmarking performance data for the period 2022-23 and 2021-22.
- 1.2 This report is submitted to Committee in terms of Section III A (4) of the Council's Scheme of Administration relating to monitoring performance in accordance with the Council's performance management framework.

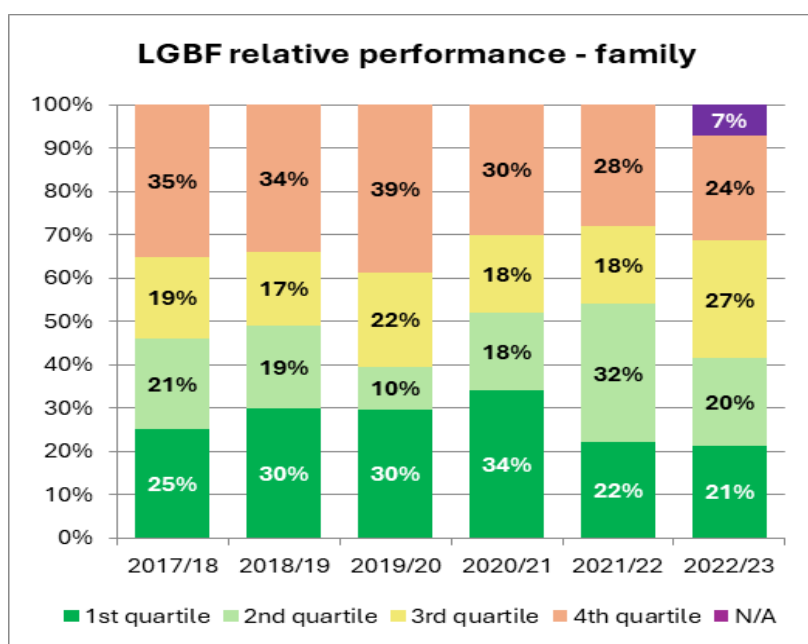
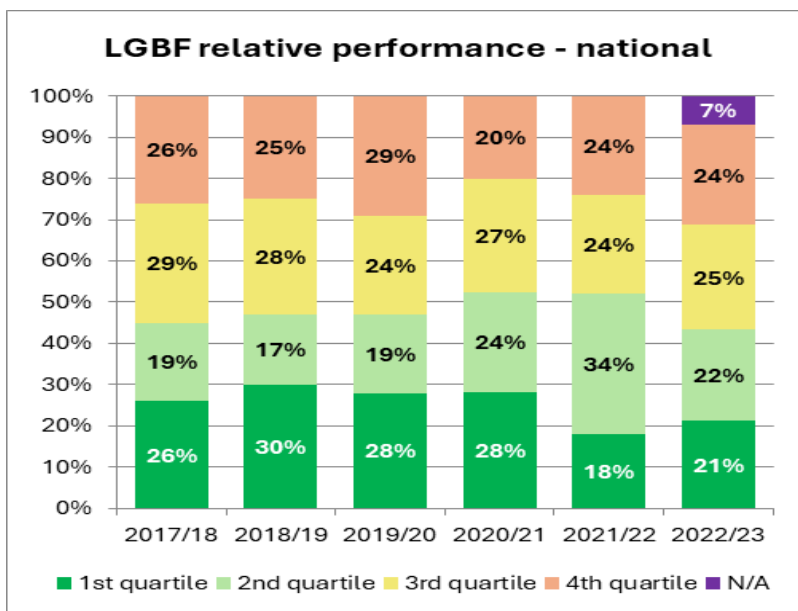
**2. RECOMMENDATION**

- 2.1 It is recommended that the Committee consider and note the Council's performance in terms of a corporate overview of benchmarking results.**

**3. BACKGROUND**

- 3.1 Local Government Benchmarking Framework (LGBF) data, most results are published annually by late summer that informs the National Benchmarking Overview Report. Results are gathered from national sources following annual data submissions that are subject to extensive validation processes, a contributory factor to the time-lag in publication and reporting. A limited number of results are supplied directly by local authorities. The full suite of benchmarking data can be viewed using the [LGBF Dashboard](#).
- 3.2 Results and commentary on benchmarking performance are included in Quarter 4 performance reports submitted to service committees in line with the Council's performance management framework.
- 3.3 In response to previous member comments, for indicators in the lowest quartile, where a more up to date position has been reported to service Committee, this has been reflected in the narrative.

- 3.4 With work relating to budget savings and the corporate plan taking priority in the latter part of 2023, reporting of the 2021/22 corporate overview of benchmarking data was delayed to such an extent most results for 2022/23 have been published, therefore 2021/22 data is provided for information and to show performance trends, however the narrative and focus presented in the corporate overview relates to 2022/23, addressing the requirements of the Council's Performance Management Framework.
- 3.5 Nine indicators are not due for publication in 2022/23 due to national reporting timescales, or they are no longer being collected locally. The remaining seven indicator results yet to be published cover child poverty, housing energy efficiency and carbon emissions. Results will be reported when they are published.
- 3.6 The summary (**Appendix 1**) for 2022/23 includes –
- i) notes to results by exception (indicators ranked in lowest quartile);
  - ii) bullet points highlighting results that have improved / worsened by 5% (based on previous year);
  - iii) tables detailing all indicator results presented by service themes for both years.
- 3.7 The summary (**Appendix 2**) for 2021/22 includes –
- i) notes to results by exception (indicators ranked in lowest quartile);
  - ii) bullet points highlighting results that have improved / worsened by 5% (based on previous year).
- 3.8 Caution is advised on making direct comparison between years due to significant impact of Covid-19 on more recent results, however an assessment based on available 2022/23 results can be inferred to an extent. The tables show that, for indicators currently published (92), there has been an overall drop in performance with indicator result values worsening to a greater margin (53%) than those that have improved (46%).
- 3.9 Assuming no significant change in rankings for the seven indicators yet to be updated, a shift towards the lower quartiles can be inferred in both national and family groupings.



3.10 Indicators featuring in the lowest quartile (ranked 25<sup>th</sup> to 32<sup>nd</sup>) have been scrutinised in relation to improvements by the relevant Service Committees as part of 2023/24 Quarter 4 Performance Reports, links where available are provided as background papers. **Appendix 1** provides a commentary on these indicators and the actions that are planned to address them. However, it is recognised that a number of the indicators have been consistently reported for some time. Therefore, the current position will be reviewed further by the Corporate Management Team to scrutinise and ensure actions to secure improvement in priority areas and the outcome of this will be reported to a future committee to ensure that the council is focussed on continuing to improve performance to meet its priorities.

## 4 **SUMMARY OF IMPLICATIONS**

### **(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))**

The Council and its partners have agreed priorities in the LOIP, with a range of outcome targets included for each of the priorities. It will be important that service committees keep those targets in mind when reviewing the performance data in the national benchmarking results, for two reasons:

1. To recognise that to achieve success the targets might mean weaker performance in non-priority areas, and
2. To consider whether the priorities and targets should be reviewed or amended in light of the information contained with the national benchmarking results.

### **(b) Policy and Legal**

The Council has a statutory obligation to publish a range of information that will demonstrate that it is improving local services and local outcomes, demonstrating best value and assisting in comparing performance both over time and between authorities where appropriate.

### **(c) Financial implications**

There are no direct financial implications arising from this report.

### **(d) Risk Implications**

There are no direct risk implications arising from this report although effective performance management assists in the management of risk.

### **(e) Staffing Implications**

There are no direct staffing implications arising from this report.

### **(f) Property**

None.

### **(g) Equalities/Socio Economic Impact**

An Equality Impact Assessment is not needed because the report is to inform the committee on performance issues.

### **(h) Climate Change and Biodiversity Impacts**

None.

### **(i) Consultations**

Heads of Service and Service Managers have been consulted on reports submitted to relevant service committees.

## 5. **CONCLUSION**

- 5.1 In 2022-23, based on publication of results to date, 43% of Local Government Benchmarking Framework indicator results feature in the top 16 of 32 Scottish councils compared to 52% in 2021-22.
- 5.2 When compared to national and comparator performance, there may be slight movement in rankings towards the lower quartiles in 2022-23 following a shift from first to second quartiles in 2021/22 results.
- 5.3 The Corporate Management Team plan to undertake further review of performance information and proposed improvement actions to ensure that priority is given to improving in areas to ensure the Council priorities are met and the outcome of this will be reported to a future committee.

Author of Report: Louise Marshall, Strategy and Performance Manager  
Background Papers: [National Benchmarking Overview Report 2021-22](#)  
[National Benchmarking Overview Report 2022-23](#)  
[LGBF Dashboards](#)  
[Performance Report \(Financial Services\) Period to March 2023 and March 2024](#)  
[Performance Report \(Human Resources, Information Communications Technology and Organisational Development\) Period to March 2023 and March 2024](#)  
[Performance Report \(Governance, Strategy and Performance\) Period to March 2023 and March 2024](#)  
[Performance Report \(Economic Growth and Development Services\) - Period to March 2023 and March 2024](#)  
[Performance Report \(Environmental and Commercial Services\) - Period to March 2023 and March 2024](#)  
[Performance Report \(Housing and Property Services\) – Period to March 2023 and March 2024](#)  
[Performance Report \(Education\) - Period to March 2023 and March 2024](#)  
[Performance Report \(Education Resources and Communities\) - Period to March 2023 and March 2024](#)  
[Performance Report \(Children and Families and Criminal Justice Social Work\) - Period to March 2023](#)

Ref: SPMAN-2045703626-423 / SPMAN-2045703626-405  
SPMAN-2045703626-391







# Local Government Benchmarking Framework (LGBF)

## Benchmarking Overview 2022-23



## Preface

All 32 Scottish councils signed up to the Local Government Benchmarking Framework, that provides a common approach to benchmarking, which is grounded in reporting standard information on services councils provide to local communities across Scotland.

The core purpose of local government's efforts through this work is to support all councils to improve their services by working and learning together. By engaging in benchmarking, services will learn how to continue to improve their use of performance information; improve their understanding of variations which affect achievements and enabling the opportunity to share effective service practices across councils. This information is made publically available, so that the public in turn can hold services to account for what is achieved on their behalf. The public are encouraged to use the information to ask questions of services in order to engage with services in the improvement process.

When reading the information, it is important to remember though that councils across Scotland do not have common service structures. Each council has the structure and service arrangements that it believes are the most appropriate and cost effective to support its local community. Equally, all councils report their performance locally within developed and agreed public reporting frameworks. Therefore, to ensure comparability across councils, it has been necessary to develop standard service definitions, and standard classifications for spending and performance.

Councils developed a process to drill into the information collated through the Local Government Benchmarking Framework to understand, in more detail, why variations occur. The process was organised around 'family groups' of councils so that councils similar in terms of the type of population that they service (e.g. relative deprivation and affluence) and the type of area in which they serve them (e.g. urban, semi-rural, and rural) can compare. This allows improvements to the benchmarking framework to be identified and good practice to be shared between councils.

The indicators in the Framework cover how much councils spend on particular services; service performance and how satisfied people are with the major services provided. All the information that this report draws upon uses standard definitions and is therefore comparable to a high degree of accuracy.

The indicators in the Local Government Benchmarking Framework are designed to focus questions on why variations in cost and performance are occurring between similar councils. They do not supply the answers, those emerge as councils engage with each other to drill down and explore why these variations are happening. The LGBF Workshop Programme has been added to the platform for learning and improvement.

Our ambition in undertaking benchmarking is to continue to increase the quality of life and develop the well-being of everyone in Moray.

All of the information generated by the Framework has been placed in a dedicated website [LGBF Dashboard](#) showing movement on indicators across themes, times and all councils.

## Summary

The Local Government Benchmarking Framework (LGBF) data provides evidence of trends in how resources are allocated, performance of services and levels of customer satisfaction. This year's results introduce data from 2022/23 and provides an evidence-based picture of the impact of the pandemic as well as the extraordinary effort and achievement during this exceptional period.

Exceptions based on 32 local authorities; areas of service delivery ranked in the lowest quartile are presented below as Notes to Benchmarking Results. Care should be taken when making comparison over time and with others due to the complexities around altered delivery and operating landscapes during the reporting period.

The [National Benchmarking Overview Report 2022/23](#) is available here.

Notes to Benchmarking Results (indicators ranked in the lowest quartile)			
No	Challenges	Actions to improve	Outcome
<b>Children's Services</b>			
3	The proportion of children being looked after in the community has seen a significant decrease to 75.3%, the lowest level recorded. A shortage of specialist foster carers has led to children and young people with complex needs being accommodated in residential settings.	<ul style="list-style-type: none"> <li>• Increased focus and resources on the recruitment of foster carers, drawing on the assistance of local, regional and national partners.</li> <li>• Identify and address the training and development needs of foster, kinship and residential care workers employed.</li> <li>• Better understand what peer support foster and kinship carers want.</li> <li>• Embed the learning from PACE in policies and procedures relating to the placement of children and young people in care.</li> <li>• With care experienced children and young people develop a local maintaining relationships policy with a specific focus on siblings.</li> </ul> <p><i>(Source: Children's Service Plan 2023-26 (short term actions))</i></p>	<p>The number and range of placements available meets the needs of children and young people in need of care.</p> <p>Siblings are supported to maintain positive relationships with one another.</p>
1	The proportion of secondary leavers achieving 5 or more awards at Level 6 have fallen for the second consecutive year to 28%, in line with similar trends witnessed nationally and within our family group. 2020/21 and 2021/22, where there was no formal examination diet, are not comparable with the current period. Performance in 2022/23 is broadly in line with pre-COVID levels, again similar trends were	<ul style="list-style-type: none"> <li>• Getting it right for every child so that we continue to improve attainment for all.</li> <li>• Further develop the curriculum in the BGE and Senior Phase taking account of the national review and international research including project based learning.</li> </ul>	<p>Improved attainment at both Broad General Education (BGE) and Senior Phase.</p> <p>Improved curriculum offer in line with national advice.</p>

Notes to Benchmarking Results (indicators ranked in the lowest quartile)			
No	Challenges	Actions to improve	Outcome
2	witnessed nationally and within our comparator group. Scottish Qualifications Authority (SQA) leaver attainment across secondary schools in Moray was reported to the Education, Children's and Leisure Service Committee on 14 May 2024 ( <a href="#">item 12</a> of the Agenda refers) in the continued focus on improving outcomes and raising attainment through the actions noted in the report.  Similarly, the proportion of leavers from the most deprived 20% achieving 5 or more awards at Level 6 has also decreased to 12%. Differences in cohort numbers have a significant impact on proportions. What appears to be a significant reduction relates to one less child achieving at this level.	<ul style="list-style-type: none"> <li>• Through renewed focus on the Scottish Attainment Challenge Logic Model with specific regard to outcomes at school/community and regional levels</li> </ul>	<p>Meet stretch aims.</p> <p>Increased attendance, reduced exclusions.</p>
4,5,6,7,8	Tariff scores allows examination of how different ability cohorts are attaining in relation to the appropriate family and national cohorts by allocating a specific number of points to each qualification (including non-examination, unit-based courses). More demanding qualifications gain more points than less demanding ones and in graded courses, a grade 'A' is equivalent to more points than a grade 'C' for example, within the same course. The number of qualifications and units available for a young person to complete varies significantly due to the number of different curriculum structures there are across Scotland. In Moray, scores decreased overall and in across SIMD Quintiles 1-5.	<ul style="list-style-type: none"> <li>• Recent work on curriculum choice and innovations, working with Education Scotland in collaboration with Moray Secondary Schools and an ADES-Education Scotland Collaborative Improvement event focused on Senior Phase Curriculum will progress further work on curriculum design for strengthened consortia working and senior phase offers to improve scoring.</li> </ul> <p><i>(Source: Education Service Plan 2024-25)</i></p>	<p>Increase in subjects, courses and accreditation</p>
9,10	The percentage of P1, P4 and P7 pupils combined achieving expected CFE Levels in Literacy and Numeracy made further improvement to 67.9% and 75.5% respectively, exceeding Stretch Aims targets and gaining ground on national averages. Support and challenge discussions between the central Quality Improvement Team and Head	<p>Ongoing work to build and maintain improvement is detailed in <a href="#">the Initial Analysis of Achievement of Curriculum for Excellence Levels 2023</a> submitted to Education, Children's and Leisure Service Committee on 20 February 2024 (para 3.38 of the report refers).</p> <ul style="list-style-type: none"> <li>• Early intervention addressing whole family well-being to ensure that children can reach their full potential</li> </ul>	<p>Improved attainment at both Broad General and Senior Phase identified through ACEL measures.</p>

Notes to Benchmarking Results (indicators ranked in the lowest quartile)			
No	Challenges	Actions to improve	Outcome
	Teachers. Roll-out of Seemis Progress and Achievement for Tracking and Monitoring was completed in June 2023 and a data analysis tool (AnalyseM) was developed and training completed in December 2023.	(Source: Education Service Plan 2024-25)	
11,12	The percentage point gap in between the least and most deprived pupils in the P1, P4 and P7 combined in literacy (75.5%) and numeracy (32.1%) increased to proportionately a greater degree than national increases.	In collaboration with the Education Scotland Attainment Advisor, schools continue to be supported with their Pupil Equity Funding planning, allocations, and spending in enacting interventions to close identified poverty gaps based on intelligence and data.	Improved attainment at both Broad General and Senior Phase identified through ACEL
13	Funded early years provision which is graded good/better improved slightly to 87.5%. The increase duty brings significant challenges around workforce expansion, building and expanding provision, whilst simultaneously maintaining and improving the quality is challenging, faced with significant shortages in the availability of qualified staff and seeing the average experience level of the workforce lowered.	Early years provision not reaching grade 4 good/better receive support from the respective Continuous Improvement Officer and the Early Years Teaching and Learning Teacher to address the required actions resulting from recommendations or requirements.	Improve quality of leadership, learning, teaching and assessment  Improve self-evaluation profiles leading to change
<b>Corporate Services</b>			
14	There has been an improvement in the Council's gender pay gap to 5.3%. Improvement is partly down to pay deals which disproportionately affect female dominated jobs. Across Scotland, results range from -6.2 to 11.4, reinforcing the likely variations in methods of calculation.	<ul style="list-style-type: none"> <li>• Have in place fair and competitive pay and conditions that are recognised and free from bias.</li> </ul> (Source: HR & OD Service Plan 2024-25)	Improved assessment of gender pay gap and equality issues.
15	Teacher absence levels increased in 2022/23 to 7.9 days per teacher and are now higher than pre-pandemic levels and the highest recorded since benchmarking began. Pressures exacerbated by the pandemic, treatment delays and increasing mental health issues are compounded by a skills shortages and recruitment challenges, all contributory factors to increased absence.	Policy and practise review as well as supporting and developing wellbeing initiatives continue in response to these significant challenges. <ul style="list-style-type: none"> <li>• Pro-actively support the health and well-being of employees through increased awareness of mental health.</li> <li>• Review proactive measure to reduce sickness including Day One notification for focus on short term absence.</li> <li>• Review and streamline implementation of absence management procedures to ensure effective management of absence while reducing the resourcing impact on managers.</li> </ul>	Employees are supported to attend work and managers are supported to proactively manage sickness absence.  Managers are enabled to support employees to attend work and manage any absence efficiently and timeously.

Notes to Benchmarking Results (indicators ranked in the lowest quartile)			
No	Challenges	Actions to improve	Outcome
		(Source: HR & OD Service Plan 2024-25)	
16	Discretionary Housing Payments are administered by Councils to households who require financial assistance towards their housing costs and are an important tool to prevent homelessness and help struggling households to sustain tenancies. The national budget available to DHP has increased significantly since 2019/20. In Moray, 79.8% of the overall proportion of the budget was spent, likely due to the timing of the provision of additional allocation and pandemic related delays in processing.	<ul style="list-style-type: none"> <li>Establish whether there is a viable case for further centralisation of means testing.</li> </ul> (Source: GS&P Service Plan 2024-25)	Maximise use of funding to benefit those that require financial assistance to meet housing cost.  Determine whether a staffing efficiency and maximisation of council resources is achievable
<b>Assets</b>			
17	There has been a slight improvement to 56.3% in the percentage of internal floor area of operational buildings in satisfactory condition. The Moray Learning Estate is a significant contributory factor to the operational building condition indicator and with half of the 54 schools having condition surveys within the last 5 years, there is a risk that the results could worsen as condition surveys are completed.	All condition surveys anticipated to complete by September 2024. Moray Learning Estate Strategy 2022-2032 sets out the steps needed to develop a long-term strategy for the learning estate.  <ul style="list-style-type: none"> <li>Tackle the affordability and standard of our schools and the buildings they operate from, deal with changing demographics and demands.</li> </ul> (Source: ERC Service Plan 2023-24)	Transforming Education: To have high performing schools that are fit for the future and financially sustainable.  Children and young people in Moray are learning in the best learning environments.  Learning environments service the wider community and where appropriate are integrated with the delivery of other public services.
<b>Culture &amp; Leisure</b>			
18	The cost per library visit has increased significantly to £6.55 due to a reduction in the number of visits recorded. The service reviewed the virtual visit definition for this indicator and are now counting launches or interactions with a page / post rather than the number having seen a page / post. In 2022/23, the number of physical visits increased by 62% to 234,213. Following the review, virtual visits in 2022/23 were 127,347 in comparison with 485,283 in 2021/22. Across Scotland, results range, perhaps suggesting there are similar variations in calculation methods. At the time of submitting attendance results, Libindx results were not available, these would improve the cost per	<ul style="list-style-type: none"> <li>Transform our Libraries, Learning Centres &amp; Heritage service provision to ensure a sustainable council for the future</li> </ul>	Alternative delivery options: Create a sustainable future for our services

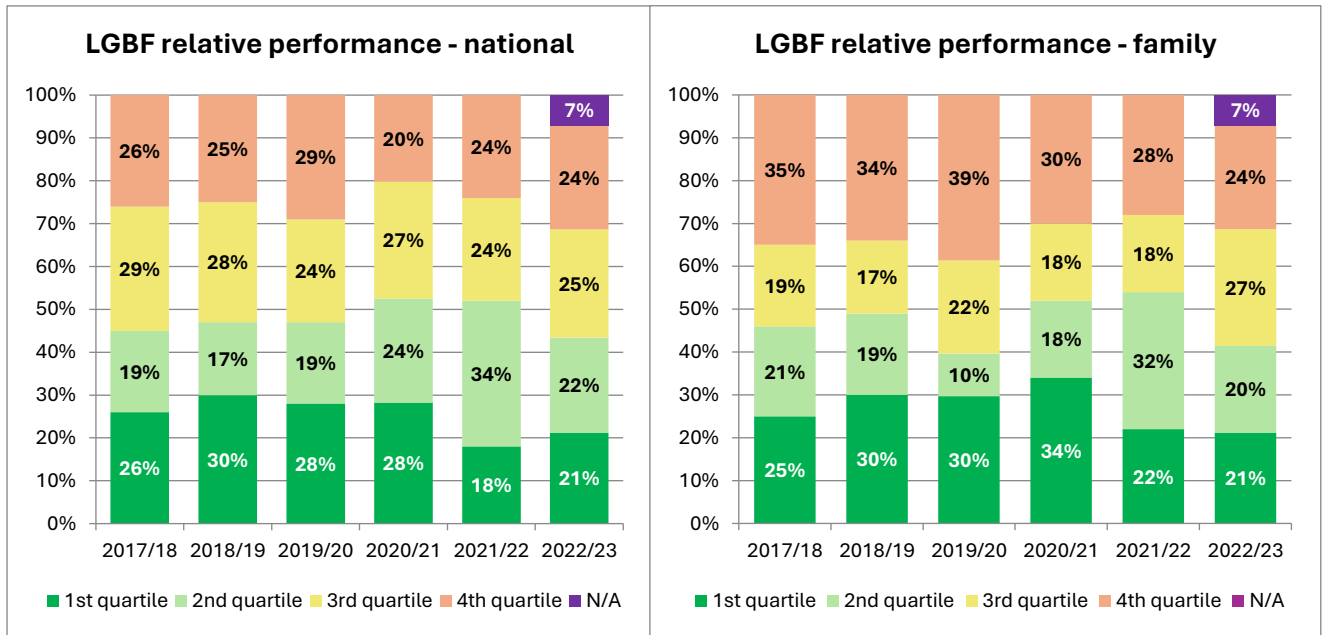
<b>Notes to Benchmarking Results (indicators ranked in the lowest quartile)</b>			
<b>No</b>	<b>Challenges</b>	<b>Actions to improve</b>	<b>Outcome</b>
	visit slightly from £6.55 per library visit to £5.88, ranking remains unchanged.	<i>(Source: ERC Service Plan 2023-24)</i>	
<b>Housing Services</b>			
19	In 2022/23 982 of 6,342 (15.5%) properties within scope met the Scottish Housing Quality Standards (SQHS).	The Scottish Housing Regulator invited landlords to reassess compliance with electrical inspections, in Moray most properties fell slightly short of the required standard, frustrated by factors such as the availability of qualified contractors; an improvement action plan is in place to ensure compliance by November 2024. In addition, compliance with Energy Efficiency Standard for Social Housing (EESH) is a contributory factor in achieving SQHS, significant programmes of work have not progressed as planned. The Scottish Government plan to review for EESH2 to strengthen and realign the standard with the target for net zero heat in Housing to 2040.	Phased improvement of energy efficiency within corporate buildings and housing stock
<b>Economic Development</b>			
20	There were 107 Business Gateway Start-Ups in the year to March 2023, below the local target of 130, noting that there was just one Business Adviser in the latter half of the year. There remains uncertainty which has increased the risk of starting a business, labour shortages and disrupted supply chains have increase barriers for business start-ups. It is unlikely that performance will improve in the short term.	Moray Economic Strategy, Moray Growth Deal and other programmes are intended to stimulate this area, but any improvement will only become evident in the longer term.	Achievement of Moray Growth Deal Outcomes relating to job creation and skills uplift.
21	87.2% of properties in Moray receive superfast broadband. Moray retains a higher proportion of properties without access to sufficient broadband speeds than across Scotland as a whole.	The Scottish Government's R100 programme is targeted to addressing this issue. However, despite the R100 North Lot contract being awarded to BT in December 2020, there have been no properties served locally through the rollout of the main contract, with many not scheduled to be served until 2028. Even then, several properties will remain without access to superfast broadband as the cost of delivery is deemed too significant but will be eligible to access support via the Scottish Broadband Voucher Scheme. In Moray, a new project has been funded via the UK Shared Prosperity Fund aimed at increasing awareness and uptake of this scheme.	Full connection to superfast broadband
<b>Financial Sustainability</b>			




<b>Notes to Benchmarking Results (indicators ranked in the lowest quartile)</b>			
<b>No</b>	<b>Challenges</b>	<b>Actions to improve</b>	<b>Outcome</b>
22	The measure of Uncommitted General fund Balance as a percentage of council annual budgeted net revenue provides an indication on the level of uncommitted reserves, a low level may be a sign that the council could struggle if any unknown financial surprise were to occur. Moray achieved a result of 2.1%.	The Council's reserves policy was approved by Council on 15 September 2021 (para 29 of the Minute refers) is to hold £5 million as free reserves, around 2% of budgeted revenue expenditure on General Services, therefore the reported level remains within that threshold.	Ensure a financially sustainable future
23	Financing Costs to Net Revenue Stream is an indicator of affordability, it highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs, net of investment income. Moray reported a ratio of 8.7.	Prudential Indicators were reported to Council on 1 March (para 6 of the Minute refers) and reflected the ongoing general requirement to increase borrowing to fund capital expenditure in the capital plan, particularly in the Learning Estate and the Moray Growth Deal. This is factored into the Council's financial planning and is used as a tool for assessing affordability of the capital plan,	Ensure a financially sustainable future
24	The need for budgets and forecasts to reflect actual spending becomes increasingly important with decreasing or lower levels of usable reserves to draw on and is measured in the Actual outturn as a percentage of budgeted expenditure. Moray achieved an Actual outturn of 93.4%.	Patterns of budgeting spend are impacted across all local authorities, albeit in different ways, although an increase in the level of reserves held was a common feature. Budget manager training, key to an accurate forecast was reviewed and updated.	Ensure a financially sustainable future

Caution on making direct comparison over time in the charts below due to the significant impact of Covid-19 on more recent results. With around 7% of indicators yet to be published (9 indicators not due for publication in 2022/23), it can be inferred that performance has dropped with a greater percentage of indicators in the bottom two quartiles than the top two in the context of national and family groupings. A drop in indicator results appears to have had an impact on rankings both nationally and within the family group. Based on the data published, results have slightly worsened to a greater margin than those that have improved.



Relative performance: Percentage of indicator rankings by quartiles –






2021/22 vs 2022/23		
 Results improved <b>41</b> indicators	 Results worsened <b>49</b> indicators	 No change <b>2</b> indicators  <b>N/A</b> Not yet published <sup>1</sup> <b>7</b> indicators

<sup>1</sup>Excludes 9 indicators not due for publication in 2022/23

Moray appears in the following Benchmarking Family Groups –

People Services (A)	Other Services (B)
Includes education, social work and housing. The benchmarking clubs are based on the average social context of the local authority population (using data from SIMD 2012).	Includes environmental services and culture/leisure services. The benchmarking clubs are based on the dispersion of the local authority population (using data for the Grant-Aided Expenditure indicator for population dispersion).
Angus Argyll & Bute East Lothian Highland Midlothian <b>Moray</b> Scottish Borders Stirling	East Ayrshire East Lothian Fife <b>Moray</b> North Ayrshire Perth & Kinross Stirling South Ayrshire

<b>Table Legend</b>			
<b>Relative Change</b>	<b>Short Term Trend</b>	<b>Rank 2021/22</b>	
<b>2020/21 to 2021/22</b>	<b>Result to Previous Year</b>	<b>Local Authorities (32)</b>	<b>Family Group (8)</b>
Result improving by 5% or more	 improved	1 <sup>st</sup> quartile	1 <sup>st</sup> quartile
Result worsened by 5% or more	 worsened	2 <sup>nd</sup> quartile	2 <sup>nd</sup> quartile
	 no change	3 <sup>rd</sup> quartile	3 <sup>rd</sup> quartile
		4 <sup>th</sup> quartile	4 <sup>th</sup> quartile

## Results improved / worsened (past 12 months)

### Results that improved by 5% or >

- The gross cost of both residential and community placements reduced significantly, residential costs by 32% and community placements by 8%.
- No children were re-registered on the Child Protection Register within 18 months.
- 10% reduction in the cost of collecting Council Tax per dwelling, with the overall cost reducing and a slight increase in the number of dwellings.
- £590k of Scottish Welfare Fund was spent, 124% of budget.
- Homecare costs per hour for people aged 65 or over decreased due to a 10% increase in care hours against a slight increase in total homecare expenditure.
- Increased attendance has resulted in a reduced cost per attendance at sports facilities.
- Net expenditure for waste disposal decreased resulting in a reduced cost of disposal per premise.
- A 14% reduction in gross expenditure in Environmental Health, has resulted in a decrease in cost per 1,000 population across indicators.
- Proportion of recycled household waste increase by 6%, highest rate nationally
- Average working days to complete non-emergency repairs fell by 41% and the number completed dropped by 18%, resulting in an overall reduction in the average time taken.
- Gross expenditure on Economic Development & Tourism increased from £4.5m to £7.8m, increasing investment per 1,000 population to £80,510, albeit performance remains below the national average and in the bottom quartile.
- Proportion of people earning less than the living wage improved to 13.8%.

### Results that worsened by 5% or >

- The percentage of children from the most deprived 20% gaining 5+ awards at level 6 fell by 7%.
- The proportion of Looked After Children in community-based placements, rather than residential accommodation decreased by 5.3%, with an increase of 10 children placed in residential placements since 2021/22.
- Tariff scores have dropped across all six measures, and by over 5% in four. All but one feature is the lowest quartile.
- The percentage point gap between the least and most deprived pupils in literacy and numeracy (P1, P4 and P7 combined) has widened further, with results ranked in the lowest quartile.
- School exclusion rates have increased by 6 per 1,000 showing a 42.4% increase from the previous period recorded 2020/21. A similar trend is witnessed nationally and within our family group with increases of 39.5% and 55.1% respectively.
- Sickness absence increased for both teaching and non-teaching staff back to pre-covid levels.
- The proportion of Community Care Grant decisions made within 15 days reduced by 5.7% to 89.3%. It should be noted that recently released figures for 2023/24 show the proportion has increased to 98.5%.
- Residential cost per week per resident for people aged 65 or over have increased by around one third, principally due to increase in gross expenditure.
- 74% of care services inspected were graded good or better by the Care Inspectorate, a slight decrease from previous years' results.
- Number of days that over 75-year-olds spend in hospital when ready to be discharged, expressed per 10,000 population increased significantly.
- Cost per library visit doubled due to around a 50% reduction in visits against a slight increase in net expenditure. A review of the indicator definition has refined the count of virtual visits.
- Net cost of Waste collection per premise increased slightly, this indicator remains within the top quartile.
- Costs of roads per kilometre increased slightly due to rise in gross expenditure, the indicator result remains in the top quartile.
- Cost of Trading Standards, Money Advice & Citizens Advice per 1,000 population increased slightly due to rise in gross expenditure.
- A 20% drop in the number of Planning Applications decided against a slight decrease in gross expenditure has resulted in an overall increase in cost per application.
- The number of business start-ups decreased by 10% to 11.1 per 10,000 population

N/A<sup>1</sup> Data no longer collected nationally / locally.

N/A<sup>2</sup> Result below 5; not published to protect confidentiality.

N/A<sup>3</sup> Data not yet published.

# Overview of Local Government Benchmarking Framework Indicator Results

	Note	Indicator Description	Moray					National Average	Relative Change 2021/22 to 2022/23		Rank 2022/23	
			2018/19	2019/20	2020/21	2021/22	2022/23	2022/23	% change	Short Term Trend	Nat (32)	FG (8)
Children's Services (A)		CHN 1: Cost per primary school pupil (£)	5,437	5,677	5,776	6,272	6,562	6,841	4.6	↓	8	2
		CHN 2: Cost per secondary school pupil (£)	7,965	8,062	7,864	8,161	8,364	8,495	2.5	↓	15	3
		CHN 3: Cost per pre-school education place (£)	3,687	5,749	8,091	10,108	10,324	11,002	2.1	↓	11	4
		CHN% of secondary pupils achieving 5 or more awards at Level 5	62	62	66	63	63	62	-1	↓	23	6
	1	% of secondary pupils achieving 5 or more awards at Level 6	30	34	34	30	28	38	-2	↓	31	8
		% of pupils living in the 20% most deprived areas Gaining 5+ awards at Level 5	N/A <sup>2</sup>	N/A <sup>2</sup>	62	52	N/A <sup>2</sup>	50				
	2	% of pupils living in the 20% most deprived areas Gaining 5+ awards at Level 6	N/A <sup>2</sup>	N/A <sup>2</sup>	19	19	12	22	-7	↓	26	7
		Gross Cost of "Children Looked After" in Residential Based Services per child per week (£)	4,814	5,394	5083	4,403	2,989	4,804	-32	↑	9	4
		Gross Cost of "Children Looked After" in a Community Setting per child per week (£)	457	472	435	474	435	422	-8	↑	18	6
	3	% of children being looked after in the community	79.1	81.4	82.2	80.6	75.3	89.2	-5.3	↓	31	8
		% of adults satisfied with local schools (rolling 4 years)	74.6	77.0	79.3	79.3	76.7	73.7	-2.7	↓	15	4
		% of pupils entering positive destinations	92.8	93.1	94.1	96.2	95.1	95.9	-1.1	↓	22	5
	4	Overall average total tariff	814	799	876	882	830	915	-5.9	↓	27	7
		Overall average total tariff SIMD Quintile 1	826	939	887	735	561	658	-23.7	↓	21	4
	5	Overall average total tariff SIMD Quintile 2	573	687	635	637	580	781	-8.9	↓	31	8
	6	Overall average total tariff SIMD Quintile 3	830	729	868	868	814	905	-6.2	↓	28	7
	7	Overall average total tariff SIMD Quintile 4	838	836	954	944	917	1051	-2.9	↓	30	7

N/A<sup>1</sup> Data no longer collected nationally / locally.  
N/A<sup>2</sup> Result below 5; not published to protect confidentiality.  
N/A<sup>3</sup> Data not yet published.

	Note	Indicator Description	Moray					National Average	Relative Change 2021/22 to 2022/23		Rank 2022/23	
			2018/19	2019/20	2020/21	2021/22	2022/23	2022/23	% change	Short Term Trend	Nat (32)	FG (8)
Corporate	8	Overall average total tariff SIMD Quintile 5	934	903	959	1,005	974	1,264	-3.1	↓	29	8
	9	% P1, P4 & P7 pupils combined achieving expected CFE Level in Literacy	64.8	N/A <sup>1</sup>	63.9	65.1	67.9	72.7	2.8	↑	28	5
	10	% P1, P4 & P7 pupils combined achieving expected CFE Level in Numeracy	69.9	N/A <sup>1</sup>	67.8	71.8	75.5	79.6	3.7	↑	27	6
	11	Literacy Attainment Gap (P1,4,7 combined) – percentage point gap between the least and most deprived pupils	14.9	N/A <sup>1</sup>	19.8	26.3	32.1	20.3	21.7	↓	29	8
	12	Numeracy Attainment Gap (P1,4,7 combined) – percentage point gap between the least and most deprived pupils	13.8	N/A <sup>1</sup>	17.5	24.7	26.6	17.0	7.8	↓	28	7
	13	% of children meeting developmental milestones	93.2	95.6	96.0	84.9	87.3	82.1	2.4	↑	5	2
		% of funded early years provision which is graded good/better	75.4	78.3	85.2	86.9	87.5	90.1	0.6	↑	25	7
		School attendance (%)	93.9	N/A <sup>1</sup>	93.8	N/A <sup>1</sup>	91.0	90.2	-2.8	↓	8	2
		School attendance rates (LAC, %)	87.4	N/A <sup>1</sup>	89.4	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>				
		School exclusion rates per 1,000 pupils	22.7	N/A <sup>1</sup>	14.2	N/A <sup>1</sup>	20.2	16.6	6	↓	21	5
		School exclusion rates per 1,000 looked after children	180.4	N/A <sup>1</sup>	125.0	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>				
		% participation for 16-19 year-olds	91.3	93.5	91.8	91.6	95.4	94.3	3.9	↑	11	5
		% of child protection re-registrations within 18 months	3.2	7.5	2.3	9.8	0	5.6	-9.8	↑	1	1
		% LAC with more than 1 placement in the last year (Aug-July)	31.0	25.0	14.9	14.5	11.8	17.2	-2.8	↑	6	3
		% of children living in poverty (after housing costs)	21.9	23.4	21.3	24.1	N/A <sup>3</sup>	N/A <sup>3</sup>				
		Support Services as a % of Total Gross Expenditure	4.3	4.2	4.1	3.9	3.8	4.0	-0.1	↑	18	5
		% of the highest paid 5% employees who are women	54.1	54.7	61.1	62.7	59.5	58.9	-3.3	↓	15	5

N/A<sup>1</sup> Data no longer collected nationally / locally.

N/A<sup>2</sup> Result below 5; not published to protect confidentiality.

N/A<sup>3</sup> Data not yet published.

	Note	Indicator Description	Moray					National Average	Relative Change 2021/22 to 2022/23		Rank 2022/23	
			2018/19	2019/20	2020/21	2021/22	2022/23	2022/23	% change	Short Term Trend	Nat (32)	FG (8)
Assets (B)	14	The gender pay gap (%)	7.6	6.4	6.2	7.0	5.3	2.5	-1.6	↑	28	7
		Cost of collecting Council Tax per dwelling	10.26	9.50	8.67	8.36	7.54	6.84	-9.8	↑	18	7
	15	Sickness Absence days per Teacher	6.5	6.8	4.5	6.0	7.9	6.8	31.6	↓	27	4
		Sickness Absence days per Employee (non-teacher)	12.5	12.7	8.7	11.1	12.8	13.2	15.8	↓	12	3
		% of income due from Council Tax received by the end of the year	96.9	97.0	95.8	96.7	96.7	96.2	-0.0	▬	15	4
		% of invoices sampled that were paid within 30 days	89.7	87.3	84.0	85.5	89.4	90.6	3.9	↑	23	6
		% of Crisis Grant Decisions within 1 day Note: 2023/24 result 97.0%	92.8	94.3	98.5	98.3	97.8	91.8	-0.5	↓	15	5
		% of CCG Grant Decisions within 15 days Note: 2023/24 result 98.5%	95.3	85.3	91.0	95.0	89.3	87.3	-5.7	↑	19	5
		Proportion of SWF Budget Spent	82.7	84.3	64.3	99.0	123.9	130.0	24.9	↑	19	5
	16	Proportion of DHP Funding Spent	90.8	91.3	90.6	75.6	79.8	94.4	4.2	↑	27	8
Assets (B)		% of operational buildings that are suitable for their current use	98.2	98.2	98.2	97.6	95.7	86.1	-0.1	↓	1	1
	17	% of internal floor area of operational buildings in satisfactory condition	54.2	53.9	66.9	54.9	56.3	90.12	1.3	↑	32	8
Adult Social Work (A)		Home Care costs per hour for people aged 65 or over (£)	39.95	38.45	30.31	25.80	23.94	31.85	-7.2	↑	7	3
		Self-Directed Support spend on people aged 18 or over as a % of total Social Work spend on adults	4.1	4.1	5.0	3.6	4.6	8.7	1.0	↑	22	6
		% of people aged 65 or over with long term care needs receiving personal care at home	65.3	62.2	62.0	61.0	59.8	61.5	-1.2	↓	21	5
		% of adults supported at home who agree that their services and support had an impact in improving or maintaining their quality of life (rolling 4 years)		79.20		73.25						
		% of adults supported at home who agree that they are supported to live as independently as possible		82.72		79.34						

N/A<sup>1</sup> Data no longer collected nationally / locally.

N/A<sup>2</sup> Result below 5; not published to protect confidentiality.

N/A<sup>3</sup> Data not yet published.

	Note	Indicator Description	Moray					National Average	Relative Change 2021/22 to 2022/23		Rank 2022/23	
			2018/19	2019/20	2020/21	2021/22	2022/23	2022/23	% change	Short Term Trend	Nat (32)	FG (8)
Culture & Leisure (B)		% of adults supported at home who agree that they had a say in how their help, care or support was provided		79.68		70.22						
		% of carers who feel supported in their caring role		30.70		31.59						
		Residential costs per week per resident for people aged 65 or over (£)	453	433	543	473	638	684	34.9	↓	13	3
		Rate of readmission to hospital within 28 days per 1,000 discharges (%)	77.1	77.7	100.9	85.9	82.2	101.7	-4.3	↑	7	1
		Proportion of care services graded 'good' (4) or better in Care Inspectorate inspections (%)	81.8	75.2	79.8	80.0	74.0	75.0	-6.0	↓	23	6
		Number of days people spend in hospital when they are ready to be discharged, per 1,000 population (75+)	1063	768	493	755	1061	919	40.0	↓	23	6
		Note: 2023/24 result 386										
		Gross cost per attendance at Sports facilities (£)	2.26	0.97	20.40	2.83	2.44	4.89	-13.0	↑	5	2
	18	Cost per Library visit (£)	1.48	1.70	3.21	2.93	6.55	2.81	123.5	↓	29	6
		Cost of Museums per visit (£)	2.81	2.41	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>					
	Cost of Parks & Open Spaces (£) per 1,000 population	15,234	11,680	12,955	15,918	15,548	23,311	-2.3	↑	6	2	
	% of adults satisfied with Libraries (rolling 4 years)	74.9	77.6	82.9	82.3	79.3	71.0	-3.0	↓	7	6	
	% of adults satisfied with Parks and Open Spaces (rolling 4 years)	85.1	82.4	85.1	85.7	86.3	87.3	0.6	↑	20	6	
	% of adults satisfied with Museums and Galleries (rolling 4 years)	58.1	60.1	64.1	62.3	58.3	71.3	-4.0	↓	24	7	
	% of adults satisfied with Leisure Facilities (rolling 4 years)	66.4	66.7	72.4	74.7	71.3	71.0	-3.4	↓	17	6	
Environment		Net cost per Waste collection per premises (£)	58.73	42.20	37.93	36.10	38.92	79.20	7.8	↓	6	1
		Net cost per Waste disposal per premises (£)	120.82	107.39	111.23	108.79	98.86	99.76	-9.1	↑	14	5

N/A<sup>1</sup> Data no longer collected nationally / locally.  
N/A<sup>2</sup> Result below 5; not published to protect confidentiality.  
N/A<sup>3</sup> Data not yet published.

	Note	Indicator Description	Moray					National Average	Relative Change 2021/22 to 2022/23		Rank 2022/23	
			2018/19	2019/20	2020/21	2021/22	2022/23	2022/23	% change	Short Term Trend	Nat (32)	FG (8)
		Net Cost of Street Cleaning (£) per 1,000 population	9,650	7,931	7,908	8,501	8,785	16,068	3.3	↓	5	1
		Street Cleanliness Score	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>					
		Cost of Maintenance per Kilometre of Roads (£)	6,835	7,524	4,690	5,508	6,443	12,844	17.0	↓	3	1
		% of A Class roads that should be considered for maintenance treatment (rolling 2 years)	28.6	29.2	26.6	23.2	24.1	27.4	1.0	↓	14	2
		% of B Class roads that should be considered for maintenance treatment (rolling 2 years)	25.6	25.8	22.3	18.3	18.4	31.5	0.1	↓	3	1
		% of C Class roads that should be considered for maintenance treatment (rolling 2 years)	28.1	25.2	21.3	19.3	20.6	32.7	1.3	↓	5	1
		% of unclassified roads that should be considered for maintenance treatment (rolling 2 years)	31.1	35.5	35.0	32.0	30.3	36.4	-1.7	↑	9	2
		Cost of trading standards and environmental health (£) per 1,000 population	22,074	21,521	20,430	25,138	22,944	22,302	-8.7	↑	19	7
		Cost trading standards, money advice & citizens advice (£) per 1,000 population	5,528	5,579	5,104	5,169	5,790	7,060	12.0	↓	12	3
		Cost of environmental health (£) per 1,000 population	16,550	15,943	15,325	19,964	17,156	15,239	-14.1	↑	22	7
		% of total household waste arising that is recycled	57.0	59.0	54.9	52.2	58.0	43.3	5.8	↑	1	1
		% of adults satisfied with refuse collection (rolling 4 years)	82.8	73.5	69.8	71.7	76.0	78.0	4.3	↑	23	6
		% of adults satisfied with street cleaning (rolling 4 years)	65.3	58.6	58.3	58.7	62.7	58.3	4.0	↑	13	5
Housing Services (A)		Gross rent arrears (all tenants) as at year end as a % of rent due for the reporting year	2.4	2.6	3.2	3.8	4.5	9.6	0.7	↓	2	1
		% of rent due in the year that was lost due to voids	0.8	0.9	1.2	1.2	1.0	1.7	-0.2	↑	7	3
	19	% of council dwellings meeting Scottish Housing Quality Standard	92.5	90.7	93.8	6.3	15.5	70.9	9.1	↑	26	6
		Average number of days to complete non-emergency repairs	7.5	9.5	6.1	8.0	5.7	9.7	-28.3	↑	2	1

N/A<sup>1</sup> Data no longer collected nationally / locally.

N/A<sup>2</sup> Result below 5; not published to protect confidentiality.

N/A<sup>3</sup> Data not yet published.



	Note	Indicator Description	Moray					National Average	Relative Change 2021/22 to 2022/23		Rank 2022/23	
			2018/19	2019/20	2020/21	2021/22	2022/23	2022/23	% change	Short Term Trend	Nat (32)	FG (8)
		% of council dwellings that are energy efficient	57.4	54.6	57.4	60.4	N/A <sup>3</sup>	N/A <sup>3</sup>				
Economic Development (B)		% Unemployed People Assisted into work from Council operated / funded Employability Programmes	3.4	0.6	5.3	5.9	10.1	12.9	4.3	↑	24	8
		Cost per Planning Application	5,285	4,512	4,887	5,426	6,348	5,538	18.0	↓	22	5
		Average time (Weeks) per Planning Application	6.7	6.4	6.7	6.2	6.3	12.0	0.3	↓	2	2
		% of procurement spent on local small / medium enterprises	23.9	21.9	23.6	25.2	24.8	29.6	-0.4	↓	19	3
	20	No of business gateway start-ups per 10,000 population Note: 2023/24 result 3.1	12.6	16.2	9.4	12.4	11.1	14.3	-10.1	↓	29	8
		Investment in Economic Development & Tourism per 1,000 population (£)	25,757	35,414	37,225	46,407	80,510	109,349	73.5	↑	24	6
		Proportion of people earning less than the living wage (%)	27.40	24.00	21.50	19.40	13.8	9.4	-5.6	↑	15	2
	21	Proportion of properties receiving superfast broadband (%)	83.2	84.7	85.7	85.6	87.2	95.5	1.6	↑	26	8
		Town Vacancy Rates (%)	6.9	6.9	10.9	10.6	11.0	12.0	0.4	↓	14	3
		Immediately available employment land as a % of total land allocated for employment purposes in the local development plan	49.0	24.2	34.8	14.9	14.9	22.8	-0.1	▬	20	3
		Gross Value Added (GVA) per capita (£)	23,807	23,742	22,380	23,172	24,282	27,039	4.8	↑	11	3
		Claimant count as a % of working age population (%) Note: 2023/24 result 2.1	2.0	2.5	4.9	3.7	2.4	3.2	-1.3	↑	10	3
		Claimant count as a % of 16-24 population (%) Note: 2023/24 result 2.1	3.1	3.5	6.7	4.5	2.8	3.5	-1.7	↑	11	3
Financial		Total useable reserves as a % of council annual budgeted net revenue	10.5	15.0	25.1	26.3	24.8	24.5	-1.5	↓	16	3
	22	Uncommitted General fund Balance as a % of council annual budgeted net revenue	6.2	7.5	7.2	2.2	2.1	3.2	-0.2	↓	25	8

N/A<sup>1</sup> Data no longer collected nationally / locally.

N/A<sup>2</sup> Result below 5; not published to protect confidentiality.

N/A<sup>3</sup> Data not yet published.

	Note	Indicator Description	Moray					National Average	Relative Change 2021/22 to 2022/23		Rank 2022/23	
			2018/19	2019/20	2020/21	2021/22	2022/23	2022/23	% change	Short Term Trend	Nat (32)	FG (8)
	23	Ratio of Financing Costs to Net Revenue Stream	10.0	9.5	8.0	8.3	8.7	5.4	0.5	↓	29	7
		Ratio of Financing Costs to Net Revenue Stream – Housing Revenue Account	20.3	21.5	21.6	20.7	22.0	21.4	1.2	↓	14	5
	24	Actual outturn as a % of budgeted expenditure	100.1	96.0	89.6	91.1	93.4	98.6	2.3	↑	31	7
Climate Change (B)		CO2 emissions area wide per capita	5.11	5.01	4.11	5.11	N/A <sup>3</sup>	N/A <sup>3</sup>				
		CO2 emissions area wide: emissions within scope of LA per capita	7.77	7.34	6.39	7.39	N/A <sup>3</sup>	N/A <sup>3</sup>				
		CO2 emissions from Transport per capita	37.2	36.55	29.03	35.31	N/A <sup>3</sup>	N/A <sup>3</sup>				
		CO2 emissions from Electricity per capita	51.34	41.08	30.06	32.85	N/A <sup>3</sup>	N/A <sup>3</sup>				
		CO2 emissions from Natural Gas per capita	49.00	45.21	45.09	48.99	N/A <sup>3</sup>	N/A <sup>3</sup>				

N/A<sup>1</sup> Data no longer collected nationally / locally.

N/A<sup>2</sup> Result below 5; not published to protect confidentiality.

N/A<sup>3</sup> Data not yet published.



# Local Government Benchmarking Framework (LGBF)

## Benchmarking Overview - Summary 2021-22



## Summary

The Local Government Benchmarking Framework (LGBF) data provides evidence of trends in how resources are allocated, performance of services and levels of customer satisfaction. This year's results introduces data from 2021/22 and provides an evidence-based picture of the impact of the pandemic as well as the extraordinary effort and achievement during and following this exceptional period.

Exceptions based on 32 local authorities; areas of service delivery ranked in the lowest quartile are presented below as Notes to Benchmarking Results. Care should be taken when making comparison over time and with others due to the complexities around altered delivery and operating landscapes during the reporting period.

The [National Benchmarking Overview Report 2021/22](#) is available here.

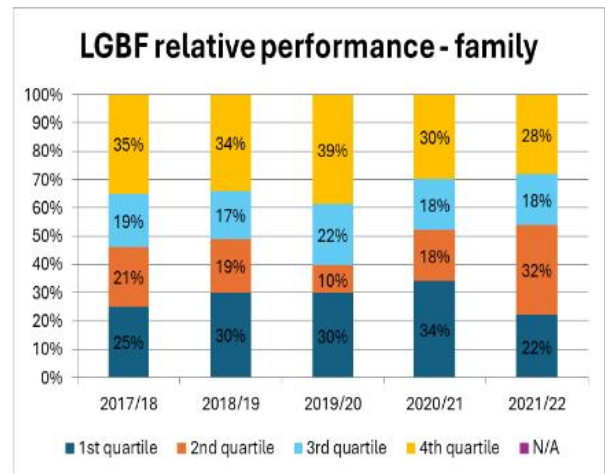
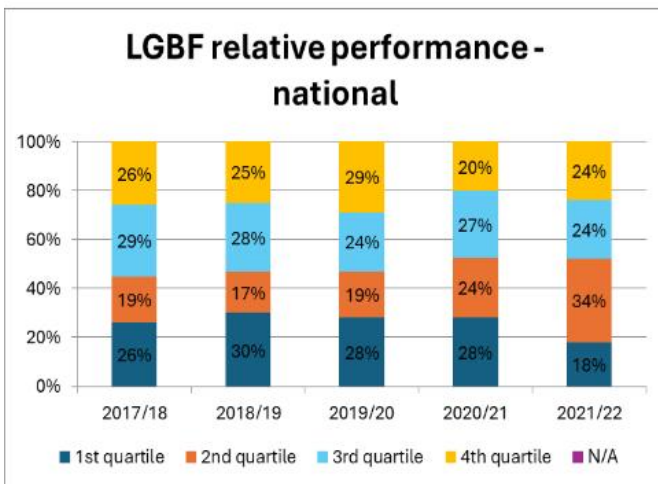
<b>Notes to Benchmarking Results (indicators ranked in the lowest quartile)</b>	
<b>No</b>	<b>Comment</b>
<b>Children's Services</b>	
1-10	<p>The percentage of P1, P4 &amp; P7 combined achieving expected CFE Levels for Literacy and Numeracy improved, encouraging given the disruption during Covid and the resulting lockdowns that had a significant impact on learning for children. The percentage point gap in between the least and most deprived pupils in the P1, P4 and P7 combined in numeracy increased against a generally a decreasing national trend.</p> <p>The percentage of secondary pupils gaining 5 or more awards at Level 5 improved and at Level 6 worsened slightly. Five of six average total tariff score measures remain in the lowest quartile.</p> <p>Analysis of achievement of Curriculum for Excellence Levels 2022 was presented to the Education, Children's and Leisure Services Committee on 25 January 2023 (<a href="#">item 8 of the Agenda refers</a>). Further analysis at individual school level and support and challenge discussions followed. Quality Improvement visits in primary during Terms 1 and 2 focused on Learning, Teaching and Assessment centred on common areas for development including increased moderation within schools and associated school groups, building practitioner confidence in teacher professional judgements against national benchmarks and cross school and sector moderation activities focused on literacy and numeracy leading to redeveloped action plans. In secondary education, virtual and extended in-person improvement model visits supported by revised processes were undertaken during term 2 and support and challenge visits in term 3 in line with the Secondary Attainment and Performance Framework.</p> <p>Curriculum structures of authorities' impact on tariff points available to students through the number of qualifications they can take, where more demanding qualifications gain more points than less demanding ones and in graded courses, a grade 'A' is equivalent to more points than a grade 'C' within the same course. Therefore in addition, locally complementary tariff scores is measured to apply parity of achievement of young people in their top five qualifications studied.</p>
<b>Corporate Services</b>	
11	The Gender Pay Gap at 6.95% is almost double the national average of 3.54%. The gap in pay is the percentage difference between male employees' average hourly rate of and female employees average hourly rate of pay, where a positive figure indicates male employees are, on average, paid more per hour than female employees. Across Scotland, results range from -6.2 to 11.4, reinforcing the likely variations in methods of calculation.
12	Of the 202k invoices sampled, 85% were paid within 30 days. With all payments made immediately on receipt of authorised invoices from services, a measure taken during the pandemic to support the local economy, the pace of authorisation by budget managers impacts on this result. Heads of Service are periodically informed of the performance of their service in processing in order to improve.
13	Discretionary Housing Payments (DHPs) may be awarded when the Council considers that a housing benefit or Universal Credit claimant requires further financial assistance towards housing costs. In 2021-22, of the estimated £790k funding available, 76% was spent. Scottish Government has increased funding by around 40% since pre-covid levels. Increased workload and priority being

	given to processing Self Isolation Support Grant impacted on the time available for DHPs, albeit in the reporting period there was less need for DHPs for new tenants or tenants looking to move to new tenancies. Scottish Government have since investigated and will reduce funding provided for future.
<b>Assets</b>	
14	The Moray Learning Estate is a significant contributory factor to the operational building condition indicator result. A programme of Local condition surveys has progressed, to provide a more accurate picture of schools' condition with historical surveys between 5-8 years old. Improvements are ongoing through the upgrade programme.
<b>Adult Social Work</b>	
15	Nationally there is significant variation in both the scale of growth and the pattern of uptake of direct payments (DP) or Personalised Managed Budgets (PMB). In Moray, of the £63m gross social work spend on over 18s, £2.3m was through Self-Directed Support. Self-Directed Support (SDS) Scotland published a report in September 2021, My Support My Choice; People's Experiences of Self-directed Support and Social Care in Moray which considered the views of 54 people in Moray who received SDS reporting positive views across several aspects. The research identified recommendations in response to concerns, which will inform and influence Health and Social Care Moray's ongoing efforts in responding to areas of challenge. Moray was one of three local authority areas chosen to work intensively with the SDS Project Team at Social Work Scotland to test out and develop the approved Framework Standards that will support future practice across Scotland. Locally, work has also progressed in creating an Option 2 Flexible Framework to support greater choice for individuals.
16	The percentage of adults supported at home who agree that their services and support had an impact in improving or maintaining their quality of life is one of the national core indicators reflecting the aggregate impact of local person-centred work to improve personal outcomes. Moray's result (73.3%), below the national average (78.1%) was reported for the first time to the Integration Joint Board Audit, Performance and Risk Committee in June 2022.
<b>Environmental Services</b>	
17	Adults satisfied with refuse collection improved to 71.7%. The data source is the Scottish Household Survey and results are presented as a rolling average. Typically, responses total around 10,000, however responses were significantly affected during the pandemic when fieldwork was suspended and the survey was carried out using remote interviewing, therefore results are not comparable to previous years.
<b>Housing Services</b>	
18	The requirement for housing stock to meet Energy Efficiency Standard for Social Housing (ESSH) compliance was introduced in January 2021 and amended fire safety regulation from February 2022, both contributory factors to achieving target. Completion of fire safety upgrades and focus on heating installations will improve performance results in the percentage of council housing stock meeting the Scottish Housing Quality Standard (SHQS).
19	Conclusion of a major contract for Warm Homes Round 4 grant funding was delayed throughout the pandemic periods resulting in heating installation work being suspended for several months. Surveys continue and completion of heating systems programme is dependent on Air Source Heat Pumps and boilers availability, also affected by industry shortages therefore it is unlikely to see any significant improvement in the percentage of council dwelling that are energy efficient in the short term.
<b>Economic Development</b>	
20	In the period to March 2022, 88 people were assisted into work from council employability programmes. A suite of employability services is being delivered through the Local Employability Partnership Plan using Scottish Government and UK Shared Prosperity Funding. Annual progress around Employability and Skills was reported within the Information Report: Economic Recovery Plan to Economic Development and Infrastructure Services Committee on 22 March 2022 ( <a href="#">para 11 refers</a> )
21	In January 2021 Moray Speyside were awarded £350k over the next 3 years in support of its Moray Investment in Economic Development & Tourism Recovery Plan. In addition, a successful application was submitted to the Rural Tourism Infrastructure Fund (RTIF) for the Coast to Country project, an integral part of Moray wide strategic staycation programme, in September 2021, that was match funded by the Council and Highlands and Islands Enterprise. It is anticipated that these opportunities will contribute to improved performance going forward.
<b>Financial Sustainability</b>	
22	The Ratio of Financing Costs to Net Revenue Stream – General Fund is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs, net of investment income. This is factored into the Council's financial planning and will be used as a tool for assessing affordability in reviews of the capital plan.

23	Actual Outturn is calculated as the total actual revenue expenditure as a percentage of the total budgeted revenue expenditure. Patterns of budgeted spend are impacted across all local authorities, albeit in different ways, with for an example an increase in the level of reserves held a common feature. Budget manager training is key to an accurate forecasting.
<b>Climate Change</b>	
24	Emissions within scope of Local Authority per capita increased and remain above the national average. The <a href="#">annual report on Energy Strategy/Actions</a> was submitted to the Economic Development and Infrastructure Committee on 15 November 2022. Publication of the Scottish Government's The Heat in Buildings Strategy set the requirement for all local authorities to produce a Local Heat and Energy Efficiency Strategy (LHEES) by December 2023. In March 2021 the Council adopted the Climate Change Strategy which set the goal of the Council being carbon neutral by 2030 and approved the Route Map to Net Zero creating a framework for actions aimed at reducing carbon emissions.

Caution on making direct comparison over time in the charts below due to the significant impact of Covid-19 on more recent results. Results show improving and worsening positions in equal share, but a general shift of results is evident from 1<sup>st</sup> to 2<sup>nd</sup> quartile.

Relative performance: Percentage of indicator rankings by quartiles –



2020/21  
vs  
2021/22

Results improved  
48 indicators



No change  
2 indicators

Results worsened  
49 indicators

## Results improved / worsened (past 12 months)

### Results that improved by 5% or >

- 10% reduction in the gross cost of looked after children in residential-based services resulted in a fall in the cost per child per week and improvement in ranked position to the lowest recorded in over a decade
- £703k of Scottish Welfare Fund payments were made, 99% of budget, improving on previous years percentage spend
- Homecare costs per hour for people aged 65 or over decreased due to a reduction in total homecare costs and increase in care hours
- 13% reduction in net expenditure on care homes for older people against a small increase in number of long-stay residents gives a low cost per resident
- Significant reduction in rate of readmissions to hospital within 28 days per 1,000 discharges
- Increased attendance and income resulted in reduced cost per attendance at sports facilities
- Proportionately larger increase in number of library visits than net expenditure led to lower cost per library visit
- Increased number of premises for refuse collection against reduction in net expenditure gave a reduced cost of collection per premise, lowest nationally
- Percentage of unemployed people assisted into work from Council operated / funded Employability Programmes improved albeit as a result of a proportionately larger decrease in the model-based unemployment count than those assisted into work
- Slight improvement in average time in processing weeks per planning application
- The rise in the number of Business Gateway Start Ups led to an improved ratio per 10,000 population
- Significant increase in gross expenditure in Economic Development and Tourism resulted in improved investment per 1,000 population, albeit position remains less than half national average and in the lowest quartile
- GVA per capita increased slightly albeit the ranking remained unchanged
- Claimant count as a percentage of working age population reduced due to a significant fall in the claimant count overall and within the 16-24 population

### Results that worsened by 5% or >

- 6% increase in gross expenditure and slight decrease in pupil numbers contributed to an overall increase in cost per primary school pupil
- 22% increase in pre-school gross expenditure resulting in another significant rise in cost per pre-school education place
- Reduction in the percentage of pupils living in the 20% most deprived areas

- Attainment gap in literacy and numeracy between least and most deprived has widened, is above national average and dropped in ranking to the lower quartiles
- Percentage of children meeting developmental milestones decreased and ranked position dropped to second quartile
- Significant increase in percentage of child protection re-registrations within 18 months
- Sickness absence days per teacher and non-teacher increased because of a 44% and 34% rise in days lost against a 9% and 5% rise in FTE staff numbers respectively to levels similar to pre-Covid. 2020/21 results were unusually low, mirrored nationally
- The proportion of Discretionary Housing Payment funding spent reduced with the result now ranking second lowest nationally
- Drop in overall internal floor area of operational buildings considered satisfactory in condition maintaining ranking of lowest nationally
- Percentages of adults supported at home agreeing that they had a say in how services were provided or that they improved or maintained their quality of life both fell slightly
- Significant increase in the number of bed days people (75 and over) spend in hospital when ready to be discharged, rate per 1,000 population returning to pre-Covid levels, positioned mirrored nationally
- Increase in the cost of parks and open spaces per 1,000 population due to 23% increase in net expenditure against a slight increase in estimated population
- 7% increase in cost of street cleaning per 1,000 population due to slight increases in net expenditure
- 17% increase in the cost of road maintenance per kilometre resulting in an increased cost of maintenance per kilometre
- Cost of trading standards and environmental health per 1,000 population increased as a result of 24% rise in gross expenditure largely attributed to environmental health
- Properties within scope of housing quality standard increased whilst those meeting standard considerably reduced resulting in drop in performance, a similar position reflected in national results
- Non-emergency house repairs rose considerably in a return to pre-Covid levels whilst working days to complete more than doubled last year, both contributing to an increase in average days to complete repairs
- Slight increase in planning applications against proportionately higher gross expenditure led to an increase in cost per planning application and a drop in ranked position nationally

<p>gaining 5+ awards at Levels 5 and 6</p> <ul style="list-style-type: none"> <li>• Gross costs of looked after children in a community setting increased slightly against a drop in the number of children looked after resulting in a greater cost per child per week</li> <li>• Drop in overall average tariff SIMD quintile 1 (most deprived), result above national average</li> </ul>	<ul style="list-style-type: none"> <li>• Percentage of immediately available employment land dropped by half, albeit remaining in the 3<sup>rd</sup> quartile</li> <li>• Percentage of uncommitted General Fund Balance against budgeted net revenue fell by five percentage points to below national average and from the top to third quartile</li> <li>• CO2 emissions area wide and within scope of Local Authority per capita increased</li> </ul>
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