



Audit and Scrutiny Committee

Tuesday, 04 December 2018

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, 04 December 2018** at **14:00**.

BUSINESS

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- 2 Declaration of Group Decisions and Members Interests ***
- 3 Minute of Meeting dated 22 August 2018** **5 - 8**
- 4 Written Questions ****
- 5 Internal Audit Charter (Terms of Reference)** **9 - 16**
Report by the Corporate Director (Corporate Services)
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10 Statement of Outstanding Business

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Report by the Chief Executive

11 Question Time ***

Consider any oral question on matters delegated to the Committee in terms of the Council's Scheme of Administration.

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.

Any person attending the meeting who requires access assistance should contact customer services on 01343 563217 in advance of the meeting.

* **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.

*** **Question Time** - At each ordinary meeting of the Committee ten minutes will be allowed for Members questions when any Member of the Committee can put a question to the Chair on any business within the remit of that Section of the Committee. 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 ten minutes after the Committee 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/she can submit it in writing to the proper officer who will arrange for a written answer to be provided within seven working days.

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THE MORAY COUNCIL

Audit and Scrutiny Committee

SEDERUNT

Councillor Marc Macrae (Chair)
Councillor Donald Gatt (Depute Chair)
Councillor James Allan (Member)
Councillor Frank Brown (Member)
Councillor Theresa Coull (Member)
Councillor John Cowe (Member)
Councillor Lorna Creswell (Member)
Councillor Tim Eagle (Member)
Councillor Ryan Edwards (Member)
Councillor Claire Feaver (Member)
Councillor Aaron McLean (Member)
Councillor Amy Patience (Member)
Councillor Derek Ross (Member)

Clerk Name: Caroline Howie
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Minute of Meeting of the Audit and Scrutiny Committee

Wednesday, 22 August 2018

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

PRESENT

Councillor Frank Brown, Councillor Theresa Coull, Councillor John Cowe, Councillor Lorna Creswell, Councillor Tim Eagle, Councillor Ryan Edwards, Councillor Claire Feaver, Councillor Donald Gatt, Councillor Marc Macrae, Councillor Aaron McLean, Councillor Amy Patience, Councillor Derek Ross

APOLOGIES

Councillor James Allan

IN ATTENDANCE

Ms M Bruce, External Auditor; Ms L Paisey, Head of Financial Services; Mr A Scott, Audit Manager; Mr D Lewis, Senior Auditor; Mr R Huggan, Commissioning and Performance Manager; and Mrs Caroline Howie, Committee Services Officer as Clerk to the Meeting.

ALSO PRESENT

Councillor Leadbitter (ex-officio)

1 Declaration of Group Decisions and Members Interests *

In terms of Standing Order 20 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.

2 Written Questions **

The Committee noted that no written questions had been submitted.

3 Minute of Meeting dated 23 May 2018

The Chair thanked Councillor Aaron McLean as the outgoing Chair for his time as Chair of the Committee and asked him to present the previous Minute.

Councillor Aaron McLean wished the Chair well on his new role and thanked officers for their help during his time as Chair.

Thereafter the Minute of the meeting of the Audit and Scrutiny Committee dated 23 May 2018 was approved.

4 Correction

The Chair advised that the appendix for item 9 "Statement of Outstanding Business" was marked as item 8 and assured all that it was the correct appendix which had been incorrectly numbered.

5 Audit Scotland - Management Report 2017-18

A report by the Corporate Director (Corporate Services) provided the Committee with a copy of the External Auditor's management report for 2017/18.

The Chair took the opportunity to welcome Ms Bruce, External Auditor, and opened the report for discussion.

In response to a query from Councillor Creswell the Council Leader advised there was a meeting of Group Leaders scheduled for 23 August and the formation of a cross-party group was on the agenda for discussion.

In response to a query from Councillor Feaver the External Auditor advised that for the purposes of expressing an opinion on the financial statement, controls and operations could be found to be satisfactory or requiring improvement. The fact that the majority of the controls and operations had been found to be satisfactory means they can be relied on and that no further work is required.

Councillor Brown sought the External Auditors opinion on the financial sustainability arrangements of the Council and if she was of the opinion that the Council should consider putting a moratorium on spending. He further sought clarification on her opinion of the transform agenda and asked her to comment on the efficacy of its success.

In response the External Auditor advised that as auditors they did not get involved in the running of councils and decisions to be made were for those charged with governance which is all the Councillors in the organisation. She advised they could recommend that a financial strategy be put in place, however it was not for them to suggest what that strategy should be. She further advised her review of the transformation programme had been at a high level and she was not in a position to state whether she was of the opinion it would be effective or not.

Discussion took place on the transparency of current and historical internal audits. Following discussion of what constituted historical it was agreed the internal auditor would review the feasibility of providing information for the previous two years and issuing a link to Committee.

In response to a query from Councillor Gatt on the inclusion of family interests on Registers of Interest the Chief Executive undertook to seek clarification from the Head of Legal Services.

Councillor Feaver sought clarification on Registers of Interest in relation to staff hospitality and whether in the interests of transparency information could be made public.

In response the Chief Executive advised he would investigate what was available.

Thereafter Committee agreed to:

- i. note the contents of the External Auditor's Management Report for 2017/18;
- ii. task the Audit Manager with ensuring full internal audit reports be placed on the Members portal and sending links to the Committee;
- iii. task the Audit Manager with checking the feasibility of providing historical audit reports to Committee;
- iv. task the Chief Executive with seeking clarification from the Head of Legal Services on the inclusion of family interests on Registers of Interest; and
- v. task the Chief Executive with investigating what information is available on staff hospitality.

6 Report on the Work of the Internal Audit Section 1 January-31 March 2018

A report by the Corporate Director (Corporate Services) advised Committee on the work of the Internal Audit Section for the period from 1 January 2018 to 31 March 2018.

Councillor Feaver was of the opinion appendix 2 of the report, in relation to the audit of Elgin High School, did not give Committee enough information on how the school develops, monitors and controls its £2.9 million budget and sought clarification on the possibility of seeing all the information behind the executive summary.

In response the Audit Manager advised that behind the summary report there is an audit report as well as supporting audit working papers that contain findings from the audit work completed. He was of the opinion it would not be feasible or usual to distribute that level of detail. He further advised reporting of findings is by exception and links to the recommendations made. He also noted that the £2.9 million was mainly staffing costs however if required it would be possible to give further detail on what it covered.

Councillor Gatt sought clarification on whether purchasing cards had individuals names on them as if for an individual then they should be responsible for the spend on the card.

In response the Audit Manager advised purchasing cards were numbered and did not have names on them, however the number can be tracked to a particular employee. The employee can use the card but authorisation has to be by a manager.

In response to a further query from Councillor Gatt the Audit Manager advised that where possible contracts for supplied etc. were in place however as this related to a home there were some items that would always be required on an ad hoc basis and therefore purchasing cards were used.

Councillor Brown sought clarification on whether the costs of implementing

recommendations were considered prior to recommendations being made.

In response the Audit Manager advised that his role is to advise on issues for managers to consider; managers can review the recommendations and if they are of the opinion implementing a recommendation would be cost prohibitive they can advise the auditor they are unwilling to implement it or they can refer the matter to a service committee with a view to obtaining budget to implement the requirement.

Councillor Aaron McLean was of the opinion it was incumbent on the Audit Manager to report findings and audit recommendations that have potential cost implications and for managers and Councillors to determine if any spend involved is cost beneficial.

Thereafter the Committee agreed to note the report.

7 Internal Audit Annual Report 2017-18

A report by the Corporate Director (Corporate Services) provided Committee with a copy of the Internal Audit Annual Report for the year ended 31 March 2018, together with the internal audit manager's opinion on the adequacy and effectiveness of the Council's system of internal control.

Following consideration Committee agreed to note the contents of the annual report given as appendix 1 of the report.

8 The National Fraud Initiative in Scotland

Under reference to paragraph 4 of the Minute of the meeting dated 8 November 2017 a report by the Corporate Director (Corporate Services) provided Committee with information from Audit Scotland's recently published report on the National Fraud Initiative.

Following consideration the Committee agreed to note the outcome from the Audit Scotland report and the Council's responses to recommendations therein.

9 Statement of Outstanding Business

Following consideration of progress and timescales in relation to follow-up reports and actions requested by Committee at previous meetings Committee agreed to note a report by the Chief Executive.

10 Question Time ***

There were no questions raised.



REPORT TO: AUDIT AND SCRUTINY COMMITTEE ON 04 DECEMBER 2018

SUBJECT: INTERNAL AUDIT CHARTER (TERMS OF REFERENCE)

BY: CORPORATE DIRECTOR (CORPORATE SERVICES)

1. REASON FOR REPORT

- 1.1 To seek Committee approval of an updated Internal Audit Charter (terms of reference) that defines the purpose, authority, and responsibility of the internal audit activity within the Council.
- 1.2 This report is submitted to Committee in terms of Section III (I) (2) of the Council's Scheme of Administration relating to consideration of reports from the Internal Auditor.

2. RECOMMENDATION

- 2.1 **That Committee considers and approves the updated internal audit charter.**

3. BACKGROUND

- 3.1 The Public Sector Internal Audit Standards requires the purpose, authority and responsibility of the internal audit activity to be formally defined in an internal audit charter. There is also a requirement for the Internal Audit Manager to review the charter regularly and present it to senior management and the board for approval.
- 3.2 In a council context 'senior management' is the Corporate Director (Corporate Services) and the Board is the Audit and Scrutiny Committee.
- 3.3 The last formal review of the charter took place in early 2017 and the updated document was considered and approved at the meeting of this Committee on 22 March 2017 (paragraph 6 of the minute refers). There have been no significant changes to the document in the interim.
- 3.4 However the charter defines succinctly the role and purpose of internal audit, and its responsibilities and status within the organisation. This includes its authority to undertake its work in an independent manner, and its accountabilities both operationally to a Corporate Director and functionally to this Committee.

- 3.5 It is expected the Charter will be a useful reference point for elected members who have recently joined the Committee. The Charter is provided as **Appendix 1**.

4. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes improvement Plan (LOIP))

No implications.

(b) Policy and Legal

An up-to-date charter meets the requirements of the Internal Audit Standards which public sector bodies must apply.

(c) Financial implications

None.

(d) Risk Implications

The availability of an up to date Charter provides clarity around the purpose, authority and responsibility of the internal audit function.

(e) Staffing Implications

None.

(f) Property

None.

(g) Equalities/Socio Economic Impact

None.

(h) Consultations

The Internal Audit Manager has agreed the content of this report and the Charter with the Corporate Director (Corporate Services).

5. CONCLUSION

- 5.1 The Audit and Scrutiny Committee is invited to consider and approve the updated audit charter.**

Author of Report: Atholl Scott, Internal Audit Manager
Background Papers: Public Sector Internal Audit Standards
Ref: ASC/as/041218

APPENDIX 1



Corporate Services Internal Audit Charter

December 2018 Introduction

The Local Authority Accounts (Scotland) Regulations 2014 at paragraph 7 (1) require the council to operate a professional and objective internal auditing service in accordance with recognised standards and practices in relation to internal auditing.

Definition and Purpose of Internal Auditing

Internal Auditing is defined in the Public Sector Internal Audit Standards (PSIAS) as an independent, objective, assurance and consultancy activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. Its mission, therefore, is to enhance and protect organisational value by providing risk based and objective assurance, advice and insight.

CIPFA refines this slightly in its PSIAS Local Government Application Note, adding that Internal Audit 'may also undertake consulting services at the request of the organisation, subject to there being no impact on the core assurance work and the availability of skills and resources'. Consulting services are referred to below.

Public Sector Internal Audit Standards

The PSIAS were developed by a group of 'relevant standard setters' including government, accountancy and audit bodies and represent a common set of standards for all internal audit service providers in the public sector in the United Kingdom. The PSIAS comprises a definition and mission of internal auditing (as outlined above) together with a Code of Ethics and Professional Standards. Compliance with the PSIAS is mandatory.

Purpose and Responsibility

In terms of the council's financial regulations, the Corporate Director (Corporate Services) has responsibility for securing the provision of a continuous internal audit service to provide an independent and objective opinion on the control environment comprising risk management, internal control and governance.

This remit is delegated to the Internal Audit Manager whose duties are to review, assess and report on:

- the effectiveness of systems of financial and non-financial controls
- compliance with council policies, plans and procedures
- compliance with regulations and legislation
- the degree to which assets are properly accounted for and safeguarded
- the reliability and integrity of data and performance information; and
- the extent to which value for money can be demonstrated.

In determining the scope of audit work, the Internal Audit Manager prepares an annual audit plan and reports throughout the year on findings from the audit projects completed, together with recommendations made and management responses thereto.. The Plan includes topics directed by the Moray Integration Joint Board and assurances from these projects are shared with the Board's Audit, Performance and Risk Committee. Internal Audit Annual Reports are prepared for the council and the Board which include an opinion on the adequacy and effectiveness of the system of internal control. The opinion informs the broader assurances on governance provided in the related Annual Governance Statements. The Council's Audit and Scrutiny Committee has responsibility for overseeing and supporting the work of the Internal Audit service.

Internal Audit responsibilities are not relieved in areas of the council's work that are subject to review by others, but reliance is placed on the work of other review agencies, principally the council's External Auditor, to avoid duplication, make best use of resources and inform the overall assessment of governance arrangements.

Organisational Status and Independence

The Internal Audit Manager reports administratively to the Corporate Director (Corporate Services), who is a member of the Council's Corporate Management Team. This reporting line strengthens audit independence with, in the main, audit assignments being carried out on services and systems managed by Heads of Service.

The PSIAS requires the Internal Audit Manager to report functionally to the Audit and Scrutiny Committee. Functional reporting is defined as that which enables the Internal Audit Manager to ensure that internal audit can fulfil its responsibilities.

The Audit and Scrutiny Committee is charged with responsibility for ensuring good stewardship of the Council's resources, enhancing the profile, status and authority of internal audit and affirming its independence. Specifically, in relation to audit matters, the committee;

- Contributes towards making the Council, its committees and services more responsive to the audit function and its purpose;
- Enhances good governance arrangements by promoting internal control and risk management, by supporting an anti-fraud culture, and by the review of revisions to financial procedures;
- Has responsibility for focusing audit resources through agreeing the annual programme of work;
- Monitors delivery of the audit service through receipt of quarterly reports on work carried out by Internal Audit;
- Considers the annual opinion provided by the Internal Audit Manager on the adequacy and effectiveness of the control environment.

Authority

The Local Authority Accounts (Scotland) Regulations 2014 at paragraph 7 (2) require that any officer or member of a local authority must, as required by those undertaking internal auditing:

- Make available such documents of that authority which relate to its accounting and other records for the purposes of internal auditing; and
- Supply such information and explanation as those undertaking internal auditing consider necessary for that purpose.

The council's Financial Regulations provide that Internal Audit staff, for the purposes of conducting their work, shall have authority to:-

- have a right of access to all records, assets, personnel and premises, including those of partner organisations in receipt of council funding or other resources,
- have access to all records, documents and correspondence relating to any financial and other transactions of the Council,
- require and receive such explanations as are necessary concerning any matter under examination,
- require any employee of the Council to produce cash, stores or any other Council property under his control, which is relevant to any investigation being carried out.

The Internal Audit Manager has unrestricted access to all officers of the Council (including the Chief Executive and other Senior Managers) and to Members of the Council as necessary.

Management Responsibilities

Responsibility for internal control rests with management, who must ensure that proper internal control arrangements are in place. Internal audit's role is to evaluate the effectiveness of such internal control arrangements. Management is responsible for accepting and implementing audit recommendations and bears any risk from not taking agreed action. Internal Audit is not a substitute for an effective system of internal control implemented by management.

Resources

Responsibility for resourcing the internal audit service rests with the Corporate Director (Corporate Services). The Corporate Director ensures that resources are sufficient to enable internal audit to conduct an ongoing review of governance, risk and control processes based on an assessment of risk. The Internal Audit Manager is responsible for managing the resource provided and for delivery of the internal audit service.

Counter Fraud Work

The prevention and detection of fraud is a management function and management is responsible for implementing and maintaining suitable systems of control to mitigate the risk of fraudulent activity. Internal audit supports the Council's commitment to fraud prevention and detection by overseeing data matching exercises carried out under the National Fraud Initiative. The Internal Audit Manager oversees the work of the Corporate Investigations Officer. The council takes the threat of fraud or related malpractice seriously and has adopted a Policy to Combat Fraud, Theft, Bribery and Corruption. A Whistle-blowing Policy has been developed in consultation with the HR service to facilitate the reporting of any concerns.

The Financial Regulations provide that whenever any matter arises which involves, or is thought to involve, irregularities concerning cash, stores or other property of the Council or any suspected irregularity in the exercise of the functions of the Council, any Officer, having knowledge thereof, shall, as soon as possible, notify Internal Audit.

Objectivity and Conflicts of Interest

The Council's Code of Conduct for Employees sets out the required standards for the conduct for all employees and includes provisions for the declarations of interests, gifts and hospitality.

In addition, internal audit staff in line with the Code of Ethics forming part of the PSIAS are required to disclose any potential conflicts of interest which may impact on their audit work, for example, in relation to previous employment within the council, relatives employed with the council and other such similar circumstances.

Internal Audit has neither responsibility for, nor authority over, the subject areas it reviews. Internal Audit resources are applied exclusively to audit, risk and counter fraud processes. This limits any potential conflicts of interest and secures objectivity. Alternative sources of assurance are sought in relation to the effectiveness of these functions, for example, by utilising the work of other council internal audit teams for the external quality assurance process or by having regard to work completed by the external auditor.

Consultancy Work

Internal Audit provides advice on an ad-hoc basis on control related issues; otherwise its consultancy role extends primarily to the provision of advice, and guidance on matters relating to risk management. The team is not resourced to routinely become involved in the assessment of controls in new systems prior to their installation or implementation.

Review

The PSIAS requires that the chief audit executive periodically reviews the Internal Audit Charter and presents it to senior management and also to the Board for approval. In this context the chief audit executive is the Internal Audit Manager, senior management is the Corporate Director (Corporate Services) and the Board is the Audit and Scrutiny Committee.

Atholl Scott
Internal Audit Manager
December 2018

Approval of the Charter

This Internal Audit Charter was considered and approved at a meeting of the Audit and Scrutiny Committee on 4 December 2018.

Signed.....

Councillor M Macrae Chair,
Audit and Scrutiny Committee

Dated.....



REPORT TO: AUDIT AND SCRUTINY COMMITTEE ON 4 DECEMBER 2018

SUBJECT: REPORT ON THE WORK OF THE INTERNAL AUDIT SECTION IN THE PERIOD FROM 1 APRIL 2018 TO 30 SEPTEMBER 2018

BY: CORPORATE DIRECTOR (CORPORATE SERVICES)

1. REASON FOR REPORT

- 1.1 The report advises Committee on the work of the Internal Audit Section for the period from 1 April 2018 to 30 September 2018.
- 1.2 This report is submitted to Committee in terms of Section III I (2) and (7) 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 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 The report for the first six months of the financial year straddles the period which involves a mix of projects that supports the closure of the annual accounts, including work to finalise the annual governance statement, and the progression of audit projects contained within the agreed audit plan for 2018/19.

3.2 Annual Governance Statement

- 3.2.1 The statement is prepared based on good practice guidance published by CIPFA (the Chartered Institute of Public Finance and Accountancy) and SOLACE (the Society of Local Authority Chief Executives). The guidance was updated in 2016 and the council now prepares its statement in accordance with that guidance. There is further work to be done to update the local code of governance. There is also a need for more formal evidencing of the contribution of Heads of Service to good governance by having them 'sign off' assurance statements at the year-end confirming their roles in the governance process. This work is being taken forward by the Head of Financial Services and the Internal Audit Manager with Corporate Management Team/Senior

Management Team to ensure the planned enhancements to evidencing of governance processes are in place by 31 March 2019.

3.3 Main Financial Systems – Stocks and Stores

- 3.3.1 The report to this committee on 22 August 2018 noted that Internal Audit had attended year end stocktaking at various council depots at the year end to confirm that adequacy of the stocktaking arrangements and ensure all materials in scope had been correctly counted. (para 6 of the draft Minute refers) Thereafter on receipt of the completed stock sheets, prices used were test checked to supplier invoices to assess the reasonableness of the stock valuations reported. No issues were identified from this work.
- 3.3.2 A separate exercise was carried out covering Occupational Therapy stocks of aids and adaptations for use by individuals with disabilities. This service has recently installed a new stores system for controlling these stocks. The Executive Summary and Action Plan for the review are provided as **Appendix 1**.
- 3.3.3 Management consideration is now being given to consolidation of the stores activity within Direct Services and the Housing Service to secure further efficiencies. Internal Audit has been asked to participate in this review. Work is at an early stage to assess what is feasible, with the key consideration the ability for any replacement stores system to meet the operational requirements of the services and suitably link to the council's main financial systems.

3.4 Main Financial Systems – Housing Benefits Subsidy Claim

- 3.4.1 An annual input on the grounds of materiality alone is a review of the Housing Benefits subsidy. The council pays out upwards of £17 million annually the bulk of which is funded by the Department of Work and Pensions. Certification is required as to the accuracy of the amount claimed and this requires detailed testing of a sample of claims. The external auditor undertakes the certification but relies in large part on Internal Audit to complete this work. Accuracy of claims processing is high and there are no recommendations arising for the review. A copy of the Executive Summary detailing the work completed is given as **Appendix 2**.

3.5 Departmental Systems - Elgin Academy

- 3.5.1 In continuing the cyclical coverage of secondary schools, an audit was completed at Elgin Academy. The review has found Elgin Academy to be well managed with clear financial management processes. In terms of issues arising in the course of this audit, these were few in number and not categorised as high risk. The Executive Summary and audit action plan showing recommendations made and management responses is provided as **Appendix 3**.

3.6 Departmental Systems – Primary School Funds

- 3.6.1 The council has developed school fund regulations to guide Head Teachers and school administrative staff in the administration of school funds. These funds are voluntary funds defined in the financial regulations as “any fund

other than an official fund of the Council, which is controlled wholly, or in part, by an Officer of the Council by reason of his or her employment”.

3.6.2 With all 46 schools maintaining a fund, the regulations provide that each school should make its own audit arrangements, with annual statements being prepared, audited by a suitable independent person and made available within each school community. A copy of each statement is also provided to Educational Services, which monitors returns to ensure a statement is received from all schools. Compliance with the Regulations was found to be good with only minor improvements identified for application at a small number of schools. These improvements related to:

- providing more detail on annual summary statement;
- avoiding, so far as is practicable, describing income or expenditure as ‘miscellaneous’;
- noting the name and designation of the auditor on the statement in addition to a signature.

3.6.3 These points were raised with the Head of Schools and Curriculum Development who has provided all schools with a reminder to ensure these points are addressed in future school fund annual statements.

3.7 Departmental Systems- Bailing Plant and Recyclable Waste

3.7.1 The council processes much of the waste it collects in Moray through the bailing plant located at Tyock Industrial Estate in Elgin. This audit looked at the systems and procedures in place for receiving, sorting and onward transmission of waste to its destination along with associated charging arrangements. A copy of the Executive Summary and audit action plan for this project are provided as **Appendix 4**.

3.8 Departmental Systems - Swimming Pool Income

3.8.1 The council operates swimming pools and leisure facilities across Moray and this audit looked at the accounting arrangements for income collected across these sites and others under the direction of the Sports and Leisure Manager. This work included consideration of the controls around the use of the ‘Fit Life Membership’ system, which were found to be operating as intended. This is a positive given that this system has been introduced recently into the Moray Leisure Centre, which functions as an Arms’ Length External Organisation supported by the Council. This will hopefully incentivise membership take up and usage across the leisure estate. A copy of the Executive Summary and audit action plan for this project are provided as **Appendix 5**.

3.9 Departmental Systems - Education - Early Years Provision

3.9.1 Scottish Government is making available multi-year ring fenced funding to expand early learning and childcare provision across all local authority areas. The review has found comprehensive planning arrangements to be in place in this council for what will be a major transformation programme. This area is likely to be revisited by internal audit as the expansion progresses, but meantime the findings from the audit work completed to date are encouraging. A copy of the Executive Summary and audit action plan for this project are provided as **Appendix 6**.

3.10 Other Systems - Grant Claims - Elgin Conservation Area Regeneration (CARS) Scheme

3.10.1 The audit plan allows time for the audit of grant claims which require various types of certification. For the CARS scheme this takes the form of providing assurances to the council's accountancy team who in turn submit claims for grant to Historic Environment Scotland. In a prior year review, the audit highlighted a risk that not all the available grant funding would be spent by the end of the 5 year grant period as at 31 March 2018; however the amount of works and expenditure was much increased in 2017/18 compared with prior years with certain projects offered higher intervention rates. This enabled the full £750,000 made available by Historic Environment Scotland for the scheme to be claimed. The project is now complete.

3.11 Ad-hoc Works – Moray Leisure Centre

3.11.1 Following a request by Council an overview of the council's relationship with Moray Leisure Centre as an arms' length external organisation was carried out. The findings of the report were provided to the meeting of the council on 5 September 2018, (paragraph 11 of the minute refers) the main recommendation being that the wider leisure services review should be progressed to provide greater certainty around future provision in this area.

3.12 Regularity Review – Creditor Payments

3.12.1 At quarterly intervals internal audit samples payments made by the council stratified to include randomly selected items and higher value items. A check for duplicate payments is also carried out by extracting listings where more than one invoice from a single supplier has been paid for the same amount. The check is to assess the payments and any supporting documentation to confirm that it is a proper payment due and payable by the council. There are no issues to report from this work.

3.13 Progress against Audit Plan

3.13.1 Good progress has been made towards delivery of the audit plan agreed by this committee on 23 May 2018 (para 5 of the minute refers). Scheduled audit work on civil engineering projects within the capital plan has been revised given deferral of works on the A941 Craigellachie Bridge until future years with the audit of contracts for two other lower value bridge contracts being substituted; also planned work on learning disabilities whilst identifying and confirming how current budgets are being spent is being curtailed, while the service progresses a major review of its commissioning processes which is likely to impact on future service delivery arrangements.

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) 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 a broad range of audit projects completed during the review period.

Author of Report:	Atholl Scott
Background Papers:	Internal audit files
Ref:	AS/asc/041218

APPENDIX 1**AUDIT REPORT 19'003****OCCUPATIONAL THERAPY - STOCKS****EXECUTIVE SUMMARY**

The annual Internal Audit plan for 2017/18 provided for a review to verify the stock valuation of equipment held at the financial year end for a number of Council Services. This report relates specifically to the Occupational Therapy (OT) Store.

Occupational Therapy stocks comprise aids and adaptations issued to service users to help with various daily tasks including cooking, dressing and bathing. The individual items of equipment held can vary in value from a few pounds to upwards of £1,000 for certain type of hoists, specialised seating etc. The total stock value as at 31st March 2018 amounted to some £110,000.

The audit involved a number of tests to confirm the accuracy of the reported stock valuation, including the checking of records for pricing purposes and the physical verification of items held in store. Once agreed, the final stock valuation is passed to Accountancy Services for inclusion within the Council's Annual Accounts.

Further to the review and testing undertaken, the following points were noted:-

- A review of the initial valuation report provided detailing the total stock value noted a number of errors. These required to be corrected arithmetically and due to incorrect product pricing of recycled equipment.
- The purchase price for products bought a number of years ago could not always be verified to the actual invoice with a lack of suitable audit trails to track items back to date of purchase.
- No regular reviews are undertaken of equipment with regard to slow moving or obsolete stock. A yearly check of all equipment should be undertaken to make sure any equipment not issued for a defined period is assessed for consideration of write off.
- At the time of writing this report a new Stores Management System was about to go live. Internal Audit have received a brief overview of this system and have highlighted a number of issues regarding the procedures for purchasing of stock, treatment of recyclable equipment, stock valuation etc. Management should consider these issues to ensure the new system fully addresses these and the other matters arising during the audit.

Moray Council

Internal Audit Section

Recommendations: Occupational Therapy: Stocks

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
Key Control: Effective systems exist for the correct valuation of Occupational Therapy Equipment						
5.1	Effective systems and procedures should exist to ensure accurate stock valuation reports.	High	Yes	Health and Social Care Moray have now implemented the ELMS2 System provided by Ethitec. The system will provide all stock valuation reports moving forward however the system will be reliant on data input. A CMP has been conducted and new infrastructure implemented in the Store, including the addition of a Store Person and appropriate administration staff.	Provider Services Manager	30/09/2018

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)	Comments	Responsible Officer	Timescale for Implementation
5.2	Equipment should be physically stored against their clearly marked bin/ product code reference.	Medium	Yes	A barcoding system has been acquired as part of the implementation of ELMS2 and this will separately mark every item with a value of £15 or more. All stock will be clearly stored in an area where the product is clearly marked and accessible.	Independent Living Team Manager	31/08/2018
					Store Person	30/09/2018
5.3	New and recyclable equipment should be stored separately.	Medium	Yes	As a result of a CMP, a new management structure has been implemented. A new Store Person will be appointed and additional administration staff appointed.	Provider Services Manager	30/09/2018

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)	Comments	Responsible Officer	Timescale for Implementation
				<p>A cleaner driver post will also be implemented to ensure separation (mainly due to infection control)</p> <p>Protocols are being developed internally to ensure that all stock is stored appropriately. All stock will be clearly identifiable as part of the ELMS2 system.</p>	Independent Living Team Manager	31/08/2018
5.4	Valuation of any item of equipment should be evidenced to the original purchase invoice.	High	Yes	Processes will be carried out throughout August (including a report to the Operational Management Team) to ensure that all items in the Store can be evidenced to the original	Provider Services Manager	30/09/2018

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)	Comments	Responsible Officer	Timescale for Implementation
				purchase invoice. An exit strategy will be implemented if any items are found not to meet the basic criteria		
5.5	Procedures should be developed to ensure that all equipment is reviewed every year to ensure any obsolete equipment no longer required is destroyed or sold.	Medium	Yes	A process is being developed with the Health and Social Care Moray Operational Management Team. A protocol will be developed which the Store management will follow in order to ensure that no obsolete products are held at the Store. A protocol will be developed with the OT Budget Manager to identify when a product becomes obsolete.	Provider Services Manager Independent Living Team Manager	30/09/2018 31/08/2018

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)	Comments	Responsible Officer	Timescale for Implementation
5.6	Regular stock checks should be undertaken between stock records and the items held at OT Stores.	Medium	Yes	<p>A pathway will be implemented in the Store to include regular stock checks. As of September 2018, stock checks will be implemented on a quarterly basis. Any issues or concerns will be addressed in July, October and January to ensure that the annual Stock Audit in March functions smoothly.</p> <p>The senior management group will manage risk/issues and a risk assessment and issues log will be implemented. This will be a key agenda item on the Independent Living Service Monthly</p>	<p>Independent Living Team Manager</p> <p>Provider Services Manager</p>	<p>31/08/2018</p> <p>30/09/2018</p>

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)	Comments	Responsible Officer	Timescale for Implementation
				Meeting in July, October, January and April. Auditors will be invited to these meetings to ensure a healthy relationship and to allow any escalation of problems in an efficient manner.		
5.7	A number of key operating functions e.g. stock valuation report, need to be agreed regarding new Occupational Stores System.	High	Yes	The new system has just been implemented and a User Group continues to monitor and manage progress. The project lead will liaise with the Independent Living Service Manager to ensure clarity is provided in all functions of the new system.	Independent Living Team Manager	30/09/2018

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)	Comments	Responsible Officer	Timescale for Implementation
				A report will go to the Infrastructure Board detailing the outcome once fully implemented.	Provider Services Manager	30/09/2018

AUDIT REPORT 19'005**HOUSING BENEFITS SUBSIDY REVIEW****EXECUTIVE SUMMARY**

The administration of the Housing Benefit systems is a major activity for the Council's Financial Services, with in excess of £17 million having been paid out in 2017 / 2018. The service processed approximately 1,500 new claims and actioned approximately 14,000 individual changes to benefit claims during the year, with eligible expenditure reclaimed from the Government through a subsidy claim to the Department for Work and Pensions. The External Auditor is required to verify the claim by testing a sample of individual benefit claims to confirm the accuracy of each award. The Council uses a computer software system to administer all benefit awards, subsidy calculation etc. As part of a joined up audit approach it was agreed that Internal Audit would undertake the majority of the testing and the External Auditor would thereafter review to ensure completeness and accuracy prior to certification.

The testing required all details needed for processing each claim to be recorded within a database provided by the Department of Works and Pensions. This involved cross referencing all processing entries to the original supporting evidence logged on document imaging software. The testing also confirmed the calculated benefit award to the actual benefit paid out to the claimant. The rules detailing the various elements of a benefit award can be complex and detailed.

From the sample checked, the audit found no significant discrepancies between the benefit actually paid when compared to the re-calculation of the award using the testing database. The minor errors noted involved the misclassification of a specific subsidy cell category and the recording of claimant income. However the errors were not material and did not require any amendment to the yearly subsidy claim.

This review has been particularly time consuming and technically demanding due to the complexity of the Regulations, and the need for referencing of entries within the database to the original source documents. The assistance provided by officers of the Housing Benefits Team was much appreciated during this review.

APPENDIX 3**AUDIT REPORT 19'011****ELGIN ACADEMY****EXECUTIVE SUMMARY**

The annual Internal Audit plan for 2017/18 provides for a review to be undertaken of secondary school establishments as part of a rolling programme of audit visits. In this particular audit exercise, Elgin Academy was selected for review.

The main purpose of the audit was to undertake a review of the operation of the Devolved School Management Scheme in terms of allocation of funding and the management of these funds at school level. Consideration was given to how budgets are affected by national, Council and school priorities and an assessment made of the extent to which school management can influence the allocation of financial resources.

In addition to undertaking an overview of how the school develops, monitors and controls budgets, the audit involved a study of the management of the significant staffing costs involved in delivering the curriculum, a review of procurement practices, and an examination of the school's administration of income.

A review was also undertaken of the School Fund to ensure all income and expenditure are recorded appropriately and records are maintained in accordance with the School Fund Regulations.

This audit work has focused on the complete 2017/18 financial year and also 2018/19 to date. The devolved budget available to the school annually is £4.6 million, with staffing costs accounting for 80% of this budget provision.

The review has found Elgin Academy to be well managed with clear financial management processes. In terms of issues arising in the course of this audit, these were few in number and not categorised as high risk. The main issues which would benefit from management attention relate to:-

- A more structured approach should be taken regarding the internal financial reporting of the devolved school budget. The Senior Management Team within the School should be provided with regular reports of any significant variances between actual and budgeted expenditure.
- It was noted that the School has a significant sum of money within its School Fund. A clear strategy should be developed regarding the future operating purpose of the School Fund and how, if applicable, it is aligned to or complements the devolved school budget.
- Excellent records had been maintained to record all transactions for the School Fund. However consideration should be given to amending the format of the year-end financial statement to also include the opening balances for the various fund categories. The statement would then provide an overview of the activity of each fund category during the year.

Moray Council

Internal Audit Section

Recommendations: Elgin Academy

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
Key Control: Performance against budget is monitored by management on an ongoing basis with prompt action taken to address any significant variances.						
6.1	The School should consider a more structured approach for the internal financial reporting of the devolved School Budget. Budget/ Senior Managers should be provided with additional information to explain variances between actual and budgeted expenditure, and any issues arising therefrom.	Medium	Yes		Business Support Coordinator	31/12/2018

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)	Comments	Responsible Officer	Timescale for Implementation
Key Control: School Funds are administered in compliance with the School Fund Regulations.						
6.2	The year-end School Fund Statement should be amended to record both the opening and closing fund balances.	Low	Yes		Business Support Coordinator	30/9/2018
6.3	The school fund activity code should be recorded against all invoices and income vouchers to aid reconciliations and cross referencing of transactions.	Low	No	Our new Business Support Co-ordinator does not feel that these activity codes are necessary.	Head Teacher	

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)	Comments	Responsible Officer	Timescale for Implementation
				Agree that invoices and income vouchers need to be cross referenced. New online banking system will eliminate need for activity codes.		
6.4	Officers with responsibility for specific School Fund activities should receive regular updates of the balances and transactions recorded against these accounts.	Medium	Yes		Business Support Coordinator	Ongoing

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)	Comments	Responsible Officer	Timescale for Implementation
6.5	Activity Fund records should be amended to also include the date monies are received. This would allow an easier reconciliation of the monies received from each pupil to the total monies banked.	Medium	Yes		Business Support Coordinator	Immediate
6.6	Further to the substantial funds accumulated within the School Fund, a clear strategy should be detailed regarding the future operating purpose of the fund and how it is aligned to or complements the devolved school budget.	Low	Yes		Business Support Coordinator	30/4/2019

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)	Comments	Responsible Officer	Timescale for Implementation
Key Control: Listings of equipment held by the School are kept up-to-date and secure with physical items appropriately identified.						
6.7	An Inventory Register should be maintained by the School of all furniture and equipment purchased from Council or School Funds.	Medium	Yes		Business Support Coordinator	30/4/2019
Key Control: ICT systems are kept secure and robust by use of access controls, virus protection and adequate recovery arrangements						
6.8	A review of the information saved within the shared drive should be undertaken and consideration given to restricting access to sensitive information to specific officers.	Medium	Yes		Depute Head Teacher	31/10/2018

AUDIT REPORT 18'202**BAILING PLANT AND RECYCLABLE WASTE REVIEW****EXECUTIVE SUMMARY**

The Internal Audit annual plan for 2017/18 provided for a review to be undertaken of the scope and application of trade waste charges. This was a wide remit for a single audit and following receipt by management of a complaint about working practices at the Bailing Plant, it was agreed the review would focus on the arrangements for handling waste at the Plant and at Recycling Centres, and on associated charging procedures.

The Bailing Plant is the main receiving point for the various waste streams the council uplifts including household waste, garden waste, and plastic, glass and metal recyclables. Recyclable waste can also be deposited by commercial traders who have purchased an annual recycling pass. This waste material is sorted by category and then uplifted and transported either for onward recycling or to landfill. Most vehicles entering and leaving the Bailing Plant are required to pass over a weighbridge. This produces a ticket detailing the weight and refuse type. The exception is for small loads where weight is estimated depending on the type and volume of waste. This information is used for reporting volumes of waste handled. CCTV operates at the plant, principally for monitoring vehicle movements in real time, as opposed to retrospectively for charging or other control purposes.

Different types of waste have either a cost associated with disposal or an income from recycling. The council is committed to the recycling of waste, recognising not only the greater environmental footprint in disposing of waste to landfill but also the costs of doing so (including landfill tax) which are expensive when compared to other forms of disposal. The computation of landfill tax liabilities has been subject to separate review and did not form part of this audit.

For waste that does not go to landfill, various contractual arrangements are in place with external contractors in the private and voluntary sectors. At the time of the audit, for green waste, glass and plastic, the council incurred costs in arranging for the waste to be sorted, uplifted and disposed of in an environmentally sustainable manner, whereas for paper and card, and for metals, an income stream was generated. The audit noted that the contractual arrangements are longstanding and while volumes of waste processed for recycling are recorded to ensure charges and recoveries are fully accounted for, costs and income generated can fluctuate significantly year on year depending on market demand for recycled products.

The action plan makes a number of recommendations to strengthen control processes, principally calling for operational guidance for staff to be updated and for contract arrangements with recycling companies to be re-assessed to ensure these continue to offer best value.

Moray Council

Internal Audit Section

Recommendations – Bailing Plant and Recyclable Waste

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
Key Control: Effective control environment for the management of the Bailing Plant and Recyclable Waste.						
6.1	Detailed operating procedures should be written for all systems and practices within the Bailing Plant. All officers should then be provided with a copy of these procedures.	Medium	Yes	The Moycroft Depot Integration Project will commence in January 2019 and the depot will be closed for a year. The traffic flow and layout will be completely different to current layout. Procedures will be written based on the upgraded facility and all staff affected will be trained and receive a copy of updated procedures.	Waste Disposal Officer/ Policy Officer (Waste)	Operating procedures for integrated facility completed by 31/07/2019 Staff trained on new procedures and training recorded by 31/12/2019

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)	Comments	Responsible Officer	Timescale for Implementation
				Operation will relocate to Dallachy for approximately one year. In advance of temporary move, systems at Dallachy will be reviewed.		31/12/2018
6.2	Management at the Bailing Plant should undertake regular and documented Health and Safety reviews.	Medium	Yes	Waste management Risk Assessments are reviewed and updated on an annual basis. The next review is due in January. This will include a review of existing and the need for any additional assessments.	Waste Disposal Officer	31/01/2019

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)	Comments	Responsible Officer	Timescale for Implementation
6.3	Regular reviews should be undertaken of the CCTV recordings at the Bailing Plant and any incidents or points of concern clearly recorded within the Incident Diary.	Low	Yes	CCTV footage will be viewed on a monthly basis at non specified times. Where there is a requirement to view CCTV between monthly reviews this will be carried out as necessary.	Waste Disposal Officer	31/10/2018
6.4	All commercial traders dumping recyclable material at the Bailing Plant should be asked for evidence that they hold a current Recycling Pass.	Low	Yes	The new integrated layout at Moycroft will make it easier to carry out the required checks. This is one of the procedures that will be implemented as per recommendation 6.1.	Waste Disposal Officer	29/02/2020 (When use of Bailing Plant resumes)

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)	Comments	Responsible Officer	Timescale for Implementation
				Pending the opening of the integrated facility, the process will be tightened to ensure that traders are registered waste carriers and have necessary documentation.		31/10/2018
6.5	Consideration should be given to reviewing arrangements entered into with current and prospective companies interested in purchasing recyclable metals from the council to ensure income from this source is optimised.	Medium	Yes	Procurement to review current arrangements and if necessary work with Service to introduce the required changes	Waste Management Officer	31/03/2019
6.6	Management should review all completed Household Declaration Forms submitted from the bailing plant and recycling centres and follow up any issues where loss of revenue is suspected.	Low	Yes	Process and method of recording to be reviewed.	Waste Disposal Officer	Review process and method of storage - 30/11/2018

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)	Comments	Responsible Officer	Timescale for Implementation
6.7	Contract arrangements with the various companies the council uses for recycling waste should be reviewed and updated if required	Medium	Yes	Waste Management Service with the support of the Procurement Section to review current arrangements and if necessary introduce the required changes.	Waste Management Officer	31/03/2019
6.8	Income received or expenditure paid should always be checked to the weighbridge ticket detailing the actual weight of the load transferred to a recycling company.	Medium	Yes	Ad-hoc checks to be carried out and recorded to ensure that income and expenditure ties in with weigh bridge ticket that details the total weight of the load.	Admin Officer and Policy Officer (Waste)	31/12/2018

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)	Comments	Responsible Officer	Timescale for Implementation
6.9	Incident Reporting Forms should always be reviewed and any issues or concerns highlighted to management.	Low	Yes	Recycling Centre Attendants need to advise Management that there has been an incident. Recycling Centre Attendants Handbook being rewritten and attendants will receive retraining. Ad-hoc checks to be carried out to ensure compliance.	Waste Disposal Officer	30/11/2018
6.10	A review should be undertaken in consultation with the Estate Management Section to determine the refuse disposal arrangements for all companies occupying Council owned Industrial Units.	Medium	Yes	Waste Services will in consultation with the Estate Management Section undertake a review of the companies occupying Council	Waste Disposal Officer	31/12/2019

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)	Comments	Responsible Officer	Timescale for Implementation
				owned Industrial Units, to ensure compliance with Waste Disposal Regulations and to maximise any additional income sources for the Service.		
6.11	The contract or Service Level Agreement for the disposal and recycling of fridges and freezers should be reviewed and updated.	Medium	Yes	We have an agreement with REPIC who have contracted VIRIDOR to remove WEEE from our sites. The agreement status should be reviewed each year. However, no other Body have indicated their willingness to enter	Waste Disposal Officer	30/11/2018

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)	Comments	Responsible Officer	Timescale for Implementation
				an agreement with the council and are unlikely to do so. The arrangements with REPIC have been quite satisfactory. Current arrangement to be reviewed by Procurement.		
6.12	Regular reviews of the Ready Reckoner Returns should be undertaken to ensure the maximisation of income from each recycling centre.	Medium	Yes	Reviews to be carried out quarterly and recorded.	Waste Disposal Officer	31/12/2018

AUDIT REPORT 19'008**SWIMMING POOLS – INCOME****EXECUTIVE SUMMARY**

The annual Internal Audit plan for 2017/18 provides for a review to be undertaken of swimming pool income. The review was selected given the higher risks associated with income collection and also provided the opportunity to review the operation of the 'Fit Life?' membership scheme.

In terms of scale, in 2017/18 Moray Council swimming pools generated income of just under £1.2 million (£1 million in 2016/17). In the main, this came from the five sites at Buckie, Forres, Keith, Lossiemouth and Speyside. The majority of income by type came from Fit Life membership sales (59%) with other major revenue sources including pool hire, lessons income and swimming pool admissions.

The audit scope was to identify all income streams being generated at the pools and to evaluate the effectiveness of relevant internal controls. Income received included recharges for the provision of services to the Moray Hydrotherapy Pool in Forres and staffing the fitness room as required at the Shand Centre, an NHS facility in Dufftown. Income generated during the financial year 2017/18 was used as the basis for the audit.

The audit found that, overall, considerable effort and attention had gone into the development of an effective control environment. In general, suitable procedures were in place and expected controls were present during audit testing.

The main findings of the audit were:

- The reconciliation of income collected at each location and reported in the council's financial ledger is a matter of routine except in relation to recurring direct debit receipts from individuals who pay membership instalments on a monthly basis. Following set up, these are collected through the income banking team at Council HQ who notify the pools only where a direct debit payment fails, and this allows the pool staff to make the contact with the customer to clarify the situation. There is no formal reconciliation between total membership income received per pool records and that recorded in the ledger, and a means of doing so should be investigated using the membership database held in the pools' income recording system.
- The membership system does not restrict the number of adult members that can be assigned per family memberships, which is advertised as a maximum of two adults per family. This creates the risk that multiple adults, especially those newly turning 18 years old, could be using a single family membership.

Moray Council

Internal Audit Section

Recommendations: Swimming Pools - Income

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
Key Control: Ensure Fit Life? Membership scheme is being administered in accordance with relevant policies and procedures.						
1.1	Establish a suitable reconciliation process between the Gladstone system and FMS to decrease the risk of members with no direct debit financial record set up. Investigate the possibility of electronic communication between both systems.	Medium	Yes	Agreement in principal, but uncertain of the mechanism for carrying out the works. Will explore different options.	Sports and Leisure Manager	31/12/2018
1.2	Investigate with Gladstone whether a limit to the number of people aged over 18 can be applied to an individual membership in the system.	Medium	Yes	It has been agreed that monthly reports will be run off to check members who	Sports and Leisure Manager	Immediately

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)	Comments	Responsible Officer	Timescale for Implementation
				have newly turned 18 and to notify them they are no longer eligible to be part of a family membership. The member will then be given the chance to migrate to a single fit life? membership.		

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)	Comments	Responsible Officer	Timescale for Implementation
1.3	Employees who work at multiple sites should indicate which site their hours relate to on the time sheet, especially if the same FMS cost centre is being used and invoices should only be raised once the actual hours worked have been established.	Medium	Yes	Staff have been requested to put site locations on their time sheets and invoices for staff recharges will be raised once time sheets have been received and confirmed as complete.	Sports and Leisure Manger	Immediate

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)	Comments	Responsible Officer	Timescale for Implementation
1.4	The management agreement with the Moray Hydrotherapy Pool should be updated to reflect current charging arrangements	Low	Yes	A Management Agreement has been updated and backdated to 1 May 2018. The updated agreement now allows for water management costs and other cost increases.	Sports and Leisure Manager	Immediately

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)	Comments	Responsible Officer	Timescale for Implementation
1.5	Instruction should be provided in writing to confirm the process for both a no-show from the cash collection company and a theft/raid.	Low	Yes	Policy to be updated to include section on no-show from the cash collection company and thefts/raids.	Sports and Leisure Manager	31/10/18
1.6	Develop a formal agreement with Grampian Health Board that details the rights and responsibilities of each party. Details would include the needs of the service, amounts chargeable and any payment terms. At the same time, the service could review any 'on-costs recharge' to ensure it reflects the effort (time and money) incurred in	Low	Yes	There is uncertainty as to whether staff resources will still be provided to the Shand Centre within the next 6 months. Will action as appropriate by	Sports and Leisure Manager	31/12/18

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)	Comments	Responsible Officer	Timescale for Implementation
	administering the agreement.			end of the calendar year.		

APPENDIX 6**AUDIT REPORT 19'021****EARLY YEARS PROVISION****EXECUTIVE SUMMARY**

The annual audit plan provided for a review to be undertaken of the planning arrangements for the enhancement of the early years provision. This area was selected for review being an area of service transformation with the introduction of Scottish Government's blueprint for expanding early learning and childcare in Scotland. The expansion involves increasing funded childcare hours to 1140 annual hours per child by 2020 from a base of 600 hours and delivering a fully flexible service with longer daily operating hours and year-round provision. In terms of Moray this equates to making provision for approximately 2.5 million hours of childcare through a delivery model which is a vast departure from the traditional nursery settings operated. Moray currently operates 23 Council nursery centres and funds 36 independent partnership providers and therefore the expansion involves supporting the external sector to deliver the required provision as well as expanding and altering the Council's own facilities and resources.

The purpose of the audit was to study the plans for service change to achieve the expansion targets within the required timescale, and to undertake a review of the application of the specific funding received from Scottish Government. Prior to service change, the Council's budget for the early years' service was in the region of £4.5 million but by 2020 the sum required for fully flexible service provision is anticipated to be approximately £14 million. The expansion programme is to be fully funded by central government and Moray will have received additional revenue funding of £17 million up to and including the deadline year of 20/21. Utilisation of this funding in 17/18 and 18/19 to date has been covered in the scope of the audit, along with scrutiny of the expansion to be funded in subsequent years.

Whilst 17/18 has been a year of planning for the expansion in terms of preparing the Delivery Plan, putting a Project Team in place, restructuring the staffing and management structures of the service and engaging with all involved parties to ensure the desired expansion can be possible both in capacity and financially, 18/19 has seen the commencement of the enhanced service delivery. From August 2018, 4 Council nurseries have been transformed to provide the expanded flexible service and 14 partnership providers have been supported to offer the enhanced service. This phased roll-out will allow outcomes to be evaluated and will inform the future shape flexible provision should take to best meet demand whilst being successful in operational terms. Further settings will offer the enhanced service from August 2019 in advance of full service transition in August 2020.

The review has found comprehensive planning arrangements to be in place for this major transformation programme and this area is likely to be revisited as the expansion progresses, given the majority of the service provision will be reconfigured in future periods and the major challenge of workforce availability has yet to be tested. At this juncture, the main issues identified for management attention are

restricted to:-

- The Nursery Application Management System (NAMS) I.T system used in administration of the early years' service lacks the capability to effectively meet the needs of the expanded service database. Presently, the system is not able to produce reliable financial information on which to calculate increasing payments to partnership providers. A separate manual calculation solution is utilised which can be susceptible to human error in terms of input and is more labour intensive than a system process. The redevelopment of the system is seen as key in being able to record the required information for administering all elements of the expanded service.
- Child placement information submitted by partnership providers and used as the basis for making funding payments is currently accepted without verification. Independent checks are required to improve scrutiny and ensure accurate payments are being made;
- Administrative procedures for infrastructure and training grants awarded to partnership providers require to be strengthened as instances have been identified of grants paid in advance and for sums in excess of actual costs, contrary to grant conditions.

Moray Council

Internal Audit Section

Recommendations: Early Years Provision

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
Key Control: Comprehensive planning arrangements are in place to achieve the Scottish Government required enhancement of the Early Years provision in Moray.						
5.1	Grant funding payments should be made in compliance with grant conditions according to invoices and supporting documentation submitted on completion of works / training, or in line with a formally agreed payment schedule.	Medium	Yes	The process for making funding payments will be more clearly documented and shared with the team.	Senior Project Manager	30/11/2018

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)	Comments	Responsible Officer	Timescale for Implementation
5.2	Payment of grant should always be based on the actual costs of works or training undertaken, subject to a maximum of grant awarded. If any advance payment has been agreed based on a higher anticipated cost, clawback of the overpayment should be initiated in accordance with the grant conditions.	Medium	Yes	As above in 5.1, the process for making funding payments will be more clearly documented and shared with the team.	Senior Project Manager	30/11/2018

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)	Comments	Responsible Officer	Timescale for Implementation
5.3	A system solution should be implemented at an early date with regard to collating information and calculating payment due to partnership providers in order to eliminate manual processes which are time consuming and have greater potential for error.	High	Yes	Scottish Government has agreed to fund the development of a replacement NAMS system that will provide all the functionality needed to deliver the new flexible service. This is a national development.	Senior Project Manager	31/08/2020

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)	Comments	Responsible Officer	Timescale for Implementation
5.4	Random sample checks of attendance figures submitted by partnership providers should be undertaken by comparison to registration details completed by parents / guardians , prior to each payment run. Where any anomalies are identified these should be immediately addressed with the partnership provider to ensure accurate payments are made.	High	Yes	A system of monthly random sample checks will be implemented.	Senior Project Manager	30/11/2018



REPORT TO: AUDIT AND SCRUTINY COMMITTEE ON 4 DECEMBER 2018

SUBJECT: THE NATIONAL FRAUD INITIATIVE IN SCOTLAND

BY: CORPORATE DIRECTOR (CORPORATE SERVICES)

1. REASON FOR REPORT

- 1.1 To provide Committee with information on the council's approach to participation in the National Fraud Initiative (NFI).
- 1.2 This report is submitted to Committee in terms of Section III (I) (2) of the Council's Scheme of Administration relating to considering reports from the council's Internal Auditor.

2. RECOMMENDATIONS

2.1 Committee considers and notes:

- i) **the Audit Scotland self-appraisal checklist that participating bodies are invited to complete and present to their local audit committees; and**
- ii) **that the policy to combat fraud and corruption will be updated and submitted for approval to the next meeting of the Policy and Resources Committee.**

3. BACKGROUND

- 3.1 A report to this Committee on 22 August 2018 considered a national report prepared by Audit Scotland covering its recent work on the National Fraud Initiative and the involvement in this initiative of local authorities. (Paragraph 9 of the draft Minute refers)
- 3.2 The national report made a number of recommendations (six in all) relative to participation in the NFI and the Committee was advised that the council considered it was meeting the terms of these recommendations in an appropriate and proportionate manner.
- 3.3 One of the recommendations made was that Audit Committees, or equivalent, and officers leading the NFI should review Audit Scotland's National Fraud

Initiative self-appraisal checklist. This was last considered by Committee at its meeting on 3 August 2016. (Paragraph 7 of the Minute refers)

- 3.4 The self-appraisal checklist has now been reviewed and updated with comments from the Internal Audit Manager and is provided as **Appendix 1**. This confirms that the council are essentially meeting Audit Scotland requirements in this area with no immediate actions required, although the wider council policy to combat fraud and corruption would benefit from review and resubmission to Policy and Resources Committee for approval.
- 3.5 The checklist will remain a useful aid-memoire as the council progresses though the 2018/19 exercise which is now underway with data submissions taking place over the next three months and matched data being provided for checking from late January 2019.

4. SUMMARY OF IMPLICATIONS

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

No implications.

(b) Policy and Legal

No implications.

(c) Financial implications

There is a cost of participation in NFI; however, there are also benefits where correction of errors results in additional funding for the council, and additionally, assurances are obtained on the robustness of our systems.

(d) Risk Implications

The risk of not participating is that fraud or error occurs and is allowed to continue unchecked.

(e) Staffing Implications

No implications.

(f) Property

No implications.

(g) Equalities/Socio Economic Impact

No implications.

(h) Consultations

The Head of Financial Services as the NFI Senior Responsible Officer has been consulted and agrees with the sections of the report relating to her areas of responsibility.

5. CONCLUSION

- 5.1 The council is complying with the Audit Scotland requirements for participants in the National Fraud Initiative, as evidenced in the completed self- assessment checklist provided with this report.**

Author of Report: Atholl Scott

Background Papers: Audit Scotland NFI National Report

Ref: AS /asc/171018

Audit Scotland

National Fraud Initiative - Self-appraisal checklist

Part A: For those charged with governance		Yes /No/Partly	Commentary	Action required, who by and when?
Leadership, commitment and communication				
1.	Are we committed to NFI? Has the council/board, audit committee and senior management expressed support for the exercise and has this been communicated to relevant staff?	Yes	The Head of Financial Services and Internal Audit conduct the work with outcomes reported to the Audit and Scrutiny Committee. Staff are notified that their information is being used for data matching in accordance with NFI guidelines.	No action required.
2.	Is the NFI an integral part of our corporate policies and strategies for preventing and detecting fraud and error?	Yes	NFI is referred to and forms part of the Council's Policy to Combat Fraud, Theft Bribery and Corruption.	Wider fraud policy remains current but is due to be refreshed and submitted for approval to Policy and Resources Committee. Corporate Director (Corporate Services) by February 2019
3.	Have we considered using the real-time matching (Flexible Matching Service) facility and the point of application data-matching service offered by the NFI team to enhance assurances over internal controls and improve our approach to risk management?	Yes	There is a cost for using these services which, based on the outcomes from the checking of matches thus far, would not be justified. This position will continue to be monitored.	Keep under review.
4.	Are the NFI progress and outcomes reported regularly to senior management and elected/board	Yes	Most recent outcomes reported to Audit and Scrutiny Committee in	No action required.

	members (e.g. the audit committee or equivalent)?		November 2017.	
5.	Where we have not submitted data or used the matches returned to us, e.g. council tax single person discounts, are we satisfied that alternative fraud detection arrangements are in place and that we know how successful they are?	Not applicable	All data submission requests have been met.	No action required.
6.	Does internal audit, or equivalent, monitor our approach to NFI and our main outcomes, ensuring that any weaknesses are addressed in relevant cases?	Yes	The Internal Audit Manager is the Key Contact with oversight of the matching process.	No action required.
7.	Do we review how frauds and errors arose and use this information to improve our internal controls?	Yes	The exercise has highlighted errors in data quality and in processing – where possible controls have been strengthened e.g. by using software designed to highlight duplicate payments. For council tax discounts the NFI process itself is a control used to identify incorrect awards of discount.	No action required.
8.	Do we publish, as a deterrent, internally and externally the achievements of our fraud investigators (e.g. successful prosecutions)?	No	As noted above, the issues highlighted from data matching have related to error or issues that require corrective actions as opposed to fraud that would merit formal prosecution.	Keep under review.

Part B: For the NFI key contacts and users		Yes/ No/Partly	Commentary	Action required, who by and when?
Planning and preparation				
1.	Are we investing sufficient resources in the NFI exercise?	Yes	Audit staff supported by service departments as appropriate	No action required.
2.	Do we plan properly for NFI exercises, both before submitting data and prior to matches becoming available? This includes considering the quality of data.	Yes	This is currently on going ahead of data submission which takes place between October and December 2018	In train.
3.	Is our NFI Key Contact (KC) the appropriate officer for that role and do they oversee the exercise properly?	Yes	Internal Audit Manager	No action required.
4.	Do KCs have the time to devote to the exercise and sufficient authority to seek action across the organisation?	Yes	Time is available within the audit plan to undertake this work.	No action required.
5.	Where NFI outcomes have been low in the past, do we recognise that this may not be the case the next time, that NFI can deter fraud and that there is value in the assurances that we can take from low outcomes?	Yes	This has been communicated to the Audit and Scrutiny Committee with the emphasis for each dataset involving taking a proportionate approach to checking returned matches.	No action required.
6.	Do we confirm promptly (using the online facility on the secure website) that we have met the fair processing notice requirements?	Yes		No action required.
7.	Do we plan to provide all NFI data on time using the secure data file upload facility properly?	Yes		No action required.
8.	Do we adequately consider the submission of any 'risk-based' data sets in conjunction with our auditors?	N/A	In the latest NFI exercise all datasets are now mandatory.	No action required
9.	Have we considered using the real-time matching (Flexible Matching Service) facility and the point of	Yes	See response to PART A Q3 above	

application data-matching service offered by the NFI team to enhance assurances over internal controls and improve our approach to risk management?			
Effective follow-up of matches			
10. Do all departments involved in NFI start the follow-up of matches promptly after they become available?	Yes		No action required
11. Do we give priority to following up recommended matches, high-quality matches, those that become quickly out of date and those that could cause reputational damage if a fraud is not stopped quickly?	Yes		No action required
12. Do we recognise that NFI is no longer predominantly about preventing and detecting benefit fraud? Have we recognised the wider scope of NFI and are we ensuring that all types of matches are followed up?	Yes		No action required
13. Are we investigating the circumstances of matches adequately before reaching a 'no issue' outcome, in particular?	Yes		No action required.
14. (In health bodies) are we drawing appropriately on the help and expertise available from NHS Scotland Counter-Fraud Services?	N/A		Not applicable.
15. Are we taking appropriate action in cases where fraud is alleged (whether disciplinary action, penalties/cautions or reporting to the Procurator Fiscal)? Are we recovering funds effectively?	Yes	Where errors are disclosed which call for funds to be recovered by the council, the steps necessary to do this are put in place.	Future actions will depend on results from future matching processes
16. Do we avoid deploying excessive resources on match reports where early work (e.g. on recommended matches) has not found any fraud or error?	Yes	The process of checking has been refined over successive exercises to reflect the risk apparent from sampled matches,	A proportionate approach to checking will continue to ensure resource inputs are optimised

		with testing sufficient to draw conclusions	
17. Where the number of recommended matches is very low, are we adequately considering the related 'all matches' report before we cease our follow-up work?	No	The all matches report is used for information only with the focus being on the specific matches involving the individual datasets	No change to current practice proposed
18. Overall, are we deploying appropriate resources on managing the NFI exercise?	Yes		No action required
Recording and reporting			
19. Are we recording outcomes properly in the secure website and keeping it up to date?	Yes		No action required.
20. Do staff use the online training modules and guidance on the secure website and do they consult the NFI team if they are unsure about how to record outcomes (to be encouraged)?	Yes		No action required.
21. If, out of preference, we record some or all outcomes outside the secure website have we made arrangements to inform the NFI team about these outcomes?	N/A	To minimise data breaches all results are recorded on the secure website.	No action required.



REPORT TO: AUDIT AND SCRUTINY COMMITTEE ON 4 DECEMBER 2018

SUBJECT: LOCAL GOVERNMENT BENCHMARKING FRAMEWORK 2016/17 RESULTS

BY: CHIEF EXECUTIVE

1. REASON FOR REPORT

- 1.1 The reason for this report is to present to the Committee benchmarking performance data for the period 2016/17 following publication of national results and national report.
- 1.2 This report is submitted to Committee in terms of Section III I (17) and (20) of the Council's Administrative Scheme relating to reviewing how performance information can be used to improve performance and receiving reports on trends within all council services.

2. RECOMMENDATION

- 2.1 **It is recommended that the Committee considers and notes the Council's performance in terms of informing potential future agenda items.**

3. BACKGROUND

- 3.1 Local Government Benchmarking Framework data, published in December informs the National Benchmarking Report. The data is refreshed in March and again in July to incorporate the national publication of indicator results.
- 3.2 The summary (**Appendix 1**) includes -
 - a performance summary against Local Government Benchmarking Framework indicators for Moray
 - detailed breakdown of results and rankings in the 2 years to 2016/17 for each indicator
- 3.3 Direct comparison between years is not possible due to the fluctuation in the number of indicators, however an assessment of results can be inferred to an extent. The tables show that there has been a slight drop in performance; with indicator result values having worsened to a slightly greater margin (49%) than those that have improved (47%).
- 3.4 This should be balanced against the council's positioning in the national picture which shows a small decrease in terms of the percentage of indicators

categorised in the top (53%) / lowest (47%) sixteen councils compared to last year, 60% and 40% respectively. On further investigation against all other Scottish councils, the movement seems to have been around quartile 3, which reassuringly is at neither extreme where in equal measure, indicators have dropped down as well as encouragingly pushed up. The majority of indicators (61%) having remained within the same ranked position as last year.

- 3.5 Moray is placed in a comparator group of 8 local authorities to provide more relevant benchmarks, the tables show that again movement is around quartile 3 but with more certainty in an upward direction of travel with indicators moving into quartiles 1 and 2 suggesting that the Council's performance is either improving at a greater rate / or worsening to a lesser extent than those in our family group. Similarly the majority of indicators (58%) have remained within the same ranked position as last year.

Indicators	Values
Improved	34 indicators
Worsened	35 indicators
No Change	3 indicators

- 3.6 Local Government Benchmarking Framework allows results to be placed in a national and family group context:

Rank in Scotland (32 authorities)	2016/17	2015/16
1 st quartile (1-8)	23 indicators	23 indicators
2 nd quartile (9-16)	15 indicators	22 indicators
3 rd quartile (17-24)	18 indicators	9 indicators
4 th quartile (25-32)	16 indicators	21 indicators
Total	72 indicators	75 indicators
Rank in Family Group (8 authorities)	2016/17	2015/16
1 st quartile (1-2)	26 indicators	22 indicators
2 nd quartile (3-4)	13 indicators	10 indicators
3 rd quartile (5-6)	13 indicators	22 indicators
4 th quartile (7-8)	20 indicators	21 indicators
Total	72 indicators	75 indicators

Rank in Scotland (32 authorities)	Change between 2015/16 and 2016/17
Improved	13 indicators
Worsened	15 indicators
Unchanged	44 indicators
Rank in Family Group (8 authorities)	Change between 2015/16 and 2016/17
Improved	20 indicators
Worsened	10 indicators
Unchanged	42 indicators

- 3.7 In 2016/17, sixteen indicators featured in the lowest quartile nationally:

- Secondary schools senior phase attainment and tariff scores
 - Children looked after in a community setting
 - Gender pay gap
 - Operational buildings condition
 - Satisfaction with, museums, street cleanliness and local schools
 - Employability programmes
- 3.8 Tariff scores are under review with a changed approach being developed. Satisfaction indicators are based on Scottish Household Survey results, recognised as a small sample of the general public, therefore where local results from service users is available, this has been provided in the narrative of the report to complement the national data. Other areas are referenced in routine performance reports presented to service committees.
- 3.9 The majority of indicators are placed in the top 16 councils in Scotland (quartiles 1 and 2). Indicators featuring in the lowest quartile (council's ranked 25th to 32nd) have been scrutinised in relation to potential improvement by the relevant Service Committees.
- 3.10 Summary data provided could inform future agenda items if committee is minded to revisit individual areas.

4. SUMMARY OF IMPLICATIONS

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

The council and its partners have agreed set out 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 within 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 securing best value and assist 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) Consultations

The Corporate Policy Unit Manager has been consulted and is in agreement with the contents of this report. Service Managers provided input in terms of their response to Local Government Benchmarking Framework results.

5. CONCLUSION

5.1 In 2016/17, 53% of Local Government Benchmarking indicator results featured in the top 16 of 32 Scottish councils.

5.2 When compared to national and comparator performance, the majority of indicators have remained within the same ranked position as last year. Generally, movement has been around quartile 3 in a positive direction of travel. There has been a reduction in the number of indicators ranked within the lowest quartile (lowest 8).

Author of Report:	Louise Marshall, Performance Management Officer
Background Papers:	Held by author
Ref:	



Local Government Benchmarking Framework

Benchmarking Overview Report 2016/17



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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 very high level indicators and 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. That provides the platform for learning and improvement.

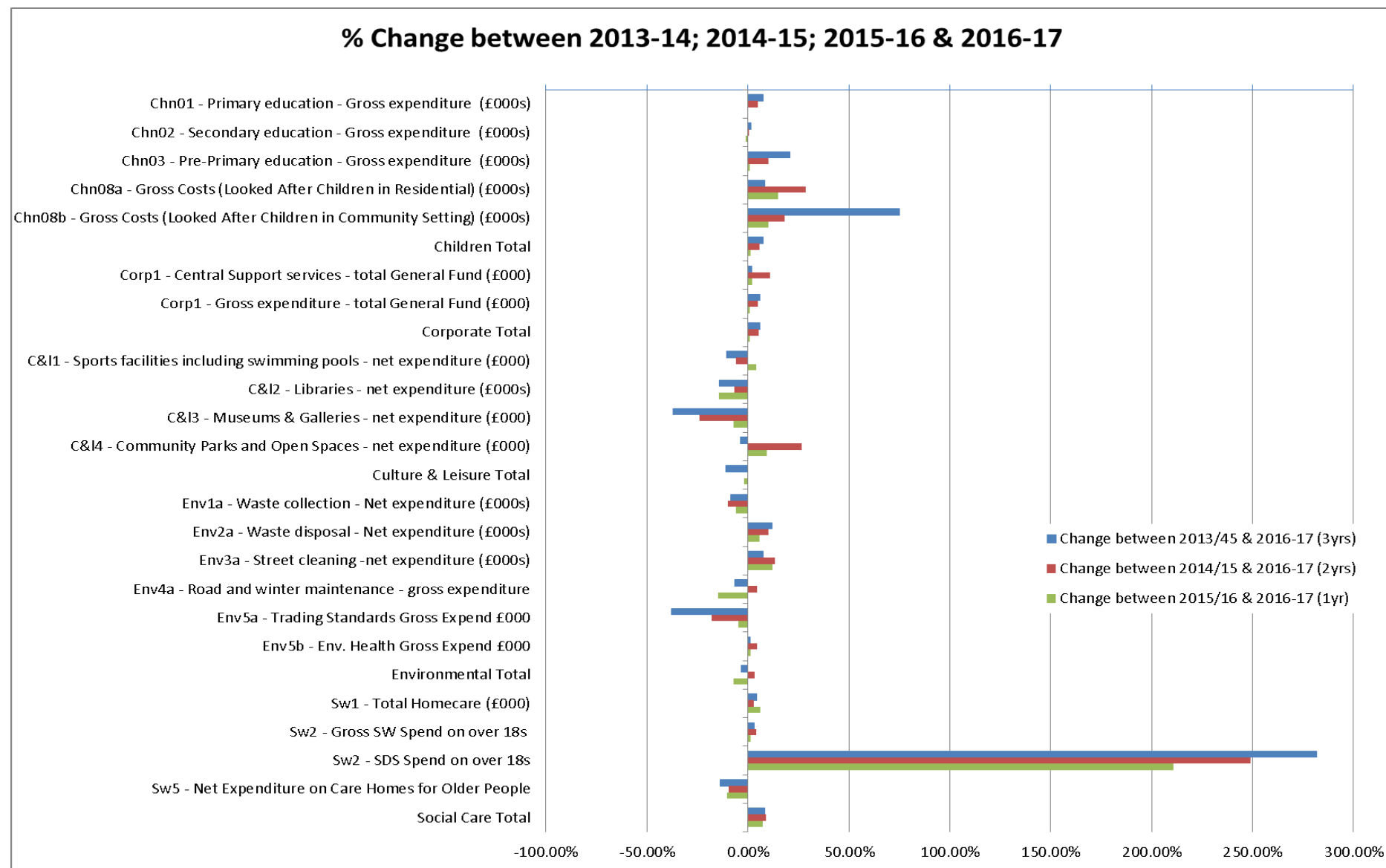
Our ambition in undertaking benchmarking is to continue to increase the quality of life and develop the well-being of everyone in Moray.

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

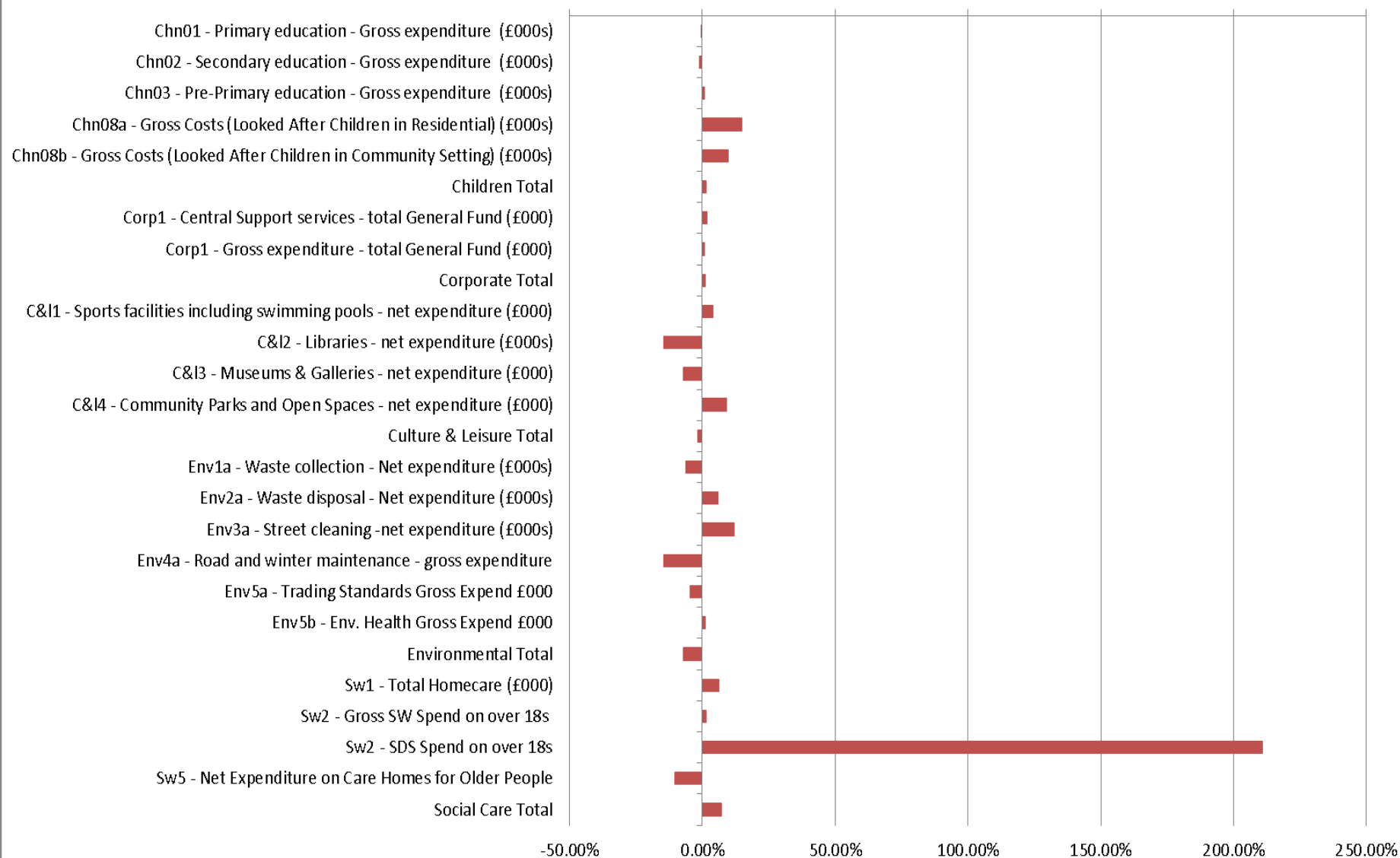
Moray appears in the following proposed Benchmarking Family Groups -

People Services	Other Services
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 Moray Scottish Borders Stirling	East Ayrshire East Lothian Fife Moray North Ayrshire Perth & Kinross Stirling South Ayrshire

Changes in Expenditure Indicators



Change between 2015/16 & 2016-17 (1yr)



Overview of Local Government Benchmarking Framework Indicator Results

	Indicator Description	Moray						2016/17	Relative Change	
		2010/11	2011/12	2012/13	2013/14	2014/15	2015/16		% change base to 16/17	% change 15/16 to 16/17
Children's Services	Cost per primary school pupil (£)	4442.62	4434.83	4397.93	4260.80	4257.26	4400.41	4320.67	-2.7	-1.8
	Cost per secondary school pupil (£)	5630.42	5634.93	5654.34	5903.29	6124.03	6451.07	6560.94	16.5	1.7
	Cost per pre-school education place (£)	2246.45	2201.24	1966.67	2009.15	2165.97	2367.44	2419.55	7.7	2.2
	% of secondary pupils achieving 5 or more awards at Level 5		52	52	58	57	59	59	13.5	0.0
	% of secondary pupils achieving 5 or more awards at Level 6		24	25	29	30	29	30	25	3.4
	% of pupils living in the 20% most deprived areas Gaining 5+ awards at Level 5	N/A ²	N/A ²	N/A ²	N/A ²	44	40	55	25.0	37.5
	% of pupils living in the 20% most deprived areas Gaining 5+ awards at Level 6	N/A ²	N/A ²	N/A ²	N/A ²	N/A ²	N/A ²	N/A ²	N/A ²	N/A ²
	Gross Cost of "Children Looked After" in Residential Based Services per child per week (£)	2759.62	2872.38	3952.80	4860.74	4092.84	3792.31	4017.71	45.6	5.9
	Gross Cost of "Children Looked After" in a Community Setting per child per week (£)	212.51	231.18	231.59	239.23	362.07	393.47	435.14	104.8	10.6
	% of children being looked after in the community	86.47	84.93	85.07	86.38	86.12	83.57	82.33	-4.8	-1.5
	% of adults satisfied with local schools (rolling 4 years)				81.07	78.67	74.00	71.67	-11.6	-3.2
	% of pupils entering positive destinations	88.4	91.80	94.10	93.90	94.40	92.70	93.50	5.7	0.9
	Overall average total tariff		759.88	788.07	837.69	870.00	791.73	813.57	7.1	2.8
	Overall average total tariff SIMD Quintile 1		547	790	639	611	507	661	20.8	30.4
	Overall average total tariff SIMD Quintile 2		592	664	782	693	818	702	18.6	-14.2
	Overall average total tariff SIMD Quintile 3		675	701	788	790	748	654	-3.1	-12.6
	Overall average total tariff SIMD Quintile 4		830	852	888	944	821	870	4.8	6.0
	Overall average total tariff SIMD Quintile 5		1017	997	1024	1048	939	1061	4.3	13.0
	% of children meeting developmental milestones				76.84	73.26	75.83	82.54	7.4	8.8
	% of funded early years provision which is graded good/better	92.59	94.34	96.23	100.00	98.25	96.43	90.57	-2.2	-6.1
	School attendance (%)	93.90		94.20		94.10		94.00	0.1	-0.1 (since 2014-15)
	School attendance rates (LAC, %)	90.04		90.76		96.03		91.34	1.4	-4.9 (since 2014-15)
	School exclusion rates per 1,000 pupils	37.35		38.00		35.80		33.10	-11.4	-7.6 (since 2014-15)

N/A¹ Data no longer collected nationally / locally
N/A² Result below 5; not published to protect confidentiality
N/A³ Indicator result yet to be published

	Indicator Description	Moray						2016/17	Relative Change	
		2010/11	2011/12	2012/13	2013/14	2014/15	2015/16		% change base to 16/17	% change 15/16 to 16/17
	School exclusion rates per 1,000 looked after children	135.27		212.67		100.48		51.16	-62.2	-49.1 (since 2014-15)
	% participation for 16-19 year olds						91.00	89.80	-1.3	-1.3
	% of child protection re-registrations within 18 months			3.19	8.22	1.52	4.60	8.25	158.4	79.4
	% LAC with more than 1 placement in the last year (Aug-July)	28.15	35.16	33.94	25.35	31.10	23.94	25.12	-10.8	4.9
Corporate Services	Support Services as a % of Total Gross Expenditure	4.58	4.54	4.61	4.73	4.29	4.49	4.54	-0.9%	1.0%
	% of the highest paid 5% employees who are women	40.46	41.57	43.73	45.09	49.70	50.56	51.91	28.3%	2.7%
	The gender pay gap (%)						9.06	7.75	-14.4%	-14.4%
	Cost of collecting Council Tax per dwelling	13.83	14.05	11.58	12.52	10.44	9.71	10.64	-23.1%	9.6%
	Sickness Absence days per Teacher	9.21	7.97	6.55	6.75	7.02	5.88	5.87	-36.2%	-0.2%
	Sickness Absence days per Employee (non-teacher)	9.91	9.89	10.80	10.24	11.88	11.89	10.98	10.8%	-7.6%
	% of income due from Council Tax received by the end of the year	96.95	97.28	95.56	95.10	94.41	95.60	95.89	-1.1%	0.3%
	% of invoices sampled that were paid within 30 days	88.99	85.79	81.85	86.88	88.02	89.80	90.16	1.3%	0.4%
Assets	% of operational buildings that are suitable for their current use	89.47	91.87	87.45	93.66	93.69	94.12	94.58	5.7	0.5
	% of internal floor area of operational buildings in satisfactory condition	46.68	49.68	53.46	32.31	32.68	40.80	41.39	-11.3	1.4
Adult Social Work	Home Care costs per hour for people aged 65 or over	18.42	19.06	23.58	20.97	21.98	22.18	21.47	16.6	-3.2
	Self-Directed Support spend on people aged 18 or over as a % of total Social Work spend on adults	2.95	2.85	2.30	3.65	4.03	4.41	13.53	358.7	206.5
	% of people aged 65 or over with intensive needs receiving care at home	38.44	39.84	39.81	41.53	43.39	43.48	44.54	15.9	2.4
	% of adults satisfied with social care or social work services (rolling 3 years)				52.30	53.00	45.67	N/A ³	N/A ³	N/A ³
	% of adults receiving any care or support who rate it as excellent or good					75.18	78.35	N/A ³	N/A ³	N/A ³
	% 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)					73.28	85.88	N/A ³	N/A ³	N/A ³
	Residential costs per week per resident for people aged 65 or over	283.75	276.70	295.38	285.15	298.63	314.40	294.53	3.8	-6.3

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	Indicator Description	Moray						2016/17	Relative Change	
		2010/11	2011/12	2012/13	2013/14	2014/15	2015/16		% change base to 16/17	% change 15/16 to 16/17
Culture & Leisure	Gross cost per attendance at Sports facilities (£)	2.08	2.21	2.41	2.18	2.08	1.82	1.94	-6.7	6.8
	Cost per Library visit (£)	2.75	2.70	2.91	1.74	1.94	1.87	1.40	-49.2	-25.3
	Cost of Museums per visit (£)	3.28	3.22	3.81	2.72	2.07	2.22	1.85	-43.6	-16.9
	Cost of Parks & Open Spaces (£) per 1,000 population	21317.83	19447.63	19707.24	14403.82	10891.82	12532.72	13615.07	-36.1	8.6
	% of adults satisfied with Libraries (rolling 4 years)				84.63	80.67	73.67	72.67	-14.1	-1.4
	% of adults satisfied with Parks and Open Spaces (rolling 4 years)				90.43	93.00	89.67	87.67	-3.1	-2.2
	% of adults satisfied with Museums and Galleries (rolling 4 years)				58.82	59.00	53.00	51.33	-12.7	-3.1
	% of adults satisfied with Leisure Facilities (rolling 4 years)				79.20	78.00	74.67	73.00	-7.8	-2.2
Environmental Services	Net cost per Waste collection per premises (£)			58.98	53.69	54.22	52.83	49.26	-16.5	-6.8
	Net cost per Waste disposal per premises (£)			96.59	87.76	88.57	93.56	98.40	1.9	5.2
	Net Cost of Street Cleaning (£) per 1,000 population	13440.49	9729.54	7867.83	7270.80	6849.60	6878.86	7671.49	-42.9	11.5
	Street Cleanliness Score	97.50	97.30	99.00	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹
	Cost of Maintenance per Kilometre of Roads (£)	7,551.52	7,241.88	8,912.89	6,612.05	5,914.77	7,233.43	6,175.04	-18.2	14.6
	% of A Class roads that should be considered for maintenance treatment (rolling 2 years)	23.51	22.55	22.30	19.29	20.05	24.50	25.17	7.0	2.7
	% of B Class roads that should be considered for maintenance treatment (rolling 2 years)	22.51	21.33	18.90	15.87	17.67	22.54	22.85	1.5	1.4
	% of C Class roads that should be considered for maintenance treatment (rolling 2 years)	23.26	23.54	23.30	21.48	22.24	23.88	21.91	-5.8	-8.3
	% of unclassified roads that should be considered for maintenance treatment (rolling 2 years)	30.53	30.20	31.30	32.08	33.14	32.69	31.40	2.8	-3.9
	Cost of trading standards (£) per 1,000 population			7,361.96	8,129.31	6,110.82	5,224.58	4,954.72	-32.7	-5.2
	Cost environmental health (£) per 1,000 population			15,584.97	15,124.54	14,596.31	14,961.78	15,041.12	-3.5	0.5
	% of total household waste arising that is recycled	42.40	44.59	51.93	51.38	54.40	57.42	59.07	39.3	2.9
	% of adults satisfied with refuse collection (rolling 4 years)				85.90	87.67	86.67	87.00	1.3	0.4
	% of adults satisfied with street cleaning (rolling 4 years)				78.03	74.33	69.33	66.00	-15.4	-4.8

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	Indicator Description	Moray						2016/17	Relative Change	
		2010/11	2011/12	2012/13	2013/14	2014/15	2015/16		% change base to 16/17	% change 15/16 to 16/17
Housing Services	Gross rent arrears (all tenants) as at year end as a % of rent due for the reporting year				2.60	2.94	2.44	2.49	-3.9	2.0
	% of rent due in the year that was lost due to voids	0.67	0.87	0.76	0.63	0.61	0.56	0.54	-19.7	-3.6
	% of council dwellings meeting Scottish Housing Quality Standard	77.16	85.99	89.07	90.33	94.67	95.94	96.01	24.4	0.1
	Average number of days to complete non-emergency repairs				6.16	6.70	6.15	6.35	3.0	3.3
	%of council dwellings that are energy efficient	86.95	94.11	94.32	92.41	100.00	95.94	96.14	10.6	0.2
Economic Development	% Unemployed People Assisted into work from Council operated / funded Employability Programmes			4.42	11.23	12.27	2.95	4.15	-6.0	40.7
	Cost per Planning Application	2,547.39	2,804.82	3,177.99	2,762.10	2,907.47	3,383.00	3,879.19	52.3	14.7
	Average time (Weeks) per Planning Application			14.54	11.34	10.02	7.69	6.95	-52.2	-9.7
	% of procurement spent on local small / medium enterprises	25.02	26.58	23.54	22.11	21.81	24.59	20.12	-19.6	-18.2
	No of business gateway start-ups per 10,000 population				13.99	12.66	14.34	13.74	-1.8	-4.2

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Results Summary (past 12 months)

Results that improved by 5% or >	Results that worsened by 5% or >
<ul style="list-style-type: none"> • Increase in the percentage of pupils living in the most deprived areas gaining 5+ awards at Level 5, performance above the national average • Significant improvement in average total tariff score in SIMD quintile 1 (most deprived), above comparator and national averages • Slight increase in average overall total tariff scores in SIMD quintiles 4 and 5 (least deprived), albeit results are below comparator and national averages • Children meeting developmental milestones (27-30 month review) have improved in each of the last 3 years, significantly above comparator and national averages • Considerable improvement in school exclusion rates per 1,000 looked after children, however result remains below the national average • The gender pay gap, introduced as a new measure last year has reduced but remains above comparator and national comparator averages • Improvement in employee (non-teacher) sickness absence days; result above comparator but in line with national average • Significantly greater social work spend via Self Directed Support, performance above comparator and national averages • Low cost in terms of residential care per week per resident (aged over 65), below comparator and national averages • Cost per visit to libraries and museum's has decreased with increasing visitor numbers and falling net expenditure. Both are below comparator and national averages • Net cost per waste collection per premise has reduced, result well below comparator and national averages • Reduction in roads and winter maintenance expenditure / road conditions slightly worsening for A and B class and slightly improving for C and unclassified. Cost of maintenance per km of road compares favourably • Slight decrease in the cost of trading standards per 1,000 population due to increase in population figures; result below national average • Slight improvement in the percentage of unemployed assisted into work from council operated / funded employability programme; result remains below comparator and national averages • Improvement in average planning application processing times; result below comparator and national averages 	<ul style="list-style-type: none"> • Increased cost per looked after child per week in both residential and community based settings, both costs are higher than comparator and national averages • Drop in average overall total tariff scores in SIMD quintiles 2 and 3, results below comparator and national averages • There was a slight decrease in the percentage of funded early years provision graded good or better; result just below comparator and national averages • The percentage of child protection re-registrations within 18 months has increased and is above comparator and national averages • The cost of collecting council tax increased and is higher than comparator and national averages • Slight increase in cost per attendance at sport facilities, albeit result remains significantly below comparator and national averages • Increased net costs in parks and open spaces, however result remains below comparator and national averages • Net cost per waste collection per premise has increased slightly and result above comparator and national averages • Increase in net expenditure resulted in the cost of street cleaning per 1,000 population rising. However, Moray has one of the lowest costs, significantly lower than comparator and national averages • The decrease in number of planning applications was at a greater rate than decrease in costs resulting in an increase in the cost per planning application. However, Moray result is below both comparator and national averages • Slight decrease in percentage of procurement spent on local small / medium enterprises, just below the national average.

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2015/16 to 2016/17 Performance Summary

Seven years of standardised data is currently available within the benchmarking framework, and this is sufficient to establish trends and comparison in a meaningful way. The table below summarises the changes between 2015/16 and 2016/17 performance.

Children's Services			2015/16			2016/17										
	Data Ref	Indicator Description	Moray	Rank National (32)	Rank Family (8)	Moray	Angus	Argyll & Bute	East Lothian	Highland	Mid-Lothian	Scottish Borders	Stirling	Scotland	Rank National (32)	Rank Family (8)
	CHN1	Cost per Primary School Pupil	4400.41	9	2	4320.67	5006.47	5775.44	3799.69	4883.55	4871.13	4776.65	5162.01	4788.32	4	2
	CHN2	Cost per Secondary School Pupil	6451.07	10	3	6560.94	6896.94	8433.11	6257.48	6922.70	6691.80	6666.30	6862.96	6805.84	10	2
	CHN3	Cost per Pre-School Education Place	2367.44	1	1	2419.55	3591.14	4907.82	5526.42	4028.25	4381.30	3451.51	5084.77	4246.42	1	1
	CHN17	% of children meeting developmental milestones	75.83	17	6	82.54	74.70	66.39	76.23	68.23	79.62	68.08	72.24	66.15	2	1
	CHN18	% of funded early years provision which is graded good/better	96.43	6	2	90.57	94.87	86.49	88.89	92.67	90.74	85.71	97.87	91.67	22	5
	CHN4	% of Secondary Pupils achieving 5 or more Awards at Level 5	59	14	4	59	60	62	60	59	54	61	68	60	22	7
	CHN5	% of Secondary Pupils achieving 5 or more Awards at Level 6	29	25	7	30	32	35	35	31	26	37	44	34	27	7
	CHN12a	Overall Average Total Tariff	791.73	29	8	813.57	825.12	890.73	922.30	835.87	798.13	892.23	1008.51	886.17	26	7
	CHN6	% of Pupils Living in the 20% most Deprived Areas Gaining 5+ Awards at Level 5	40	10	2	55	46	43	35	27	43	21	41	41	3	1
	CHN7	% of Pupils Living in the 20% most Deprived Areas Gaining 5+ Awards at Level 6	N/A ²	25	7	N/A ²	18	15	12	11	9	10	19	16	29	8
	CHN12b	Overall Average	507	27	7	661	673	620	507	445	576	417	625	624	9	2

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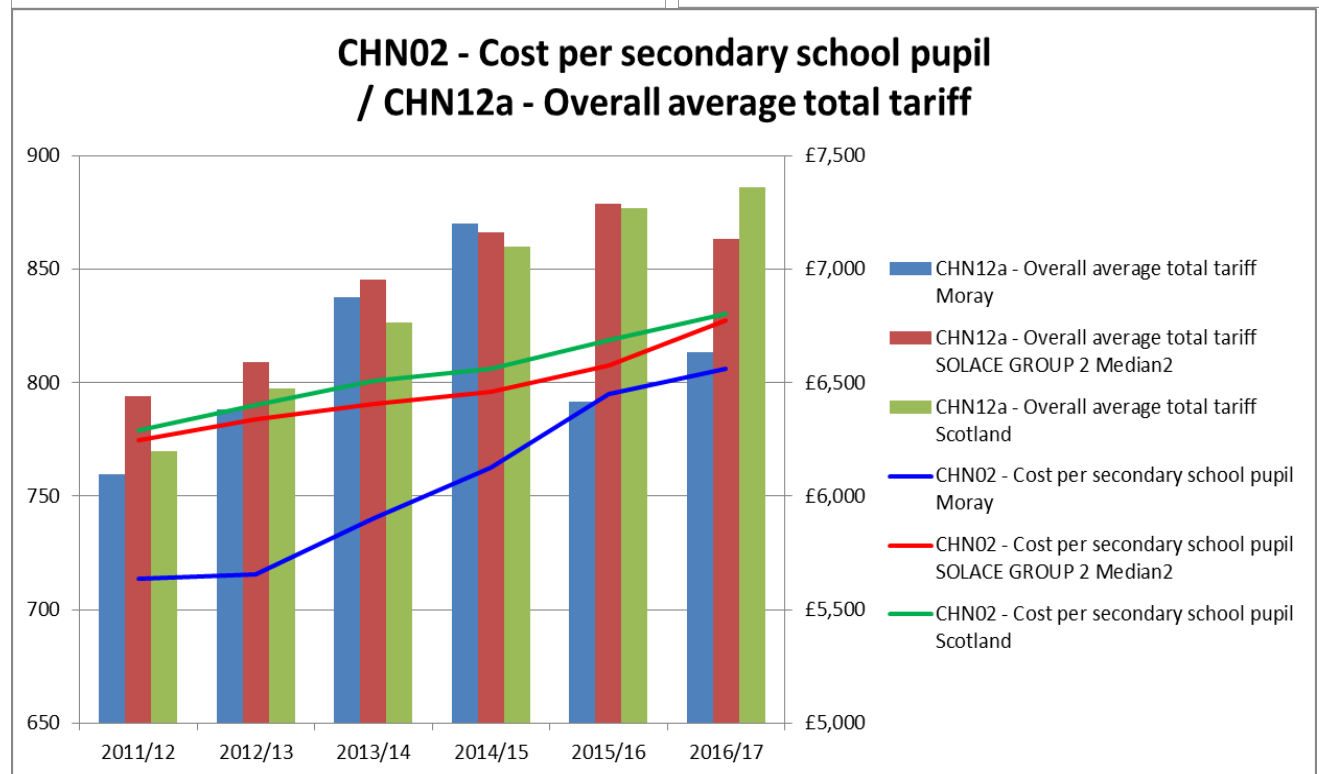
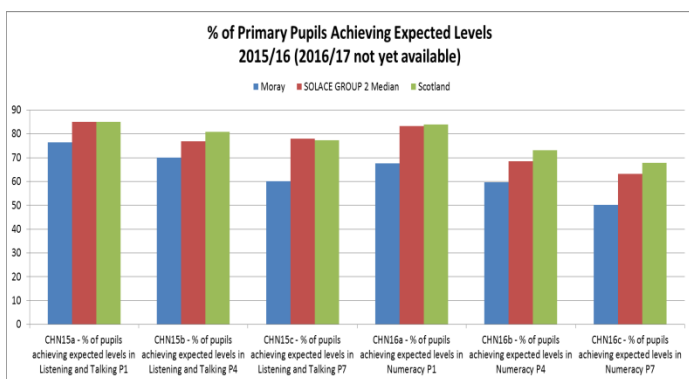
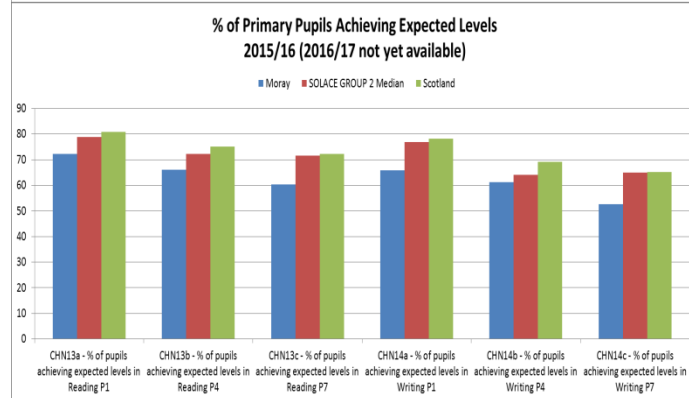
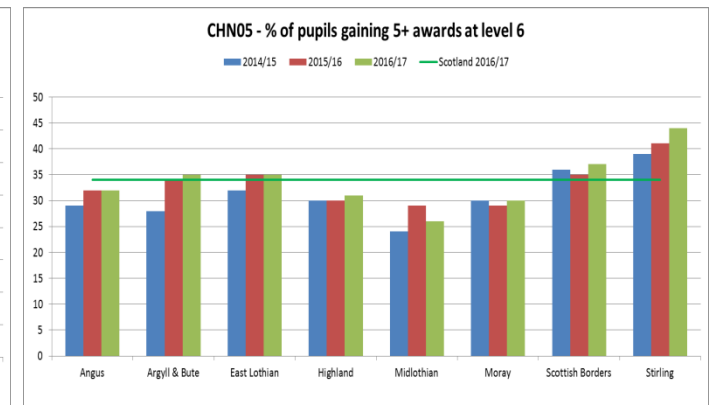
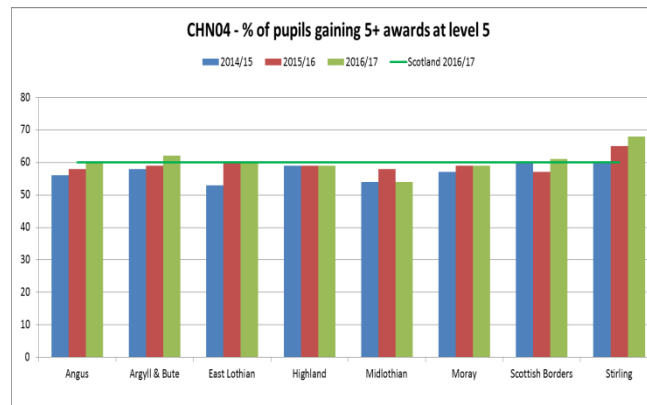
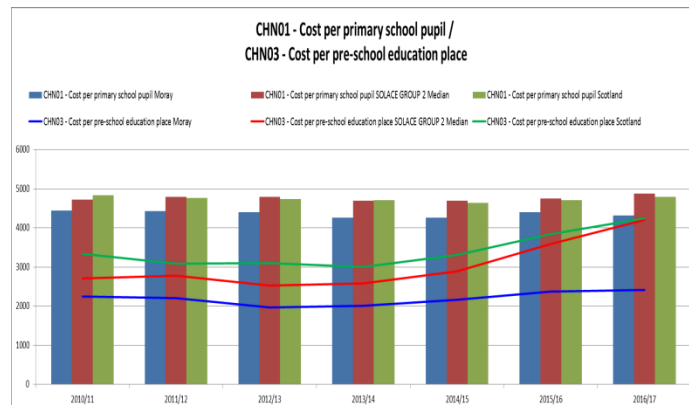
Ch			2015/16			2016/17										
	Data Ref	Indicator Description	Moray	Rank National (32)	Rank Family (8)	Moray	Angus	Argyll & Bute	East Lothian	Highland	Mid-Lothian	Scottish Borders	Stirling	Scotland	Rank National (32)	Rank Family (8)
		Total Tariff SIMD Quintile 1														
	CHN12c	Overall Average Total Tariff SIMD Quintile 2	818	8	1	702	615	760	698	630	717	748	645	750	22	4
	CHN12d	Overall Average Total Tariff SIMD Quintile 3	748	30	8	654	877	875	859	849	787	817	936	880	31	8
	CHN12e	Overall Average Total Tariff SIMD Quintile 4	821	32	8	870	813	968	965	948	918	1014	1186	999	30	7
	CHN12f	Overall Average Total Tariff SIMD Quintile 5	939	31	8	1061	1008	1137	1278	1036	1034	1201	1349	1207	25	5
	CHN10	% of Adults Satisfied with Local Schools (2012-15 and 2013-16)	74.00	26	7	71.67	75.67	79.67	80.00	80.00	78.33	68.33	83.33	75.33	26	7
	CHN19a	School attendance (%)	94.10 2014/15	12	5	94.00	93.70	93.70	93.70	93.40	92.60	94.20	94.10	93.30	10	3
	CHN20a	School exclusion rates per 1,000 pupils	35.80 2014/15	25	6	33.10	22.61	15.79	34.14	22.66	44.35	21.47	16.43	26.84	24	6
	CHN11	% of Pupils Entering Positive Destinations	92.70	21	8	93.50	94.70	94.70	94.00	95.50	94.70	95.80	93.80	93.70	20	8
	CHN8a	Gross Cost of "Children Looked After" in Residential Based Services per Child per Week	3,792.31	23	7	4017.71	4012.50	2259.62	2515.22	3009.50	2721.84	2786.98	3053.03	3404.36	24	8
	CHN8b	Gross Cost of "Children Looked After" in a Community Setting per Child per Week	393.47	29	8	435.14	328.23	235.80	229.27	159.92	327.09	320.54	181.60	312.73	30	8
	CHN9	% of children being looked after in the Community	83.57	29	6	82.33	92.16	87.43	90.08	82.55	89.19	88.60	86.53	89.87	31	8
	CHN19b	School attendance rates (LAC, %)	96.03 2014/15	1	1	91.34	91.26	91.50	89.42	91.12	89.12	91.31	88.86	90.98	14	2

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Ch			2015/16			2016/17										
	Data Ref	Indicator Description	Moray	Rank National (32)	Rank Family (8)	Moray	Angus	Argyll & Bute	East Lothian	Highland	Mid-Lothian	Scottish Borders	Stirling	Scotland	Rank National (32)	Rank Family (8)
	CHN20b	School exclusion rates per 1,000 looked after children	100.48 2014/15	14	5	51.16	109.80	0.00	111.57	108.83	135.14	43.86	102.04	79.95	6	3
		% participation for 16-19 year olds	91.00	14	6	89.80	91.90	93.00	93.10	93.00	93.60	92.50	94.30	91.10	25	6
		% of child protection re-registrations within 18 months	4.60	12	6	8.25	2.38	9.59	6.45	5.07	7.75	3.92	1.82	6.46	25	6
		% of LAC with more than 1 placement in the last year (August-July)	23.94	21	6	25.12	30.20	25.71	19.01	34.70	26.25	18.86	21.22	21.19	23	6

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Graphs



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Key trends

Children's Services

Taking a view across the 27 indicators recorded for Children's Services shows that indicator results have improved in 11 indicators and worsened in 14 indicators, inferring an overall drop in performance; indicators results have worsened to a greater margin (52%) than those that have improved (41%). This is reinforced when viewed alongside the council's positioning in the national picture which shows that there was a reduction in the number of indicators in the second quartile (ranked 9th-16th), offset by an increase the in the number in the third quartile (ranked 17th-24th), coupled with no movement in the number of indicators placed in the lowest quartile, 41% (ranked 25th-32nd). The council's positioning in the family group similarly shows that there has been a small increase in the number of indicators that have worsened in ranking and limited movement across quartiles. In terms of benchmarking, performance is proving challenging in measures relating to attainment and looked after children.

Local Government Benchmarking Framework allows results to be placed in a national and family group context:

Rank in Scotland (32 authorities)	2016/17	2015/16
1 st quartile (1-8)	5 indicators	4 indicators
2 nd quartile (9-16)	4 indicators	8 indicators
3 rd quartile (17-24)	7 indicators	4 indicators
4 th quartile (25-32)	11 indicators	11 indicators
	27 indicators	27 indicators
Rank in Family Group (8 authorities)	2016/17	2015/16
1 st quartile (1-2)	7 indicators	6 indicators
2 nd quartile (3-4)	3 indicators	2 indicators
3 rd quartile (5-6)	6 indicators	8 indicators
4 th quartile (7-8)	11 indicators	11 indicators
	27 indicators	27 indicators

Indicators	Value - Change between 2015/16 and 2016/17	Rank (32 authorities) - Change between 2015/16 and 2016/17	Rank (8 authorities) - Change between 2015/16 and 2016/17
Improved	11 indicators	6 indicators	6 indicators
Worsened	14 indicators	7 indicators	4 indicators
Unchanged	2 indicators	14 indicators	17 indicators

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Analysis and context of individual and related indicators -

1. There are 23 local authority management nursery classes and 36 centres which work in partnership with the council to provide pre-school education.

Gross expenditure has seen year on year increases since 2014/15 to £3.99m in 2016/17. The number of pre-school places dropped slightly in 2016/17 to 1,647. There was a 2% increase in the cost per place to £2,420 in the year to 2016/17. Moray Council still has one of the lowest costs per pre-school education registration.

The National Improvement Framework for Scottish Education, launched in January 2015 allows systematic and consistent measures for assessing performance within the pre-school sector, and for understanding children's development as they progress. Health professional assess children's developmental status recording the outcomes against nine developmental domains, all available records for children turning 27 months in the period are included in the analysis. The 27-30 month review is universal and should be offered to every child reaching the appropriate age. It is important that there is high coverage of the review to ensure that there is the opportunity to improve children's outcomes. Results in Moray have improved in each of the last 3 years to 82.5%, the second highest when compared to all other local councils and the highest within our comparator group.

There is a commitment by Government to nearly double the entitlement to funded early learning and childcare to 1140 hours a year by 2020 for all three and four year olds and eligible two year olds. The aim is to provide high quality experiences for all children, which complements other early years and educational activity to close the attainment gap, and recognises the value of those entrusted to give our children the best start in life. Inspection of funded Early Years providers measures those graded good or better for all quality themes. In 2016/17, 90.6% of the provision in Moray achieved a rating of good or better, a decrease from 96.4% the previous year which results in a shift in ranking from the top quartile to the third quartile.

2. In primary education, there has been a 1.8% decrease in the cost per primary school pupil to £4.321. The proportional increase in pupil numbers exceeded the proportional increase in gross expenditure. Moray remains one of the lowest costs per pupil nationally and within the Council's family group.

It is essential to assess and measure progress of children throughout the primary years, with experimental measures collected but not reported in 2015/16 or 2016/17.

3. In secondary education, in recent years, the cost per secondary school pupil has increased; whilst gross expenditure has maintained, pupil numbers continue to decrease. Secondary education gross costs in 2016/17 were £32.2m, fluctuating around £0.8m over the last 5 years, pupil numbers fell by 683 in the same period, proportionately a significantly greater variance.

The relationship between pupil numbers and gross expenditure is a tenuous one in that it cannot be expected that gross expenditure will fluctuate at a similar rate to that of pupil numbers. Gross expenditure includes employee costs and operating costs and is based on actual expenditure that does not change significantly as a result of a fluctuation in pupil numbers. In order for the Council to meet teacher numbers agreement targets, whilst pupil numbers may have fallen; teacher numbers cannot react accordingly, which has significant cost implications. Despite the increase, Moray's cost per secondary pupil remains the tenth lowest nationally and second lowest within the family group.

N/A¹ Data no longer collected nationally / locally
N/A² Result below 5; not published to protect confidentiality
N/A³ Indicator result yet to be published

Secondary attainment is compared using breadth and depth measures that provide a measure of achievement for senior phase (S4-S6) pupils who appear on the pupil census. The average total tariff score for pupils in the senior phase (S6 based on the S4 cohort), provides a measure of the latest and best achievement in each subject area for national qualifications and a range of wider awards with qualifications awarded tariff points based on their Scottish Credit and Qualifications Framework (SCQF) level. The desire to increase attainment of children from deprived backgrounds is also addressed by measuring attainment within Scottish Index of Multiple Deprivation (SIMD) quintiles.

In 2016/17, 59% of pupils achieved 5 or more awards at level 5, no change from the previous year; performance has been equal to or within one percentage point of the Scottish and comparator averages in the last 3 years, 30% of pupils gained 5 or more awards at Level 6 in 2016/17; with performance below the Scottish and comparator averages by four percentage points in the previous two years. It appears in terms of the Council's fall in rank values, other authorities are making improvements in attainment at a greater rate than being made in Moray.

In 2016/17, 55% of pupils living in the 20% most deprived areas gained 5+ awards at Level 5, a significant improvement from 40% last year. Moray have few areas that feature within the 20% most deprived, therefore pupil numbers are likely to be low, meaning small improvements will have a more significant impact on percentage results. Results against those within the same group gaining 5+ awards at Level 6 are not provided due to low numbers.

Overall average tariff scores in Moray increased from 792 to 814. Pupil average tariff scores improved in three of five SIMD quintiles in the last year (quintiles 1, 4 and 5). Whilst it is recognised nationally that the current method of calculation for average tariff scores disadvantages those local authorities who offer 6 course options in the senior phase, Moray also has wider issues that are impacting on pupils' education including the recruitment of teachers.

Since 2010/11, pupils from the most deprived groups have shown proportionately a more significant improvement than those from the least deprived groups. That said, average tariff scores remain significantly lower for those pupils from the most deprived areas (661 against 1,061).

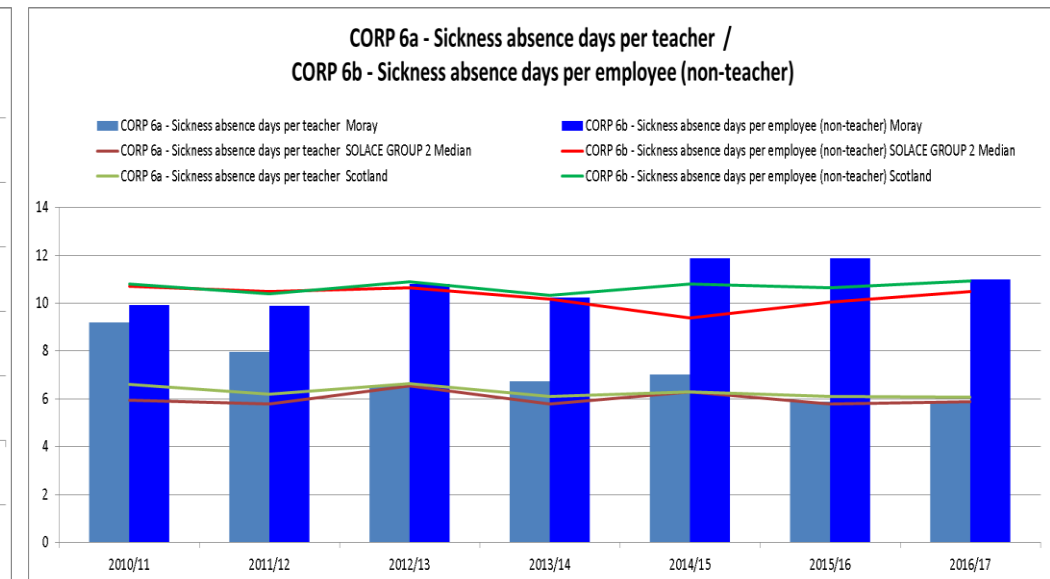
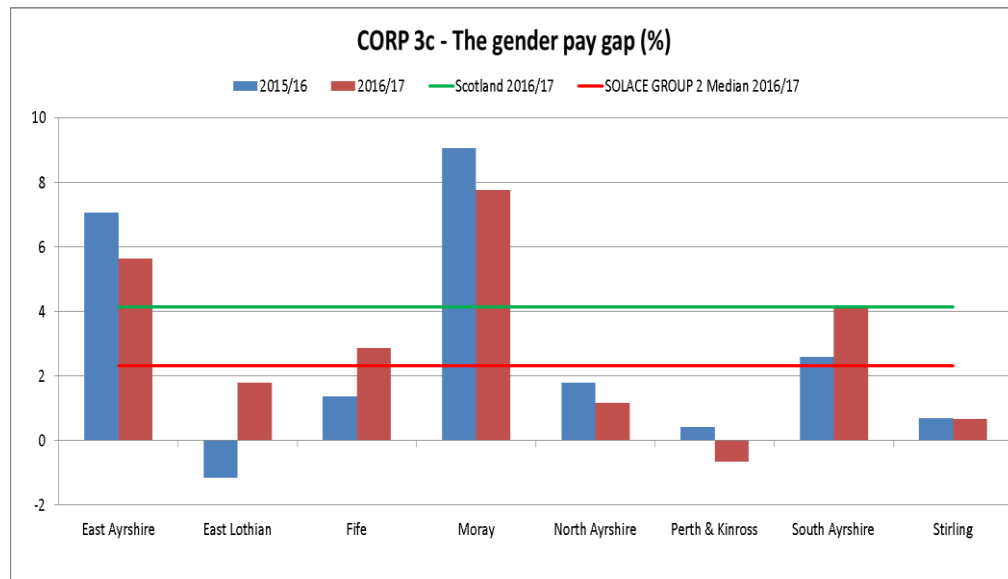
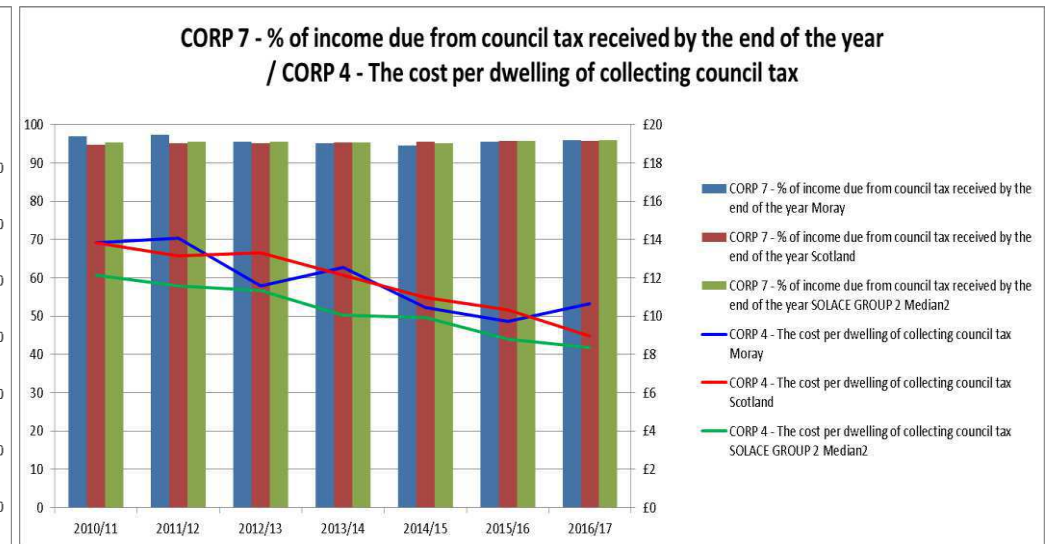
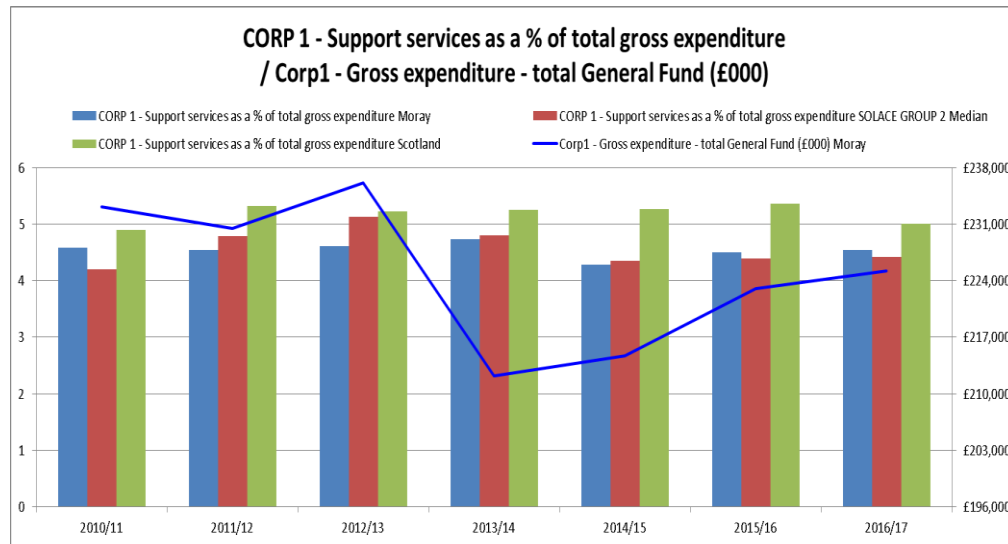
Capturing some element of the quality of children's services in terms of the service user's opinions is currently done by using data from the Scottish Household Survey, based only on those who gave an opinion. In 2016/17 (on a 3 year rolled average), 71.7% of adults were satisfied with local schools, decreasing from 74% last year. Comparison against national and comparators averages shows that Moray remains in the lowest ranking quartile.

The percentage of pupils entering positive destinations improved from 92.7% to 93.5% in 2016/17, just below the national average. There have been slight decreases in the percentage of pupils entering higher and further education against an increase in the percentage entering employment.

			2015/16			2016/17										
Corporate Services	Data Ref	Indicator Description	Moray	Rank National (32)	Rank Family (8)	Moray	East Ayrshire	East Lothian	Fife	North Ayrshire	Perth & Kinross	South Ayrshire	Stirling	Scotland	Rank National (32)	Rank Family (8)
	CORP1	Support Services as a % of Total Gross Expenditure	4.49	12	5	4.54	3.85	5.13	4.97	2.28	5.29	3.98	4.30	5.00	15	5
	CORP3b	The Percentage of the Highest Paid 5% Employees Who are Women	50.56	16	5	51.91	51.05	52.70	51.34	55.51	48.84	54.66	55.49	52.00	16	5
	CORP3c	The gender pay gap	9.06	28	8	7.75	5.65	1.79	2.87	1.16	-0.65	4.19	0.67	4.14	26	8
	CORP4	Cost of Collecting Council Tax per Dwelling	9.71	15	6	10.64	5.82	10.25	2.64	7.67	12.32	9.00	7.16	8.98	24	7
	CORP6a	Sickness Absence Days per Teacher	5.88	13	5	5.87	4.10	7.41	6.43	5.88	7.81	5.10	4.91	6.06	16	4
	CORP6b	Sickness Absence Days per Employee (non-teacher)	11.89	26	8	10.98	8.84	10.75	11.27	10.88	9.63	10.23	8.89	10.92	17	7
	CORP7	Percentage of income due from Council Tax received by the end of the year	95.60	21	5	95.89	94.05	97.59	95.77	94.68	97.92	94.93	97.75	95.80	18	4
	CORP8	Percentage of invoices sampled that were paid within 30 days	89.80	24	8	90.16	92.28	89.52	97.17	92.96	94.34	94.11	86.36	93.06	22	6

N/A¹ Data no longer collected nationally / locally
N/A² Result below 5; not published to protect confidentiality
N/A³ Indicator result yet to be published

Graphs



N/A¹ Data no longer collected nationally / locally
 N/A² Result below 5; not published to protect confidentiality
 N/A³ Indicator result yet to be published

Key trends

Corporate Services

Taking a view across the 8 indicators recorded for Corporate Services shows that indicator results have improved in 5 indicators and worsened in 2 indicators inferring improved performance; indicators result values have improved to a greater margin (63%) than those that have worsened (25%). Viewed alongside the council's positioning in the national picture, with little change it perhaps reinforces that this improvement has maintained the council's position among all 32 local authorities. However, the council's positioning in the family group is more positive, with a push up in rankings for around a third of indicators while others have maintained position. In terms of benchmarking, generally performance is positive.

Local Government Benchmarking Framework allows results to be placed in a national and family group context:

Rank in Scotland (32 authorities)	2016/17	2015/16
1 st quartile (1-8)	0 indicators	0 indicators
2 nd quartile (9-16)	3 indicators	4 indicators
3 rd quartile (17-24)	4 indicators	2 indicators
4 th quartile (25-32)	1 indicator	2 indicators
	8 indicators	8 indicators
Rank in Family Group (8 authorities)	2016/17	2015/16
1 st quartile (1-2)	0 indicators	0 indicators
2 nd quartile (3-4)	2 indicators	0 indicators
3 rd quartile (5-6)	3 indicators	5 indicators
4 th quartile (7-8)	3 indicators	3 indicators
	8 indicators	8 indicators

Indicators	Value - Change between 2015/16 and 2016/17	Rank (32 authorities) - Change between 2015/16 and 2016/17	Rank (8 authorities) - Change between 2015/16 and 2016/17
Improved	5 indicators	1 indicator	3 indicators
Worsened	2 indicators	1 indicator	1 indicator
Unchanged	1 indicator	6 indicators	4 indicators

N/A¹ Data no longer collected nationally / locally
N/A² Result below 5; not published to protect confidentiality
N/A³ Indicator result yet to be published

Analysis and context of individual and related indicators -

1. Corporate support services within councils cover a wide range of functions including finance, human resources, corporate management, payroll, legal services and a number of other corporate functions. In relation to overall council corporate and support costs, these account for only 4.5% of total gross revenue spend. For the first time in 4 years, nationally, Support Costs have decreased, by 5.4% against slight growth in the Total General Fund. In Moray, slight increases in both are evident. Significant digital investment and increasing centralisation of support services may be important factors contributing to this trend as have refined guidance from the Scottish Government in their financial return leading to improved reporting.
2. The cost per dwelling of collecting Council Tax has reduced over the seven year period by £3.19 from £13.83 to £10.64, a reduction of 23%. In 2016/17, the cost per dwelling of collecting increased by 9.6% to £10.64 due to an increase in staff costs as a result of restructuring within Revenues that included the removal of the income administration function with some staff working exclusively in taxation, the full impact of this extra cost is somewhat diminished by an increase of 391 properties. In Moray, the collection rate has reduced over the last seven years from 97% to 95.9% in 2016/17, in contrast to an increase in the national result of 1% in the same period to 95.8%. In the last 12 months, the collection rate has improved due to a more rigorous recovery timetable and the continued impact of changes in employment practices (increased use of part-time and zero-hours contracts) and Government's programme of seeking to restrict and reduce the payment of benefits has restricted the extent of the in-year collection percentage.
3. Nationally there has been continued improvement in relation to ensuring equal pay opportunities across genders, with an increase in the percentage of women in the top 5% of earners in councils, from 46.3% to 52% between 2010/11 to 2016/17. In Moray, the improvement over the same period was from 40.5% to 51.9%. The Council continues to monitor this through Workforce Plan and senior management workforce profiling.

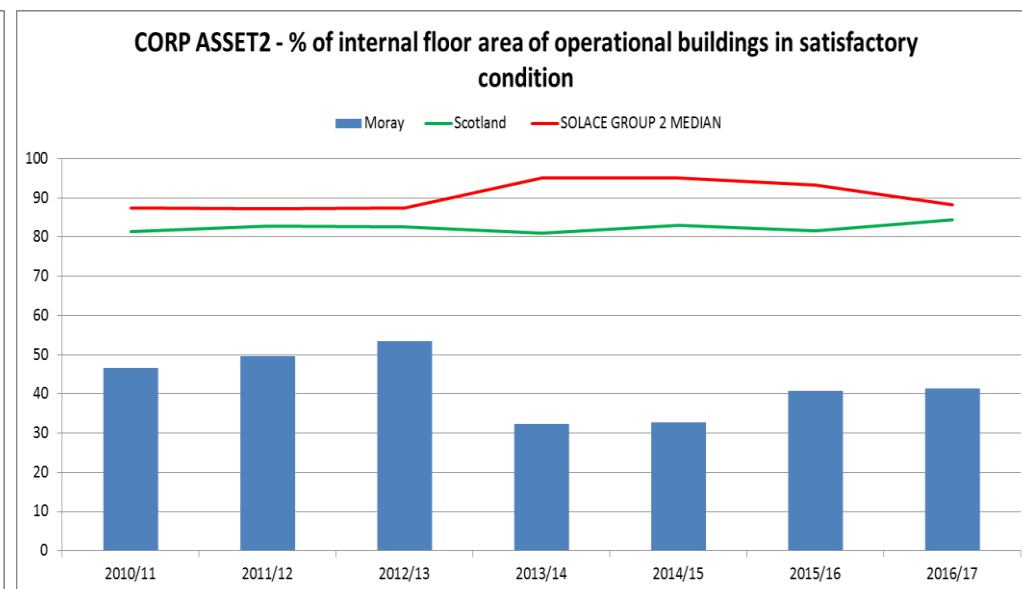
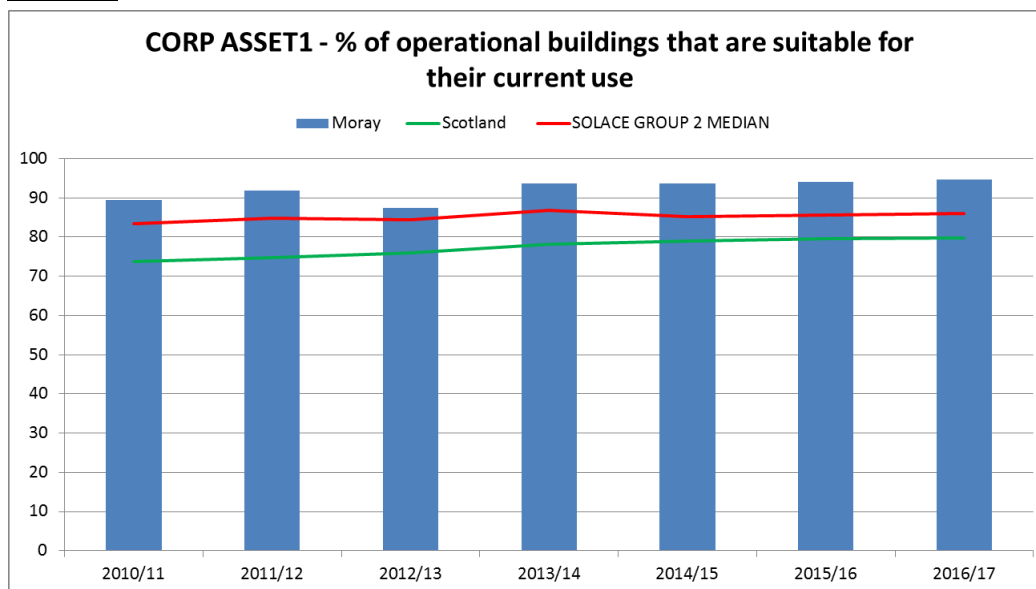
The gender pay gap indicator was introduced in 2015/16 to provide a picture of the gap in pay between men and women employed by Councils; the percentage difference between male employees average hourly rate of pay and female employees average hourly rate of pay, where a positive figure indicates male employees are, on average, paid more per hour than female employees. In Moray, on average male employees are paid 7.75% more than female employees per hour, the highest in our family group of eight councils and above the Scottish average of 4.14%. Across Scotland, results ranged from -7.0% to 13.7%, reinforcing the likely variations in methods of calculation, which will be subject to review and on-going development in the coming years.

4. In 2016/17, 70,236 invoices were sampled and of those 63,331 (90.2%) were paid within 30 calendar days, an improvement from 89.8% last year. Results remain below national and five of seven comparators. Work also continues to improve performance through efficient processing with progress in the development of other methods of payments that improve efficiency.
5. The management of sickness absence is a major priority in efforts to manage costs. Nationally the average number of sickness days per employee in 2016/17 was 10.92 days, a slight increase from 10.63 days in 2015/16. In Moray, results improved to 10.98; a targeted approach in higher absence areas, early intervention, active case management and training for those managing cases are all contributing factors. For teaching staff, across the same period there has been a significant reduction since 2010/11 from 9.21 days to 5.87 days; continued work in this area from schools management supported by Human Resources has allowed us to match last year's performance. Nationally there has been a small reduction across the same period, 6.6 days to 6.06 days.

N/A¹ Data no longer collected nationally / locally
N/A² Result below 5; not published to protect confidentiality
N/A³ Indicator result yet to be published

			2015/16			2016/17										
Assets	Data Ref	Indicator Description	Moray	Rank National (32)	Rank Family (8)	Moray	East Ayrshire	East Lothian	Fife	North Ayrshire	Perth & Kinross	South Ayrshire	Stirling	Scotland	Rank National (32)	Rank Family (8)
	CORP ASSET1	% of operational buildings that are suitable for their current use	94.12	3	1	94.58	81.40	85.28	79.53	91.63	82.50	86.85	90.50	79.80	3	1
	CORP ASSET2	% of internal floor area of operational buildings in satisfactory condition	40.80	32	8	41.39	98.24	84.09	78.95	99.66	92.16	65.74	96.59	84.48	32	8

Graphs



N/A¹ Data no longer collected nationally / locally
N/A² Result below 5; not published to protect confidentiality
N/A³ Indicator result yet to be published

Key trends

Assets

There are two indicators that aim to provide an indication of good asset management practise; both show indicator results have improved. Viewed alongside the council's positioning in the national and comparator picture reinforces the ongoing challenges with building conditions.

Local Government Benchmarking Framework allows results to be placed in a national and family group context:

Rank in Scotland (32 authorities)	2016/17	2015/16
1 st quartile (1-8)	1 indicator	1 indicator
2 nd quartile (9-16)	0 indicators	0 indicators
3 rd quartile (17-24)	0 indicators	0 indicators
4 th quartile (25-32)	1 indicator 2 indicators	1 indicator 2 indicators
Rank in Family Group (8 authorities)	2016/17	2015/16
1 st quartile (1-2)	1 indicator	1 indicator
2 nd quartile (3-4)	0 indicators	0 indicators
3 rd quartile (5-6)	0 indicators	0 indicators
4 th quartile (7-8)	1 indicator 2 indicators	1 indicator 2 indicators

Indicators	Value - Change between 2015/16 and 2016/17	Rank (32 authorities) - Change between 2015/16 and 2016/17	Rank (8 authorities) - Change between 2015/16 and 2016/17
Improved	1 indicator	0 indicators	0 indicators
Worsened	1 indicator	0 indicators	0 indicators
Unchanged	0 indicators	2 indicators	2 indicators

N/A¹ Data no longer collected nationally / locally
N/A² Result below 5; not published to protect confidentiality
N/A³ Indicator result yet to be published

Analysis and context of individual and related indicators -

A potential source of confusion is the distinction between suitability and condition. To avoid this problem, when assessing suitability, buildings are assessed as though they are in a satisfactory condition, e.g. a leaking roof will not affect the suitability assessment but will, instead, be a matter for consideration in the context of the condition rating given following the condition survey.

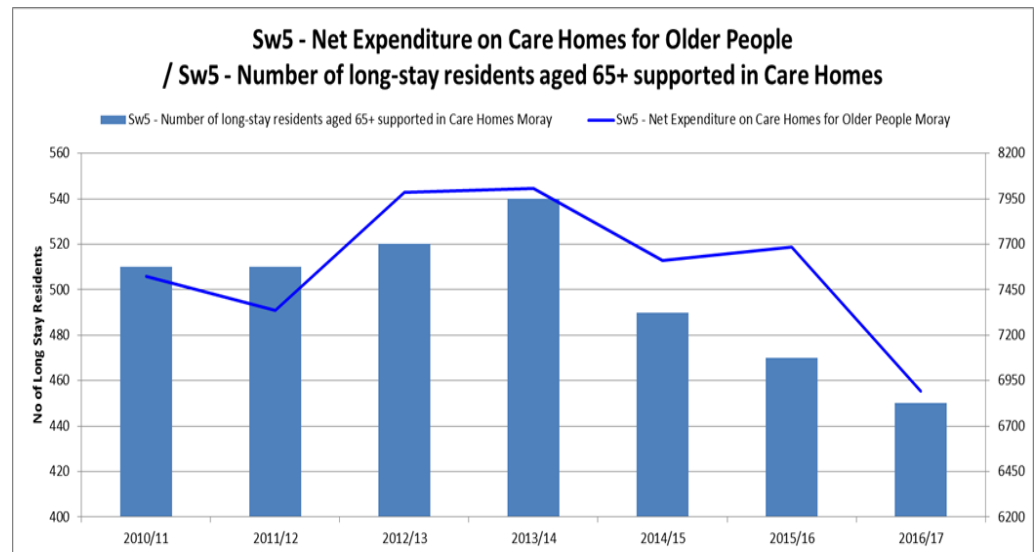
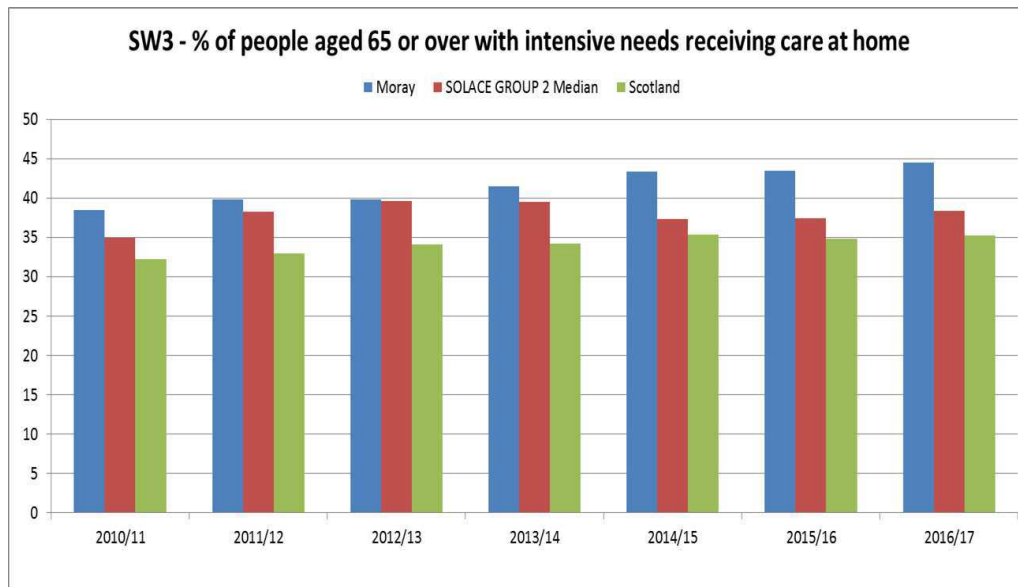
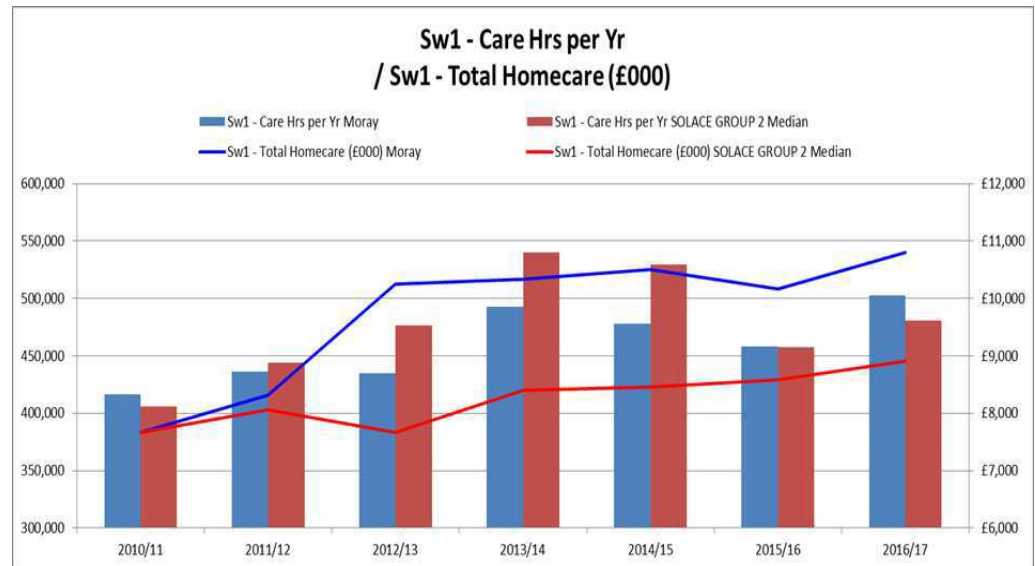
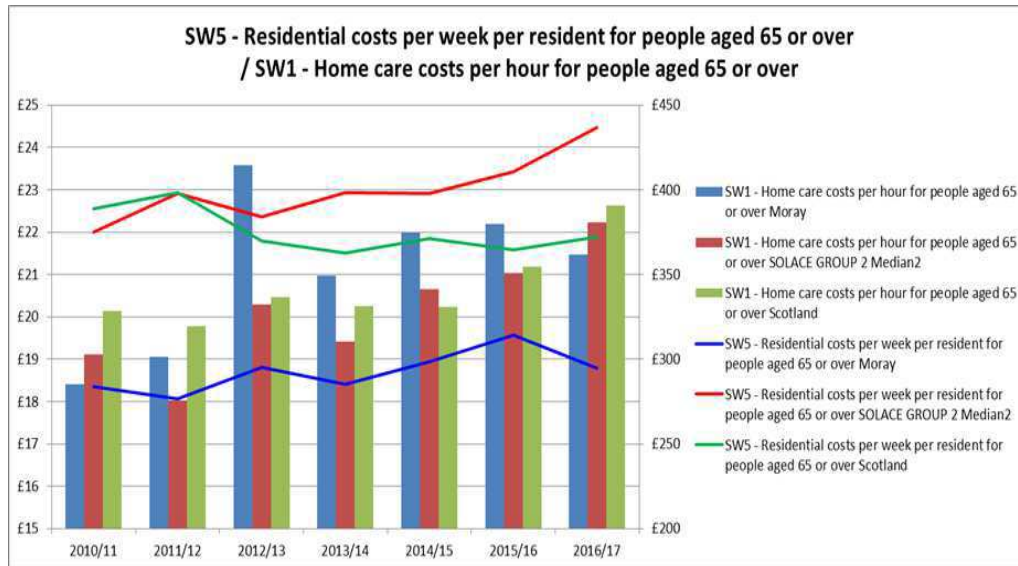
1. The proportion of operational buildings that are suitable for their current use improved from 89.5% in 2010/11 to 94.6% in 2016/17, with 192 of 203 suitable, well above the national average and family group results. The slight improvement in performance in the last year is as a result of an improvement in rating category for Keith Grammar School. Issues that impact on suitability include a building's location, functionality, accessibility, internal environment, safety and security and its fixed furniture and fittings.
2. The proportion of the gross internal floor area of operational buildings that is in satisfactory condition at 41.4%, remaining the lowest against all other councils and family group members. In 2016/17, two buildings was brought up from category C to category B with one other slipping back into category C during this year. The 'make do and mend' policy places the emphasis on the response rather than planned maintenance by restricting all pro-active investment to the highest weighted D-rated elements only. A reassessment to take into account planned improvements, such as those undertaken as part of the Four-Schools project will be carried out on the completion of the programme during 2017/18.

N/A¹ Data no longer collected nationally / locally
N/A² Result below 5; not published to protect confidentiality
N/A³ Indicator result yet to be published

			2015/16			2016/17										
Adult Social Work	Data Ref	Indicator Description	Moray	Rank National (32)	Rank Family (8)	Moray	Angus	Argyll & Bute	East Lothian	Highland	Mid-Lothian	Scottish Borders	Stirling	Scotland	Rank National (32)	Rank Family (8)
	SW1	Home Care Costs per Hour for people Aged 65 or over	22.18	22	5	21.47	19.45	27.72	15.63	36.09	24.19	22.99	13.05	22.64	12	4
	SW2	Self Directed Support Spend on People Aged 18 or Over as a % of Total Social Work Spend on Adults	4.41	11	3	13.53	2.87	4.20	4.38	6.29	6.11	20.73	4.44	6.49	3	2
	SW3	% of people aged 65 or over with Intensive Needs receiving Care at Home	43.48	5	2	44.54	26.87	44.12	37.37	24.02	39.45	22.94	40.00	35.27	4	1
	SW4	% of Adults satisfied with social care or social work services	45.67	27	6	N/A ³	N/A ³	N/A3	N/A3	N/A3	N/A3	N/A3	N/A3	N/A3	N/A ³	N/A ³
	SW4a	% of adults receiving any care or support who rate it as excellent or good	78.35	27	6	N/A ³	N/A ³	N/A3	N/A3	N/A3	N/A3	N/A3	N/A3	N/A3	N/A ³	N/A ³
	SW4b	% of adults supported at home who agree that their services and support had an impact in improving or maintaining their quality of life	85.88	12	5	N/A ³	N/A ³	N/A3	N/A3	N/A3	N/A3	N/A3	N/A3	N/A3	N/A ³	N/A ³
	SW5	Net Cost of Residential Care Services per Older Adult (+65) per Week	314.40	5	1	294.53	506.46	468.04	445.69	448.22	356.66	373.08	428.37	372.36	6	1

N/A¹ Data no longer collected nationally / locally
 N/A² Result below 5; not published to protect confidentiality
 N/A³ Indicator result yet to be published

Graphs



N/A¹ Data no longer collected nationally / locally
 N/A² Result below 5; not published to protect confidentiality
 N/A³ Indicator result yet to be published

Key trends

Adult Social Work

Taking a view across the 7 indicators recorded for Adult Social Work shows that indicator results have improved in 4 indicators with results for the remaining 3 indicators yet to be published, inferring improved performance. This is reinforced when viewed alongside the council's positioning in the national picture which shows that the number of indicators in the first quartile (ranked 1st-8th) has increased. The council's positioning in the family group similarly shows an improving trend in ranked positions in the last year. In terms of benchmarking, generally performance is positive. Customer satisfaction results, due for publication in 2017/18 have previously proved to be a weaker area of performance.

Local Government Benchmarking Framework allows results to be placed in a national and family group context:

Rank in Scotland (32 authorities)	2016/17	2015/16
1 st quartile (1-8)	3 indicators	2 indicators
2 nd quartile (9-16)	1 indicator	2 indicators
3 rd quartile (17-24)	0 indicators	1 indicator
4 th quartile (25-32)	0 indicators	2 indicators
	4 indicators	7 indicators
Rank in Family Group (8 authorities)	2016/17	2015/16
1 st quartile (1-2)	3 indicators	2 indicators
2 nd quartile (3-4)	1 indicator	1 indicators
3 rd quartile (5-6)	0 indicators	4 indicators
4 th quartile (7-8)	0 indicators	0 indicators
	4 indicators	7 indicators

Indicators	Value - Change between 2015/16 and 2016/17	Rank (32 authorities) - Change between 2015/16 and 2016/17	Rank (8 authorities) - Change between 2015/16 and 2016/17
Improved	4 indicators	2 indicators	2 indicators
Worsened	0 indicators	0 indicators	0 indicators
Unchanged	0 indicators	2 indicators	2 indicators

N/A¹ Data no longer collected nationally / locally
N/A² Result below 5; not published to protect confidentiality
N/A³ Indicator result yet to be published

Analysis and context of individual and related indicators -

The provision of services to support vulnerable adults and older people is a major priority for councils. Social care services are undergoing fundamental reform as council services integrate with services from the National Health Service to create new Health and Social Care Partnerships. The purpose of these major changes is to strengthen the partnership working across public services to help improve outcomes for vulnerable adults and older people and also reduce the inefficiencies associated with dis-jointed systems. As this partnership develops, measures that will usefully support Integrated Joint Boards fulfil their duties will be introduced. In the face of increasing demands, councils and their partners continue to modernise and transform social care provision to deliver better anticipatory and preventative care, provide a greater emphasis on community-based care and enable increased choice and control in the way that people receive services.

1. To be able to care for more people in their own home rather than institutional settings is an area of highest importance in achieving a positive shift in the balance of care. In Moray, the percentage of people with intensive needs receiving care at home has shown an upwards trend, with an increase of almost 6% over the past seven years, from 38.4% in 2010/11 to 44.5% in 2016/17, a rate consistently above comparator and national averages. Care home numbers remain proportionally low, but the 65+ population has grown from 17,400 in 2011, to an estimated 19,700 in mid-2016 (a 13% increase in 5 years) and has put pressure on the system. How the system adapts to respond to meet the future needs of this aging population is an area of continuing effort.
2. In 2010/11, 416.5k care hours were provided and homecare costs totalled £7.7m (£18.42 cost per hour), in 2016/17, 502.8k hours were provided and homecare costs totalled £10.8m (£21.47 cost per hour) respectively. Homecare hours and expenditure both increased this year by 10% and 6% respectively.
3. In terms of residential care, in 2010/11 there were 510 long stay residents supported in Care Homes for which the Council had net expenditure for providing care of £7.5m, giving a residential care cost per week per resident of £283.75, in 2016/17 there were 450 long stay residents, net expenditure of £6.9m giving a cost per week per resident of £294.53. Net expenditure reduced by 10% in 2016/17, numbers in residential care continue to drop.

Moray is demonstrating the positive shift in the balance of care with an increasing percentage of people aged over 65 with intensive needs being cared for at home, a greater proportionate increase in homecare hours provided over expenditure and a continuing reduction in residential care in terms of resident numbers and expenditure. This is reinforced by national and comparator rankings improving or remaining in the top two quartiles.

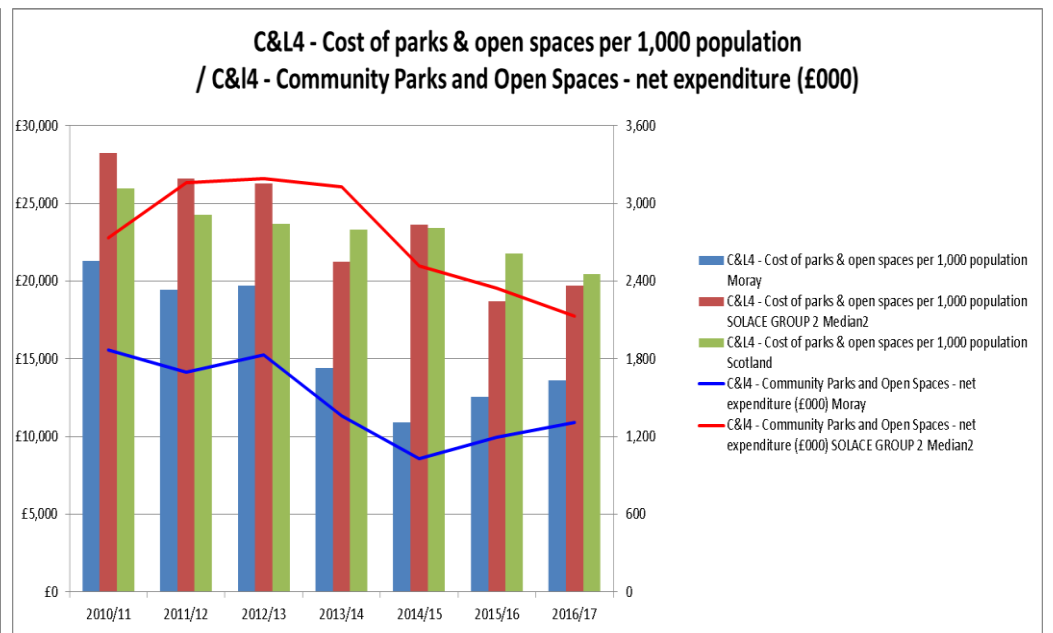
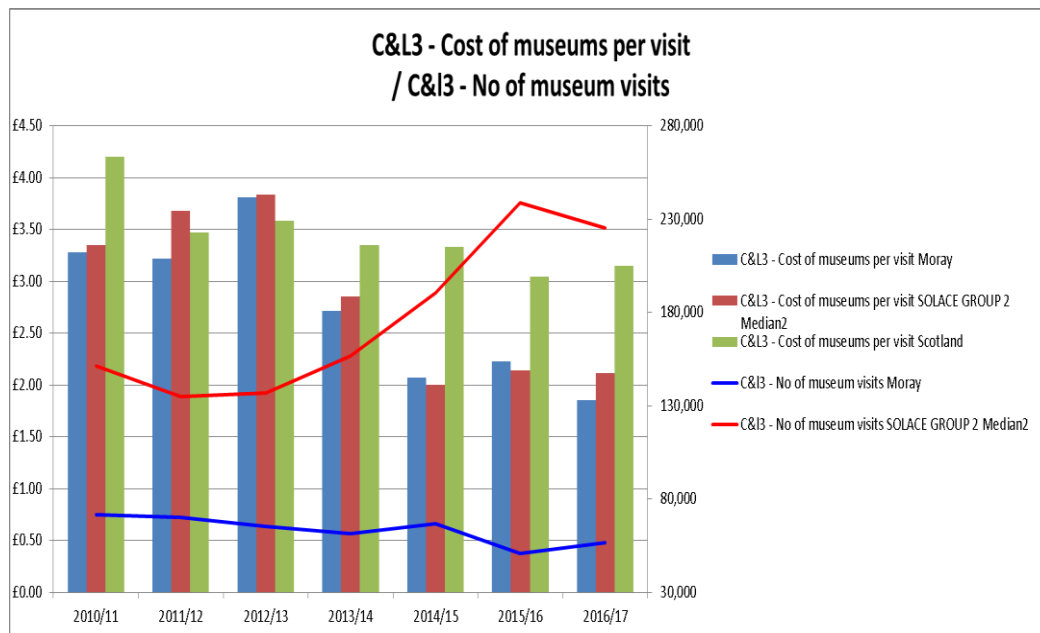
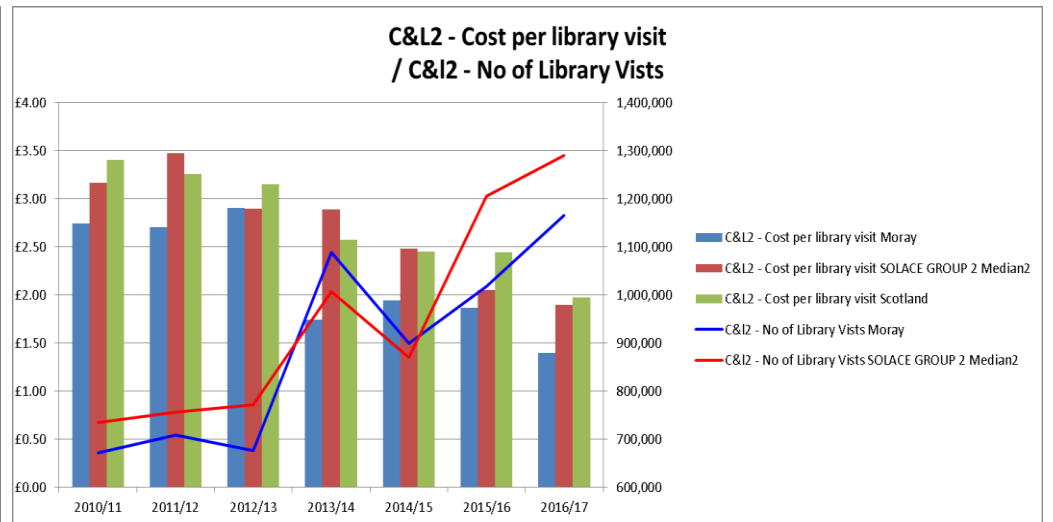
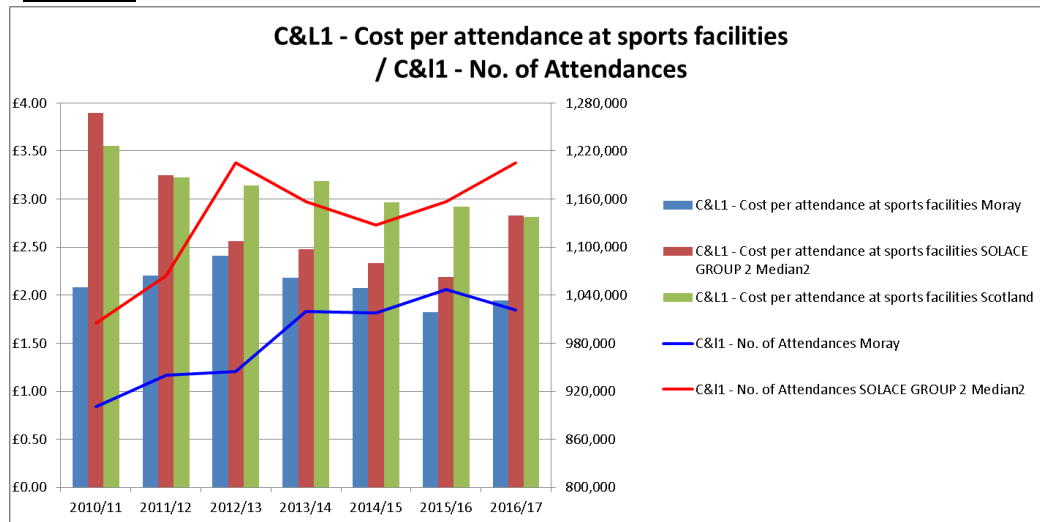
4. Self-directed support (SDS) in Moray has increased by 10.5 percentage points in the past 6 years and by 9 percentage point in the past year to 13.53% in 2016/17, comparing well against median national and family group results reflecting the impact of self-directed support policy which increases individual's choice and control over their social care and support. A point worth making here is that the continued growth in SDS will have further implications for the social care market place and the ability to accurately track where and how resources are spent.

N/A¹ Data no longer collected nationally / locally
N/A² Result below 5; not published to protect confidentiality
N/A³ Indicator result yet to be published

			2015/16			2016/17										
Culture & Leisure Services	Data Ref	Indicator Description	Moray	Rank National (32)	Rank Family (8)	Moray	East Ayrshire	East Lothian	Fife	North Ayrshire	Perth & Kinross	South Ayrshire	Stirling	Scotland	Rank National (32)	Rank Family (8)
	C&L1	Gross cost per attendance at Sports facilities	1.82	7	2	1.94	0.84	3.33	2.34	3.32	4.59	4.07	1.72	2.81	9	3
	C&L2	Cost Per Library Visit	1.87	6	3	1.40	3.74	1.97	3.76	1.57	1.83	0.66	2.67	1.97	6	2
	C&L3	Cost of Museums per Visit	2.22	11	5	1.85	1.84	1.55	2.37	0.28	3.89	4.71	3.63	3.15	8	4
	C&L4	Cost of Parks & Open Spaces per 1,000 Population	12,532.72	6	2	13615.07	6677.58	19502.35	23530.36	29450.29	29711.97	19774.16	19626.67	20,431.66	7	2
	C&L5a	% of Adults Satisfied with Libraries (2013-16 and 2014-17)	73.67	26	7	72.67	75.67	71.67	69.67	92.00	82.67	86.67	89.33	74.67	24	6
	C&L5b	% of Adults Satisfied with Parks and Open Spaces (2013-16 and 2014-17)	89.67	8	3	87.67	86.00	87.00	86.00	81.00	92.67	91.00	91.33	86.00	15	4
	C&L5c	% of Adults Satisfied with Museums and Galleries (2013-16 and 2014-17)	53.00	30	8	51.33	72.67	63.00	64.00	74.00	80.67	80.33	75.00	72.00	30	8
	C&L5d	% of Adults Satisfied with Leisure Facilities (2013-16 and 2014-17)	74.67	20	7	73.00	74.33	78.33	76.00	72.33	81.00	78.33	82.67	74.00	21	7

N/A¹ Data no longer collected nationally / locally
N/A² Result below 5; not published to protect confidentiality
N/A³ Indicator result yet to be published

Graphs



N/A¹ Data no longer collected nationally / locally
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 N/A³ Indicator result yet to be published

Key trends

Culture & Leisure Services

Taking a view across the 8 indicators recorded for Culture and Leisure Services shows that indicator results have improved in 2 indicators and worsened in 6 indicators, inferring a drop in performance; indicator result values have worsened to a greater margin (75%) than those that have improved (25%), although the drop appears to be predominantly around customer satisfaction results. Viewed alongside the council's positioning in the national and comparator picture, it shows that performance remains in the upper quartiles in terms of ranking in operational indicators, reinforcing performance against other authorities remains generally positive, albeit there is potentially work to be done in terms of public perception.

Local Government Benchmarking Framework allows results to be placed in a national and family group context:

Rank in Scotland (32 authorities)	2016/17	2015/16
1 st quartile (1-8)	3 indicators	4 indicators
2 nd quartile (9-16)	2 indicators	1 indicators
3 rd quartile (17-24)	2 indicators	1 indicator
4 th quartile (25-32)	1 indicator	2 indicators
	8 indicators	8 indicators
Rank in Family Group (8 authorities)	2016/17	2015/16
1 st quartile (1-2)	2 indicators	2 indicators
2 nd quartile (3-4)	3 indicators	2 indicators
3 rd quartile (5-6)	1 indicator	1 indicator
4 th quartile (7-8)	2 indicators	3 indicators
	8 indicators	8 indicators

Indicators	Value - Change between 2015/16 and 2016/17	Rank (32 authorities) - Change between 2015/16 and 2016/17	Rank (8 authorities) - Change between 2015/16 and 2016/17
Improved	2 indicators	2 indicators	3 indicators
Worsened	6 indicators	2 indicators	1 indicator
Unchanged	0 indicators	4 indicators	4 indicators

N/A¹ Data no longer collected nationally / locally
N/A² Result below 5; not published to protect confidentiality
N/A³ Indicator result yet to be published

Analysis and context of individual and related indicators -

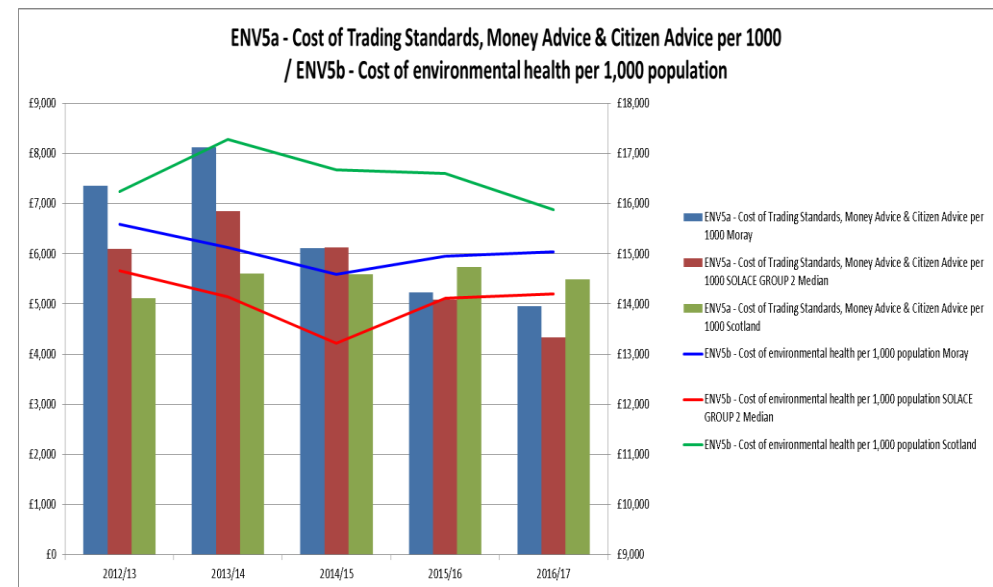
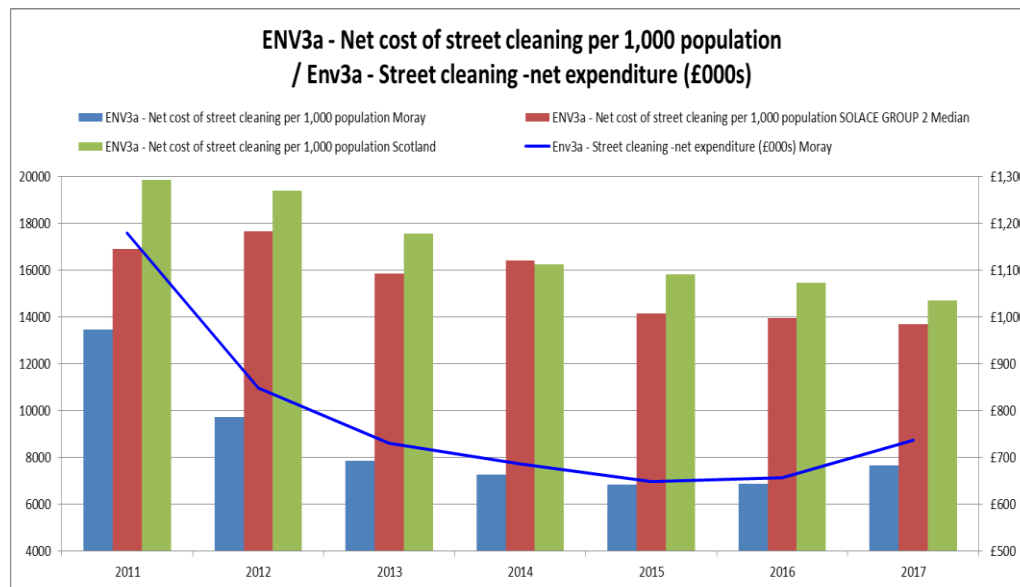
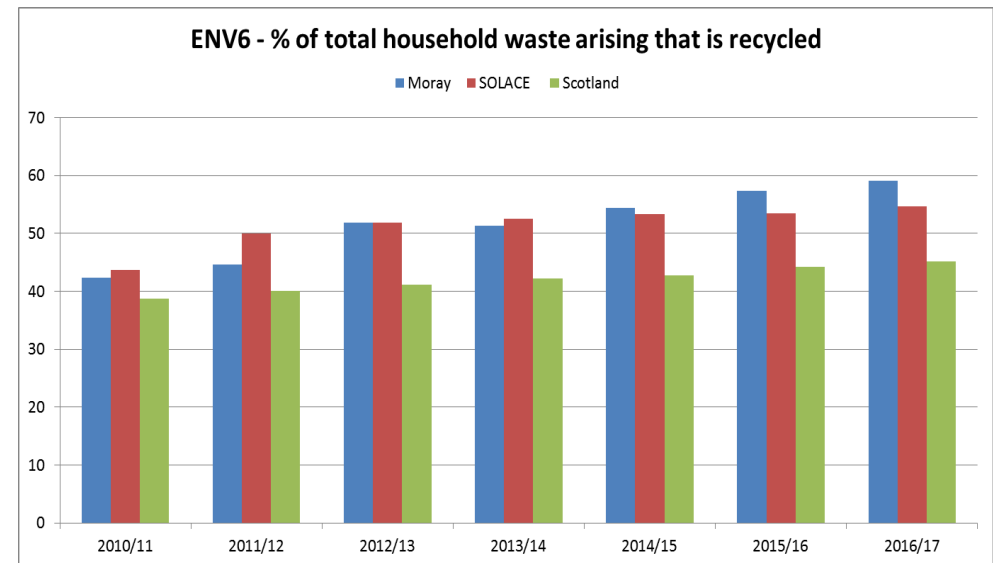
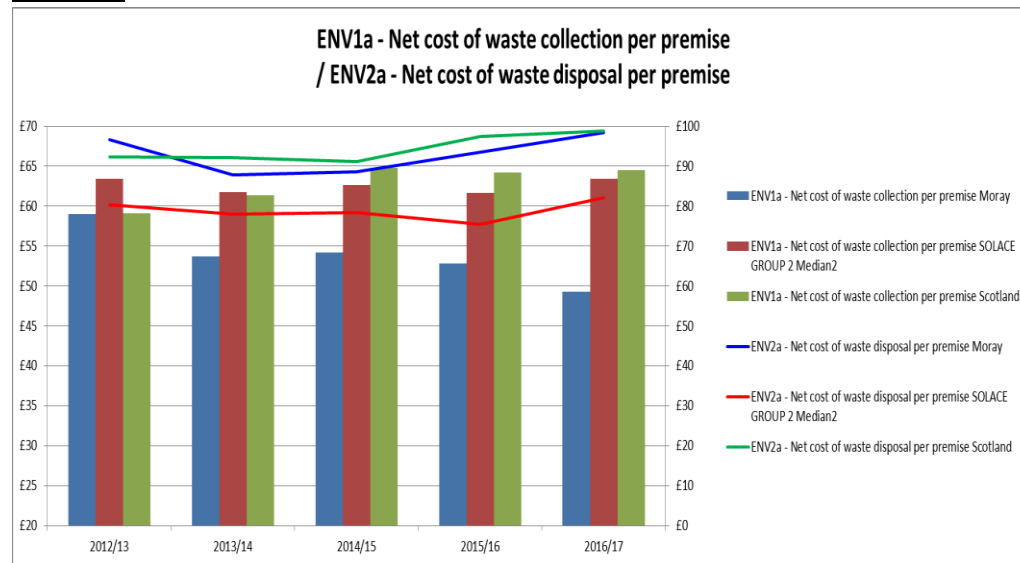
1. Across culture and leisure services at a national level, there is a trend of reductions in net expenditure against increasing attendances, which has resulted in a lowering cost per visit over the past 6 years. Significant increases in visitor numbers are evident; sports (19.1%), libraries (47.4%) and museums (34.3%). In the last year, unit costs continued to reduce for Sports, Libraries and Museums; however the growth in visitor numbers has been slower than in previous years. This provides evidence of positive transformation and how widely valued these council service are by communities.
2. In Moray, across the same period, the cost per visit to sports facilities reduced from £2.08 in 2010/11 to £1.94 in 2016/17 and for both library and museum visits from £2.75 and £3.28 in 2010/11 to £1.40 and £1.85 in 2016/17 respectively. Net expenditure mirrored the trend of the unit cost in libraries and in museums, with decreases in spending of 11% and 55%; there was a moderate increase in spending of 6% in sports. There have been increases in visitor numbers for sports (13%) and libraries (73%) but a decrease for museums (21%). The significant increase in library visitors coincided with the inclusion of the libraries Facebook / web based library transactions included in the calculation. The decrease in museum visitors in the longer term is due to visitor numbers from three part council supported museums no longer being included in the calculation, coupled with a reduction in the opening hours of the one fully council funded museum included in the calculation, encouragingly in the last year, despite these changes, visitor numbers have increased by 11% due to the direct involvement of the Museum Service in large scale events as part of their outreach work. A slight decrease in visitor numbers to sports facilities in the last 12 months is a result of temporary closure of Forres Swimming Pool and the downturn in use of Moray Leisure Centre facilities due to the opening of a new fitness provider in Elgin.
3. Nationally, public satisfaction rates for all but one of the culture and leisure facilities have fallen for the second consecutive year. In Moray, satisfaction levels fell for all culture and leisure facilities over the same period; leisure facilities from 78% to 73%, libraries from 81% to 73%, museums and galleries from 59% to 51%. Results are derived from 3 year rolled averages to deliver precision at a local level, collected within the Scottish Household Survey.
4. Net expenditure on Parks and Open Spaces increased by 10% from around £1.2m in 2015/16 to around £1.3m in 2016/17. Scottish Household Survey statistics report satisfaction levels dropped slightly from 90% to 88% over the same period; local survey results from January 2018 reported that 65% (57 of 88) were satisfied or better with the services provided. The Council remains as one of the lowest cost per 1,000 population in Scotland.

N/A¹ Data no longer collected nationally / locally
N/A² Result below 5; not published to protect confidentiality
N/A³ Indicator result yet to be published

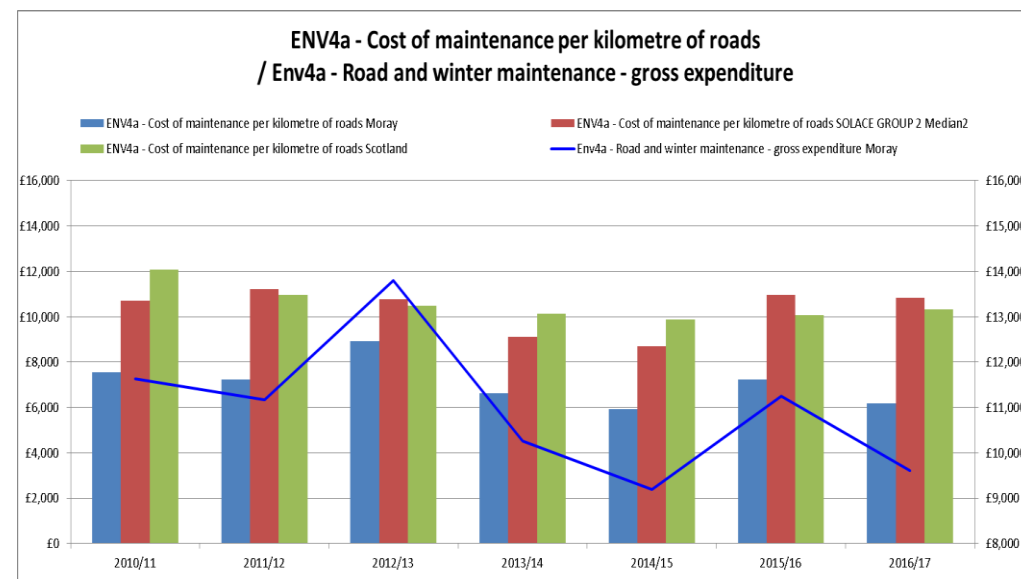
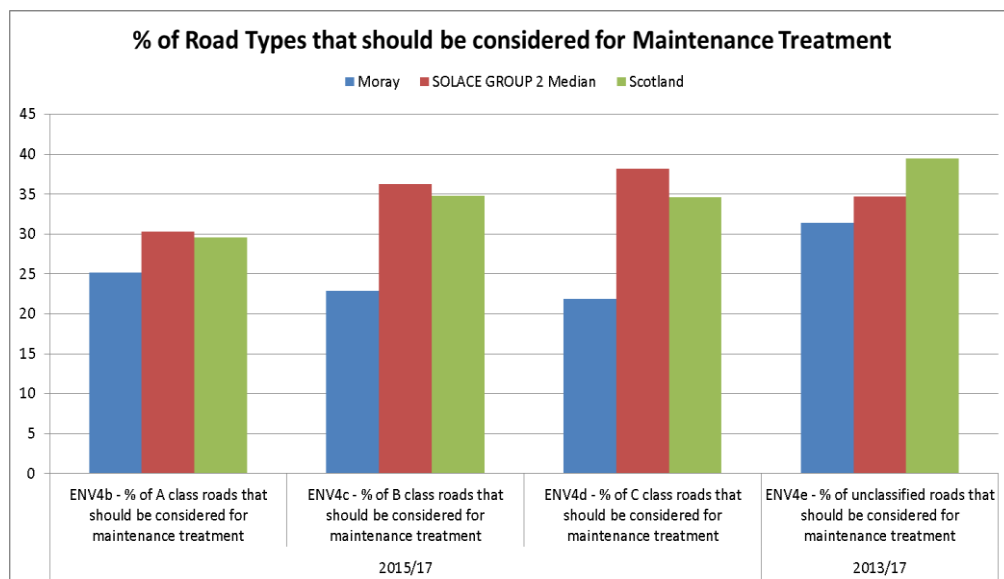
			2015/16			2016/17										
Environmental Services	Data Ref	Indicator Description	Moray	Rank National (32)	Rank Family (8)	Moray	East Ayrshire	East Lothian	Fife	North Ayrshire	Perth & Kinross	South Ayrshire	Stirling	Scotland	Rank National (32)	Rank Family (8)
	ENV1a	Net cost per Waste collection per premises	52.83	7	1	49.26	60.83	67.29	42.31	54.60	66.09	83.70	120.97	64.54	6	2
	ENV2a	Net cost per Waste disposal per premises	93.56	15	6	98.40	67.76	65.27	82.85	101.81	99.42	77.80	81.43	98.77	19	6
	ENV3a	Net Cost of Street Cleaning per 1,000 Population	6,879	1	1	7,671	10,794	22,663	10,634	14,784	15,483	12,563	18,571	14,695	2	1
	ENV3c	Street Cleanliness Score	NA ¹	NA ¹	NA ¹	NA1	95.91	91.11	96.06	90.60	98.16	94.98	95.67	93.90	NA ¹	NA ¹
	ENV4a	Cost of Maintenance per Kilometre of Roads	7,233	12	3	6,175	8,549	11,217	11,231	11,217	11,374	7,637	10,443	10,308	5	1
	ENV4b	% of A Class roads that should be considered for maintenance treatment (2014-16 and 2015-17)	24.50	15	2	25.17	19.13	29.42	27.41	36.19	39.77	38.59	31.22	29.54	17	2
	ENV4c	%of B Class roads that should be considered for maintenance treatment (2014-16 and 2015-17)	22.54	5	1	22.85	34.00	35.68	33.09	36.83	39.98	43.89	41.84	34.76	8	1
	ENV4d	% of C Class roads that should be considered for maintenance treatment (2014-16 and 2015-17)	23.88	5	1	21.91	38.47	30.58	28.74	50.76	37.98	40.24	41.31	34.57	5	1
	ENV4e	%of unclassified roads that should be considered for maintenance treatment (2012-16 and 2013-17)	32.69	8	2	31.40	45.55	31.66	34.67	34.55	34.78	43.29	51.19	39.50	5	1
	ENV5a	Cost of trading standards per 1,000 population	5,225	14	5	4,955	2,872	2,046	8,465	3,716	3,411	7,069	8,352	5,494	12	5
	ENV5b	Cost environmental health per 1,000 population	14,962	16	5	15,041	14,951	10,328	11,671	13,467	15,788	16,129	12,725	15,883	17	6
	ENV6	% of total waste arising that is recycled	57.42	2	1	59.07	53.27	51.77	54.65	55.31	54.74	49.91	54.74	45.20	2	1
	ENV7a	%of adults satisfied with refuse collection (2013-16 and 2014-17)	86.67	15	5	87.00	77.33	85.67	83.00	87.67	86.67	85.67	71.00	81.67	9	2
	ENV7b	%of adults satisfied with street cleaning (2013-16 and 2014-17)	69.33	26	7	66.00	65.33	84.67	81.67	78.33	79.33	68.67	70.67	72.33	27	7

N/A¹ Data no longer collected nationally / locally
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N/A³ Indicator result yet to be published

Graphs



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 N/A² Result below 5; not published to protect confidentiality
 N/A³ Indicator result yet to be published



N/A¹ Data no longer collected nationally / locally
 N/A² Result below 5; not published to protect confidentiality
 N/A³ Indicator result yet to be published

Key trends

Environmental Services

Taking a view across the 13 indicators recorded for Environmental Services shows that indicator results have improved in 6 indicators and worsened in 7 indicators, inferring overall a slight drop in performance; indicators result values have worsened to a greater margin (54%) than those that have improved (46%). The council's positioning viewed alongside the national and comparator picture is one of steadiness; performance results remain largely in the upper quartiles; decreases in indicator results are not having a significant impact on rankings.

Local Government Benchmarking Framework allows results to be placed in a national and family group context:

Rank in Scotland (32 authorities)	2016/17	2015/16
1 st quartile (1-8)	7 indicators	6 indicators
2 nd quartile (9-16)	2 indicators	6 indicators
3 rd quartile (17-24)	3 indicators	0 indicators
4 th quartile (25-32)	1 indicator	1 indicator
	13 indicators	13 indicators
Rank in Family Group (8 authorities)	2016/17	2015/16
1 st quartile (1-2)	9 indicators	7 indicators
2 nd quartile (3-4)	0 indicators	1 indicator
3 rd quartile (5-6)	3 indicators	4 indicators
4 th quartile (7-8)	1 indicator	1 indicator
	13 indicators	13 indicators

Indicators	Value - Change between 2015/16 and 2016/17	Rank (32 authorities) - Change between 2015/16 and 2016/17	Rank (8 authorities) - Change between 2015/16 and 2016/17
Improved	6 indicators	1 indicator	2 indicators
Worsened	7 indicators	3 indicators	0 indicators
Unchanged	0 indicators	9 indicators	11 indicators

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N/A³ Indicator result yet to be published

Analysis and context of individual and related indicators -

1. In 2012/13, there was a move to a net measure in recognition of increasing efforts of councils to recycle waste which generates additional costs to the service but also an additional revenue stream as recycled waste is sold by councils into recycling markets. In 2016/17, the net cost of collecting waste from just short of 46k premises totalled £2.3m / £49.26 per premise, comparing well across Scotland and in the family group. In the 4 years to 2015/16, net costs of collection have decreased by 11% whereas the number of premises has increased by 7%. In terms of waste disposal, the net cost of waste disposal was £4.5m / £98.40 in 2016/17 per premise, a slight increase from last year due to net expenditure increasing by a greater proportion than the number of premises. Recycling rates continue to improve across Scotland from 39% in 2010/11 to 45% in 2016/17 as efforts are made to achieve Scotland's Zero Waste recycling target of 60% by 2020. In Moray, following a slight decrease in 2013/14 to 51.4%, there was a return to the positive trend; Moray recycled 59.1% of its waste in 2016/17, continuing to compare well nationally and in the family group. The implementation of 'route optimisation' software systems, saving costs on vehicles and employees, changes in working practices (e.g. shift-working, zonal working, weekend working), moving to three or four weekly refuse collections and nationwide reductions in waste arising due to the recession and austerity measures are all contributory factors to performance.
2. A local Citizen Panel Survey is undertaken annually; in January 2016, based on nearly 500 responses, survey results reported that 93% of people were satisfied or very satisfied with refuse collection (household waste), 92% with recycling collection (food and garden waste) and 93% with recycling collection (paper / cardboard / cans / plastic). In addition 90% of people were satisfied or very satisfied with recycling centres / depots and 76% were satisfied or very satisfied with the ease of accessing information on the waste management system, worth noting was that in terms of information access, 21% of people were neither satisfied nor dissatisfied. Locally, satisfaction levels with Waste Management services is very positive.
3. Net expenditure on street cleaning reduced by 37% in the seven years to 2016/17 with costs totalling £737k, resulting in a net cost of street cleaning per 1,000 population of £7,671.49, a 12% increase from the previous year due to increased net expenditure. The Council is no longer a member of the Local Environmental Audit and Management System (LEAMS) as regulated by Keep Scotland Beautiful so the street cleanliness score is no longer comparable nationally or within the family group as it measures levels of 'acceptably clean'. Locally, measurement is still based on the previous much more rigorous assessment, year on year performance exceeds local targets. In 2016/17, the Scottish Household Survey stated that 66% of adults were satisfied with street cleaning, a reduction from 69% in 2016/17, reflecting the views gathered locally; an annual Citizen's Panel Survey in January 2016 reported that 68% of people were satisfied or very satisfied with the cleanliness of streets although 16% expressed they were neither satisfied nor dissatisfied.
4. In Scotland, the condition of the roads network (Class A, Class B, Class C and unclassified roads) has remained almost constant over the past 7 years, with 30% (Class A), 35% (Class B), 35% (Class C) and 40% (Unclassified) assessed as being considered for maintenance. Moray continues to perform above national result levels with: 25% (Class A), 23% (Class B), 22% (Class C) and 31% (Unclassified) assessed as being considered for maintenance. Road classification results have worsened slightly in the A and B Class roads last year, to be expected with the Council's intention to target an average position in Scotland. Gross expenditure on road and winter maintenance decreased by 15% from £11.2m in 2015/16 to £9.6m in 2016/17 reducing the cost of maintenance per kilometre from £7,233 in 2015/16 to £6,175 in 2016/17, again reinforcing the Council's decision to spend less.
5. The cost of Trading Standards per 1,000 population reduced by 33% in the 5 years to 2016/17 to £4,955. Trading Standards ensure the fair trading to protect consumers and business from unfair and unsafe trading practices; local customer result indicators reported that in 2016/17, 95% of

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N/A³ Indicator result yet to be published

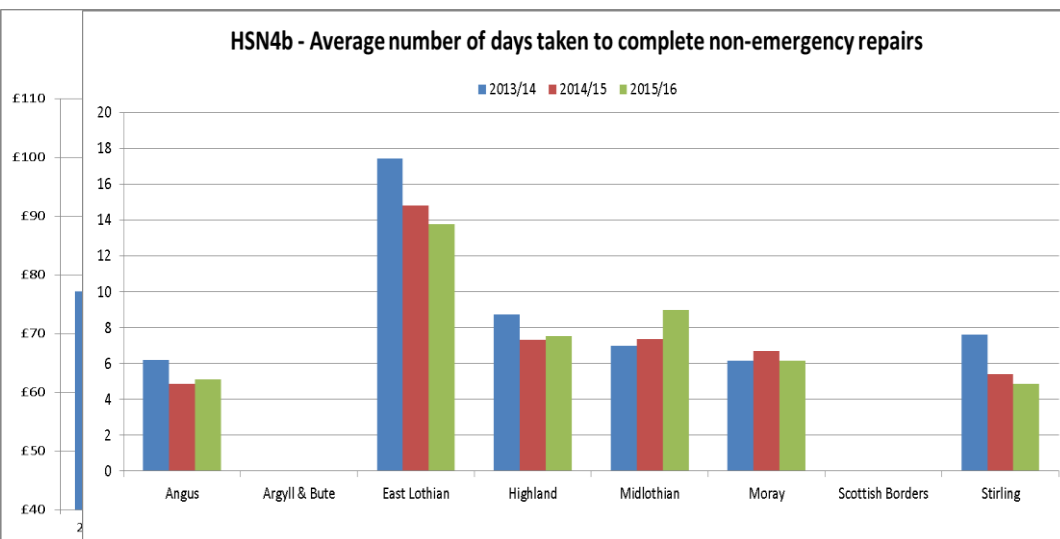
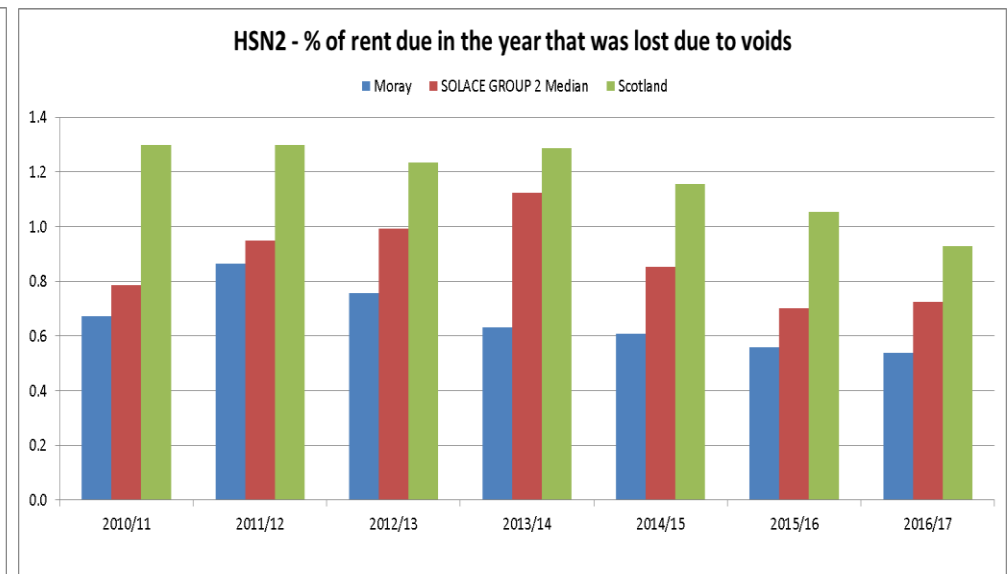
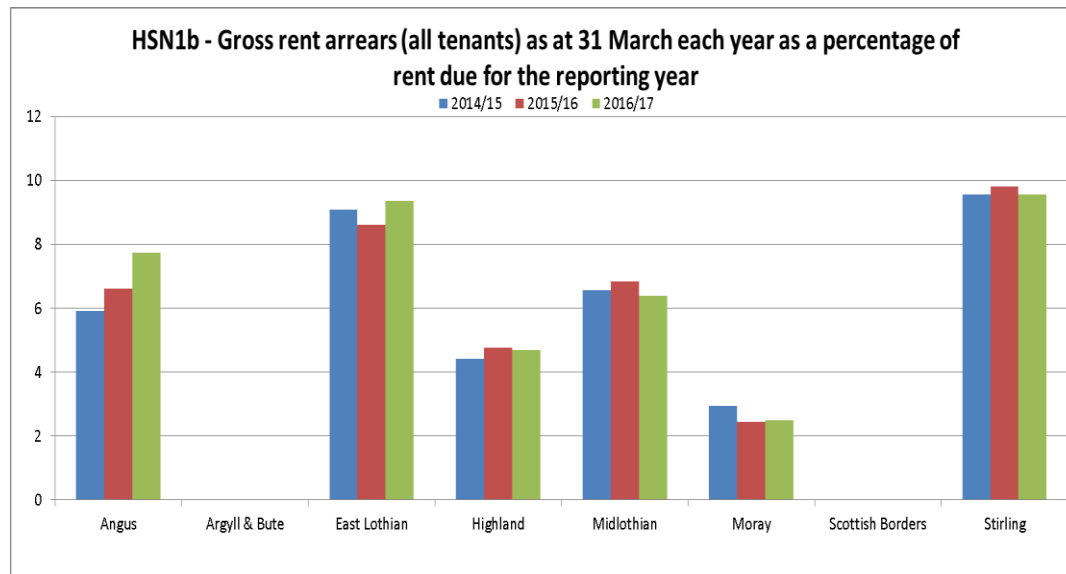
clients were either satisfied or very satisfied with the consumer complaint service. The workload of this service is likely to increase, in part as a result of Brexit, creating further pressures on existing regulatory arrangements.

6. The cost of Environmental Health per 1,000 population reduced slightly in the 5 years to 2016/17 to £15,041.12. Environmental Health is concerned with inspection, education and regulation, providing advice and guidance to businesses and consumers and through legislation enforces minimum standards and requirements as necessary.

			2015/16			2016/17										
Housing Services	Data Ref	Indicator Description	Moray	Rank National (32)	Rank Family (8)	Moray	Angus	Argyll & Bute	East Lothian	Highland	Mid-Lothian	Scottish Borders	Stirling	Scotland	Rank National (32)	Rank Family (8)
	HSN1b	Gross rent arrears (all tenants) as at year end as a % of rent due for the reporting year	2.44	1	1	2.49	7.74	N/A ¹	9.36	4.68	6.39	N/A ¹	9.57	6.49	1	1
	HSN2	% of rent due in the year that was lost due to voids	0.56	5	2	0.54	1.16	N/A ¹	0.74	0.94	0.51	N/A ¹	0.71	0.93	5	2
	HSN3	% of council dwellings meeting Scottish Housing Quality Standard	95.94	11	2	96.01	93.38	N/A ¹	95.98	92.17	96.04	N/A ¹	98.14	93.63	12	3
	HSN4b	Average time to complete non-emergency repairs	6.15	5	3	6.35	6.24	N/A ¹	12.75	6.85	13.04	N/A ¹	6.81	8.72	3	2
	HSN5	% of council dwellings that are energy efficient	95.94	17	3	96.14	96.59	N/A ¹	94.32	94.46	98.78	N/A ¹	97.91	96.62	20	4

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 N/A² Result below 5; not published to protect confidentiality
 N/A³ Indicator result yet to be published

Graphs



Key trends

Housing Services

Taking a view across the 5 indicators recorded for Housing Services shows that indicator results have improved in 3 indicators and worsened in 2 indicators; albeit the margins where decreases have occurred are small, the continued strong placement against national and family comparators gives assurance that performance in this service is very positive.

Local Government Benchmarking Framework allows results to be placed in a national and family group context:

Rank in Scotland (32 authorities)	2016/17	2015/16
1 st quartile (1-8)	3 indicators	3 indicators

N/A¹ Data no longer collected nationally / locally
N/A² Result below 5; not published to protect confidentiality
N/A³ Indicator result yet to be published

2 nd quartile (9-16)	1 indicator	1 indicator
3 rd quartile (17-24)	1 indicator	1 indicator
4 th quartile (25-32)	0 indicators	0 indicators
	5 indicators	5 indicators
Rank in Family Group (8 authorities)	2016/17	2015/16
1 st quartile (1-2)	3 indicators	3 indicators
2 nd quartile (3-4)	2 indicators	2 indicators
3 rd quartile (5-6)	0 indicators	0 indicators
4 th quartile (7-8)	0 indicators	0 indicators
	5 indicators	5 indicators

Indicators	Value - Change between 2015/16 and 2016/17	Rank (32 authorities) - Change between 2015/16 and 2016/17	Rank (8 authorities) - Change between 2015/16 and 2016/17
Improved	3 indicators	0 indicators	1 indicator
Worsened	2 indicators	0 indicators	1 indicators
Unchanged	0 indicators	5 indicators	3 indicators

Analysis and context of individual and related indicators -

1. The Council continues to manage its stock well, maintaining rent lost to voids, consistent improvement in terms of housing standards and energy efficiency standards. In 2016/17, tenant's and gross rent arrears of 3.3% and 2.5% suggests effective application of housing policy. Moray performs very well when compared nationally and within the family group across all housing indicators.

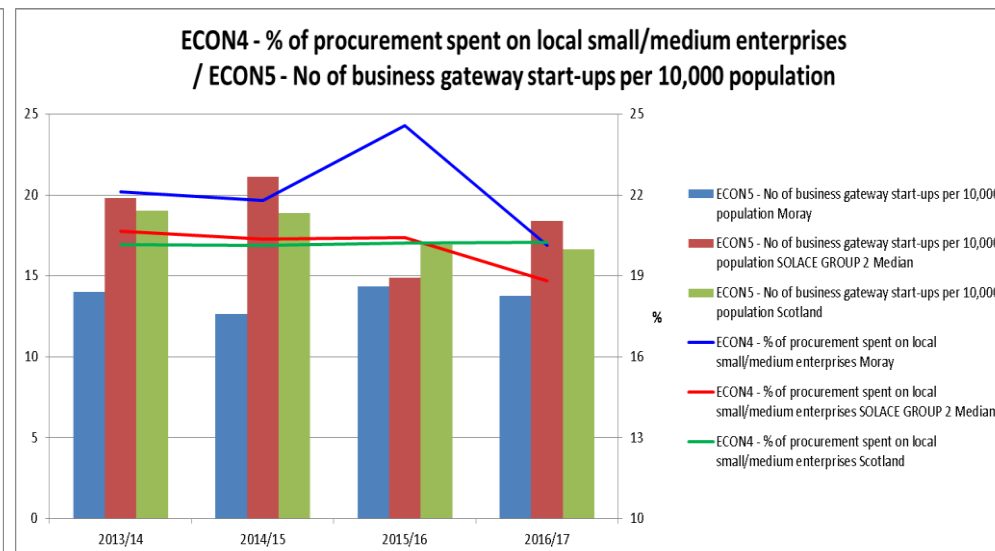
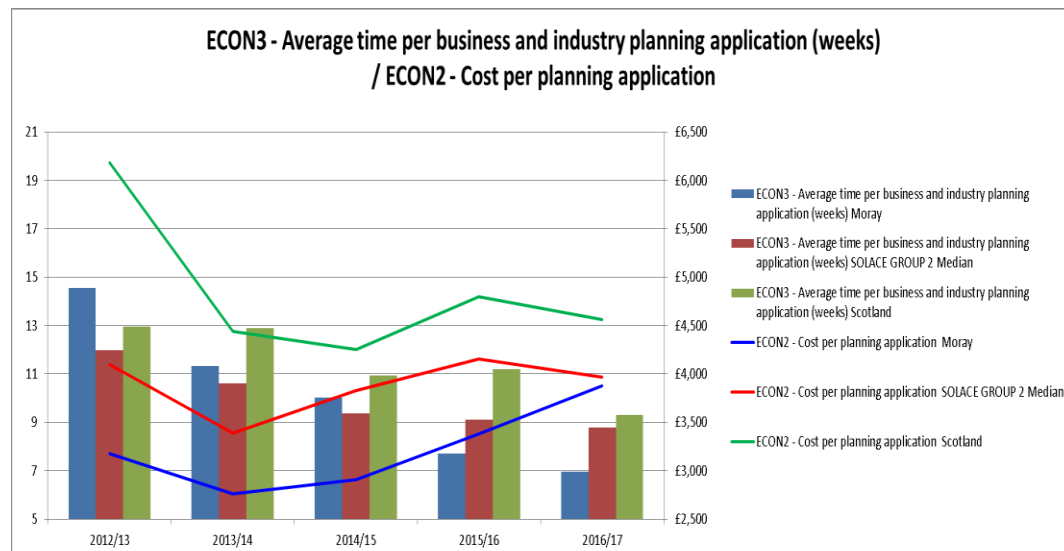
N/A¹ Data no longer collected nationally / locally
N/A² Result below 5; not published to protect confidentiality
N/A³ Indicator result yet to be published

			2015/16			2016/17										
Economic Development	Data Ref	Indicator Description	Moray	Rank National (32)	Rank Family (8)	Moray	East Ayrshire	East Lothian	Fife	North Ayrshire	Perth & Kinross	South Ayrshire	Stirling	Scotland	Rank National (32)	Rank Family (8)
	ECON1	Percentage Unemployed People Assisted into work from Council operated / funded Employability Programmes	2.95	28	6	4.15	15.65	4.83	20.94	14.67	14.68	13.22	3.39	14.00	27	7
	ECON2	Cost per Planning Application	3,383.00	7	3	3879.19	7278.11	2823.15	3966.18	3787.11	5329.08	3962.50	5014.49	4,564.87	11	3
	ECON3	Average time (Weeks) per Planning Application	7.69	7	3	6.95	11.17	12.43	14.23	6.49	7.40	7.23	10.15	9.31	5	2
	ECON4	Percentage of procurement spent on local small / medium enterprises	24.59	8	1	20.12	16.87	22.96	24.32	15.30	17.86	17.50	19.78	20.25	16	3

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	ECON5	No of business gateway start-ups per 10,000 population	14.34	25	6	13.74	21.03	21.71	14.61	22.37	15.80	11.65	24.96	16.62	24	7
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Graphs



Key trends

Economic Development

Taking a view across the 5 indicators recorded for Economic Development shows that indicator results have improved in 2 indicators and worsened in 3 indicators, inferring overall a slight drop in performance. The council's positioning viewed alongside the national and comparator picture shows performance is challenging in terms of employment related indicators.

Local Government Benchmarking Framework allows results to be placed in a national and family group context:

Rank in Scotland (32 authorities)	2016/17	2015/16
1 st quartile (1-8)	1 indicator	3 indicators
2 nd quartile (9-16)	2 indicators	0 indicators

N/A¹ Data no longer collected nationally / locally
N/A² Result below 5; not published to protect confidentiality
N/A³ Indicator result yet to be published

3 rd quartile (17-24)	1 indicator	0 indicators
4 th quartile (25-32)	1 indicator 5 indicators	2 indicators 5 indicators
Rank in Family Group (8 authorities)	2016/17	2015/16
1 st quartile (1-2)	1 indicator	1 indicator
2 nd quartile (3-4)	2 indicators	2 indicators
3 rd quartile (5-6)	0 indicators	0 indicators
4 th quartile (7-8)	2 indicator 5 indicators	2 indicators 5 indicators

Indicators	Value - Change between 2015/16 and 2016/17	Rank (32 authorities) - Change between 2015/16 and 2016/17	Rank (8 authorities) - Change between 2015/16 and 2016/17
Improved	2 indicators	1 indicator	1 indicator
Worsened	3 indicators	2 indicators	3 indicators
Unchanged	0 indicators	2 indicators	1 indicator

Analysis and context of individual and related indicators -

Investing in economic development and employment opportunities results not just in a positive economic outcome, but can typically also lead to improvements across a wider range of social outcomes and reductions in demand for public services.

1. In Moray, 83 unemployed people (4%) were assisted into work from Council operated / funded employability programmes, below national and all but one comparator average.
2. In 2016/17, 596 planning applications were processed, a drop (17%) from 718 in 2015/16; costs also decreased by £116k (5%) from £2.43m to £2.31m resulting in an increase in the cost per application of £3,879.19. Average processing time has improved to 7.0 days from 7.7 days. The complexity of planning applications directly impacts on performance results.

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3. The percentages spend of procurement on local small/medium enterprises decreased from 24.6% in 2015/16 to 20.1% in 2016/17, just below the national average of 20.3%. Proportionately, this significant decrease has resulted in a drop in ranking from the top of the 1st quartile to the bottom of the 2nd quartile. There are local initiatives ongoing to promote local SME involvement; that officers are considering the basis of future membership of the Supplier Development Programme.
4. There were 132 business gateway start-ups in 2016/17, giving a rate per 10,000 population of 13.7. 236 jobs were created or retained. 30 start-up skills workshops were delivered to 260 businesses and 30 workshops for growing businesses were delivered with 205 unique businesses attending. 18 Digital Boost workshops deliver in partnership with HIE with 200 businesses benefitting from digital exploitation. 64 businesses were given finance/investor ready advice. Direct business gateway interventions resulted in leveraged funding of £2.98m of finance levered into the Moray economy in SME's.

Local Growth Accelerator Programme launched to deliver support growing business in Moray in line with the Scottish Government's Economic strategy and HIE. This programme delivered Specialist Sectoral Advice; Recruitment Advice; Business Growth Seminars; Key Sector Entrepreneurial Support to 317 businesses.

In Moray, the number of start-ups can be influenced by the availability of employment. For example when the oil and gas sector declined in 2014 and people were laid off, there was an increase in start-ups, as oil and gas has picked up, people have found employment in that sector. Moray tends to have higher rates of employment than the national average, higher numbers in parttime work and with multiple jobs. Three-year survival rates of businesses has improved year on year.



REPORT TO: AUDIT AND SCRUTINY COMMITTEE ON 4 DECEMBER 2018

SUBJECT: CORPORATE INTEGRITY GROUP UPDATE

BY: CORPORATE DIRECTOR (CORPORATE SERVICES)

1. REASON FOR REPORT

- 1.1 To update the Committee on the work of the Corporate Integrity Group.
- 1.2 This report is submitted to Committee in terms of Section III (I) (5) of the Council's Scheme of Administration: Enhancing corporate governance arrangements by promoting internal control and risk management by supporting an anti-fraud culture.

2. RECOMMENDATION

- 2.1 **It is recommended that the Committee consider and note the work of the Corporate Integrity Group for the period November 2017 to November 2018.**

3. BACKGROUND

- 3.1 The Corporate Integrity Group was formed in March 2014 in response to a drive from Police Scotland for Councils to look at fraud, crime and corruption in a more joined up way.
- 3.2 The group is chaired by the Head of Legal and Democratic Services and includes officers from Finance, Internal Audit, Trading Standards, HR, Procurement, Property Services, IT and Press/PR. The group meets on a 6 monthly basis and a member of the counter corruption team within Police Scotland is invited to attend meetings.
- 3.3 The group was set up to:
 - Identify potential vulnerabilities in systems and procedures.
 - Have an action plan to address them.
 - Improve lines of communication both within the Council and with the Police and other Councils.
 - Monitor policies and practice in this area
- 3.4 The work of the group is closely linked to other risk management policies and practises of the Council including:

- Staff induction and recruitment procedures
- Staff and elected members codes of conduct.
- Information security policy
- Confidential reporting policy
- Records management policy
- Procurement procedures.
- Risk registers
- Business continuity plans

Whilst crime, fraud and corruption risks may be tackled indirectly in the above policies and practices, the benefit of the Integrity Group is that these risks can be viewed in a holistic way, with the benefit of Police Scotland expertise in this area.

3.5 To help focus activity of the group, the group keep an Action Plan which details known crime, fraud and corruption risks with the mitigation measures in place for each. The plan is regularly reviewed in light of alerts from the National Fraud Initiative, Police Scotland and from relevant press articles. A copy of the Action Plan is available for inspection on CMIS.

3.6 Recent activity promoted by the group:

- A register of interests has been put in place for senior members of staff, available for public inspection on the Councils web pages. This was in response to an inquiry from Audit Scotland, following a high profile case from the central belt where a council director committed their council to a high value contract with a close relative.
- Guidance has been issued to all staff covering the highest risk areas including bank mandate fraud and IT system attacks through email attachments. This guidance is attached as **Appendix 1**.
- Several members of the group have attended training from Police Scotland on serious organised crime. This is a particular priority for Police Scotland who wish to disrupt the activity of criminal gangs involved in, for example, drug trafficking, money laundering and modern slavery. Gangs have been known to abuse Council procurement and licensing processes and try to bribe/corrupt Council officials. There are measures in the Council's Action Plan, detailed at paragraph 3.5 above to mitigate against these risks.

3.7 Incidents involving fraud/theft within the Council are rare. Any such incidents, as well as being investigated by the Councils internal audit section, will be referred to the group to consider whether the risk ranking and mitigation measures in the action plan need to be amended.

4. PROPOSALS

4.1 It is proposed that the Corporate Integrity Group continue to meet on a regular basis and that the work of the group is reported annually to the Audit and Scrutiny Committee.

5. SUMMARY OF IMPLICATIONS

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

Whilst not contributing directly to the priorities in the Council's Corporate Plan, the work of the Corporate Integrity Group will help improve the governance of the Council and make it better equipped to deal with front line priorities.

(b) Policy and Legal

Whilst there is no legislative requirement to have an Integrity Group, it does play an effective role in the overall risk management strategy of the Council.

(c) Financial implications

There is potential for financial savings from control of fraud and corruption.

(d) Risk Implications

The work of the Corporate Integrity group is aimed to decrease the risk to the Council of crime, fraud and corruption.

(e) Staffing Implications

The Corporate Integrity Group meets relatively infrequently and staff time can be met within existing resources.

(f) Property

No direct implications.

(g) Equalities/Socio Economic Impact

No direct implications.

(h) Consultations

Lorraine Paisey, Head of Financial Services, Atholl Scott, Audit Manager and Muriel Allan, Principal Trading Standards Officer have been consulted and comments received have been considered in writing the report.

6. CONCLUSION

6.1 The Corporate Integrity Group does not take up a significant amount of officer time. It is considered to be a worthwhile and proportionate use of resources to help manage the risk of fraud, crime and corruption which the Council faces.

Author of Report: Alasdair Mceachan, Head of Legal and Democratic Services
Background Papers: Corporate Integrity Group Action Plan available on CMIS site

Appendix 1**Keeping the Council safe from fraud and corruption: a few tips from the Corporate Integrity Group**

Officers from a number of different Council departments sit on the Council's Corporate Integrity Group. The group tries to improve the Council's resilience to crime, fraud and corruption by keeping an overview of current threats and the Council's policies and procedures to combat them. Here are some tips from the Group:

Be wary of telephone or email scams.

There have been a few cases recently where staff have been tricked into fraudulent phishing (email) or vishing (phone) scams.

- You could receive an email, which on the face of it looks genuine, asking you to open an attachment which could compromise the Council's IT system. Something may not quite look right about an email. So a reminder to be vigilant.
- You could be asked by a supplier to change the bank account details which we pay them through. But it may not be the real supplier who has made the request. If in doubt phone them up to check it is them. There is further guidance from our payments section [add link].

Payments to others

Try to make sure that you have a system of checks and balances for payments to others and that more than one person is involved in a process.

Receiving gifts and conflicts of interest.

Be wary if a supplier, contractor or applicant offers you a gift, reduction or special terms. They may be trying to influence a purchase decision or regulatory process. If you are in doubt about whether you can accept a gift, speak to your manager. Make sure any gifts are declared in line with the Council's policy:

http://interchange.moray.gov.uk/int_standard/Page_112699.html

Good housekeeping with confidential information.

- Keep a tidy desk, an organised filing system and make sure confidential information is secure.
- As a general rule, only people who need to know information should have access to it.
- Be careful with names, addresses and sensitive records. If you are sending out a letter, double check that you have the right addressee.
- Keep a record of what IT/records systems each staff member has access to. When you recruit make sure that adequate data protection training is given and when staff leave, make sure that you recover all equipment, ID badges and remove all system permissions and passwords.

Be mindful of building security

And a final one – try and keep your ID badge visible when you are in a council building. If you see an unfamiliar face without a badge, don't be afraid to ask them if they need help.

Make sure visitors to the building are escorted at all times, otherwise get a temporary ID badge for them.



REPORT TO: AUDIT AND SCRUTINY COMMITTEE ON 4 DECEMBER 2018

SUBJECT: STATEMENT OF OUTSTANDING BUSINESS

BY: CHIEF EXECUTIVE

1. REASON FOR REPORT

- 1.1 The Committee is asked to consider progress and timescales in relation to follow-up reports and actions requested by this Committee at previous meetings.
- 1.2 This report is submitted to Committee in terms of Section III (I) (11) of the Council's Scheme of Administration relating to evaluating the actions of Committees and implementing the Action Plan set out in the Corporate Development Plan.

2. RECOMMENDATION

- 2.1 **It is recommended that the Committee considers and notes progress and timescales in relation to follow-up reports requested by this Committee.**

3. BACKGROUND

- 3.1 A listing of follow-up reports generated from previous meetings is maintained and progress recorded. At the request of the Chair of the Audit and Scrutiny Committee, in order to assist in programming the work of the Committee, this information is presented in **Appendix 1**.

4. SUMMARY OF IMPLICATIONS

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

Performance reporting is linked to the Chief Executive's Office Service Plan in assisting with the monitoring and reporting of performance in line with the Council's Performance Management Framework.

(b) Policy and Legal

None.

(c) Financial implications

None.

(d) Risk Implications

None.

(e) Staffing Implications

None.

(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) Consultations

Relevant officers have been consulted in relation to the reports and actions listed in **Appendix 1** relating to their service, any comments received have been considered when compiling this report.

5. CONCLUSION

5.1 The Committee considers progress and timescales in relation to follow-up reports requested by this Committee.

Author of Report: Louise Marshall, Performance Management Officer

Background Papers:

Ref:

STATEMENT OF OUTSTANDING BUSINESS AT DECEMBER 2018 - REPORTS

Date of Audit and Scrutiny Meeting	Subject & Committee Decision	Update	Responsible Officer	Date to be Completed	Completed
8 November 2017	Contact Centre Information Update Request an update report on performance within the Contact Centre in one year's time to complement the existing reports which the Policy and Resources Committee receive.	A report will be submitted to the meeting of this Committee in December.	Acting Corporate Director (Corporate Services)	February 2019	

STATEMENT OF OUTSTANDING BUSINESS – ANNUAL REPORTING

Date of Audit and Scrutiny Meeting	Subject & Committee Decision	Update	Responsible Officer	Date to be Completed	Completed
22 March 2017	Local Government Benchmarking Framework 2016/17	Final refresh of data from the Improvement Service published late March. Charts, tables and narrative being updated for 2016-17 Moray Annual Report.	Chief Executive	August 2018	December 2018
22 March 2017	Update on Progress: Customer Focus Strategy and Charter	Annual update on progress against strategy and charter	Corporate Director (Corporate Services)	February 2019	
28 September 2016	Complaints - Scottish Public Services Ombudsman Recommendations Report	Annual Complaints - Scottish Public Services Ombudsman requires annual 'learning and improvement statement'	Chief Executive	August 2017	September 2017
	Corporate Plan	Annual report across all priorities	Chief Executive	October 2017	January 2018
	Local Outcome Improvement Plan (LOIP)	Annual report across all priorities. LOIP and Performance Management Framework agreed. Partnership considering actions, measures and timescales against priorities.	Chief Executive	February 2019	