

BEST VALUE - CONTINUOUS IMPROVEMENT ACTION PLAN

Report by Chief Executive

PURPOSE

- 1.1 The purpose of the Report is to inform the Audit and Scrutiny Committee of the progress with the Continuous Improvement Action Plan and to present the key findings for effective challenge and scrutiny.

EXECUTIVE SUMMARY

- 2.1 Mapping the performance of services in delivering improvement is essential, as it provides the context required to effectively plan service change. A performance review of the Continuous Improvement Action Plan (CIAP) was undertaken to highlight outstanding work and the action being taken by services. The key findings are summarised in this Report by department and service.
- 2.2 The end-of-year 2024/25 performance review of the CIAP found that four of the ten CIAP actions presented to the Audit and Scrutiny Committee in the mid-year performance review report are complete, and seven new actions have been added. Eight CIAP actions scheduled for completion in the 2024/25 Service Business Plans (SBPs) were not completed and have therefore been carried forward to the 2025/26 period.
- 2.3 The key improvement outcomes from three external audits, nine internal audit follow-up reviews and one self-assessment will be monitored through the 2025/26 SBPs until completion. These are represented as CIAP actions in SBPs and are included in the departmental business plan progress reports, which are made available to the public on the Comhairle's website on a quarterly basis.
- 2.4 A summary of the CIAP is provided in the Appendix to the Report, along with links to the relevant audit and self-assessment reports (where available) and the name of the officer responsible for progressing each action to completion.
- 2.5 Elected Members have access to Interplan and can view the progress of SBPs and CIAP actions online throughout the year.

RECOMMENDATIONS

- 3.1 **It is recommended that the Comhairle:**
 - (a) **Notes the performance review of the Continuous Improvement Action Plan; and**
 - (b) **Scrutinises the key findings summarised in the main body of the report.**

Contact Officer: Fiona Knappe, Team Leader, Organisational Development
Appendix: Continuous Improvement Action Plan Summary
Background Papers: Report to Audit and Scrutiny Committee on 27 November 2024



IMPLICATIONS

- 4.1 The following implications are applicable in terms of the Report.

Resource Implications	Implications/None
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Financial	None
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Legal	As per the Accounts Commission for Scotland's Publication of Information (Standards of Performance) Direction 2021 under section 1(1) (a) of the Local Government Act 1992, Councils have a statutory duty to ensure balance in reporting areas of improvement that have been achieved and not achieved. SPI 2 includes the requirement for the Comhairle to assess how it is performing against its duty of Best Value through self-assessments, service review activity, audit assessments (including those in the annual audit), assessments from other scrutiny and inspection bodies, and how it has responded to these assessments.
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Staffing	None
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Assets and Property	None
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Strategic Implications	Implications/None
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Risk	None
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Equalities	None
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Corporate Strategy	The Report is aligned to Strategic Outcome 4.1.5 - Effective governance of the Comhairle is in place.
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Environmental Impact	None
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Consultation	None
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BACKGROUND

- 5.1 The Statutory Performance Information (SPI) Direction, published on 21 December 2021 by the Accounts Commission for Scotland ("the Commission"), applies to performance reporting for the three-year period commencing 1 April 2022. This Direction introduces the Commission's Strategy 2021–2026. The Commission holds councils and other local government bodies in Scotland to account and, through the Direction, outlines the performance information that councils are required to publish. It also emphasises the importance of balanced reporting, highlighting both areas of improvement and those where progress has not been achieved.
- 5.2 In the Comhairle's Best Value Assurance Report (BVAR), published in September 2022 and prepared by Audit Scotland, the Commission noted: *"The Comhairle has implemented many successful initiatives, but the overall pace of change has been slow. It needs to ensure that it has the leadership capacity to drive strategic and transformational change at the pace needed."*
- 5.3 The Commission's *Transformation in Councils* report, published in October 2024 and prepared by Audit Scotland, stated that individual councils are expected to *"prioritise and urgently progress the delivery of their local transformation ambitions and engage effectively in sector-led transformation activity, securing political backing and committing resources."* The Commission will audit local transformation efforts during the third year of its Best Value reporting programme, which commenced in October 2024.

CONTINUOUS IMPROVEMENT ACTION PLAN

- 6.1 At its meeting on 11 February 2015, the Comhairle approved proposals for the development of its Continuous Improvement Agenda, aligning with best practice and audit requirements. To meet the expectations outlined in the Commission's SPI Direction regarding the achievement of Best Value, the



Comhairle, at its meeting on 14 December 2016, approved the Audit and Scrutiny Committee's recommendation to incorporate the outcomes of internal and external audits and inspections into the Continuous Improvement Action Plan (CIAP), enabling effective challenge and scrutiny. Since March 2020, the CIAP has also included areas for future development and priority recommendations identified through completed corporate self-assessments.

- 6.2 It is essential that all inspection and audit reports are included in the CIAP to ensure the Audit and Scrutiny Committee is informed of any constraints that may prevent services from implementing certain recommendations. Services are encouraged to critically assess the completion dates proposed by auditors and agree on realistic timelines for fulfilling recommendations, taking into account current service demands and available resources.
- 6.3 Services utilise the Comhairle's online performance management system, Interplan, to record and monitor SBP actions. In line with Comhairle guidance, priority recommendations and areas for future development identified through corporate self-assessments, as well as recommendations from previous external audits and inspections and outstanding items from internal audit follow-up reviews, have been entered into Interplan as SBP actions. Additional actions will be added as they are identified. All outstanding actions are consolidated within the CIAP, which is presented to the Audit and Scrutiny Committee to support effective challenge and scrutiny.
- 6.4 Elected Members have access to Interplan and can monitor the progress of SBP and CIAP actions online as required. This ensures that Elected Members can maintain oversight and accountability for service performance and improvement throughout the year.
- 6.5 As requested by the Audit and Scrutiny Committee in September 2022, the key findings are summarised in this Report by department and service, rather than the Local Government Benchmarking Framework themes as in previous reports.

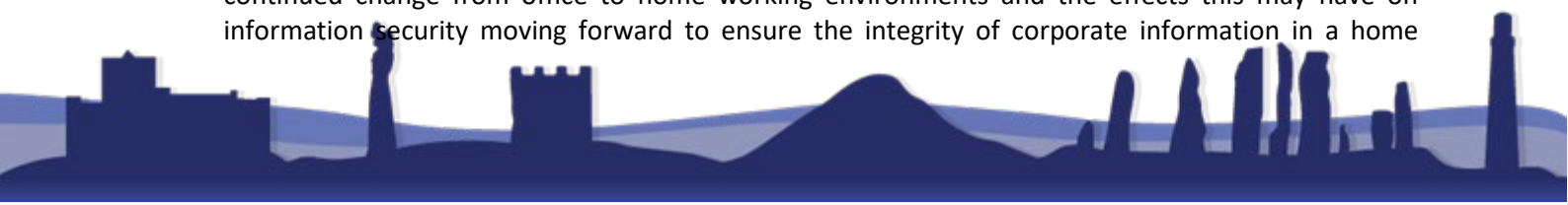
KEY FINDINGS

- 7.1 On 7 November 2023, the Comhairle experienced a criminal cyber incident that impacted services' ability to complete some CIAP actions within the recommended timeframes. The incident also affected the Comhairle's website, resulting in the loss of access to some audit and self-assessment report links.
- 7.2 Of the ten CIAP actions presented in the previous report, four have now been completed, and seven new actions have been added. The performance review identified that 62% of the implementation dates set by auditors and confirmed by management have been extended—some on multiple occasions. The original issue and implementation dates are included in the Appendix to this report, along with revised completion dates where applicable. No CIAP actions are reporting a red status.
- 7.3 The Comhairle has undergone a period of organisational restructuring, which may have resulted in changes to the departmental alignment of some services compared to those stated in the original audit or self-assessment reports.
- 7.4 A summary of the key findings is provided in the report.

CHIEF EXECUTIVE DEPARTMENT

Assets and Infrastructure

- 8.1 The Information Management Self-assessment (Jun'21) included two priority recommendations: (1) a refresh of the IT Strategy; and (2) a review of IT security, with consideration to be given to the continued change from office to home working environments and the effects this may have on information security moving forward to ensure the integrity of corporate information in a home



working environment. Action 2 is complete as revised security infrastructure and procedures are in place, and Action 1 is nearing completion (90%).

The IT Strategy and security infrastructure are being revised in response to the cyber incident. Two-factor authentication has been implemented, and employee training continues. The strategy is being aligned with a broader digital transformation project, and revised security procedures are now in place. The Incident Management Team has completed its duties, with remaining actions integrated into business-as-usual operations.

- 8.2 The Garage and Fleet Trading Operation Internal Audit Follow-Up Review was issued to the service in January 2025. This action is 65% complete, with six of eleven recommendations implemented. A Corporate Fleet Replacement Policy is under consideration, with options being explored for best value. Stocktake procedures have resumed, and CCTV in the stockroom has been installed. A Vehicle Framework for hired-in vehicles is in development, and training for the new fleet management system is pending resolution of connectivity issues.
- 8.3 The Piers – Marine Fuel Internal Audit Follow-Up Review was issued to the service in December 2024. This action is 60% complete, with two of five recommendations implemented. Health and Safety Guidelines have been created but still need to be distributed to all users of the Marine Fuel System. The service is working with the Fuel Management Provider to have a process where ‘read and agreed’ with the guidelines is required before access to fuelling. Risk assessment for Vessels Refuelling at Unmanned Fuelling Facilities is completed but the documents need to be distributed to users. To ensure the operation can be run without disruption to the service, an Admin Support Apprentice was recruited and is being trained to support marine fuel operations and Admin support in Balivanich is now able to carry out invoicing.
- 8.4 The Internal Audit Report on the Cyber-Attack of November 2023, and the Lessons Learnt Final report was issued on the 23 October 2024. With 50% completion, five of ten recommendations have been implemented. Internal Audit will continue to track progress. The Comhairle has adopted NCSC cyber security principles, enhancing training, architecture, monitoring, and data protection. Outstanding actions include updating the departmental risk register, planning Exercise in a Box, and reviewing the potential merger of corporate and schools IT networks. Monthly security reviews are ongoing, and further funding requests will be made if necessary.

Economic and Community Regeneration

- 8.5 The Homelessness Internal Audit Follow Up Review issued in June 2024 is 80% complete, with two of the six recommendations made in the original report still to be fully implemented. Cash reconciliation processes to the service user accounts were delayed due to the cyber incident but have resumed following system restoration. Emergency lighting issues remain unresolved, which may pose compliance risks. Works are anticipated to begin shortly following continued engagement with Assets and Infrastructure.

Human Resources, Strategy and Performance

- 8.6 The Management of Sickness Absence Internal Audit Review was issued in June 2023. Progress on this action has reached 60%, with five of the nine recommendations completed. The service was significantly impacted by the cyber incident, which delayed implementation. Progress is ongoing. The Sickness Absence Policy (2.2) has undergone consultation with Trade Unions and the Employee Forum and is now pending finalisation and committee submission. Following consultation, a draft Employee Health & Wellbeing Strategy (2.3) has been prepared and the Stress Prevention Policy reviewed, with finalisation also pending. The ResourceLink system (2.4) has successfully migrated to the cloud, and further development is underway to enhance HR and Payroll functionality. Promotion of wellbeing



support (2.7) continues, including EAP and health checks. A further review is planned following update of the Employee Health & Wellbeing Strategy and the Sickness Absence Policy.

- 8.7 The Internal Audit Follow-Up Review on HR Core Activities, issued December 2024, is 50% complete, with two of four recommendations implemented. Contracts of employment are being addressed through a new onboarding system currently in testing, and corporate induction on Day 1 is scheduled for Autumn 2025. The Leavers Checklist process has improved, with electronic FINs in development to automate notifications and ensure system access is properly disabled upon staff departure.

Law and Governance

- 8.8 The Comhairle's Annual Audit Report 2021/22 published by the Commission on 1 December 2022 included seven recommendations from previous audits. Due to the criminal cyber incident experienced by the Comhairle, progress on two of these recommendations was delayed: Cyber Resilience and Disaster Recovery Plans should be finalised and approved by Members (5) and Procurement training should be rolled out across services to ensure compliance with relevant policies and procedures (7). Recommendation 7 has been completed through tailored one-to-one sessions. Recommendation 5, concerning Cyber Resilience and Disaster Recovery Plans, is 90% complete. These plans have been developed and tested and are currently under review by the Corporate Management Team.

EDUCATION AND CHILDREN'S SERVICES DEPARTMENT

Education

- 9.1 The Nicolson Institute was inspected by a team of HM Inspectors in January 2024, and Education Scotland published a report of findings of the inspection. The school devised an Action Plan to address the agreed areas for improvement, and a governance group was constituted to oversee the delivery of the Action Plan and support the school. A further inspection of additional support needs (ASN) and the enhanced provision element of the school to assess progress towards delivery of improvements was undertaken in June 2024. The findings of the visit were published in October 2024 and is 65% complete. Improvements have been made in ASN provision, with a principal teacher appointed to lead enhancements. Individual timetables and inclusive practices are in place. Staff are working to ensure all senior pupils gain appropriate qualifications and participate in school life. Further inspection is expected within one year.
- 9.2 In October 2023, HM Inspectors published a letter on Sgoil Ùige agus Sgoil Àraich - Uig Primary School and Nursery Class. The letter set out a number of areas for improvement, which Education Scotland agreed with Sgoil Ùige and the Comhairle. Further inspections of Sgoil Ùige were undertaken by Education Scotland in June 2024 and April 2025 to evaluate the progress made. This action is 90% complete. The April 2025 inspection found that positive progress has been made in leadership, immersion education, curriculum development, and attainment. The acting headteacher has improved strategic leadership and stakeholder engagement. Children and parents are actively involved in school improvement, and Gaelic immersion practices have been strengthened. Further inspection is expected within one year.

Education and Children's Services Directorate

- 9.3 The Education Maintenance Allowance (EMA) Internal Audit Review (May'22) made four recommendations. This action is 80% complete. Three of four recommendations have been implemented. The EMA policy update was delayed due to the cyber incident and website loss. Recovery efforts have taken priority, and although the policy was expected to be refreshed and concluded by the end of the 2024/25 period, it is still outstanding and has therefore been carried forward to the 2025/26 period.



- 9.4 The Sports Centres Internal Audit Follow-Up Review was published in June 2024. At 90% completion, ten of nineteen recommendations have been implemented. The new structure at Sport and Health has now been implemented. Staffing challenges persist, particularly for facilities in more rural areas. IT issues are being addressed, and pricing structures were reviewed in April 2024. Risk assessments, Normal Operating Procedural documents, and Emergency Action Plans are being rewritten following the cyber incident. COSHH guidelines have been updated, and purchasing authorisations are being finalised. Health screening forms are under review, and card reader systems are being tested for functionality.

HEALTH AND SOCIAL CARE (IJB)

Health and Social Care Services

- 10.1 The Social Work Services (Commissioning & Partnership Services) Internal Audit Review was published in May 2024. The Follow-Up Review, published March 2025, found one of three recommendations implemented, and management confirmed that the remaining recommendations will be implemented by May 2025 - 65% complete. Action 2.2 recommended that all funded external organisations have a signed Service Level Agreement (SLA) in place before any payments are made for the provision of services. - Action (2.3) recommended: Funded organisations must provide full audited accounts within six months following the annual year end as part of the funding agreement. Additionally, activity reports must be provided within the timescales included in the agreement. Most providers now have signed SLAs, and work is ongoing to finalise the remaining agreements. Audited accounts and activity reports are being monitored, with follow-ups planned for August 2025.

CONCLUSION

- 11.1 The Comhairle experienced a criminal cyber incident on 7 November 2023 that impacted services' ability to complete some of the CIAP actions within the recommended time period. The incident also affected the Comhairle's website. As a result, links to some of the audit and self-assessment reports are no longer available.
- 11.2 The end-of-year 2024/25 performance review of the CIAP recorded in Interplan was undertaken to highlight the work outstanding, the action being taken by services and the areas of work outwith the control of services. The review found that key improvement outcomes from three external audits, nine internal audit follow-up reviews and one self-assessment have still to be completed. Recommendations from eight (62%) of the audits/self-assessments have not met their original implementation date.
- 11.3 In the wider context of the current public sector financial environment, and the significant decrease in real terms funding experienced by the Comhairle and highlighted in its BVAR by the Commission, it is essential to ensure that services are as efficient and effective as possible through continuous improvement and show ongoing viability in delivering the Comhairle's strategic priorities and statutory obligations.
- 11.4 A mid-year 2025/26 performance review of the CIAP will be undertaken and presented to the Audit and Scrutiny Committee in due course. Elected Members have access to Interplan and can monitor the progress of SBPs and CIAP actions online. This ensures that Elected Members can maintain oversight and accountability for service performance and improvement throughout the year.
- 11.5 The findings presented in this report aim to support informed scrutiny and guide strategic decision-making as the Comhairle continues its improvement journey.

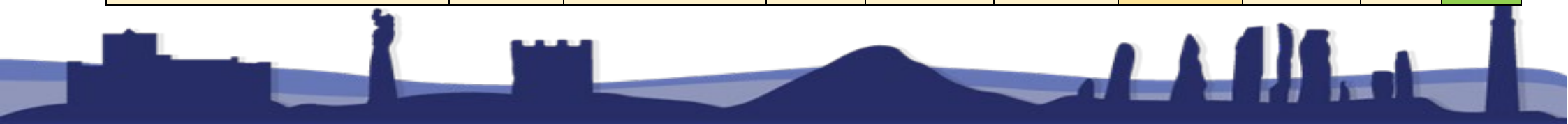


CONTINUOUS IMPROVEMENT ACTION PLAN SUMMARY

NB: The table below displays External Audits shaded blue, Internal Audit Follow-up Reviews shaded yellow and Self-assessments shaded orange.

* Eight CIAP actions scheduled for completion in the 2024/25 SBPs were not completed and have therefore been carried forward to the 2025/26 period.

CIAP Summary	Interplan Reference	Responsible Person	Status	Original Report Issued	Implement by	Revised Completion Date	% Complete	Target	On Target
CHIEF EXECUTIVE'S DEPARTMENT									
Assets and Infrastructure									
Information Management	4.1.5.25*	Calum Mackenzie	In Progress	22/06/2021	Mar 2022	Mar 2026	90%	90%	Green
<u>Garage and Fleet Trading Operation</u>	4.1.5.72*	Colm Fraser	In Progress	03/10/2023	Mar 2025	Mar 2026	65%	55%	Green
<u>Piers Marine Fuel</u>	4.1.5.77*	Kenneth Morrison	In Progress	24/05/2024	Mar 2025	Mar 2026	60%	50%	Green
<u>Cyber Attack Response Report</u>	4.1.5.78	Calum Mackenzie	In Progress	04/11/2024	Mar 2026		50%	25%	Green
Economic and Community Regeneration									
<u>Homelessness</u>	4.1.5.69*	Lorraine Graham	In Progress	22/09/2023	Mar 2025	Mar 2026	80%	100%	Amber
HR, Strategy and Performance									
<u>Management of Sickness Absence</u>	4.1.5.67	Norma Skinner	In Progress	19/06/2023	31/03/2026		60%	50%	Green
<u>HR Core Activities</u>	4.1.5.75	Carmen MacDonald	In Progress	11/01/2023	31/12/2025		50%	50%	Green



CIAP Summary	Interplan Reference	Responsible Person	Status	Original Report Issued	Implement by	Revised Completion Date	% Complete	Target	On Target
Law and Governance									
<u>Comhairle nan Eilean Siar annual audit report 2021/22</u>	4.1.5.55*	Tim Langley	In Progress	01/12/2022	Mar 2024	Mar 2026	90%	100%	Amber
EDUCATION AND CHILDREN'S SERVICES DEPARTMENT									
Education									
<u>Àrd-sgoil MhicNeacail - The Nicolson Institute</u>	4.1.5.70	Donald A Macleod	In Progress	16/01/2024	Sept 2025		65%	50%	Green
<u>Sgoil Ùige agus Sgoil Àraich - Uig Primary School and Nursery Class</u>	4.1.5.71*	Donald A. Macleod	In Progress	03/10/2023	Mar 2025	Mar 2026	90%	100%	Amber
Education and Children's Services Directorate									
Education Maintenance Allowance	4.1.5.56*	Jordan Carberry	In Progress	16/05/2022	Sept 2023	Sept 2025	80%	100%	Amber
<u>Sports Centres</u>	4.1.5.68*	Donald A. Macleod	In Progress	21/09/2023	Dec 2024	Sept 2025	90%	100%	Amber
HEALTH AND SOCIAL CARE (IJB)									
Health and Social Care Services									
<u>Social Work Services (Commissioning & Partnership</u>	4.1.5.79	Graeme Miller	In Progress	28/05/2024	May 2025	May 2025	65%	30%	Green

