

## Minute of Meeting Audit, Risk and Scrutiny Board

| Date                 | Time  | Venue   |
|----------------------|-------|---|
| Tuesday, 28 May 2019 | 10:00 | Corporate Meeting Room 1, Council Headquarters, Renfrewshire House, Cotton Street, Paisley, PA1 1AN |

### Present

Councillor Tom Begg, Councillor Bill Binks, Councillor Stephen Burns, Councillor Michelle Campbell, Councillor Neill Graham, Councillor Jim Sharkey

### Chair

Councillor Bill Binks, Convener, presided.

### Apologies

Councillor James Harte and Councillor Emma Rodden.

### In Attendance

L McIntyre, Head of Policy & Commissioning and N Irvine-Brown, Assistant Strategic Planning & Policy Development Manager (both Chief Executive's); G McKinlay, Head of Schools (Children's Services); F Carlin, Head of Planning & Housing Services, C Dalrymple, Communities & Regulatory Manager, F Wilson, Trading Standards & Licensing Manager, J Mackie, Placement Team Leader and Lead Officer and C Doogan, Energy Team Leader and Lead Officer (all Communities, Housing & Planning Services); D Kerr, Service Co-ordination Manager and Lead Officer (Environment & Infrastructure Services); L Neary, Head of Transformation & Organisational Development, A MacArthur, Head of Finance, P Murray, Head of ICT, A McMahon, Chief Auditor, K Locke, Risk Manager, S Fanning, Principal HR & OD Adviser, E Shields, Business Services Manager and C MacDonald, Senior Committee Services Officer (all Finance & Resources).

## **Also in Attendance**

M Ferris, Senior Audit Manager, A Haar, Senior Auditor and D Sim, Benefits Auditor (all Audit Scotland).

## **Declarations of Interest**

There were no declarations of interest intimated prior to commencement of the meeting.

### **1 Training for Audit, Risk & Scrutiny Board Members**

There was submitted a report by the Chief Auditor relative to training for Audit, Risk & Scrutiny Board members.

The report intimated that in line with national guidance produced by the Chartered Institute of Public Finance and Accountancy (CIPFA) on the implementation of Audit Committee Principles in Scottish Local Authorities, training on audit and risk related matters was provided to members of the Audit, Risk & Scrutiny Board. A copy of the proposed programme of training briefings was appended to the report.

**DECIDED:** That the programme of training briefings be approved.

### **2 Summary of Internal Audit Reports for Period 01 January to 30 April 2019**

There was submitted a report by the Chief Auditor relative to the requirement in terms of the Public Sector Internal Audit Standards (PSIAS) that Internal Audit communicated the results of each engagement to the Board.

The Appendix to the report detailed the category of assurance, service, engagement and assurance rating and gave recommended risk ratings for each engagement as either critical, important, good practice or service improvement. A summary of findings was also provided in relation to final reports issued for those engagements completed during the period 1 January to 30 April 2019.

The report intimated that in addition to the reports listed in the Appendix, Internal Audit had an ongoing commitment to arrange corporate and service initiatives, progress information security matters in partnership with ICT and Legal Services, provide regular advice to officers, provide Internal Audit services to the associated bodies for which Renfrewshire Council was the lead authority and to Renfrewshire Leisure Limited and Renfrewshire Health and Social Care Integration Joint Board, coordination of the Council's Corporate Risk Management activity and management of the counter fraud, risk management and insurance team.

**DECIDED:** That the summary of Audit findings report for the period 1 January to 30 April 2019 be noted.

### **3 Summary of Outstanding Internal Audit Recommendations**

Under reference to Item 3 of the Minute of the meeting of the Audit, Risk & Scrutiny Board held on 19 March 2018, there was submitted a report by the Chief Auditor relative to a summary of outstanding Internal Audit recommendations.

The report provided an updated position of the critical recommendations that had been followed up during 2018/19 and had not yet been implemented fully. The appendix to the report detailed the recommendations that had not yet been implemented or were in the process of being implemented and the latest responses received from service management.

**DECIDED:** That the report be noted.

### **4 Internal Audit Annual Report 2018/19**

There was submitted a report by the Chief Auditor relative to the annual report on the activities of the Council's Internal Audit section.

The report intimated that the Public Sector Internal Audit Standards (PSIAS) required that the Chief Auditor prepared a report at least annually to senior management and the Board on internal audit activity, purpose, authority and responsibility as well as performance relative to its plan. The annual report also provided an annual audit opinion on the overall adequacy and effectiveness of the Council's internal control environment and included details of any significant risk exposures, control issues and other matters that could be used to inform the governance statement. The annual report for 2018/19 was appended to the report and outlined the role of internal audit; its performance; the strategic and operational issues which influenced the nature of the work carried out; the key audit findings; and contained the annual audit assurance statement.

**DECIDED:** That the report be noted.

### **5 Audit Scotland - Management Report 2018/19**

There was submitted a report by the Director of Finance & Resources relative to Audit Scotland's Management Report 2018/19.

The report indicated that Audit Scotland, as appointed external auditors, had identified some issues over the course of 2018/19 while undertaking their interim audit work. This work included testing of key controls within the systems and processes used in preparing the annual accounts. The report contained a summary of their findings and outlined management action to address the issues raised.

**DECIDED:** That the report produced by Audit Scotland and the management actions outlined within the report be noted.

## **6 Annual Review of Compliance with the Local Code of Corporate Governance 2019**

There was submitted a report by the Chief Executive relative to the annual review of the Council's Local Code of Corporate Governance (the Code) which was based on the Delivering Good Governance in Local Government: The Framework which set the standard for local authority governance in the UK and which was revised by CIPFA and Solace in 2016 to ensure it remained fit for purpose.

The Council's Code covered the seven core principles which brought together the main elements of Council business and these were highlighted within the report and evidence of how the Council complied with the updated Code was attached as the appendix to the report.

**DECIDED:** That the Council's compliance with the Local Code of Corporate Governance as set out in the appendix to the report be noted.

## **7 Unaudited Annual Governance Statement 2018/19**

There was submitted a report by the Director of Finance & Resources relative to the Annual Governance Statement for 2018/19 which was appended to the report.

The Governance Statement for 2018/19 had been prepared in accordance with the relevant regulation and guidance and took account of the Internal Audit Annual Report and Director's evaluation of the operation of the governance arrangements within each service area.

**DECIDED:** That it be noted that the Annual Governance Statement would be included in the Unaudited Accounts for 2018/19.

## **8 Risk Management Annual Report 2018/219**

There was submitted a report by the Director of Finance & Resources relative to corporate risk management activity which took place during 2018/19 in relation to the Council's risk management arrangements and strategic risk management objectives.

The report intimated that the Council recognised that good risk management contributed to the delivery of better financial outcomes, business objectives, better project success rates, achievement of targets and fewer unexpected problems. An environment that was risk 'aware' rather than risk 'averse' was promoted and risk management information was at the heart of the key decisions that were made. This meant that an effective approach to managing risk was taken in a way that both addressed the challenges and enabled innovation.

**DECIDED:** That the continued effectiveness of the risk management framework in place and the significant contribution that it made to the Council's corporate governance arrangements be noted.

## **9 Strategic, Corporate & Service Risk Report, April 2019**

There was submitted a report by the Director of Finance & Resources relative to the strategic, corporate and key service risks effective from April 2019.

In keeping with 'Risk Matters', the Council's combined risk management policy and strategy, the strategic and corporate risk registers were required to be refreshed each year. Each Council Service department maintained its own risk management plan in respect of the operational risks within their areas of responsibility.

The report outlined the strategic, corporate and key service risks identified for management and scrutiny with effect from 1 April 2019.

**DECIDED:** That the Strategic, Corporate and Key Service Risk Register, and the robust methodologies used to ensure the appropriate risks were identified and managed be approved.

## **10 Absence Statistics 2018/19 - 01 October to 31 March 2019**

There was submitted a report by the Director of Finance & Resources relative to the Council's absence statistics for the period 1 October 2018 to 31 March 2019.

The report provided information in relation to absence targets and how services and categories of staff had performed against them. An analysis of the reasons for absence for the period was included in the report. Information was also provided on supporting attendance activity levels by service and costs of sick pay and the overall number of days lost.

**DECIDED:** That the report on absence statistics for the period 1 October 2018 to 31 March 2019 be noted.

## **11 Audit Scotland - Local Government in Scotland, Challenges & Performance 2019**

There was submitted a report by the Director of Finance & Resources relative to Audit Scotland's Management Report 2019.

The report indicated that Audit Scotland, as appointed external auditors, outlined key messages and issues along with the summary position within Renfrewshire Council. A copy of the 2019 Audit Scotland Challenges and Performance report was appended to the report as Appendix 1.

The report advised that Audit Scotland had also published a supplementary paper for elected members, to consider in conjunction with the 2019 Performance and Challenges report. The supplementary paper included a scrutiny tool checklist for elected members, which had been designed to provide councillors with examples of questions to help better understand the Council's position and to scrutinise performance. The supplementary paper for elected members was attached as Appendix 2.

**DECIDED:**

- (a) That the key messages contained in Audit Scotland's - 'Local Government in Scotland: Challenges and Performance 2019' report, attached as Appendix 1 to the report, be noted;
- (b) That Renfrewshire Council's position in relation to the key messages and recommendations set out in the Audit Scotland report be noted; and
- (c) That Audit Scotland's 'Supplement- scrutiny tool checklist for councillors' attached as Appendix 2 to the report be noted.

## **12 Audit Scotland Reports - Audit of Housing Benefit Risk Assessment Report and Housing Benefit Performance Audit 2017/18 - Annual Update Report**

There was submitted a report by the Director of Finance & Resources relative to Audit Scotland Reports – Audit of Housing Benefit Risk Assessment Report and Housing Benefit Performance Audit 2017/18 – Annual Update Report.

The report advised that the Council's external auditor, Audit Scotland, was required as part of its remit to carry out Housing Benefit Audit Risk Assessments across Local Authorities in Scotland. The main objective of the risk assessment was to determine the extent to which the benefit service was meeting its obligations to achieve continuous improvement in all its activities. The report noted that the Council demonstrated an awareness of what an effective, efficient and secure benefit service needed to deliver and made three recommendations to address risks to continuous improvement. The report also noted that actions agreed following a previous risk assessment in 2015 had been completed. An action plan had been agreed and was attached as Appendix 1 to the report. The recommendations had already been implemented and would make a positive contribution to the continuous improvement of the benefits service.

The report advised that in November 2018 Audit Scotland published its report "Housing Benefit Performance Audit Annual Update 2017/18". A copy of the report was attached as Appendix 2. A summary of the performance audit work carried out by Audit Scotland with five Councils' housing benefit services during 2017/18 was highlighted within the report along with key issues and examples of good practice from the Risk Assessments carried out.

**DECIDED:**

- (a) That the Audit of Housing Benefit, Risk Assessment Report' contained within Appendix 1 and the action plan submitted in response be noted; and

(b) That the Audit Scotland Report 'Housing Benefit Performance Audit - Annual update 2018 attached as Appendix 2 be noted.

### **13 The Effectiveness of Fair Trade within Renfrewshire (Craig Doogan, Lead Officer)**

Under reference to Item 7 of the Minute of the meeting of the Audit, Risk & Scrutiny Board held on 18 March 2019, there was submitted a report by the Lead Officer relative to the proposed purpose, scope and terms of reference and witnesses to be called for the review of the effectiveness of Fair Trade within Renfrewshire.

The report intimated that the key purpose of the review would be to understand what motivated people to purchase fair trade products; to ensure that fair trade in Renfrewshire benefited the producer at source; to understand the processes in place to monitor the effectiveness of fair trade within Renfrewshire; to understand how fair trade was promoted within schools; to determine if the current processes in place for the purchase and distribution of fair trade goods was the most efficient, both for the end producer and the customer; and to identify if there were other ways to deliver fair trade to ensure best value, whilst ensuring that the correct people were benefiting.

The report outlined the scope of the review and the intention to invite relevant stakeholders to future meetings to provide information to the Board. A copy of the proposed timetable was appended to the report.

#### **DECIDED:**

(a) That the purpose and scope of the review be approved;

(b) That the provisional timescale as outlined in the appendix to the report be approved;

(c) That the Lead Officer be authorised to contact any organisations recommended by the Board who might have information useful to the Board and who might be potential witnesses;

(d) That powers be delegated to the Lead Officer in consultation with the Convener to alter the timetable having regard to the availability of evidence and witnesses throughout the course of the review and grant permission to extend the timescale of the final report from 16 March 2020 to 26 May 2020 to allow for the inclusion of Fairtrade Fortnight which takes place during February each year; and

(e) That the Lead Officer be authorised to make the necessary arrangements to progress the review within the agreed timescales.

### **14 Review of Bus Deregulation and Effect on Transport Services in Renfrewshire (James Mackie, Lead Officer)**

Under reference to Item 7 of the Minute of the meeting of the Audit, Risk & Scrutiny Board held on 18 March 2019, there was submitted a report by the Lead Officer relative to the proposed purpose, scope and terms of reference and witnesses to be called for the review of bus deregulation and the effect on transport services in Renfrewshire.

The report intimated that the purpose of the review was to evaluate the effectiveness of current and proposed legislation in providing bus services to the public, enabling consideration of any proposals regarding changes to bus service provision.

The report outlined the scope of the review and the intention to invite relevant stakeholders to future meetings to provide information to the Board. A copy of the proposed timetable was appended to the report.

**DECIDED:**

- (a) That the purpose and scope of the review be approved;
- (b) That the provisional timescale as outlined in the appendix to the report be approved;
- (c) That the Lead Officer be authorised to contact any organisations recommended by the Board who might have information useful to the Board and who might be potential witnesses;
- (d) That powers be delegated to the Lead Officer in consultation with the Convener to alter the timetable having regard to the availability of evidence and witnesses throughout the course of the review; and
- (e) That the Lead Officer be authorised to make the necessary arrangements to progress the review within the agreed timescales.

## **15 Maintenance of Multi-Occupancy Accommodation (Mixed Tenure Buildings) (Dorothy Kerr, Lead Officer)**

Under reference to Item 7 of the Minute of the meeting of the Audit, Risk & Scrutiny Board held on 18 March 2019, there was submitted a report by the Lead Officer relative to the proposed purpose, scope and terms of reference and witnesses to be called for the review of maintenance of multi-occupancy accommodation (mixed tenure buildings).

The terms of the review were set out in Appendix 2 and would look at the procedures for repairs in buildings with mixed ownership.

The report outlined the scope of the review and the intention to invite relevant stakeholders to future meetings to provide information to the Board. A copy of the proposed timetable was attached as Appendix 1 to the report.

**DECIDED:**

- (a) That the purpose and scope of the review be approved;
- (b) That the provisional timescale as outlined in Appendix 1 to the report be approved;
- (c) That powers be delegated to the Lead Officer in consultation with the Convener to alter the timetable having regard to the availability of evidence and witnesses throughout the course of the review;
- (d) That the Lead Officer be authorised to contact any organisations recommended by the Board who might have information useful to the Board and who might be potential witnesses; and



(e) That the Lead Officer be authorised to make the necessary arrangements to progress the review within the agreed timescales.

## **EXCLUSION OF PRESS AND PUBLIC**

The Board resolved that the press and public be excluded from the meeting during consideration of the following item of business as it was likely, in view of the nature of the business to be transacted, that if members of the press and public were present, there would be disclosure to them of exempt information as defined in paragraphs 1 and 14 of Part I of Schedule 7A of the Local Government (Scotland) Act 1973.

### **16 Summary of Internal Audit Reports for Period 01 January to 30 April 2019.**

- Information relating to any individual;
- Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of a crime.