

Item: 7

Monitoring and Audit Committee: 25 September 2025.

Internal Audit – Performance Indicator Reporting.

Report by Chief Internal Auditor.

1. Overview

- 1.1. The internal audit plan 2025/26 includes a review of Performance Indicator Reporting, this audit has been completed and the internal audit report is attached as Appendix 1 to this report.
- 1.2. The Specified Performance Indicator procedure is issued annually by the Council's Improvement and Performance Service to ensure that performance against the Local Government Benchmarking Framework performance indicators is reported to the Improvement Service accurately and timeously, and that there is a robust data gathering process to ensure the returns are completed in compliance with the guidance issued and that the figures submitted are reliable and accurate.
- 1.3. The objective of this audit is to ensure the indicator figures correlate with the supporting evidence. This report covers reviews of Specified Performance Indicators, Cross Council Generic Performance Indicators and Service Specific Performance Indicators.
- 1.4. The audit provides Substantial assurance that processes and controls relating to Performance Indicator Reporting are well controlled and managed.
- 1.5. The internal audit report, attached as Appendix 1 to this report, does not include any recommendations.

2. Recommendations

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

For Further Information please contact:

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Implications of Report

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

List of Background Papers

Internal Audit Plan 2025/26.

Appendix

Appendix 1: Internal Audit Report – Performance Indicator Reporting.



Internal Audit

Audit Report

Performance Indicator Reporting

Draft issue date: 27 August 2025

Final issue date: 8 September 2025

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| Distribution list: | Director of Enterprise and Resources Director of Education, Communities and Housing Director of Infrastructure and Organisational Development Chief Officer, Orkney Health and Social Care Partnership Head of Performance and Business Support |
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Audit Opinion

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

Substantial

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

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

Executive Summary

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

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

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

As part of this process, 13 LGBF indicators are reported by the Council directly to the Improvement Service. The objective of this audit is to ensure the indicator figures correlate with the supporting evidence. This report covers reviews of SPIs, cross-Council Generic Indicators and Service Specific Performance Indicators.

The audit testing found that the returns that are required for SPIs are completed in compliance with the guidance issued and the figures submitted for all indicators are reliable and accurate. The figures for the cross-Council and Service Specific Performance Indicators sampled, were calculated in accordance with guidance and supported by reliable evidence.

The report does not include any recommendations.

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

Introduction

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

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

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

The indicators sampled for detailed testing this year were:

- Corporate Services 8 – Percentage of invoices that were paid within 30 days.
- Environmental 1a – Number of premises for refuse collection.
- Culture & Leisure 3 – Number of museum visits.

Similar checks are carried out on a sample of cross-Council Generic (CCG) Performance Indicators and Service Specific Indicators. This year the sample included:

- CCG05 – The number of advertised vacancies still vacant after 6 months as a proportion of total staff vacancies.
- NSI DPP PI 01 – Percentage of first reports for building warrants and amendments issued within 20 days.
- NSI DPP PI 02 – Percentage of Building warrants and amendments issued within 10 days.

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

Audit Findings

1.0 Statutory Performance Indicators

1.1 Percentage of invoices that were paid within 30 days

The figures for this indicator are extracted by Finance from the Integra system. The figures were checked and calculations for this indicator were reperformed and found to be correct. On the basis of the testing carried out it is considered that the figures provided for this indicator are reliable and accurate and in line with the LGBF guidance.

1.2 Number of premises for refuse collection

The figures supplied which make up the calculation of the indicator were information from the Waste section and an extract of commercial properties both of which were provided as evidence for the indicator. The figures were checked and calculations for this indicator were reperformed and found to be correct. On the basis of the testing carried out it is considered that the figures submitted for this indicator are reliable and accurate and in line with the LGBF guidance.

1.3 Number of museum visits

The figures for this indicator are collected at individual museums and entered on a spreadsheet. The data supplied and calculations made were correct and were calculated in accordance with the LGBF guidance. On the basis of the testing carried out it is considered that the figures submitted for this indicator are reliable and accurate and in line with the LGBF guidance.

1.4 Remaining SPIs

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

2.0 Cross-Council Generic and Service Specific Performance Indicators

2.1 CCG05 The number of advertised vacancies still vacant after 6 months

Reports are run from the Talent Link and Resource Link systems to give the data used in calculating this indicator. The figures produced were calculated in accordance with the guidance outlined in the data dictionary for this indicator. The figures as at 31 March 2025, calculated from the data provided, were those recorded in the Ideagen system and reported to the respective Committees as part of the Directorate Performance Reports.

2.2 Percentage of first reports for building warrants and amendments issued within 20 days

All applications for building warrant or amendment to warrant are recorded on the UNIFORM Building Standards casework management system. This includes a record of the time taken from the date of receipt of a valid application to the date of issue of a first report. The figures produced were calculated in accordance with the guidance outlined in the data dictionary for this indicator. The figures as at 31 March 2025 were those recorded in the Ideagen system and reported to the Development and Infrastructure Committee as part of the Directorate Performance Monitoring Report on 3 June 2025.

2.3 Percentage of Building warrants and amendments issued within 10 days

All applications for building warrant or amendment to warrant are recorded on the UNIFORM Building Standards casework management system. This includes a record of the number of days taken from the date of receipt of all satisfactory information to the date of issue of a warrant or amendment. The figures produced were calculated in accordance with the guidance outlined in the data dictionary for this indicator. The figures as at 31 March 2025 were those recorded in the Ideagen system and reported to the Development and Infrastructure Committee as part of the Directorate Performance Monitoring Report on 3 June 2025.

Key to Opinions

Audit Opinion

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