

# Shared risk assessment: Assurance and improvement plan 2011–14

Perth & Kinross Council



# Perth and Kinross Council

## Assurance and Improvement Plan

### Update 2011–14

#### Introduction

1. The first Assurance and Improvement Plan (AIP) for Perth and Kinross Council was published in July 2010, setting out the planned scrutiny activity for the council for the period April 2010 to March 2013. This AIP was based on a shared assessment of scrutiny risk (the shared risk assessment or SRA) involving local representatives of the main scrutiny bodies (the Local Area Network or LAN). The aim of the shared risk assessment process was to focus scrutiny activity where it is most needed and to determine the most proportionate scrutiny response over a three year period. The AIP gave an overview of the information that informed the risk assessment and showed how this links to the proposed scrutiny response.
2. As part of this annual process, the local area network met again in early 2011 to update the AIP, revise its risk assessments and reconsider the level of scrutiny required for the council based on any new evidence. This update summarises any changes to risk assessments, scrutiny responses and provides a revised timetable for proposed scrutiny activity at Appendix 1.
3. The updated AIP draws on evidence from a number of sources, including:
  - o The annual report to the Controller of Audit and elected members for 2009/10.
  - o The council's own website and supporting evidence.
  - o Evidence gathered from Her Majesty's Inspectorate for Education (HMIE), Social Work Inspection Agency (SWIA), the Scottish Housing Regulator (SHR) and the Care Commission (including published inspection reports and other supporting evidence).

#### Summary

4. The 2010/11 AIP recognised the scope and maturity of the council's self-evaluation and performance management arrangements and its preparedness for the increasingly challenging financial context that it faced. The risk assessment also acknowledged the council's track record in securing improved performance and better outcomes for local people. As a result of the council's mature self-evaluation and performance management arrangements and its track record in improving services and delivering better outcomes the level of planned scrutiny activity in years 1 and 2 was minimal, focusing on key national risk priorities (eg social care and housing) or areas where ministers were seeking assurance that the public is being well served (eg Joint Inspection of Services to Protect Children, and prison-based social work).

5. The 2011 refresh confirms this position and acknowledges the positive findings of the scrutiny work conducted in 2010/11 by SWIA and SHR. Only one area of service performance, Internal Audit was assessed an area of uncertainty, reflecting the fact that the actions being taken by the council to strengthen capacity within the service to allow external audit to place greater reliance on the work undertaken by internal audit have not yet led to improvements in service performance. However, as this area is a feature of the existing annual audit process, no additional scrutiny work is proposed as a result of our refresh risk assessment.

## Changes to 2010/11 risk assessments

6. Areas where risk assessments have changed from that identified in the AIP 2010/11 as a result of updated evidence are as follows:

Area	2010/11 Risk Assessment	Updated 2011/12 Risk Assessment	Reason for change	Proposed scrutiny action
Social Work - some aspects of risk assessment and risk management practice around adult and children and families	<b>Significant concerns</b>	<b>No significant concerns</b>	Positive findings from ISLA follow up work carried out by SWIA in these areas.	None
Housing and Community Care – homeless service performance and progress towards the Scottish Housing Quality standard	<b>Area of uncertainty</b>	<b>No significant concerns</b>	SHR undertook a re-inspection of the homeless service in June 2010 and noted significant progress across a range of areas.	None
Corporate Services	<b>No significant concerns</b>	<b>Area of uncertainty in relation to Internal Audit only</b>	Due to capacity and performance issues within the councils' Internal Audit function, the external auditors Henderson Loggie are unable to place reliance on their work. A new chief internal auditor has recently been made permanent but the impact of this change has not yet been reflected in improved performance.	External audit will continue to monitor progress in implementing the agreed recommendations through the annual audit process. No additional scrutiny activity.

## Areas of on-going risk and uncertainty

7. There are no outstanding areas of scrutiny risk or uncertainty from the 2010/11 AIP.

## National risk priorities

### Perth and Kinross Council's position on topics identified as being of national importance.

8. **The protection and welfare of vulnerable people (children and adults) including access to opportunities.** No significant risks. The LAN has not identified any significant scrutiny risks for the council for this national risk priority as a result of its risk assessments for the relevant local outcome areas and for the council services involved in providing services to vulnerable people. ISLA and ISLA follow up work indicate a positive picture of the services involved. No additional scrutiny work is therefore planned. However, the programme of Joint Inspections of Services to Protect Children is a three year programme of inspection of all local authority areas across Scotland and Perth and Kinross is due to be inspected in August 2011.
9. **Assuring public money is being used properly.** No significant scrutiny risks. Assurance on the financial position of the council is obtained through the annual audit process conducted by Henderson Loggie on behalf of Audit Scotland. Proper scrutiny of activities is undertaken by both members and officers and the council has an effective scrutiny committee and audit sub-committee which operate in line with accepted good practice. The Internal audit service is an important part of the council's governance arrangements; however this area has suffered from longstanding resourcing issues which have impacted adversely on the delivery of planned audit activity. This has been partially addressed by the appointment of a new chief internal auditor but the impact of the changes in leadership are not yet evident meaning that the council's external auditors are unable to place reliance on internal audit work as part of the annual audit process. The external auditor will monitor progress through the existing annual audit process.
10. **How councils are responding to the challenging financial environment.** The Comprehensive Spending Review covering public sector expenditure for the period 2011/15 was announced in October 2010 and the Scottish Government responded to it by announcing a single year Scottish budget for 2011/12 and this creates an uncertainty over medium term financial planning. The financial climate will impact on the council's ability to deliver its outcome targets and maintain service performance into the future. The extent of this is currently uncertain and will be kept under review by LAN members. The council continues to be proactive in responding to the current financial environment but given the strategic uncertainty in this area the LAN has therefore concluded that this is an area of uncertainty. No additional scrutiny work is planned but it should be noted that this is a fundamental feature of the existing annual audit process and the external auditors will routinely continue to monitor the financial position of the council.
11. However the council is well placed to manage the challenging financial environment and there are no significant scrutiny risks in the council's financial management. It has robust budgeting procedures in place, has shown a good understanding of the financial challenges it faces, and has been proactive in

preparing financial plans to manage budget reductions. The council has undertaken a public budget consultation exercise to gauge public views on ways to address budget challenges and is promoting a strong efficiency agenda across the council through its Transformation Programme. The council has been proactive in developing a series of workforce management measures.

12. 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. The LAN therefore plans to meet with the council's management team during the late summer/early autumn to discuss progress in this area prior to the start of the 2012 SRA/AIP refresh process. As part of that meeting the LAN will consider how best to approach the planned scrutiny activity in 2012-13 which will be focusing on the council's Transformation Programme. This work will assess the extent to which the council, working with its partners, is delivering the planned improvements in efficiency and cost reduction and securing better outcomes for citizens and service users.

## Scrutiny plan changes

13. There are no changes to the scrutiny plan as laid out in the AIP 2010/11. No additional scrutiny work is identified for the rolling third year 2013/14.

## Review of 2010/11 planned activity

14. In June 2010 SHR undertook a re-inspection of the council's homelessness services. SHR found that the council has responded well to address the weaknesses identified in its last report. The council has done this in a relatively short timescale and has effectively improved its approach to providing services for homeless people. It can evidence that it has made significant improvements across the service.
15. SWIA carried out its ISLA scrutiny activity in the council on 27th, 28th October 2010 and on the 4th February 2011. SWIA noted positive progress by the council in relation to risk assessment and risk management practices. Staff had had briefing sessions on improving practice, the council had begun a series of case file audits to monitor performance and existing recording processes had been strengthened. At a more strategic level, the council had plans to make stronger connections between its adult, child and public protection processes by having direct reporting to an executive sub-committee of the Community Planning Partnership Committee. In relation to concerns around home care performance, the council had increased the number of people receiving the service, had improved its overall performance and was showing positive results from its implementation of its new reablement service.
16. SWIA's inspection of the council's social work services provided at HMP Perth and HMP Open Estate was undertaken during April and May 2010. These services were performing well in many respects, though each had a number of areas for improvement that needed to be addressed to improve practice further.

## Appendix 1 Summary of scrutiny activity

PKC SCRUTINY PLAN	2011-12											
	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Scrutiny activity year 1												
Housing Benefit audit (date to be confirmed)*												
Joint Inspection of Services to Protect Children, including Adoption and Fostering**												
Audit Scotland Fire and Rescue												
	2012-13											
Scrutiny activity year 2	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Targeted work in relation to the council's Transformation Programme focusing on improvements in VFM and outcomes***												
	2013-14											
Indicative scrutiny activity for rolling third year	Potential scrutiny bodies involved											
No additional work identified												

\* 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 timing of the audits will be confirmed through the LAN lead.

\*\* National work

\*\*\* Identified during the 2010/11 SRA process

### Footnotes:

- The focus of the AIP 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. Scrutiny bodies also reserve the right to make unannounced scrutiny visits. These will generally be made in relation to care services for vulnerable client groups. The annual audit of local government also comprises part of the baseline activity for all councils and this includes work necessary to complete the audit of housing benefit and council tax benefit arrangements. HMIE, through the District Inspector, will continue to support and challenge Education Services regularly and as appropriate.
- The new body, Social Care and Social Work Improvement Scotland (SCSWIS), will be in place from April 1st 2011 and will regulate care services and inspect social work services based on the Public Services Reform (Scotland) Act 2010.
- SCSWIS will undertake supported self evaluation work with councils during 2011. Planning is currently taking place and SCSWIS will contact LAN leads when the detail of the fieldwork is established.

- HMIE and Learning and Teaching Scotland are to form a new quality and improvement agency on 1 July 2011.
- The Accounts Commission has decided to undertake Best Value audits of Fire & Rescue Services and Authorities during 2011. Planning is currently taking place and Audit Scotland will contact LAN leads when the detail of the fieldwork is established.
- Audit Scotland also undertakes a series of national performance audit studies. Field visits to individual local authorities often form part of this work. When a visit is planned to a council this will be communicated to the council through the LAN lead.