

Comhairle nan Eilean Siar

Assurance and Improvement Plan Update

2012–15

Introduction

1. The Assurance and Improvement Plan (AIP) for Comhairle nan Eilean Siar was published in July 2010 setting out the planned scrutiny activity for the council for the period April 2010 to March 2013. It was based on a shared risk assessment undertaken by a local area network (LAN) made up of representatives of all of the main local government audit and inspection agencies. The aim of the process was to focus scrutiny activity where it is most needed and to determine a proportionate scrutiny response over a three year period. The LAN met again in November 2010 to update the AIP for the period 2011-14. The AIP Update was published in May 2011.
2. This update is the result of the shared risk assessment which began in November 2011. It summaries the changes to risk assessments and proposed scrutiny responses based on evidence from a number of sources, including:
 - The annual report to the Controller of Audit and elected members for 2010/11 from the council's appointed external auditors.
 - The comhairle's own performance data and self-evaluation evidence.
 - Evidence gathered from Audit Scotland, Care inspectorate, Education Scotland, and the Scottish Housing Regulator (SHR) (including published inspection reports and other supporting evidence).
3. A timetable for proposed audit and inspection activity between April 2012 and March 2015 which reflects the revised and updated scrutiny risk assessment is at Appendix 1.

Summary

4. The comhairle is making steady progress towards improving service delivery and key corporate assessment areas, however the pace of change is slower than anticipated. There have been changes to 16 risk assessments this year. The scrutiny risk has reduced in 13 areas and increased in three. The Best Value audit found a number of improvements; however there were key areas where progress was not as expected including procurement and performance management. The Accounts Commission noted their concerns over the comhairle's slow progress in these areas, since the first Best Value audit in 2006. Services are generally performing well and the comhairle has received positive reports from education services and for its fostering and adoption and registered services from the Care Inspectorate.

5. The comhairle will receive a follow-up to the Best Value audit during 2012 and the Care Inspectorate will be working with the comhairle on its self assessment and improvement plan.

Review of scrutiny activity 2011/2012

6. Audit Scotland carried out three specific scrutiny activities affecting the comhairle during 2011/12:
 - A Best Value Audit was undertaken and the report was published in November 2011. The report includes a number of improvement actions and the Accounts Commission has asked for a follow-up audit to be conducted and reported in approximately one year.
 - An audit of the Highlands and Islands Fire Rescue Service. There were no issues which would impact directly on CNES.
 - A housing benefits performance audit.
7. Education Scotland undertook a review of the Educational Psychology Service (EPS) and the Care Inspectorate conducted a review of adoption and fostering (February 2012). The Care Inspectorate also carried out an initial scrutiny level assessment (ISLA) in August 2011. This resulted in targeted, proportionate scrutiny, which took place during the following November. The findings, including recommendations for improvement, were published in February 2012.

National risk priorities

8. A number of core national risk priorities will be applied to all 32 councils. These are:
 - **The protection and welfare of vulnerable people (children and adults) including access to opportunities:** There are some significant scrutiny risks around the protection of vulnerable people. Specifically this relates to ICT, assessment and care management and risk assessment and risk management for individual service users and strategic commissioning. The Care Inspectorate will be working with the comhairle to develop its self assessment in these areas. Education Scotland will be undertaking a further follow through inspection on Educational Psychological Services.
 - **Assuring public money is being used properly:** The comhairle has sound budgeting processes and prudent financial management. The external auditors found no material weaknesses in the accounting and internal control systems of the council and were able to take assurance from key controls within the council's financial systems and systems tested by internal audit. The council has appropriate corporate level arrangements in place to prevent and detect fraud, inappropriate conduct and corruption. While it cannot demonstrate that it is delivering value for money there are no significant risks with this national priority.

- **How councils are responding to the challenging financial environment:** The comhairle is responding positively to the challenging financial environment and it would further be of benefit if it were to develop a longer term financial strategy. There are no significant risks with this national priority; however, given the economic situation we have assessed the overall financial outlook as an area of uncertainty, as is the case with all other councils in Scotland.

9. The LAN is committed to maintaining its engagement with the council between now and the next SRA/AIP refresh so that we can retain an overview of how the council is managing its response to the significant financial challenges that it and all other Scottish public bodies face.

Areas of unchanged scrutiny risk - No significant risks

10. This update focuses predominantly on those areas assessed as being uncertain or having significant risk. However, in the interest of providing a broader view of the council's overall risk assessment, it is important to highlight those areas that were previously assessed as having no significant risks which continue to be so. This is based on evidence from various sources including where applicable, recent inspection reports, annual audit work, performance reports and additional file reviews. The LAN has no significant concerns in the following areas:

Service Areas	Outcomes	Corporate Assessment
<ul style="list-style-type: none"> • Development Department 	<ul style="list-style-type: none"> • Strong communities, strong roots, strong culture 	<ul style="list-style-type: none"> • Vision and strategic direction
<ul style="list-style-type: none"> • Social & Community Services – Leisure & Learning 	<ul style="list-style-type: none"> • Strengthening connections, strengthening communities 	<ul style="list-style-type: none"> • Leadership and culture
		<ul style="list-style-type: none"> • Partnership working – operational, and community leadership
		<ul style="list-style-type: none"> • Community engagement
		<ul style="list-style-type: none"> • Governance & accountability
		<ul style="list-style-type: none"> • Customer focus and responsiveness
		<ul style="list-style-type: none"> • Equalities
		<ul style="list-style-type: none"> • Challenge & Improvement (Education Services)

Areas of unchanged scrutiny risk - Significant risks and uncertainties

11. The following comments relate to issues where perceived risks in the council's processes and activities remain unchanged since the 2011/12 AIP Update.

Area	Risk assessment	2011/12 Update
Outcomes		
Growing prosperity in a growing economy	Area of uncertainty	The comhairle and the OHCPP were unable to demonstrate performance in this area. The Best Value report identified mixed performance in relation to key economic indicators. Given the current economic climate this remains an area of uncertain scrutiny risk and will be included in the Best Value Audit follow-up.
Quality Education in Quality Buildings	Area of uncertainty	There is uncertainty around the financing of the schools project given the affordability gap following the Scottish Government's refusal for consent to close two primary schools and the discontinuation of S1/S2 education in two schools. ES will monitor the situation through their engagement with the council.
Services		
Educational Psychology Services	Area of uncertainty	Robust arrangements for self-evaluation and service improvement planning are not yet in place and equality of access to educational psychology skills across the council area needs to be addressed. Education Scotland will carry out a further visit in 2012 to review to report on progress with the main points for action and the extent to which improvements in the leadership and management of the EPS have been sustained.
Technical Services – waste management	Area of uncertainty	The comhairle is developing a strategy based on the Zero Waste legislation. It is also investigating alternative waste collection, transport and processing options. There has been no significant change in the comhairle's arrangements over the last year. The Best Value Audit follow-up will review progress.
Technical Services – Commercial Operations	Area of uncertainty	The comhairle's own significant trading operation – Building Maintenance failed to break even on a cumulative basis over a three year period. However the December 2012 forecast considers a break even position for the year ending March 2012. There have been a number of changes to the service however it remains too early to assess their overall impact. The local auditor will consider this as part of their annual audit work.

Changes to 2011/12 risk assessments

12. There have been changes to 18 risk assessments this year. The scrutiny risk has reduced in 15 areas and increased in three. The following table relates to risk assessments that have been changed from the 2011/12 AIP Update.

Area	2011/12 Risk Assessment	2012/13 Risk Assessment	Reason for Change
Services			
Education & Children's Services (Excluding Children's Services) but including Social & Community Services – Registered Services	Area of uncertainty	No significant risks	<p>There are encouraging signs of emerging integrated work in improving outcomes for children and young people. The authority's approaches to inclusion are well developed. The number of young people entering positive destinations is among the highest in Scotland.</p> <p>Fostering and adoption services were awarded good and very good grades in its recent Inspection. Inspections of registered services in Day Care of Children were also awarded good and very good.</p>
Education & Children's Services (Children's Service's) and Social & Community Services – Community Care and Criminal Justice (excluding registered services)	Area of uncertainty	Significant risk	<p>The comhairle has started to address concerns around the role of the Chief Social Work Officer. Significant improvement is required in relation to a number of areas – notably use and future development of ICT, assessment and care management (including risk to individuals), staff supervision, communication with front-line staff and strategic commissioning.</p> <p>The Care Inspectorate will work with the comhairle to support their own self evaluation and will monitor its improvement plan in these areas.</p>
Social & Community Services - CLD	Area of uncertainty	No significant risks	<p>Young people engaged in CLD are positive about the support they receive. There are high levels of participation in after-school activities including youth clubs provided by volunteers. Levels of participation in adult learning have increased in recent years.</p>
Outcomes			
Quality Education in Quality Buildings (Education & Buildings)	Area of uncertainty	No significant risks	<p>The comhairle is delivering quality buildings through its Western Isles Schools Project.</p> <p>There are a few schools which continue to require further support and challenge over the next year in order to develop further capacity for improvement.</p> <p>Attainment in secondary is a mixed picture. More requires to be done across secondary schools and within specific subjects to raise expectations and enhance the quality of awards at S4 (5+ at level 5) and sustain improvement at S5.</p>
Green Council, Green Islands	Significant risk	Area of uncertainty	<p>While there have been some recent improvements in waste indicators the comhairle remains ranked among the lowest performing councils in Scotland. The lack of a long term waste strategy inhibits the comhairle's ability to effectively meet its stated outcome. The Best Value Audit follow-up will review progress.</p>
Corporate Assessment			
Partnership working - strategic	No significant risks	Significant risk	<p>Partnership arrangements are still developing and the limitations of the partnership's performance management arrangements mean that the</p>

Area	2011/12 Risk Assessment	2012/13 Risk Assessment	Reason for Change
			partnership is unable to demonstrate its impact. The partnership's executive group needs to provide more direction for the outcome groups to enable them to focus effectively on the partnership priorities. The CHaSCP does not have a clear role. The Best Value follow-up audit will consider the strategic element of partnership working.
Performance management	Significant risk	Area of uncertainty	The comhairle has implemented the Interplan performance management system however it has still has some way to go to develop a performance management culture. It is too early to assess the effectiveness of the Interplan system. This will form part of the scope of the Best Value follow-up.
Performance management – E&CS and S&CS	Significant risk	No significant risks	Performance management has improved in Education & Children's services and Social and Community Services through the introduction of Interplan. .
Challenge & Improvement (excluding Education Services)	Area of uncertainty	Significant risk	The comhairle does not undertake a comprehensive self assessment of its activities. The best value follow-up audit will review the comhairle's position.
ICT	No separate risk assessment in 2011/12	No significant risks	There has been significant investment in information and communications technology, particularly throughout Education Services.
Efficiency	Area of uncertainty	No significant risks	The comhairle has identified significant efficiencies across all service areas and is delivering them.
Financial management	Area of uncertainty	No significant risks	The comhairle manages its finances prudently and has a good budget setting process.
Risk management	Area of uncertainty	No significant risks	There have been some improvements noted in relation to risk management. Progress will be included as part of the local auditor's annual audit work.
Planning & resource alignment	Area of uncertainty	No significant risks	Links between business plans, performance and resources have improved in recent years. Progress will be reviewed in the Best Value audit follow-up.
Asset management	Significant risk	Area of uncertainty	Progress on developing a corporate approach to asset management has been slow however it has made progress with its school estate. While it has taken some actions to improve asset management it is too early to assess their effectiveness. This will be monitored through the annual audit.
People management	Area of uncertainty	No significant risks	There has been steady progress on work force planning and the comhairle has the various strategies and policies in place.
Procurement	Significant risk	Area of uncertainty	While the comhairle has improved its annual procurement capability assessment it is still non

Area	2011/12 Risk Assessment	2012/13 Risk Assessment	Reason for Change
			conformant. It has been taking forward key aspects of this work however it is too early to assess their effectiveness. This will be monitored through the annual audit. The comhairle does not have a strategic commissioning strategy.
Sustainability	Area of uncertainty	No significant risks	All aspects of sustainability are clearly reflected in the comhairle's strategies and plans. The comhairle demonstrates strong community leadership with mixed performance in other aspects of sustainability.

Scrutiny plan changes

- Following the 2011 Best Value Audit report the Accounts Commission has asked Audit Scotland to undertake a follow-up audit in September 2012. The 2011/12 ISLA process undertaken by the Care Inspectorate has identified significant risks in key areas and as a result the Care Inspectorate will be working with the comhairle to develop a self assessment and improvement plan.

Scrutiny plans

Scrutiny activity in the shaded rows does not result from the shared risk assessment but is either at the request of the council eg supported self-evaluation work or national activity eg national follow-up work or work requested by Ministers.

Comhairle nan Eilean Siar COUNCIL		2012-13											
Scrutiny activity year 1		Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
BV Follow up – 5 scrutiny contact days													
EPS Follow through – 7 scrutiny contact days													
Housing Benefit audit follow up – desk based work													
Maintaining Scotland's Roads follow up (Audit Scotland). Timing to be agreed with local auditor – 3 scrutiny contact days													
		2013-14											
Scrutiny activity year 2		Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
No planned activity													
		2014-15											
Indicative scrutiny activity for rolling third year	Potential scrutiny bodies involved												
No planned activity													

Footnotes:

- The focus of the AIP Update is **strategic scrutiny activity**, that is scrutiny activity which is focused at corporate or whole service level, but there will also be baseline scrutiny activity at unit level on-going throughout the period of the AIP. This will include, for example, school and residential home inspections.
- At the request of Scottish Ministers the Care Inspectorate will lead a **Joint Inspection of Children's Services** in each local authority area in Scotland. These inspections will commence in 2012/13 starting with a development site in April/May 2012 and a cycle of inspection of services for children which will report publicly from Autumn 2012. The selection of local authority areas for inspection will be based on intelligence and risk and take account of the Shared Risk Assessment. LAN leads will be advised in due course.
- In addition, Audit Scotland will be working with scrutiny partners to pilot an approach to assessing the **delivery of outcomes by community planning partnerships**. Pilot sites will be confirmed with the LAN lead in due course.
- Audit Scotland undertake an annual rolling programme of **thematic performance audits**. The fieldwork sites are identified as part of the development of the scope for each individual audit. Fieldwork sites will be confirmed with LAN leads as each audit is developed.
- The **annual audit** of local government also comprises part of the baseline activity for all councils. In April 2008, the Accounts Commission agreed to a request from the Department for Work and Pensions (DWP) to take over the Benefit Fraud Inspectorate's responsibility for inspecting housing and council tax benefit (benefits) services in Scotland. As Audit Scotland has no inspection function, this '**benefits performance audit**' work has been incorporated into the annual audit of local government. The exact timing of the audits will be confirmed through the LAN lead.
- **Education Scotland**, through the District Inspector, will continue to support and challenge Education Services regularly and as appropriate the **Care Inspectorate** will regulate care services and inspect social work services based on the Public Services Reform (Scotland) Act 2010.
- Scrutiny bodies also reserve the right to make unannounced scrutiny visits.