renfrewshire.gov.uk

Renfrewshire Council

Notice of Meeting and Agenda
Audit, Risk and Scrutiny Board

Date	Time	Venue
Monday, 22 May 2023	15:00	Council Chambers (Renfrewshire), Council Headquarters, Renfrewshire House, Cotton Street, Paisley, PA1 1AN

MARK CONAGHAN
Head of Corporate Governance

Membership

Councillor Andy Doig (Convener):   Councillor Kevin Montgomery (Depute Convener):

Councillor Jennifer Adam: Councillor Chris Gilmour: Councillor John Gray: Councillor Lisa-Marie Hughes: Councillor Robert Innes: Councillor James MacLaren: Councillor Janis McDonald:

PLEASE NOTE

There is a Petitions Board meeting at 2pm in the Council Chamber on 22 May and the Audit, Risk & Scrutiny Board is at 3pm. Therefore the Audit meeting will either commence at 3pm or at the conclusion of the meeting of the Petitions Board, whichever is the later.

Further Information

This is a meeting which is open to members of the public.

A copy of the agenda and reports for this meeting will be available for inspection prior to the meeting at the Customer Service Centre, Renfrewshire House, Cotton Street, Paisley and online
at http://renfrewshire.cmis.uk.com/renfrewshire/CouncilandBoards.aspx
For further information, please email
democratic-services@renfrewshire.gov.uk

Members of the Press and Public

Members of the press and public wishing to attend the meeting should report to the customer service centre where they will be met and directed to the meeting.

Hybrid Meeting

Please note that this meeting is scheduled to be held in the Council Chambers. However, it is a hybrid meeting and arrangements have been made for members to join the meeting remotely should they wish.

Webcasting of Meeting

This meeting will be filmed for live or subsequent broadcast via the Council's internet site – at the start of the meeting the Convener will confirm if all or part of the meeting is being filmed. To find the webcast please navigate to

https://renfrewshire.public-i.tv/core/portal/home

AUDIT

Apologies

Apologies from members.

Declarations of Interest

Members are asked to declare an interest in any item(s) on the agenda and to provide a brief explanation of the nature of the interest.

MONITORING & REVIEWING SERVICE DELIVERY PERFORMANCE POLICIES AND PRACTICE

ANNUAL PROGRAMME

AUDIT

Exempt Item

Exempt documents are no longer available in print format. You will require to log in to Audit, Risk & Scrutiny Exempt Items to access documents. Please note that access to exempt documents is now restricted.

EXCLUSION OF PRESS AND PUBLIC

The Board may by resolution exclude the press and public from the meeting during consideration of the following items of business as it is likely, in view of the nature of the business to be transacted, that if members of the press and public are present, there could be disclosure to them of exempt information as defined in paragraph 12 of Part I of Schedule 7A of the Local Government (Scotland) Act, 1973.

Renfrewshire
Council

_____

To: Audit, Risk and Scrutiny Board

On: 22 May 2023

_____

Report by: Director of Finance and Resources

_____

Heading: Unaudited Annual Governance Statement 2022 - 2023

_____

1.   **Summary**

1.1   The Local Authority Accounting Regulations require that an Annual Governance Statement is prepared and included in the Annual Accounts for the council. The Annual Governance Statement should be prepared in accordance with the CIPFA / Solace guidance "Delivering good governance in Local Government".

1.2   The Annual Governance Statement for 2022-23 is attached and has been prepared in accordance with the relevant regulation and guidance taking account of the Internal Audit Annual Report and Director's evaluation of the operation of the governance arrangements within each service area.

1.3   The Governance Statement is subject to statutory audit by the Council's External Auditors as part of their review of the annual accounts.

_____

2.   **Recommendations**

2.1   Members are invited to note the Annual Governance Statement which will be included in the Unaudited Accounts for 2022/23.

_____

Implications of the Report

1.   **Financial** - None

2.   **HR & Organisational Development** - None

3.   **Community Planning –** The application of sound governance arrangements supports the Council to deliver on its key objectives and priorities.

4.   **Legal -** subject to approval by Council, the Accounts will be released for audit by the statutory deadline of 30 June 2023.

5.   **Property/Assets** - None

6.   **Information Technology** - None

7.   **Equality & Human Rights** - None

8.   **Health & Safety** – None

9.   **Procurement** - None

10**.**   **Risk** – Specific risks identified from the Chief Auditor's Annual Report and the assessments of service Directors are disclosed in the statement.

11.   **Privacy Impact** – None

12.   **COSLA Implications –** None

13.   **Climate Risk** - None

_____

Author: Andrea McMahon

Annual Governance Statement

Scope of responsibility

Renfrewshire Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. The Council also has a statutory duty to make arrangements to secure best value under the Local Government in Scotland Act 2003. In discharging this overall responsibility, the Council's members and the corporate management team are responsible for putting in place proper arrangements for its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

The Council has approved and adopted a Local Code of Corporate Governance, which is consistent with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) framework; Delivering Good Governance in Local Government. A copy of the Local Code is available on our website Local Code of Corporate Governance - Renfrewshire Website.

This statement explains how Renfrewshire Council has complied with the Local Code and also meets the Code of Practice on Local Authority Accounting in the UK, which details the requirements for an annual Governance Statement.

The purpose of the governance framework

The governance framework comprises the systems and processes, and culture and values, by which the Council is directed and controlled and through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives set out in the Council plan.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. Internal control cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework

The main features of our governance arrangements are described in the Local Code but are summarised below:

The overarching strategic priorities and vision of the Council are set out in the Council Plan 2022-2027 and the Renfrewshire Community Plan 2017-2027. The Council Plan is aligned to the Community Plan and sets out 5 strategic outcomes that the organisation will work to achieve over a 5-year period with specific priorities relating to tackling inequality, promoting economic and cultural regeneration, attainment and sustainability. Renfrewshire's Community Plan (which also acts as Renfrewshire's Local Outcome Improvement Plan as required by the Community Empowerment (Scotland) Act 2015) details how community planning partners will work together to achieve the key priorities identified for Renfrewshire.

- The key outcomes the Council is committed to delivering with its partners, are set out in the Community Plan;
- The Council operates within an established governance framework which incorporates a scheme of delegated functions, financial regulations, standing orders relating to contracts and procedural standing orders. These elements of the framework are kept under regular review by the Council;
- The Council facilitates policy and decision making through a policy board structure;
- Services are able to demonstrate how their own activities link to the Council's vision and priorities through their service improvement plans. Performance management and monitoring of service delivery is reported through policy boards regularly including six monthly updates to the Leadership Board on progress against the implementation of the Council Plan;
- The Corporate Management Team has agreed a new refreshed approach to its performance monitoring and the Council Plan scorecard will be considered alongside other performance information each quarter and followed up with an in-depth look at performance in one service particular area of interest at regular intervals.

- An annual report on the Local Government Benchmarking Framework, which includes data for over 100 indicators for all 32 local authorities, is provided to the Audit, Risk and Scrutiny Board each year.

- The Council has adopted a code of conduct for its employees. Elected members adhere to the nationally prescribed Code of Conduct for Members. In addition, the Council has in place a protocol for Relationships between Political Groups, Elected Members and Officers;
- The Council's approach to risk management is set out in the risk management strategy and is well embedded. Risks are reported regularly to the Audit, Risk and Scrutiny Board. During the year development work was completed on a new assurance model for managing business as usual risk, which involves senior managers working through a series of modules to ascertain their levels of assurance in how these risks are being managed within their services. A further development includes the Corporate Risk Management Group undertaking "control deep dive" exercises which involves detailed investigation of specific risk controls known to be in place to ascertain if the risk is over/under or well controlled;
- The Director of Finance and Resources is the Council's Senior Information Risk Owner and information risk is monitored through the Information Management and Governance Group and its sub-groups. The Managing Solicitor (DPO) is the statutory Data Protection Officer;
- Comprehensive arrangements are in place to ensure members and officers are supported by appropriate training and development;
- Registers of interests for elected members and senior officers are maintained and published on the Council's website;
- The Council complies with the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption and the Council's arrangements for fraud prevention, detection and investigation are managed through the corporate counter fraud service;
- The Council's approach to 'whistleblowing' is outlined in the whistleblowing policy.
- Cyber-attacks are both increasing and becoming more sophisticated and while no system of internal control can provide absolute assurance the Council has a range of multi layered Cyber Security controls are in place and are tested annually to check standards in line with Government guidance. Industry cyber security standards are followed and explicitly those belonging to Public Sector Network (PSN), National Cyber Security Centre (NCSC) guidance, Scottish Government Public Sector Cyber Resilience Plan and Payment Card Industry (PCI) data security standards. The O365 security and compliance toolset provides a wide range of protection against cyber-attacks including identity theft and phishing. The Council holds a current Certificate of Compliance for PSN standards. ICT network and digital services are monitored monthly through our cyber security partner. These are all monitored and managed through the Cyber Security team which is headed up by a CISM qualified Cyber Security Architect (Cyber Information Security Manager). Events and alerts are monitored 24 x 7 by our cyber security partner who are authorised to take emergency preventative action where necessary;
- Clear and independent governance arrangements are in place with One Ren and the Renfrewshire Health and Social Care Partnership with oversight from the Head of Policy and Commissioning and the Head of Corporate Governance respectively and the Council's Leadership Board.
- Seven Local Partnerships have been established and have identified initial local priorities. Decision making including that relating to relevant grants is delegated to each Local Partnership through a Lead Officer appointed by the Council.

This governance framework has been in place at Renfrewshire Council for the year ended 31 March 2023.

Within the 2021/22 report, Audit Scotland concluded that the Council's governance arrangements, including during the COVID-19 pandemic, were "appropriate and operated effectively".

The system of internal financial control
The system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures (including segregation of duties), management and supervision, and a system of delegation and accountability. Development and maintenance of the system is undertaken by managers within the Council. The system includes:
- Guidance on financial management supported by comprehensive financial regulations and codes;
- Comprehensive budgeting systems, and detailed guidance for budget holders;
- Regular reviews of periodic and annual financial reports which indicate financial performance against the forecasts;

- Setting targets to measure financial and other performance;
- The preparation of regular financial reports that indicate actual expenditure against the forecasts;
- Clearly defined capital expenditure guidelines;
- As appropriate, formal project management principles;
- The Chief Finance Officer is the Director of Finance and Resources who complies with the CIPFA Statement on the Role of The CFO in Public Services.

The role and responsibilities of the Audit Committee and the Chief Auditor
The role of the audit committee is under the remit of the Audit, Risk and Scrutiny Board which is chaired by an independent elected member; its role includes:

- to approve the internal audit charter and annual internal audit plans;
- to review internal and external audit reports and the main issues arising, including those relating to the annual accounts and seek assurance that action has been taken and make recommendations to the Council where appropriate;
- to receive and consider the Chief Auditor's annual report, summarising internal audit activity and the level of assurance this provides over the arrangements for internal control, risk management and governance within the Council;
- to monitor the performance of internal audit;
- to consider the annual review of the Local Code of Corporate Governance.

The internal audit service operates in accordance with the Public Sector Internal Audit Standards and reports to the Audit, Risk and Scrutiny Board. Internal audit undertakes an annual programme of work, approved by the Board, based on a strategic risk assessment. The Council's Chief Auditor provides an independent opinion on the adequacy and effectiveness of the governance framework, risk management and internal control. The Council conforms to the requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2019).

Members and officers of the Council are committed to the concept of sound governance and the effective delivery of Council services. The Audit, Risk and Scrutiny Committee complies with the CIPFA guidance Audit Committees: Practical Guidance for Local Authorities and Police. The Council's Chief Auditor has responsibility to review independently and report to the Audit, Risk and Scrutiny Board annually, to provide assurance on the adequacy and effectiveness of the Local Code and the extent of compliance with it. The Audit, Risk and Scrutiny Board performs a scrutiny role in relation to the application of the Local Code of Corporate Governance and regularly monitors the performance of the Council's internal audit service.

Internal Audit reporting arrangements include communication of finalised audit engagements, monitoring the progress of agreed management actions and communication of any unacceptable risk identified to the Board.

Review of effectiveness and continuous improvement
Renfrewshire Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness of the framework is informed by the work of the Corporate Management Team who have responsibility for the development and maintenance of the governance environment, the Chief Auditor's annual report, and reports from the external auditors and other review agencies and inspectorates.

The effectiveness of the governance framework is reviewed annually by the Corporate Management Team, including the use of an annually updated self-assessment tool covering five key areas of governance, as follows:

- Business Planning and Performance Management
- Internal Control Environment
- Budgeting, Accounting and Financial Control
- Risk Management and Business Continuity
- Conflicts of Interest, Whistleblowing and Gifts and Hospitality

This self-assessment indicated the governance framework is being complied with in all material respects. In addition, the review of the effectiveness of the governance arrangements and the systems of internal control

within the group entities places reliance upon the individual bodies' management assurances in relation to the
soundness of their systems of internal control.

The Council's approach to continuous improvement has a number of strands. Our Council Plan and Service Improvement Planning processes drive much of this and allow for elected member scrutiny of improvement activity. Services also undertake improvement work linked to their core duties and to statutory requirements. Registered services in education, housing, social work and social care regularly undertake self-assessment activity as part of their regulatory framework and inspection process. Services within Environment, Housing and Infrastructure maintain their ISO 9001 accreditation as one means of demonstrating quality. The Council has recently developed its own model of corporate self-assessment based on the Public Service Improvement Framework.

The Council continues to recognise the need to exercise strong financial management arrangements to manage the financial pressures common to all local authorities and has robust financial control and financial planning processes in place. The CIPFA Financial Management (FM) Code was adopted by the Council in June 2021. An Action Plan has been established following wide engagement with senior managers, service users and Finance staff. It contains 59 improvement actions with target dates ranging from 2023 until 2025. Work to refresh the initial engagement will be undertaken over the next 1-2 years to ensure that improvement work continues to be relevant and effective.

- In the post-pandemic period, the Council has had a strong focus on recovering from Covid-19 and continuing to mitigate some of the impacts on our communities, including those relating to rapidly increasing living costs. As an organisation, the Council has adopted continues to adopt new ways of working, building on the strong approach developed during the pandemic in areas such as digital access for customers, and embracing hybrid working. Whilst this is still a recovery phase, much of the business-as-usual work has fully resumed, including:
- the work on social renewal, which began during the pandemic, is now part of the wider Fairer Renfrewshire programme, which is overseen by a sub-committee of the Leadership Board services hare returned to the regular programme of reporting performance to elected members through policy boards, with service improvement plans submitted for approval in spring 2022 and regular progress updates provided.
- the Right for Renfrewshire programme recommenced over 2022, and the service redesigns progressed were in those areas where it was anticipated that there would be potentially less direct impact from the pandemic recovery process and where the greatest opportunity exists for appropriate management and service capacity to be directed towards the Right for Renfrewshire agenda;
- the ongoing impact of the pandemic on service delivery continue to be monitored as part of service recovery arrangements There have been no significant changes to internal controls although significant numbers of new and amended processes;
- the Council commenced planning for Brexit during 2019/20 and identified risks have been incorporated into the Strategic and Corporate Risk Registers. Some of these risks will be further exacerbated by the ongoing conflict in Ukraine and the associated sanctions on Russia which will place additional cost and supply pressures on some products and materials that are likely to increase and continue into 2023/24.

Audit Scotland have introduced a new approach to auditing Best Value in local government which has commenced this year as part of the next 5-year Best Value Audit programme. This approach involves thematic areas of focus each year which will be considered for all local authorities within the same snapshot in time rather than the previous rolling programme of deep dive audits which inspect each local authority across a five-year programme. This is significant shift in approach and for year one, will examine the effectiveness of leadership in developing new local strategic priorities. Audit Scotland have also indicated they will be looking at Councils' approaches to climate change, cyber security (both will be looked at in year one) reducing inequalities and demonstrating improved outcomes for communities (ongoing). Alongside the ongoing Best Value auditing and this new approach with annual themes, there will also be a Section 102 Audit carried out and a report produced at some point within the 5-year programme. Unlike the new annual thematic reviews, this is anticipated to involve a deeper dive across all Best Value themes

collated into a lengthier report specifically for Renfrewshire Council. The first year of this will run from October 2023 to August 2024 and Renfrewshire Council has not been included for this round. Another change for Renfrewshire Council sees the appointment of a new team of external auditors, Azets. More information about Azets and the planned audit approach was outlined to the Audit, Risk & Scrutiny Board in March 2023 in the External Audit Plan 2022/23.

Audit Scotland provided an unqualified and unmodified audit opinion on the 2021/22 annual accounts.

An external independent review is ongoing regarding the circumstances which led to an error with the projected required school roll of Dargavel Primary School. Once this external review has reached its conclusion, the findings from this review will be considered by Council, including any improvement actions identified.

Regular reviews of the Council's arrangements are undertaken by internal audit, in the 2021/22 governance statement, 2 areas were identified where only limited assurance could be provided.

- Memorial safety - The inspection process for memorials has progressed significantly and is currently sitting at 85% complete. The remaining 15% will be completed by the end of June 2023. In addition to the initial inspections being carried out the service is now carrying out reinspection's to the headstones that were identified as requiring to be monitored annually for any deterioration at their initial inspection.

- Corporate purchase cards – card holders and approvers have been reminded that the procedures must be complied with, and sample checks are being undertaken by the Procurement team. Regular internal audit reviews of compliance with the procedures will continue to be undertaken.

The programme of work undertaken by internal audit in 2022/2023 identified 6 occasions where a limited or no assurance level was provided in relation to the internal control, risk management and governance objectives for the specific areas of each audit review. Of these 4 were specific to individual service areas and although these areas require to be addressed there is no significant impact on the Council's overall system of internal control and action plans are in place to address the risk identified.

The 2 areas identified as impacting on the overall internal control, risk management and governance arrangements are:

- Business continuity plans - Service level Business Continuity Plans require to be improved to record all the ICT areas referred to in the council's Business Continuity Plan template for all service areas. The main areas to be reviewed and updated are service area restoration plans and plans in the event of ICT system outages. The Crisis and Resilience Management Team have overarching responsibility for Business Continuity Plans and recommendations have been made to address the areas identified and ensure a consistent approach is taken across services.

- Creditor payments - The audit specifically reviewed the arrangements for compliance with the purchase to pay procedures, whereby manual payments should only be made in very specific circumstances. The review identified that current process in place for the passing and payment of manual invoices fall short in several areas and creates several risks, particularly in relation to possible breaches of the Council's Contract Standing Orders.

Internal audit undertakes an annual exercise to ensure that recommendations arising from internal audit engagements have been implemented by service management and the results are reported to the Audit, Risk and Scrutiny Board. This work highlighted that 67% of recommendations were implemented by the due date. 30% had passed their original due date and revised implementation dates have now been set and 3% were superseded. Of the 13 recommendations followed up that were deemed to be critical, 8 have been fully implemented, 3 have been partially implemented and 2 were still to be implemented. Revised implementation dates have been agreed for each of these recommendations.

It is our view that the Council has in place a sound for governance, risk management and internal control and that appropriate mechanisms are in place to identify any areas of weakness. This is corroborated by an Annual Report incorporating the Annual Assurance Statement prepared by the Council's Chief Auditor stating that subject to management addressing the critical and important recommendations made the limited and no assurance reports, it is considered that reasonable assurance can be placed upon the adequacy and effectiveness of the Council's internal control, risk management and governance arrangements.

Action Plan

Following consideration of the review of adequacy and effectiveness the following action plan has been agreed to ensure continual improvement of the Council's governance.

Agreed action	Responsible person	Date
All service level business continuity plans are to be updated to record all the ICT risks referred to in the council's business continuity plan template for all service areas.	Service Directors	September 2023
A review of the current manual payment process is under review with key stakeholders from the Corporate Procurement Unit and the Finance Business Partners, this will enable and introduce an exception policy to support the No Purchase Order No Payment. Once the review is conducted the exception policy will be implemented and the No Purchase Order No Payment approach will commence, this is anticipated to take up to 12 Months.	Procure to Pay (P2P) Manager	May 2024

The agreed actions will be subject to review to identify the progress being made in implementing these actions.

Update on the 2021/22 Action Plan

Agreed action	Progress Update	Responsible person	Date
Prepare 3-year Improvement Plans for each service	Complete All 2022 Service Improvement Plans were approved by the relevant Policy Boards in May/June 2022.	Service Directors	June 2022
Review and refresh quarterly scorecard of performance information	Complete The new Council Plan scorecard was approved by Leadership Board in December 2022. New approach to Corporate Management Team (CMT) scorecard approved by CMT March 2023.	Head of Policy and Commissioning	December 2022 March 2023
Establish an action plan arising from the CIPFA FM Code	Complete The Action Plan was delayed due to other priorities and capacity issues in the Finance team; however, it is	Head of Finance and Procurement	December 2022

	now complete and was finalised on 8 March 2023.		

Update on the 2020/21 Action Plan

The 2020/21 Governance Statement identified areas of continuous improvement activities to be taken forward to improve the overall governance, risk management and internal control environment. Progress over the last 12 months against the agreed action plan is detailed below.

Agreed action	Progress Update	Responsible person	Date
Review and update where necessary the policy for expressing concerns outwith line management whistleblowing' for approval by Board.	Complete	Chief Auditor	February 2023
Review and refresh the Council Plan.	Complete	Head of Policy and Commissioning	September 2022

Assurance

Subject to the above, and on the basis of the assurances provided, we consider the governance and internal control environment operating during 2022/23 provides reasonable and objective assurance that any significant risks impacting on the achievement of our principal objectives will be identified and actions taken to avoid or mitigate their impact. Systems are in place to continually review and improve the governance and internal control environment and action plans are in place to address identified areas for improvement.

To: Audit, Risk and Scrutiny Board

On: 22 May 2023

Report by: Chief Auditor

Heading: Internal Audit Annual Report 2022 - 2023

1.   **Summary**

1.1   The Public Sector Internal Audit Standards require the Chief Auditor to prepare a report, at least annually, to senior management and the Board on the internal audit activity's purpose, authority, and responsibility, as well as performance relative to its plan.

1.2   The annual report must also provide an annual audit opinion on the overall adequacy and effectiveness of the Council's internal control environment and include details of any significant risk exposures and control issues, including fraud risks, governance issues, and other matters that can be used to inform the governance statement.

1.3   The Annual Report for 2022-23 is attached and outlines the role of Internal Audit, the performance of Internal Audit, the strategic and operational issues which influenced the nature of the work carried out, the key audit findings, and contains the annual audit assurance statement.

2.   **Recommendations**

2.1   Members are invited to consider and note the contents of the Internal Audit Annual Report.

ARS 22/5/23

Implications of the Report

1.   **Financial** - None

2.   **HR & Organisational Development** - None

3.   **Community Planning –**
      Safer and Stronger - effective internal audit is an important element of good corporate governance.

4.   **Legal** - None

5.   **Property/Assets** - None

6.   **Information Technology** - None

7.   **Equality & Human Rights** – None

8.   **Health & Safety** – None

9.   **Procurement** - None

10**.**   **Risk** - The summary reported relates to the delivery of the risk-based internal audit plan.

11.   **Privacy Impact** – None

12.   **COSLA Implications** – None

13.   **Climate Risk** - None

_____

Author Andrea McMahon

Annual Report
2022-2023

**Renfrewshire Council
Internal Audit**

May 2023

	Renfrewshire Council
	Internal Audit Annual Report 2022/2023

Contents

Renfrewshire Council
Internal Audit Annual Report
1 April 2022 – 31 March 2023

1. Introduction

1.1 Internal Audit is an independent and objective assurance and consulting activity designed to add value and improve the operations of Renfrewshire Council. It assists Renfrewshire Council in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the organisation's risk management, control, and governance processes.

1.2 The Chief Auditor reports functionally to the Audit, Risk and Scrutiny Board and administratively (i.e. day to day operations) to the Director of Finance and Resources. In accordance with the principles of good corporate governance, regular reports on internal audit work and performance are presented to the Audit, Risk and Scrutiny Board.

1.3 The purpose, authority and responsibility of the internal audit activity is defined in the internal audit charter, approved by the Audit, Risk and Scrutiny Board; and provides that the Chief Auditor has independent responsibility for the conduct, format and reporting of all internal audit activity and findings.

1.4 The service operates in accordance with the Public Sector Internal Audit Standards (PSIAS). The Standards define the basic principles for carrying out internal audit. They establish the framework for providing internal audit services, which add value to the organisation, leading to improved organisational processes and operations.

1.5 The Standards require the Chief Auditor to prepare a report, at least annually, to senior management and the Board on the internal audit activity's purpose, authority, and responsibility, as well as performance relative to its plan. The annual report must also provide an annual audit opinion, on the overall adequacy and effectiveness of the Council's internal control environment. It must include details of any significant risk exposures and control issues, including fraud risks, governance issues, and other matters that can be used to inform the governance statement.

1.6 The aim of this report is to provide an opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control and provide a summary of the work undertaken during the year to support that opinion. The report also provides details of the performance of the internal audit service during the past year, and the results of the quality assurance and improvement programme.

1.7 In addition to the work carried out in relation to council services, we also provide an internal audit service to the following organisations:

- OneRen
- Renfrewshire Valuation Joint Board
- Scotland Excel
- Clydeplan
- Renfrewshire Health and Social Care Partnership – Integration Joint Board

1.8 The outcome of the audit assignments undertaken for these organisations is reported separately as part of their annual report which also contains an assurance statement to their Boards.

2. Responsibilities of Management and Internal Audit

2.1 It is the responsibility of the Council's managers to ensure that the management of the areas under their control is adequate and effective and that their services have a sound system of internal control which facilitates the effective exercise of the organisation's functions and which includes arrangements for the management of risk.

2.2 Internal audit is not a substitute for effective control exercised by management as part of their responsibilities. Internal audit's role is to independently assess the adequacy of the risk management, internal controls and governance arrangements put in place by management and to undertake sufficient work to evaluate and conclude on the adequacy of those controls for the period under review.

3. Internal Audit Activity during 2022/2023

3.1 The internal audit plan for 2022/2023 was approved by the Audit, Risk and Scrutiny Board on 13 June 2022. The plan was risk-based and took into account the outcomes of the service and corporate risk evaluation processes, any significant changes in council operations over the period, and the impact of developments in national policy and regulation. The plan also took into account key external audit reports including their Annual Audit Plan for the council.

3.2 The audit plan is kept under continuous review throughout the year, to ensure we are flexible in reacting to the post pandemic work environment or to any changing risk profile for the council. We also experienced a reduction in resource for the team for part of the year due to unplanned absence. The Audit, Risk and Scrutiny Board approved the following amendments to the plan:

- Administration of medicines in schools has been deferred until 2023/24.
- Catering procurement cards, the time on this was utilized to review the revised processes proposed for catering purchases.

3.3 All other planned work as detailed in the 2022/2023 audit plan has been undertaken or commenced and those assignments not finalised by 31 March 2023 have been prioritised in the first quarter of the current year.

3.4   Set out below are the significant risks which influenced the content of the plan and the nature of the work undertaken in recognition of these.

(1)   Financial Sustainability

The medium to longer term financial sustainability risk remains very high as the financial outlook is subject to considerable uncertainty as a result of various factors including future grant levels, pay pressures and the significant cost of living increases.   Therefore, the financial outlook continues to be subject to significant and regular scrutiny. The 2022/23 audit plan included time for reviewing:

- the best value arrangements throughout the Council;
- the control of payroll variations;
- the procurement of goods and services by quick quote processes;
- rental income collection procedures;
- debt management processes and
- care at home processes.

(2)   Economy

The coronavirus pandemic has resulted in many challenges for economies across the world, a number of sectors have been impacted by the lockdown restrictions and some sectors are currently experiencing significant volatility in terms of labour and supply chains as well as major cost rises as a result of the rising inflation rates. The 2022/23 audit plan included a review of the arrangements for processing development planning applications.

(3)   Reducing Equalities in Renfrewshire

The Council plays a key role in tackling inequalities and providing the best possible services to our communities. It is committed to working with and providing support to communities to assist in the successful delivery of local priorities. The 2022/23 audit plan included time for reviewing grants provided to the cultural sector.

(4)   Cyber Attack

Cyber attacks are becoming more and more frequent and sophisticated and we have seen attacks on large public organisations which have had a significant impact on their service provision. The 2022/23 audit plan included a review of the controls and protections the council has in place over its cyber environment.

(5)   Climate, Sustainability and Adaptability

Given the significant rising energy costs consumers are facing, the Council has a role in promoting and advising its community about energy efficiency as well as making optimum use of its property estate and reduce overall running costs and energy consumption levels. The 2022/23 plan included time for reviewing the energy management arrangements in operation.

2.3   In addition the following reviews included in the 2022/23 plan relate to business as usual risks inherent by nature of our type of organisation:-

- Supply Teachers Processes
- Disaster Recovery Arrangements
- Review of the Information Asset Register.

3.5   In line with the council's procedures, instances of suspected theft, fraud or other irregularity are reported to internal audit. Depending on the nature of the allegations, they are investigated either by the internal audit service or by the Corporate Counter Fraud service. All referrals were evaluated and investigated as appropriate.

3.6   During 2022/23, Internal Audit conducted a number of investigations in relation to internal control matters which recommended improvements in the arrangements for processing change requests for both payroll and supplier bank detail and improvements in the governance arrangements for capital works within a partner organisation. The remaining unplanned investigations related to employee conduct and service management has undertaken disciplinary procedures and strengthened internal controls where necessary.

3.7   The outcomes of all internal investigation reviews undertaken by internal audit are reported to the Audit, Risk and Scrutiny Board.

4.   Summary of Internal Audit Work

4.1   The internal audit team has been working on a hybrid basis, mainly from home. The team also provided advice and support where necessary to council services.

4.2   Appendix 1 details the assurances arising from the internal audit work carried out in line with the 2022/23 audit plan and from those 2021/22 assignments which were finalised during this year which supports the annual assurance statement. These include the conclusions in relation to the overall system of internal control, risk management and governance arrangements.

5.   Internal Audit Resources

5.1   For the year to 31 March 2023, the audit plan was based on an establishment of 6.00 full time equivalent employees plus 80 days to be provided from other service providers. However, the actual staffing complement was reduced due to higher than anticipated unplanned absence. Two council and one Integration Joint Board audit engagements were outsourced as planned.

5.2   The internal audit team will ensure that independence and objectivity are maintained in line with the PSIAS including where non-audit work is undertaken. Internal auditors will have no operational responsibilities. There have been no impairments impacting on the Chief Auditor's independence and the team has been adequately resourced during the year.

6. Review of Internal Audit Activity

6.1 The Audit Plan for 2022/23 set out our risk-based plans across a range of audit categories, the results of which have been reported quarterly to Audit, Risk and Scrutiny Board. Table 1 below compares the actual days spent on each category of audit work against that planned for the year.

Table 1

Type of Audit	Planned Days	Actual Days	Variance	
			Days	%
Governance	112	82	30	27%
Assurance	381	318	63	17%
Contingency	314	371	(57)	18%
Audit Planning & Reporting	134	132	2	1%
Total Operational Days	**941**	**903**	**38**	**4%**
Training	57	53	4	7%
Strategic Management	20	11	9	45%
Team Administration	96	80	16	17%
Development	79	35	44	56%
Total Non-operational Days	**252**	**179**	**73**	**29%**
Gross Available Days	**1193**	**1082**		
Operational %	**79%**	**83%**		
Non-Audit – Including Management of Risk Management and Insurance and Corporate Counter Fraud including the co-ordination of NFI	93	65	28	30%

6.2 Material differences (over 20% and over 20 days) from the plan are explained below:

   1) Governance

   The planned review of administration of medicines in schools was deferred until 2023/24 due to the planned implementation of a revised policy. The review of IJB risk management arrangements commenced at the end of March 2023 and consequently part of the budgeted days are deferred into 2023/24.

   2) Strategic Management and Development

   Less time than anticipated was spent on preparing for our external quality assessment and on development of our audit management system.

7. Quality Assurance and Improvement Activity

7.1   Internal audit measures performance against a range of measures set annually by the Director of Finance and Resources. The Audit, Risk and Scrutiny Board received quarterly reports on progress and performance during the year. Table 2 shows the actual performance against targeted performance for the year.

Table 2

Internal Audit Performance 2022/23

Performance measure	Target 2022/23	Actual 2022/23
% completion of audit plan for the year*	95%	93%
% engagements completed by target date	95%	97%
% engagements completed within time budget	95%	98%

*   this measures the completion percentage as at 31 March. 100% of the plan is ultimately delivered through the finalisation of the outstanding elements in the new financial year.

7.3   The percentage completion of the audit plan is slightly below the target set for the year. This was due to the level of unplanned leave and the additional time attributed to unplanned work. The actual performance for the year for the two other indicators, is above the target performance level.

7.4   The PSIAS require the Chief Auditor to develop and maintain a quality assurance and improvement programme (QAIP) that covers all aspects of the internal audit activity. The QAIP must include both periodic internal self-assessments and five-yearly external assessments, carried out by a qualified, independent assessor from outwith the organisation.

7.5   We continued to participate in the Scottish Local Authorities Chief Internal Auditors' Group peer review process and our external assessment has recently been completed by the Chief Internal Auditor from South Ayrshire Council. The report concluded that the internal audit service fully conforms with the PSIAS. The report included 7 recommendations for improvement, 3 of which had already been identified through the internal self-assessment process. An action plan has been completed and the report has been submitted to the Audit, Risk and Scrutiny Board.

7.6   External Audit's review of the internal audit service concluded that overall the service operates in accordance with the PSIAS.

8.   Implementation of Audit Recommendations

8.1   During 2022/23, 94 recommendations were followed up, with 67% of all recommendations being completed. The implementation status of the recommendations across each service area is detailed in Table 3 below.

6

Table 3

Implementation of Audit Recommendations 2022/23					
Service	No. Followed up	Complete	Partially Complete (new date)	Not Implemented (new date)	Redundant
Adult Services	1	0	1 (100%)	0	0
Chief Executive's	31	21 (68%)	8 (26%)	2 (6%)	0
Children's Services	7	7 (100%)	0	0	0
Environment & Infrastructure	12	10 (84%)	1 (8%)	1 (8%)	0
Finance & Resources	38	22 (58%)	10 (26%)	4 (11%)	2 (5%)
Communities & Housing	5	3 (60%)	1 (20%)	0	1 (20%)
Total	**94**	**63 (67%)**	**21 (23%)**	**7 (7%)**	**3 (3%)**

9. Performance of Non-Audit Activities

9.1 Risk Management

The responsibility for co-ordinating risk management and insurance activity across the council lies with internal audit. Risk management performance is detailed in the risk management annual report.

9.2 Corporate Counter Fraud

The Corporate Counter Fraud Team reports to the Chief Auditor; during the period 2022/2023, the team has worked on a hybrid basis.

The Corporate Counter Fraud Team works to raise awareness of fraud, and to encourage and promote an anti-fraud culture. Where a suspicion of fraud arises, the team investigate and report their findings to management. Where appropriate, follow-on action is taken, such as reporting the matter to Police Scotland for further investigation, or directly to the Procurator Fiscal.

The team works to protect Council resources, investigating frauds against the Council, such as: council tax reduction, tenancy, housing application, Scottish Welfare Fund, school placements, blue badge; and any other potentially fraudulent matter arising.

As a result of changes to working practices during the pandemic, some investigative processes have been streamlined. Where appropriate, customers are now contacted by telephone or e-mail. This process is convenient for customers and staff alike, and enables investigations to be conducted quickly and efficiently. Where necessary, and for more serious cases, visits and interviews under caution are conducted.

The team continue to work with the DWP, undertaking joint investigations, which can result in the identification of overpayments of Single Person Discount, Council Tax Reduction, Council Tax Benefit, Housing Benefit, Universal Credit, Child and Working Tax Credits, and other DWP benefits.

Counter fraud training sessions were suspended during the pandemic. Revised working practices mean that many staff are now working from home, and face to face sessions with staff are no longer practical for many colleagues.

Counter fraud staff now utilise Microsoft Teams to liaise with colleagues across Council services; to provide advice, discuss cases, conduct virtual meetings, and group counter fraud training sessions.

In addition to this, a Counter Fraud training course has been developed, and will be available to staff, in the coming weeks. Once available on iLearn, the training course will be rolled out to staff, and included in future counter fraud training session packages.

Table 4

Corporate Counter Fraud Performance 2022/23	
Financial Outcomes	**2022/23 (£)**
Cash savings directly attributable to preventative counter fraud intervention (e.g business grants)	8,674.00
Cash recoveries in progress directly attributable to counter fraud investigations	9,2940.66
Notional savings identified through counter fraud investigation, (e.g. housing tenancy and future council tax)	338,664.05
Housing Benefit Savings identified through other counter fraud work or through joint working with the DWP	65,289.86
Other DWP Benefit or Tax Credit Savings Savings identified through other counter fraud work or through joint working with the DWP	78,706.73
Non-Financial Outcomes	**2022/23**
Housing properties recovered	3
Housing applications amended/cancelled	4
Blue badge misuse warning letters issued	21

8

9.3   The National Fraud Initiative

The National Fraud Initiative (NFI) in Scotland is a counter-fraud exercise led by Audit Scotland and overseen by the Cabinet Office for the UK. It uses computerised techniques to compare information about individuals held by different public bodies, and on different financial systems that might suggest the existence of fraud or error.

Internal audit is responsible for the co-ordination of the exercise which is undertaken every second year. The Council's data, as required by the NFI, was submitted in October 2022, the resulting matches were received from January 2023 and investigation of those matches is currently being progressed throughout this year by Corporate Fraud and Council Services. The final outcomes arising from the exercise will be subject to a separate report to the Audit, Risk and Scrutiny Board during 2024/25.

10. Audit Assurance Statement

10.1   Internal audit has performed its work in accordance with the role defined in paragraph 1.4. The audit work performed has been reported to senior managers and where areas for improvement in internal control have been identified appropriate recommendations have been made and accepted for action by management.

10.2   In view of the continued challenges common to all local authorities, the Council recognises the need to exercise very close scrutiny over financial management and compliance with overarching governance arrangements and will continue to take appropriate action to further strengthen control in these areas.

10.3   Internal audit contributes to the promotion of sound corporate governance in the Council. The scrutiny function within the council performed by the Audit, Scrutiny and Petitions Board further demonstrates strong commitment in this area.

10.4   It is not feasible for the system of internal control in the Council to be without any weakness. It is important to balance the risks involved in accepting systems limitations with the consequences if a problem emerges. Internal audit recognises this and assesses this in its reporting mechanism.

10.5   The audit plan is always intended to be flexible and contingency time was utilised to undertake additional work on areas of emerging risk. Additionally, the gross operational days were reduced by 9% due to unplanned absence. Subject to management addressing the critical and important recommendations made the limited and no assurance reports, it is considered that reasonable assurance can be placed upon the adequacy and effectiveness of the Council's internal control, risk management and governance arrangements, as evidenced by:-

(i)   the results of the planned audit work in 2022/23;

(ii)   the results of investigative work in 2022/23;
(iii)   management self assessment of internal control, risk management and governance arrangements;
(iv)   management action to respond to audit recommendations to mitigate the risks areas highlighted in this report;
(v)   the regular review of the Local Code of Corporate Governance.

Signed

Chief Auditor

Date   22 May 2023

Audit Engagement	Risk Area	Assurance Level	Conclusion
Winter Maintenance Procedures	Assurance	**Reasonable**	• The audit identified that adequate arrangements were in place in relation to documented procedures, there were sufficient specialist vehicles deployed and appropriate forecasting information was available to support decision making. Areas identified for improvement included record keeping, performance monitoring and stock control.
Self-Directed Support	Assurance	**Substantial**	• Satisfactory arrangements are in place to engage with, assess and provide support and care for eligible clients. Audit findings identified during this review related to good practice associated with review dates for procedures and recording of information.
Housing Safety Checks	Assurance	**Substantial**	• The audit identified that in the main safety checks across the council's high rise estate were carried out and any matters escalated appropriately. It was identified that there is no documentation detailing the roles and responsibilities regarding the safety checks by contractors organised by Property Services on Housing Services behalf.
Creditors	Assurance	**Reasonable**	• The controls in place over the five procurement systems tested were generally satisfactory. Recommendations were made in relation to documented procedures for one system and improvements were recommended in relation to segregation of duties for another system.
Council Tax Collection	Assurance	**Substantial**	• Satisfactory arrangements are in place for administering council tax payments received and following up arrears. Payments received were correctly and promptly posted to taxpayers' accounts. KPI's were regularly reviewed and appropriately reported. Improvements were recommended in relation to the processes for refunds, write offs and credit balances.
Non-Domestic Rates	Assurance	**Reasonable**	• Satisfactory controls are in place for the billing and collection of rates. Improvements were recommended in

1

			relation to record keeping for rates relief applications. At the time of the audit, reviews of Non Domestic Rates reliefs were not being carried out, as a result of other priorities during the pandemic, but were planned to recommence.
Driver and Vehicle Checks	Assurance	**Limited**	• A number of recommendations for improvement made in relation to documented procedures, daily record keeping and compliance and certain safety arrangements.
Housing Assurance Framework – Compliance Checks	Assurance	**Substantial**	• Based on a sample check of the evidence used to demonstrate compliance, we would confirm that the Council complies with the requirements of the Housing Assurance Statement.
Stores – Stock Issues	Assurance	**Limited**	• The audit reviewed the arrangements in place for roads, lighting and refuse bins stock. Recommendations for improvement were made to improve records of stock movements and to ensure that the three sections reviewed comply with all aspects of the council's Instructions for stocktaking and annual reporting including possible write offs of stock.
Statutory Inspections – Public Buildings	Assurance	**Substantial**	• For those inspections within our audit sample, arrangements to identify all properties requiring inspections by Building Services and Contractors were satisfactory. Some inspections were not carried out during Covid but the majority of inspections tested were back on track. All adult care establishment inspections tested, were back on track.
Procurement – Quick quote processes	Assurance	**Substantial**	• Satisfactory arrangements are in place which ensure adherence to the quick quote process. The council's contracts standing orders were temporarily updated at the beginning of 2022 with one of the principal changes being the lower threshold for quick quotes increasing from £10,000 to £25,000. It was recommended that a full review of the contract standing orders, including

		 	consideration of the increased threshold, should be completed and presented for approval by the Council.
Business Continuity Plans	Assurance	**Limited**	• Service level Business Continuity Plans require to be improved to record all the ICT areas referred to in the council's Business Continuity Plan template for all service areas. The main areas to be reviewed and updated are service area restoration plans and plans in the event of ICT system outages. The Crisis and Resilience Management Team have overarching responsibility for Business Continuity Plans and recommendations have been made to address the areas identified and ensure a consistent approach is taken across services.
Creditors – Purchase to pay	Assurance	**No Assurance**	• The audit specifically reviewed the arrangements for compliance with the purchase to pay procedures, whereby manual payments should only be made in very specific circumstances. The review identified that current process in place for the passing and payment of manual invoices were not sufficient in several areas and creates several risks, particularly in relation to possible breaches of the Council's Contract Standing Orders.
Corporate Governance Framework	Governance	**Substantial**	• Based a sample check of the evidence used to demonstrate compliance, it was confirmed that the Council complies with the requirements of the Local Code of Corporate Governance. In addition, it was evident that the Local Code has been subject to review and updating in line with developments in best practice and any revised Council Policies.
Cyber Security	Assurance	**Reasonable**	• The internal control processes were generally satisfactory. The audit identified some scope for improvement in the existing arrangements mainly in relation to training for staff and updating the incident response plan to include more detail on decision-making arrangements.
School Meals Debt	Assurance	**Limited**	• Documented procedures have been in place since October 2021. However, these are only partially

			implemented at secondary schools thereby allowing debt to continue to accumulate. Action is not always being taken to identify the circumstances contributing to the school meals debt and whether assistance can be provided. Furthermore, invoices are not being issued when required. This has resulted in a significant number of overdrawn school meals accounts on the ParentPay System.
Control and Recording of Assets – plant and equipment	Assurance	**Limited**	• The audit specifically reviewed the compliance with the inventory procedures in relation to Streetscene plant and equipment and identified that the controls in place were inadequate. At the time of the review, some items could not be located. Significant improvements are required to ensure compliance with the Council's Inventory Procedures.

Assurance Level	
Substantial Assurance	• There is a sound system of internal control designed to achieve the objectives of the area being reviewed. • The control processes tested are being consistently applied.
Reasonable Assurance	• The internal control processes are generally satisfactory with some areas of weakness being identified that could put some objectives of the area being reviewed at risk • There is evidence that the level of non-compliance with some of the control processes may put some of the objectives of the area being reviewed at risk.
Limited Assurance	• Weaknesses in the system of internal controls are such as to put the objectives of the area being reviewed at risk. • The level of non-compliance puts the objectives of the area being reviewed at risk.
No Assurance	• Control processes are generally weak with significant risk to the achievement of the objectives of the area being reviewed. • Significant non-compliance with control processes leaves the processes/systems open to error or abuse.

4

Renfrewshire
Council

To: Audit, Risk and Scrutiny Board

On: 22 May 2023

Report by: Chief Auditor

Heading: Summary of Internal Audit Reports for period 01 January to 31 March 2023

---

1.   **Summary**

1.1   In line with the Public Sector Internal Audit Standards, Internal Audit must communicate the results of each engagement to the Board. To comply with this requirement, Internal Audit submits regular reports on the findings and conclusions of audit engagements to the Audit, Risk and Scrutiny Board.

1.2   Appendix 1 provides details those audit engagements completed during the period 1 January to 31 March 2023 with the overall assurance rating and the number of recommendations in each risk category. The committee summary for each report is also attached. For each audit assignment where recommendations have been made, the relevant managers have put action plans in place to address the issues raised.

1.3   In addition to the reports listed in the Appendix, Internal Audit has an ongoing commitment to:

- A range of corporate and service initiatives;
- Progressing of information security matters in partnership with ICT and Legal Services;
- The regular provision of advice to departmental officers;
- The provision of internal audit services to the associated bodies for which Renfrewshire Council is the lead authority and to Renfrewshire Leisure Ltd and Renfrewshire Health and Social Care Integrated Joint Board;

ARS 22/5/23

- Co-ordination of the Council's corporate risk management activity;
- Management of the counter fraud team;
- Management of the risk management and insurance team.

_____

2.   Recommendations

2.1   Members are invited to consider and note the Summary of Internal Audit Reports finalised during the period from 1 January to 31 March 2023.

_____

Implications of the Report

1.   **Financial** - None

2.   **HR & Organisational Development** - None

3.   **Community Planning –**
        Safer and Stronger - effective internal audit is an important element of good corporate governance.

4.   **Legal** - None

5.   **Property/Assets** - None

6.   **Information Technology** - None

7.   **Equality & Human Rights** – None

8.   **Health & Safety** – None

9.   **Procurement** - None

10.   **Risk** - The summary reported relates to the delivery of the risk-based internal audit plan.

11.   **Privacy Impact** – None

12.   **COSLA Implications** – None

13.   **Climate Risk** - None

_____

Author: Karen Campbell – 07768354651

Appendix 1

<div align="center">

Renfrewshire Council

Internal Audit Service

Update for Audit, Risk and Scrutiny Board

Final Audit Reports issued from 1 January – 31 March 2023

</div>

Category	Service	Engagement	Assurance Rating	Recommendation Ratings			
				Critical	**Important**	**Good Practice**	**Service Improvement**
Assurance	Environment & Infrastructure	Statutory Inspections – Public Buildings	Substantial	0	0	0	0
	Chief Executive's	Quick Quote Processes	Substantial	0	0	2	0
	Corporate	Business Continuity Plans	Limited	2	1	2	0
	Chief Executive's/Finance & Resources	Creditors – Purchase to Pay	No Assurance	1	2	0	0

Note – No assurance rating can be given in respect of investigation assignments

Assurance Level	
Substantial Assurance	• There is a sound system of internal control designed to achieve the objectives of the area being reviewed. • The control processes tested are being consistently applied.
Reasonable Assurance	• The internal control processes are generally satisfactory with some areas of weakness being identified that could put some objectives of the area being reviewed at risk • There is evidence that the level of non-compliance with some of the control processes may put some of the objectives of the area being reviewed at risk.
Limited Assurance	• Weaknesses in the system of internal controls are such as to put the objectives of the area being reviewed at risk.

	• The level of non-compliance puts the objectives of the area being reviewed at risk.
No Assurance	• Control processes are generally weak with significant risk to the achievement of the objectives of the area being reviewed. • Significant non-compliance with control processes leaves the processes/systems open to error or abuse.

Recommendation Rating	
Service Improvement	Implementation will improve the efficiency / housekeeping of the area under review.
Good Practice	Implementation will contribute to the general effectiveness of control.
Important	Implementation will raise the level of assurance provided by the control system to acceptable levels.
Critical	Addresses a significant risk, impacting on the objectives of the area under review.

Internal Audit Report
Environment & Infrastructure
Statutory Inspections – Public Buildings (A0110/2022/001)

Date: January 2023

COMMITTEE SUMMARY

Audit Objectives
The objectives of the audit were to ensure that: -   1. There is an appropriate service level agreement in place with Building Services to undertake statutory inspections and remedial works;   2. Appropriate arrangements are in place to identify all properties requiring statutory inspections, including adult care establishments, within the guidance timescales and log the outcome of these inspections;   3. Appropriate sub contracts are in place for inspections where the inspections are not undertaken directly by Building Services;   4. Arrangements are in place to undertake resulting remedial works arising from inspection visits, within the required timescales and log the works as completed;   5. Compliance certificates are appropriately retained;   6. Adequate performance management information is available to senior management.

Audit Scope
The following work was carried out: 1. Interviewed the appropriate staff and ascertained the processes in place for statutory inspections at Public Buildings.   2. Prepared a series of tests to enable examination of the areas outlined in the objectives.   3. The inspections selected for testing were Gas Safety, Emergency Lighting and Electrical Routine by Building Services and Lift Maintenance, Fire Alarms and Smoke Ventilation by external contractors.

Key Audit Assurances
1. Scheduled inspections by Building Services and Contractors and their frequencies are set out in a table within the Renfrewshire Council Guidance on Statutory Inspections and Maintenance, prepared by the Health and Safety team.   2. Appropriate arrangements are in place to identify all properties requiring statutory inspections and log the outcome of these inspections.   3. Appropriate sub contracts are in place for those inspections which are not undertaken directly by Building Services;   4. Appropriate arrangements are in place to undertake remedial work arising from inspection visits and log the works as completed;   5. Compliance certificates are appropriately retained;   6. Adequate performance management information is available to senior management.

Internal Audit Report
Environment & Infrastructure
Statutory Inspections – Public Buildings (A0110/2022/001)

Date: January 2023

Key Audit Risks
There were no key risks identified during the audit.

Overall Audit Opinion
For those inspections within our audit sample, arrangements to identify all properties requiring inspections by Building Services and Contractors were satisfactory. Some inspections were not carried out during the Covid 19 lockdow but the majority of inspections tested were back on track. All adult care establishment inspections tested, were back on track.

Management Commentary
Not applicable as no key risks were identified.

Internal Audit Report
Chief Executive's

Quick Quote Processes (A0085/2023/001)

Date: February 2023

COMMITTEE SUMMARY

Audit Objectives
The objectives of the audit were to ensure that: -   1. For contracts with a total value within the quick quote thresholds, quotations are sought from a minimum of 4 suppliers who have the experience and expertise to meet the council's requirements for the goods and services. 2. Where a quote is sought for the same requirement, a different group of potential suppliers is selected where possible. 3. There is appropriate approval for a non-competitive action in cases where only one supplier bids for the work. 4. The returned quotes are evaluated against the criteria in the quick quote specification, the most economically advantageous quote is selected and that appropriate sign off is received from the Director or authorised representative using the Contract Authorisation report prior to issuing award letters. 5. The contract award is published on the Public Contracts Scotland website.

Audit Scope
The following work was carried out: 1. Interviewed the appropriate staff, evaluated the system in place for quick quotes and identified any possible improvements to the system. 2. Prepared a series of tests to ensure the quick quote process was operating effectively and as described. 3. It should be noted there were a small number of quick quotes in the financial year 2021/22 and so there were no quotes for the same requirement to test whether or not a different group of potential suppliers was selected where possible.

Key Audit Assurances
1. For contracts with a total value between £10,000 and £50,000 (excluding VAT) before 1/1/2022 and between £25,000 and £50,000 (excluding VAT) after 1/1/2022, quotations are sought from a minimum of 4 suppliers who have the experience and expertise to meet the council's requirements for the goods and services. 2. There is appropriate approval for a non-competitive action in cases where only one supplier bids for the work. 3. The returned quotes are evaluated against the criteria in the quick quote specification, the most economically advantageous quote is selected and that appropriate sign off is received from the Director or authorised representative using the Contract Authorisation report prior to issuing award letters. 4. The contract award is published on the Public Contracts Scotland website.

Internal Audit Report
Chief Executive's
Quick Quote Processes (A0085/2023/001)

Date: February 2023

Key Audit Risks
There were no key risks identified during the audit.

Overall Audit Opinion
The audit identified that satisfactory arrangements are in place which ensure adherence to the quick quote process. The council's contracts standing orders were temporarily updated at the beginning of 2022 with one of the principal changes being the lower threshold for quick quotes increasing from £10,000 to £25,000. We have recommended that a timescale should be agreed for when the full review of the contract standing orders, including consideration of the increased threshold, will be completed and presented for approval by the Council.

Management Commentary
Not applicable as no key risks identified.

Internal Audit Report
Corporate
Business Continuity Plans for ICT Systems (A0034/2022/001)

Date: January 2023

COMMITTEE SUMMARY

Audit Objectives
The objectives of the audit were to ensure that: -   1. Services have undertaken Business Impact Assessments which have been documented and risk assessed.   2. Services have prepared Business Continuity Plans which specifically address recovery arrangements of their business critical ICT systems including prioritising which systems to recover and in what order.   3. Services' Business Continuity Plans are clear regarding roles, responsibilities and decision making arrangements for activation of the business continuity plans.   4. Services' Business Continuity Plans have considered the optimum way to gather data during an outage in such a way that it facilitates updating the source system on resolution of the outage.   5. Services and ICT (or external supplier) Business Continuity Plans are appropriately aligned in terms of expectations, response times and resources required.   6. Services Business Continuity Plans are tested on a regular basis.

Audit Scope
The following work was carried out: 1. We reviewed 5 service level Business Continuity Plans that referred to many service areas.   2. Met with relevant officers to obtain background information on processes followed for Business Continuity Plans.   3. Prepared and undertook a series of tests designed to meet the audit objectives.

Key Audit Assurances
1. Roles, responsibilities, and decision making arrangements for activation of Service Business Continuity Plans are clear.

Key Audit Risks
1. Where Service Business Continuity Plans do not include restoration documents for all service areas, those areas may not have up to date arrangements for continuing to deliver critical service provision.   2. Where Business Continuity Plans do not refer to arrangements for providing services in the event that ICT system outages cannot be reinstated in the preferred timescales, recovery from outages may not be adequately planned for.

Internal Audit Report
Corporate
Business Continuity Plans for ICT Systems (A0034/2022/001)

Date: January 2023

Overall Audit Opinion
Service level Business Continuity Plans require to be improved to record all the ICT areas referred to in the council's Business Continuity Plan template for all service areas. The main areas to be reviewed and updated are service area restoration plans and plans in the event of ICT system outages. The Crisis and Resilience Management Team have overarching responsibility for Business Continuity Plans and recommendations have been made within the report to address the areas identified and ensure a consistent approach is taken across services.

Management Commentary
We are currently progressing the audit recommendations. The Civil Contingencies Service, in conjunction with the Council Resilience Management Team (CRMT), are liaising with all Business Continuity Co-ordinators to carry out a programme of Business Continuity workshops working with all the relevant service areas (with one of the outcomes being to ensure that the updated business continuity documentation takes proper cognisance of the arrangements to be put in place due to a loss of systems) Oversight of this process will be through a series of special CRMT meetings.

Internal Audit Report
Chief Executives and Finance & Resources
Creditors – Purchase to Pay (A0083/2022/001)

Date: March 2023

COMMITTEE SUMMARY

Audit Objectives
The objectives of the audit were to ensure that: -   1. Manual payments are only processed for valid suppliers/providers listed on the Exception List and are supported by the appropriate documentation.   2. There are monitoring processes in place to ensure that manual creditor payments made to suppliers/providers are reported to the relevant Service.   3. Services take appropriate action to investigate reasons for manual payments being made and where necessary ensure that any future payments are made in line with correct council approved payment methods.   4. The absence of recorded commitment information, as a result of manual payments, is not impacting budgets.   5. Manual creditor payments have not led to Contract Standing Orders being breached.

Audit Scope
The following work was carried out: 1. Interviewed the appropriate officers to obtain background information regarding processes and documentation in relation to manual creditor payments.   2. Prepared a series of tests to meet the audit objectives.

Key Audit Assurances
No assurances can be given in relation to the procedures for making manual creditor payments.

Key Audit Risks
1. Due to the large number of manual invoices being processed, no checks in relation to purchase orders, exemption list codes or invoice values are being carried out.   2. Services are not taking appropriate action to investigate reasons for manual payments being made or ensuring that any future payments are made in line with correct council approved payment methods.   3. The lack of committed expenditure information available through Business World, in addition to the large number of manual payments being made, could potentially result in budgetary overspends.   4. The manual process bypasses Procurement and, as no value checks are being carried out by them, this creates a risk of the Council's Contract Standing Orders being breached.

Internal Audit Report
Chief Executives and Finance & Resources
Creditors – Purchase to Pay (A0083/2022/001)

Date: March 2023

Overall Audit Opinion
The current process in place for the passing and payment of manual invoices are not sufficient in several areas and creates several risks, particularly in relation to possible breaches of the Council's Contract Standing Orders. The auditor has made recommendations to address these issues. Mainly, that council management should should set a date to implement a 'No Purchase Order, No Payment' policy to ensure that the only manual payment invoices administered by the Purchase to Pay team are those with valid exemption codes. This will reduce the numbers of manual payment being processed, allow more checks to be carried out, and mitigate the risks associated with manual creditor payments. This will also provide the required time to reduce the number of manual payments being made and to notify all suppliers and staff of the change in policy. Due to covid other resourcing pressures, management have not sought corporate approval and support to implement this approach. Procurement staff and Business World staff have put procedures in place over the last 10 years to encourage budget holders to raise orders through the council's approved purchasing system, with a valid Purchase Order number. However, budget holders are still allowed to raise large numbers of manual creditor payments, resulting in an increased workload for Purchase to Pay staff to process them.

Management Commentary
Recommendations are being progressed. Implementation of new Purchase 2 Pay system and processes and a no Purchase Order, no Pay policy have been prioritised as a project through the Digital Strategy. The Corporate Management Team endorsed this project in late April 2023 and agreed this was to be prioritised.

To: Audit, Risk and Scrutiny Board

On: 22 May 2022

Report by: Chief Auditor

Heading: Internal Audit – External Quality Assessment

1. **Summary**

1.1 The Public Sector Internal Audit Standards (PSIAS) are a mandatory set of standards applying to all internal audit service providers in the public sector.

1.2 The PSIAS require the Chief Auditor to develop and maintain a quality assurance and improvement programme (QAIP) that covers all aspects of the internal audit activity. The QAIP must include both periodic internal self-assessments and five-yearly external assessments, carried out by a qualified, independent assessor from outwith the organisation.

1.3 The external assessment of Renfrewshire Council's Internal Audit Service has been carried out by South Ayrshire's Council's Internal Audit and Corporate Fraud service utilising this framework. The review concluded that the Internal Audit service fully conforms with the PSIAS, although there are some recommendations to be addressed, the report is attached at Appendix 1.

2. **Recommendations**

2.1 Members are asked to note the external assessors report on Internal Audit's comformance with the Public Sector Internal Audit Standards.

2.2 Members are asked to note the actions to be taken to implement the recommendations made.

3. Background

3.1 To assist its members to meet the five-yearly external assessment requirement, the Scottish Local Authorities Chief Internal Auditors' Group (SLACIAG) established a collaborative system of formal peer reviews. To support the peer review process, SLACIAG developed a comprehensive External Quality Assessment (EQA) framework, including an EQA Checklist and stakeholder questionnaire proforma, for assessing conformance with the PSIAS and the Local Government Application Note.

3.2 Prior to the external assessment being undertaken the Chief Auditor self-assessed Internal Audit's comformance against the EQA Checklist and submitted relevant evidence to the external assessor. This assessment noted 3 areas for improvement and the external assessment included those along with a further 4 recommendations.

_____

Implications of the Report

1. **Financial** - None

2. **HR & Organisational Development** – None

3. **Community Planning – Safer and Stronger -** effective internal audit is an important element of good corporate governance.

4. **Legal** - None

5. **Property/Assets** - None

6. **Information Technology** - None

7. **Equality & Human Rights** - None

8. **Health & Safety** – None

9. **Procurement** - None

10**.** **Risk** - Conformance with the PSIAS mitigates the risk of the Internal Audit Service being ineffective.

11. **Privacy Impact** – None

12. **COSLA Implications** – None

13. **Climate Risk** - None

Author: Andrea McMahon

EXTERNAL QUALITY ASSESSMENT 2

OF

RENFREWSHIRE COUNCIL

INTERNAL AUDIT SERVICE

Report Recipients:

Alan Russell, Chief Executive
Alastair MacArthur, Director of Finance and Resources
Andrea McMahon, Chief Audit Executive
Cllr Andrew Doig, Chair of the Audit, Risk and Scrutiny

EXECUTIVE SUMMARY

1. INTRODUCTION

1.1 The mandatory Public Sector Internal Audit Standards (PSIAS), published initially in April 2013 and updated most recently in March 2017, apply to all internal audit service providers in the UK public sector, whether in-house, provided via a shared service arrangement or outsourced. To supplement the PSIAS and provide specific guidance surrounding its application within a local government setting, the Chartered Institute of Public Finance and Accountancy (CIPFA) compiled a Local Government Application Note, which was last updated in 2019.

1.2 The objectives of the PSIAS are to define the nature of internal auditing within the UK public sector; set a basic principles for carrying out internal audit; establish a framework for providing internal audit services, which add value to the organisation, leading to improved organisational processes and operations; establish the basis for the evaluation of internal audit performance and drive improvement planning.

1.3 The PSIAS require the Chief Audit Executive (the Chief Auditor in Renfrewshire Council) to develop and maintain a quality assurance and improvement programme (QAIP) that covers all aspects of the internal audit activity. The QAIP must include both periodic internal self-assessments and five-yearly external assessments, carried out by a qualified, independent assessor from outwith the organisation, and enable evaluation of the internal audit activity's (Internal Audit Service in Renfrewshire Council) conformance with the PSIAS, including the Mission of Internal Audit, Definition of Internal Auditing and Code of Ethics. In addition, the QAIP should also assess the efficiency and effectiveness of the internal audit activity and identify opportunities for improvement.

1.4 To assist its members to meet the five-yearly external assessment requirement, the Scottish Local Authorities Chief Internal Auditors' Group (SLACIAG) established a collaborative system of formal peer reviews. This approach not only assists with ensuring that independent assessors, and their teams, have appropriate knowledge and experience of the local government internal audit environment but also removes the financial burden from councils, associated with procuring these services externally. The allocation of assessors / assessment teams to councils participating in the peer review process was undertaken autonomously, ensuring that, amongst other governing principles, local authorities with perceived / known conflicts of interest could not review one another. At the outset, assessors were required to formally declare any interests so that these could be appropriately addressed during the allocation process. South Ayrshire Council was selected to carry out the external assessment in Renfrewshire Council.

1.5 To support the peer review process, SLACIAG developed a comprehensive External Quality Assessment (EQA) framework, including an EQA Checklist for Assessing Conformance with the PSIAS and the Local Government Application Note (EQA Checklist) and a key Stakeholder Questionnaire proforma. The external assessment of Renfrewshire Council's Internal Audit Service has been carried out by South Ayrshire's Council's Internal Audit and Corporate Fraud service utilising this framework.

1.6 This report provides a high level summary of requirements for each standard per the PSIAS and CIPFA Local Government Application Note and sets out the findings, conclusions and recommendations from the external assessment, which involved discussions with key members of staff, including the Chief Audit Executive, review of the most recent self-assessment carried out utilising the EQA Checklist and consideration of other relevant supporting documentation / information (Evidence Pack) including working paper files and completed stakeholder questionnaires. A comprehensive list of supporting documentation / information and completed stakeholder questionnaires considered as part of the assessment can be found at appendices B and C respectively.

2. OVERALL CONCLUSION

2.1 The overall conclusion of the external assessment is that Renfrewshire Council's Internal Audit Service **fully conforms** with the PSIAS. There were some components within standards 1100 – Independence and Objectivity and 1200 – Proficiency and Due Professional Care assessed as "generally conforms". We have highlighted improvements in these areas in 2.2 below. It should be noted that four areas for improvement were identified by the Chief Auditor during their self-assessment but have been included here for completeness. A full summary of assessment, per assessment area, can be found at Appendix A. A summary of totals is as follows:

	Fully Conforms	Generally Conforms	Partially Conforms	Does Not Conform
TOTALS	12	2	0	0

2.2 The main areas for improvement highlighted in the report are as follows:

- Updating the Internal Audit Charter to include the definition of consulting services. The updated Charter should be shared with Senior Management.
- Completing the performance appraisal process for the Chief Auditor *(Identified during self-assessment)*
- Including confirmation within the Annual Assurance statement that there are no significant threats to the independence of the Internal Audit activity.
- Completing the Competency Framework exercise for the Internal Audit team. *(Identified during self-assessment)*
- Commencing the six monthly update meetings with senior management. *(Identified during self-assessment)*
- Updating engagement plans to include risks relevant to the audit assignment.
- Completing a data cleansing exercise for audit files held on Galileo *(Identified during self-assessment)*

2.3 Full details of the assessment recommendations and management responses can be found in the Action Plan at Appendix D.

3.   SECTION A – MISSION OF INTERNAL AUDIT AND CORE PRINCIPLES

The PSIAS state that the Mission of Internal Audit articulates what internal audit aspires to accomplish within an organisation, which is 'to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight'.

Taken as a whole, the Core Principles for the Professional Practice of Internal Auditing, as set out in the PSIAS, articulate internal audit effectiveness. For an internal audit Service to be considered effective, all Core Principles should be present and operating effectively. Failure to achieve any of the Core Principles would imply that an internal audit activity was not as effective as it could be in achieving the Mission of Internal Audit.

3.1   Evidence obtained from assessing conformance with other standards in the PSIAS has been used, along with specific consideration surrounding the achievement of the Core Principles, to conclude that the Internal Audit Service at Renfrewshire Council **fully conforms** with accomplishing the Mission of Internal Audit as detailed above.

4.   SECTION B – DEFINITION OF INTERNAL AUDITING

The PSIAS state that internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

4.1   Evidence obtained from assessing conformance with other standards in the PSIAS has been used to conclude that the Internal Audit Service at Renfrewshire Council **fully conforms** with the definition of Internal Auditing as detailed above. The main reason for this assessment is that across all the standards a high level of compliance was noted with the Internal Audit function operating in line with expectations overall. This was evidenced through a variety of means including the Internal Audit Charter, Financial Codes and audit manual, examination of audit documents and consideration of the regular reporting of Internal Audit progress and performance to key stakeholders. Stakeholder Questionnaires support this conclusion.

5.   SECTION C – CODE OF ETHICS
The PSIAS state that the purpose of the Institute of Internal Auditor's Code of Ethics is to promote an ethical culture in the profession of internal auditing. A code of ethics is necessary and appropriate for the profession of internal auditing, founded as it is on the trust placed in its objective assurance about risk management, control and governance.

Internal auditors in UK public sector organisations must conform to the Code of Ethics as set out in the PSIAS. If individual internal auditors have membership of another professional body then he or she must also comply with the relevant requirements of that organisation.

5.1   Evidence obtained from assessing conformance with other standards in the PSIAS, in particular the Attribute Standards 1000 – Purpose Authority and Responsibility, 1100 – Independence and Objectivity, 1200 – Proficiency and Due Professional Care and Professional Standards 2000 – Managing the Internal Audit Activity and 2300 – Performing the Engagement, has been used to conclude that Renfrewshire Council's Internal Audit Service **fully conforms** with the requirement to comply with the Code of Ethics.   Stakeholder Questionnaires support this conclusion. There is scope to further improve existing arrangements in this area through implementation of the actions included within the action plan at Appendix D.

6. SECTION D – ATTRIBUTE STANDARDS

Attribute Standards apply to organisations and individual internal auditors providing the internal audit services in a local authority.

6.1 1000 - Purpose, Authority, and Responsibility

The PSIAS state that the purpose, authority and responsibility of the internal audit activity must be formally defined in an Internal Audit Charter, consistent with the Mission of Internal Audit and the mandatory elements of the International Professional Practices Framework. The chief audit executive must periodically review the internal audit charter and present it to senior management and the board for approval. The internal audit charter must also:

- *define the terms 'board' and 'senior management' for the purposes of internal audit activity;*
- *cover the arrangements for appropriate resourcing;*
- *define the role of internal audit in any fraud-related work; and*
- *describe safeguards to limit impairments of independence or objectivity if internal audit or the chief audit executive undertakes non-audit activities.*

6.1.1 The current Renfrewshire Council's Internal Audit Charter was last approved by the Audit, Risk and Scrutiny Board on 23 August 2021. The Internal Audit Charter is periodically reviewed with the most recent review taking place in September 2022. There were no changes made to the Charter following this review which was reported to the Audit, Risk and Scrutiny Board on 14 November 2022. The Chief Auditor advised that, given the climate at the time when the Internal Audit Charter was last approved (August 2021) and the minimal changes made to it at that point, it was not communicated separately to the Corporate Management Team.

6.1.2 The Internal Audit Charter sets out the purpose, authority and responsibility of the Internal Audit service in Renfrewshire Council. It also defines the nature of assurance services, internal audits' position in the organisation and information in relation to the relationship between the Chief Auditor and the Audit, Risk and Scrutiny Board. However it does not include a definition of consulting activities.

6.1.3 It is recommended that the Internal Audit Charter is updated to include the definition of consulting activities and, once approved by the Audit, Risk and Scrutiny Board, the updated Charter should be shared with the Corporate Management Team. *(Action 1)*

6.1.4 Having considered the findings above, it has been concluded that the Internal Audit Service at Renfrewshire Council **fully conforms** with Standard 1000 on Purpose, Authority and Responsibility.

6.2 1100 - Independence and Objectivity

The internal audit activity must be independent and internal auditors must be objective in performing their work. Various aspects of independence and objectivity are covered in this standard as well as 1200, including reporting functional lines of the CAE, the relationship between the CAE and the board and any impairment to individual internal auditors' objectivity or independence. Reporting and management arrangements must be put in place that preserve the CAE's independence and objectivity, in particular with regard to the principle that the CAE must be independent of the audited activities.

6.2.1 The Internal Audit Service reports functionally to the Audit, Risk and Scrutiny Board and administratively to the Director of Finance and Resources, who is a member of the Council's Corporate Management Team. The Chief Auditor has direct and unrestricted access and the Chair of the Audit, Risk and Scrutiny Board and the Chief Executive regarding any matters of concern that could place the Council in a position where the risks it faces are unacceptable and this has been confirmed through the completed

Stakeholder Questionnaires. These reporting / access arrangements are clearly defined in the Internal Audit Charter as are safeguards to limit impairment of independence or objectivity.

6.2.2 It was confirmed that the Chief Internal Auditor's independence is supported by Council arrangements to prevent inappropriate influence by those subject to audit including; a Recruitment Policy, Employee Code of Conduct, Disciplinary Procedures and a Performance Appraisal processes. However it was established that the performance appraisal for the Chief Auditor has not been completed since pre Covid (March 2020).

6.2.3 In support of organisational independence, the Chief Auditor attends the Audit, Risk and Scrutiny Board meetings to present all internal audit reports to Elected Members. The reports are all submitted in the Chief Auditor's name. Within the stakeholder questionnaires, both the Chief Executive and the Director of Finance and Resources stated Internal Audit was only partly considered to be a key strategic partner with a high profile with the organisation. However the Director of Finance and Resources also noted that they will be aiming to support the team in this over the coming months.

6.2.4 The Chief Auditor has operational responsibility for Risk Management. The Internal Audit Charter states "*Where the Chief Auditor has responsibility for operational activities the periodic review of these activities will be conducted by parties independent of the Internal Audit function*". The Risk Management Service was last reviewed in 2018 and evidence was provided that a third party completed this audit.

6.2.5 Although the Internal Audit Charter sets out the arrangements for independence, it was found that neither the Internal Audit Annual Report or the progress and performance reports to the Audit, Risk and Scrutiny Board, provide additional ongoing and explicit confirmation that there have been no significant threats to the independence of the internal audit activity, such as inappropriate scope or resource limitations. The Chief Auditor advised that threats to the independence of the internal audit activity is reported through the quarterly progress and performance reports to the Audit, Risk and Scrutiny Board. There were no such threats noted during the period of the assessment.

6.2.6 It was noted that within Renfrewshire Council the Chief Auditor is required to confirm any interests on an annual basis and this is recorded in a Register of Interests. All other employees within the Internal Audit service are required to comply with the Code of Conduct. The Internal Audit Manual states all staff must adhere to Renfrewshire Council's Employee Code of Conduct which details the process to be followed if a potential conflict of interest arises.

6.2.7 It is recommended that;
- A performance appraisal is completed for the Chief Auditor. The appraisal should include feedback from at least the Chief Executive and the Chair of the Audit, Risk and Scrutiny Board and should be countersigned by an independent party. *(Action 2)*
- The Internal Audit Annual report should include explicit confirmation that there have been no significant threats to the independence of the internal audit activity, such as inappropriate scope or resource limitations.. *(Action 3)*

6.2.8 Renfrewshire Council's Internal Audit Service **generally conforms** with Standard 1100 on Independence and Objectivity.

6.3   1200 - Proficiency and Due Professional Care

The CAE must be professionally qualified, suitably experienced and responsible, in accordance with the organisation's human resources processes, for recruiting appropriate staff. He or she is responsible for ensuring that up-to-date job descriptions exist, reflecting roles and responsibilities, and that person specifications define the required qualifications, competencies, skills, experience and personal attributes.

6

The CAE should periodically assess individual auditors' skills and competencies against those set out in the relevant job descriptions and person specifications. Any training or development needs identified should be included in an appropriate ongoing development programme that is recorded and regularly reviewed and monitored. In addition, all internal auditors have a personal responsibility to undertake a programme of continuing professional development (CPD) to maintain and develop their competence. This may be fulfilled through requirements set by professional bodies or through the organisation's own appraisal and development programme. Auditors should maintain a record of such professional training and development activities.

The internal audit activity should be appropriately resourced to meet its objectives. It should have appropriate numbers of staff in terms of grades, qualifications, personal attributes and experience or have access to appropriate resources in order to meet its objectives and to comply with these standards. The PSIAS states that the CAE must obtain competent advice and assistance if the activity is unable to perform all or part of an engagement.

6.3.1 The Chief Auditor holds a relevant professional qualification and is suitably experienced, with over 20 years internal audit experience within a Scottish local government environment. The Chief Auditor is a member of SLACIAG and regularly attends and contributes to meetings. Renfrewshire Council's Internal Audit Service is represented on both SLACIAG Sub-groups, the Computer Audit Sub-Group (CASG) and the Scottish Local Authorities Investigators Group (SLAIG),.

6.3.2 To support the Chief Auditor in Renfrewshire Council's Internal Audit Service there is one Assistant Chief Auditor and 2 Senior Auditors these posts require to be CCAB or IIA qualified. There are a total of 6 members of staff in the Internal Audit Service, including the Assistant Chief Auditor and the 2 Senior Auditors. The Internal Audit Service delivers internal audit services to the Renfrewshire Integration Joint Board, the Renfrewshire Valuation Joint Board and to One ren. There are 3 dedicated Corporate Counter Fraud Officer within the service and where the service does not have the specialist skills for ICT audits a budget is available to the Chief Auditor to use external providers to undertake the assignments.

6.3.3 The Internal Audit Service has a competency framework in place which should be completed every two years. Supplementary questions have been added to the framework dependent on the employee's role with the audit team. The process results in a personal development plan for each member of staff. However we were advised that completion of this process was delayed due to Covid working restrictions as the refresher training which was identified through the competency framework could not be delivered. This training has now been delivered. The Chief Auditor advised that it is intended to issue competency frameworks to all Internal Audit Staff for completion in 2023/24 which will result in new personal development plans being prepared.

6.3.4 The Internal Audit Service is represented on a number of corporate groups, including the Corporate Risk Management Group, the Information Management Governance Group and the Prevent Sub-group.

6.3.5 Renfrewshire Council is an accredited employer for the professional accountancy bodies and all members of the Internal Audit Service who are members of a professional accountancy body have specific CPD requirements to adhere to.

6.3.6 It is recommended that the competency framework is reissued to the audit team in 2023/24 and every two years thereafter. *(Action 4)*

6.3.8 The Stakeholder Questionnaires confirmed that the Chief Auditor demonstrates sufficient knowledge and experience and that all members of the Internal Audit Service exercise due professional care.

6.3.9 Renfrewshire Council's Internal Audit Service **generally conforms** with standard 1200 on Proficiency and Due Professional Care.

6.4   1300 - Quality Assurance and Improvement Programme

The PSIAS state that the Chief Audit Executive must develop and maintain a quality assurance and improvement programme (QAIP) that covers all aspects of the internal audit activity.

The QAIP must include both periodic internal self-assessments and five-yearly external assessments, carried out by a qualified, independent assessor from outside the organisation, and enable evaluation of the internal audit activity's conformance with the PSIAS, including the Definition of Internal Auditing and Code of Ethics. In addition, the QAIP should also assess the efficiency and effectiveness of the internal audit activity and identify opportunities for improvement.

The public sector requirement in the PSIAS states that results of the QAIP and progress against any improvement plans must be reported in the annual report.

6.4.1 Internal audit reports are reviewed by the Chief Auditor or Assistant Chief Auditor prior to issue and working papers are, in general, reviewed by one of the Senior Internal Auditors. Where the assignment is carried out by the Senior Internal Auditor, the Assistant Chief Auditor will review the working paper file.

6.4.2 Client feedback on the Internal Audit is actively pursued by the Internal Audit Service at audit planning meeting. In addition, the Chief Auditor advised that this will also be included in discussions with senior management during the six monthly meetings planned to commence in 2023.

6.4.3 A suite of KPIs are prepared and reported to the Director of Finance and Resources and the Audit, Risk and Scrutiny Board.   The KPIs are designed to measure performance in the delivery of the assignments within audit plan and progress of the overall plan.

6.4.4 A self-assessment against the PSIAS was carried out by the Chief Auditor, utilising the EQA checklist in October 2022. The results of the self-assessment will be reported to the Audit, Risk and Scrutiny Board along with the EQA2 external assessment results.

6.4.5 Renfrewshire Council's Internal Audit Service **fully conforms** with Standard 1300 on Quality Assurance and Improvement Programme.

7.   SECTION E – PERFORMANCE STANDARDS

Performance Standards describe the nature of the internal audit services being provided and provide criteria against which the performance of an internal audit function can be measured.

7.1   2000 - Managing the Internal Audit Activity

The chief audit executive must effectively manage the internal audit activity to ensure it adds value to the organisation. The internal audit activity is effectively managed when it achieves the purpose and responsibility included in the internal audit charter, it conforms with the PSIAS, its individual members conform with the Code of Ethics and the PSIAS and it considers trends and emerging issues that could impact the organisation.   The internal audit activity adds value to the organisation and its stakeholders when it considers strategies, objectives and risks; strives to offer ways to enhance governance, risk management, and control processes; and objectively provides relevant assurance.

7.1.1 An annual Internal Audit Plan is compiled by the Chief Auditor outlining the planned programme of work to be undertaken. A Planning Protocol is in place to help guide the development of the annual plan. The protocol details the pre-plan preparation which includes review of the audit entities and audit universe and scrutiny of the strategic and corporate risk registers, other key Council documents e.g. the Council Plan, external audit and other assurance body reports and other Local Authority Internal Audit Plans. It also details the parties to be consulted on the plan which include the Chief Executive, the Corporate Management Team, external audit, Senior Managers for associated bodies and Audit, Risk and Scrutiny Board Members.

7.1.2 The Chief Auditor and Assistant Chief Auditor meets with service Senior Management Team prior to preparation of the annual plan.

7.1.3 The draft plan is shared with the Chief Executive and the Corporate Management Team for comment prior to being submitted for approval to the Audit, Risk and Scrutiny Board. Reports detailing progress towards completion of the Internal Audit plan are presented to the Audit, Risk and Scrutiny Board on a quarterly basis.

7.1.4 It was noted that it was the intention of the Chief Auditor to also have six monthly meeting with services Senior Management Team to discuss the progress against the plan. However due to Covid working restrictions and long term absences within the Internal Audit Service these meetings have not yet commenced.

7.1.5 Completed stakeholder questionnaires from the Chief Executive, the Director of Finance and Resources and the Chair and Vice Chair of Audit, Risk and Scrutiny Board confirm that they consider that the Internal Audit function adds value and that they are given appropriate opportunity to feed into the audit planning process.

7.1.6 It is recommended that the six monthly update meetings with services Senior Managers commence in 2023 as planned. *(Action 5)*

7.1.7 Renfrewshire Council's Internal Audit Service **fully conforms** with Standard 2000 on Managing the Internal Audit Activity.

7.2   2100 - Nature of Work

The internal audit activity must evaluate and contribute to the improvement of the organisation's governance, risk management, and control processes using a systematic, disciplined, and risk-based approach. Internal audit credibility and value are enhanced when auditors are proactive and their evaluations offer new insights and consider future impact.

More specifically, the internal audit activity must assess and make appropriate recommendations to improve the organisation's governance processes, evaluate the effectiveness and contribute to the improvement of risk management processes and assist the organisation in maintaining effective controls by evaluating their efficiency and effectiveness and promoting continuous improvement.

7.2.1 The Internal Audit Charter, Audit Manual and annual plan set out how the internal audit function will evaluate the adequacy and effectiveness of controls and delivery of the plan via individual audit reports and the annual assurance report confirms this approach is delivered in practice. The Council's Risk Manager reports to Chief Auditor who is a member of the Corporate Risk Management Group.

7.2.3 Renfrewshire Council's Internal Audit Service **fully conforms** with Standard 2100 on Nature of Work.

7.3   2200 - Engagement Planning

Internal auditors must develop and document a plan for each engagement, including the

9

engagement's objectives, scope, timing and resource allocations. The plan must consider the organisation's strategies, objectives and risks relevant to the engagement.

The CIPFA Local Government Application note states that for each engagement, a brief should be prepared, discussed and agreed with relevant managers. The brief should establish the objectives, scope and timing for the assignment and its resource and reporting requirements. Audit work should be undertaken using a risk-based audit approach.

7.3.1 An Engagement Plan is prepared and issued for each audit contained within the Annual Audit Plan. This sets out the objectives, scope, timetable and resources allocated for the assignment. The client service is provided with an opportunity to comment on the proposed brief prior to the start of the audit.

7.3.2 An audit management system, Galileo, is used to by Renfrewshire Council's Internal Audit Service. The system is used to create risk matrices for each assignment which details the risks, controls and test programme for each assignment. The auditors record the findings of the tests into Galileo and attach all relevant documentation.

7.3.3 A review of the documentation provided during this assessment confirmed this process.

7.3.4 PSIAS requires the engagement plan to consider the organisation's strategies, objectives and risks relevant to the engagement.   Links to the organisations strategies are included within the annual plan, however, although risks are recorded within the assignment risk matrix within Galileo, they are not included within the engagement plan.

7.3.5 It is recommended that consideration is given to including the risks relevant to the audit assignment within the engagement plans. *(Action 6)*

7.3.6 Renfrewshire Council's Internal Audit Service **Fully conforms** with Standard 2200 on Engagement Planning.

7.4   2300 - Performing the Engagement

Internal auditors must identify, analyse, evaluate and document sufficient information to achieve the engagement's objectives.

At each stage of the audit, auditors should consider what specific work needs to be conducted and evidence needs to be gathered to achieve the engagement objectives and support an independent and objective audit opinion. Systems should be in place to ensure that auditors obtain and record, within the working papers, sufficient evidence to support their conclusions, professional judgements and recommendations. Working papers should always be sufficiently complete and detailed to enable an experienced internal auditor with no previous connection with the audit to ascertain what work was performed, re-perform it if necessary and support the conclusions reached. The CAE should also specify how long all audit documentation should be retained, whether held on paper or electronically. All audit work should be subject to an appropriate internal quality review process.

Internal auditors must be alert to the possibility of intentional wrongdoing, errors and omissions, poor value for money, failure to comply with management policy and conflicts of interest when performing their individual audits. They must also have sufficient knowledge to identify indicators that fraud or corruption may have been committed.

7.4.1 The Internal Audit Manual, October 2021, sets out the procedure in relation to undertaking a planned audit, including preparing working papers and setting up working paper files. The manual also included details for dealing with other types of work including investigations and consultancy assignments.

7.4.2 Standard electronic working papers are used and are held together with supporting information in the audit management system Galileo.

7.4.3 Through examination of documentation provided during this assessment it was confirmed that there are adequate arrangements for performing and supervising audit work are in place. Audit files are reviewed by Senior Auditors and a final review is carried out by either the Chief Auditor or the Assistant Chief Auditor prior to issue of the draft report.

7.4.4 A Council Wide Records Management Policy and an Internal Audit Retention Schedule is in place. The Chief Auditor advised that files stored on the Internal Audit network drive have been deleted in line with the Retention Schedule but that no records have been deleted from the Galileo system as yet. The Chief Auditor advised that further investigation regarding archiving the files held on Galileo is required.

7.4.5 It is recommended that a data cleansing exercise is undertaken on the files within Galileo to ensure the Internal Audit service is complying with the Council's Records Management Policy and the Internal Audit Retention Schedule. *(Action 7)*

7.4.6 Renfrewshire Council's Internal Audit Service **fully conforms** with Standard 2300 on Performing the Engagement.

7.5   2400 - Communicating Results

The basic aims of every internal audit report should be to:

- *give an opinion on the risk and controls of the area under review, building up to the annual opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control;*
- *prompt management to implement the agreed actions for change leading to improvement in the control environment and performance; and*
- *provide a formal record of points arising from the audit and, where appropriate, of agreements reached with management, together with appropriate timescales.*

Each report should include the scope and purpose of the audit to help the reader to understand the extent, or limitations, of the assurance(s) provided by the report. During the course of the audit, key issues should be brought to the attention of the relevant manager to enable them to take corrective action and to avoid surprises at the closure stage. Before issuing the final report, the internal auditor should normally discuss the contents with the appropriate levels of management to confirm the factual accuracy, to seek comments and to confirm the agreed management actions. A draft report is useful for this purpose. Recommendations should be prioritised according to risk. The recommendations and the resultant management action plans should be agreed prior to the issue of the final report. Any areas of disagreement between the internal auditor and management that cannot be resolved by discussion should be recorded in the action plan and the residual risk highlighted. Those weaknesses giving rise to significant risks that are not agreed should be brought to the attention of a more senior level of management and the board.

As set out in the PSIAS, the CAE must deliver an annual internal audit opinion and report that can be used by the organisation to inform its annual governance statement. This must include the annual internal audit opinion concluding on the overall adequacy and effectiveness of the organisation's governance, risk and control framework, a summary of the audit work from which the opinion is derived (including reliance placed on work by other assurance bodies); and a statement of conformance with the PSIAS and the results of the internal audit QAIP.

7.5.1 The Internal Audit service prepares draft reports which include details of the objectives and scope of the audit, an audit opinion, recommendations which include a risk rating against each recommendation. Reports are reviewed by either the Chief Auditor or the Assistant Chief Auditor before being issued.

7.5.2 Prior to the issue of the draft report, exit meetings are held with operational staff within the service to confirm the factual accuracy of the findings and to ensure recommendations made are feasible. Draft reports are the issued to the client service management who are given one month to respond to confirm the factual accuracy, provide any comments on the report and provide management responses including responsible officers and implementation dates for agreed actions. Final reports are issued to the appropriate service Director and Head of Service, and other relevant officers are required. A Report Issue Process is in place which lists the relevant officers who should receive copies of final reports. A Summary of Internal Audit Reports issued is submitted to the Audit, Risk and Scrutiny Board on a quarterly basis. This report provides Members with a summary of the findings and conclusions of completed audit engagements. The report includes a Committee Summary for each assignment which details the audit objectives and scope, the key audit assurances and risks, the overall audit opinion and the management commentary.

7.5.3 An Internal Audit Annual Report including the Annual Assurance Statement is presented to the Audit, Risk and Scrutiny Board and includes details of the individual audit assignments undertaken during the year which contributes to the opinion presented in the report.

7.5.4 All Stakeholder's who complete a questionnaire agreed that Internal Audit findings and recommendations were valued by stakeholders and helped the Council achieve its objectives.

7.5.5 Renfrewshire Council's Internal Audit Service **fully conforms** with Standard 2400 on Communicating Results.

7.6   2500 - Monitoring Progress

The PSIAS place responsibility for monitoring progress with the CAE to ensure that management actions have been effectively implemented or, if not, that senior management have accepted the risk of not taking action. The CAE must, therefore, implement a follow-up process for ensuring the effective implementation of audit results or ensuring senior management are aware of the consequences of not implementing an action point and are prepared to accept the risk of such consequences occurring. The results of this process should be communicated to the board. The CAE should develop escalation procedures for cases where agreed actions have not been effectively implemented by the date agreed. These procedures should ensure that the risks of not taking action have been understood and accepted at a sufficiently senior management level. The effective involvement of the board in the follow-up process is critical to ensuring that it works. The CAE should consider revising the internal audit opinion in light of findings from the follow-up process. The findings of follow-up reviews should inform the planning of future audit work.

7.6.1 The process for monitoring progress of internal audit recommendations is detailed within the Internal Audit Manual. All recommendations are recorded in the Internal Audit management system, Galileo and an annual exercise is undertaken to identify the actions status. The results of this exercise and details of recommendations not yet implemented are communicated to service Directors. The overall results of the exercise along with the details of the critical recommendations not implemented by the due date are reported to the Corporate Management Team and Members of the Audit, Risk and Scrutiny Board by the Chief Auditor.

7.6.2 The 2022-23 Annual Internal Audit Plan included an allocation of time for follow up engagements.

7.6.4 Renfrewshire Council's Internal Audit Service **fully conforms** with Standard 2500 on Monitoring Progress.

7.7   2600 - Communicating the Acceptance of Risks

When the chief audit executive concludes that management has accepted a level of risk that may be unacceptable to the organisation, they must discuss the matter with senior management. If the chief audit executive determines that the matter has not been resolved, they must communicate the matter to the board. It is not the responsibility of the chief audit executive to resolve the risk.

7.7.1 As detailed in the Audit Manual the Chief Auditor or Assistant Chief Auditor should be notified by the Senior Auditor where management are willing to accept a level of risk. If the Chief Auditor is of the opinion that this may be unacceptable to the organisation, they will discuss the matter with the appropriate Service Director and any other appropriate member of the Corporate Management Team.   If the Chief Auditor determines the matter has not been resolved, the Chief Auditor will communicate the matter to the Audit, Risk and Scrutiny Board.

7.7.2 Renfrewshire Council's Internal Audit Service **fully conforms** to the Standard on Communicating the Acceptance of Risk.

Cecilia McGhee
Chief Internal Auditor
South Ayrshire Council

April 2023

APPENDIX A – SUMMARY OF ASSESSMENT

REF	PAGE No.	ASSESSMENT AREA	Fully Conforms	Generally Conforms	Partially Conforms	Does Not Conform
Section A		Mission of Internal Audit and Core Principles	✓			
Section B		Definition of Internal Auditing	✓			
Section C		Code of Ethics	✓			
Section D		ATTRIBUTE STANDARDS				
1000		Purpose, Authority and Responsibility	✓			
1100		Independence and Objectivity		✓		
1200		Proficiency and Due Professional Care		✓		
1300		Quality Assurance and Improvement Programme	✓			
Section E		PERFORMANCE STANDARDS				
2000		Managing the internal Audit Activity	✓			
2100		Nature of Work	✓			
2200		Engagement Planning	✓			
2300		Performing the Engagement	✓			
2400		Communicating Results	✓			
2500		Monitoring Progress	✓			
2600		Communicating the Acceptance of Risks	✓			
TOTALS					☐	

14

APPENDIX B – EVIDENCE PACK

- The Internal Audit Charter 2021
- Internal Audit Manual
- Annual Internal Audit Plan 2022 -23
- Internal Audit Annual Report 2021-22
- Report Issue Protocol
- Annual Governance Statement
- Scheme of delegated functions
- Financial Regulations
- Financial Codes November 2018
- Defalcation Procedures
- Disciplinary Procedures
- Code of Conduct for all Renfrewshire Employees 2018
- Code of Conduct for Officers on acceptance of gifts and hospitality
- Data protection policy
- Information security policy
- Counter Fraud and Corruption Policy
- Expressing Concerns outwith line management (Whistleblowing)
- Board Report Guidance
- Audit, Risk and Scrutiny Board Agendas and Minutes and Internal Audit progress/update board reports
- Recruitment policy
- Audit staff job descriptions and person specifications
- Other information reviewed included; standard templates used throughout the audit process, audit working papers, reports and correspondence with audit clients in relation to audit assignments.

15

APPENDIX C – STAKEHOLDER QUESTIONNAIRES

Stakeholder questionnaires were completed by the following key members of staff and Elected Members:

- Alan Russell, Chief Executive
- Alastair Macarthur, Director of Finance and Resources
- Councillor Andrew Doig, Chair of Audit, Risk and Scrutiny Board
- Councillor Kevin Montgomery, Vice Chair of Audit, Risk and Scrutiny Board

16

APPENDIX D – ACTION PLAN

No.	Para	Recommendation	Management Response	Responsible Officer / Agreed Completion Date
1	6.1.3	The Internal Audit Charter should be updated to include the definition of consulting activities and, once approved by the Audit, Risk and Scrutiny Board, the updated Charter should be shared with the Corporate Management Team.	The Internal Audit Charter has now been updated to include the definition of consulting activities. The updated charter will be presented to the CMT on 2 May 2023 and to the ARSB on 22 May 2023.	Chief Auditor May 2023
2	6.2.7	A performance appraisal is completed for the Chief Auditor. The appraisal should include feedback from at least the Chief Executive and the Chair of the Audit, Risk and Scrutiny Board and should be countersigned by an independent party.	The corporate framework for performance appraisal is currently being reviewed and future appraisals will be conducted following any revised methodology. In the meantime, a review of the current objectives and personal development plan will be undertaken by the Director of Finance and Resources and feedback will be sought from the Chief Executive and the Chair of the ARSB.	Chief Auditor and Director of Finance & Resources March 2024
3	6.2.7	The Internal Audit Annual report should include explicit confirmation that there have been no significant threats to the independence of the internal audit activity, such as inappropriate scope or resource limitations..	The Annual Report for 2022/23 includes a statement that there have been no threats to the independence of Internal Audit and that the section has been adequately resourced. The Annual Report will be presented to the CMT on 2 May 2023 and to the ARSB on 22 May 2023.	Chief Auditor May 2023
4	6.3.6	The competency framework should be reissued to the audit team in 2023/24 and every two years thereafter.	Further risk based auditing training is planned for the forthcoming months, thereafter, the competency framework will be issued to the team for completion and individual personal development plans will follow. This process will resume to be completed every two years	Assistant Chief Auditor March 2024
5	7.1.6	Six monthly update meetings with services Senior Managers should commence in 2023 as planned.	Meetings will be arranged with all Senior Management Teams on a 6 monthly basis. It is planned that the meetings will be August and February each year.	Chief Auditor August 2023

| 6 | 7.3.5 | Consideration should be given to including the risks relevant to the audit assignment within the engagement plans. | As stated previously further risk based auditing training is planned and thereafter risks will be included on engagement plans. | Chief Auditor March 2024 |
| 7 | 7.4.5 | A data cleansing exercise on the files within Galileo should be undertaken to ensure the Internal Audit service is complying with the Council's Records Management Policy and the Internal Audit Retention Schedule | A data cleansing exercise will be undertaken to ensure that Internal Audit complies with the Council and Section Retention Schedules. | Chief Auditor December 2023 |

	Critical
	Significant
	Routine

18

To: Audit, Risk and Scrutiny Board

On: 22 May 2022

_____

Report by: Chief Auditor

_____

Heading: Internal Audit Charter

_____

1.   **Summary**

1.1   The Internal Audit Charter was last updated in August 2021.

1.2   This report presents a revised Internal Audit Charter (Appendix 1) that has been updated to take account of the recommendation arising from our External Quality Assessment to include the definition of consulting activities.

1.3   The revised reporting arrangements agreed with Scotland Excel, whereby Internal Audit now reports to the Executive Sub-Committee rather than the Joint Board has also been reflected.

1.3   No other changes are required to the Internal Audit Charter at this time.

_____

2.   **Recommendations**

2.1   Members are asked to approve the revised Internal Audit Charter.

_____

Implications of the Report

1.   **Financial** - None

2.   **HR & Organisational Development** – None

3. **Community Planning – Safer and Stronger -** effective internal audit is an important element of good corporate governance.

4. **Legal** - None

5. **Property/Assets** - None

6. **Information Technology** - None

7. **Equality & Human Rights** - None

8. **Health & Safety** – None

9. **Procurement** - None

10**.**   **Risk** - Conformance with the PSIAS mitigates the risk of the Internal Audit Service being ineffective.

11. **Privacy Impact** – None

12. **COSLA Implications** – None

13. **Climate Risk** - None

_____

Author: Andrea McMahon

INTERNAL AUDIT CHARTER

INTRODUCTION:
Internal Audit is an independent and objective assurance and consulting activity designed to add value and improve the operations of Renfrewshire Council. It assists Renfrewshire Council in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the organisation's risk management, control, and governance processes.

MISSION:
To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.

DEFINITION OF ROLES:
The Public Sector Internal Audit Standards require that the Internal Audit Charter defines the terms 'board', 'senior management' and 'Chief Audit Executive' in relation to the work of Internal Audit. For the purposes of the Internal Audit work function at Renfrewshire Council:

- the 'board' refers to the Audit, Risk and Scrutiny Board which has delegated responsibility for overseeing the work of Internal Audit;
- 'senior management' is defined as the Council's Corporate Management Team, all audit reports are issued to a member of the CMT; and
- 'Chief Audit Executive' refers to the Chief Auditor.

PROFESSIONALISM:
Renfrewshire Council's Internal Audit service will comply with the PSIAS which encompasses the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF), including the *Definition of Internal Auditing, the Core Principles for the Professional Practice of Internal Audit, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing (Standards)*. This mandatory guidance constitutes the principles of the fundamental requirements for the professional practice of internal auditing in the public sector and for evaluating the effectiveness of the internal audit activity's performance.

The internal audit service will adhere to Renfrewshire Council's relevant policies and procedures and the internal audit manual which sets out the internal audit activity's standard operating procedures.

1

A programme of Continuous Professional Development (CPD) is maintained for all staff working on audit engagements to ensure that auditors maintain and enhance their knowledge, skills and audit competencies.

AUTHORITY:
The authority of Internal Audit is set out in the Council's Financial Regulations and Codes. Internal Audit will safeguard all information obtained in the carrying out of its duties and will only use it for the purposes of an audit, investigation, or consultancy work. Internal Audit has authorised full, free, and unrestricted access to any and all of Renfrewshire Council's records, physical properties, and personnel pertinent to carrying out any engagement. Internal Audit will make no disclosure of any information held unless this is authorised or there is a legal or professional requirement to do so. All employees are requested to assist the internal audit activity in fulfilling its roles and responsibilities. The internal audit activity will also have free and unrestricted access to the Board.

ORGANISATION:
The Chief Auditor will report functionally to the Board and administratively (i.e. day to day operations) to the Director of Finance and Resources. The Chief Auditor will communicate and interact directly with the Board, including in Board meetings and between Board meetings as appropriate. The Chief Auditor may report direct to the Chief Executive, Board members or the Council regarding any matters of concern that could place the Council in a position where the risks it faces are unacceptable or the independence of Internal Audit is under threat.

INDEPENDENCE AND OBJECTIVITY:
Internal Audit is an independent review activity. In conducting its activities, Internal Audit activity will remain free from any undue influence or other pressure affecting its actions and reporting. This includes matters of audit selection, scope, procedures, frequency, timing, or report content.

Internal Audit is not a substitute for effective control exercised by management as part of their responsibilities. It is the responsibility of the Council's managers to ensure that the management of the areas under their control is adequate and effective and that their services have a sound system of internal control which facilitates the effective exercise of the organisation's functions and which includes arrangements for the management of risk.

Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Where the Chief Auditor has responsibility for operational activities the periodic review of these activities will be conducted by parties independent of the Internal Audit function.

Internal auditors must exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal auditors must make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgments.

The Chief Auditor will confirm to the board, at least annually, the organisational independence of the internal audit activity.

2

RESPONSIBILITY:

The Council's Internal Audit Service adds value to the Council by providing objective and relevant assurance, and contributing to the effectiveness and efficiency of governance, risk management and control processes.

The scope of internal auditing encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the organisation's governance, risk management, and internal control processes as well as the quality of performance in carrying out assigned responsibilities to achieve the organisation's stated goals and objectives. This includes:

- Independent review and appraisal of the control environment throughout the organisation.

- Providing assurance to management and the Board that the established systems ensure compliance with those policies, plans, procedures, laws, and regulations which could have a significant impact on the organisation.

- Evaluating the means of safeguarding assets and, as appropriate, verifying the existence of such assets.

- Evaluating the effectiveness and efficiency with which resources are employed.

- Evaluating operations or projects to ascertain whether results are consistent with established objectives and goals and whether the operations or projects are being carried out as planned.

- Evaluating the reliability and integrity of information and the means used to identify, measure, classify, and report such information.

- Supporting the Council to improve its internal control, governance and risk management processes.

- Evaluating the extent to which risks have been identified and managed to achieve the Council's objectives.

- Working in partnership with external auditors and other review bodies to coordinate activities with internal audit to avoid duplication and seek to rely on the work of these other assurance providers where professional standards and the nature and quality of the work they have undertaken would make it appropriate to do so.

- Undertaking consulting and advisory services related to governance, risk management and control as appropriate for the organisation.

- Supporting the Chief Executive (Head of Paid Services), the Director of Finance and Resources (Chief Financial Officer) and the Head of Corporate Governance (Monitoring Officer) in the discharge of their statutory duties;

- Encouraging a culture of personal and corporate responsibility and accountability through the promotion of anti-fraud and corruption and ethical values.

3

- Having the right of access to examine the accounts and other financial records and data of external organisations as set out in the conditions of funding or other agreement.

- Investigating any suspicion of fraud, irregularity or corrupt practice in accordance with the Council's Defalcation procedures.

CONSULTANCY SERVICES

The PSIAS defines consulting services as 'Advisory and client related service activities, the nature and scope of which are agreed with the client, are intended to add value and improve an organisation's governance, risk management and control processes without the internal auditor assuming management responsibility. Examples include counsel, advice, facilitation and training'.

- Consultancy and advice services, may be undertaken from time to time at the request of senior management. A provision is included in the annual audit plan for this type of work;

- when undertaking such work auditors will maintain their independence and objectivity and will not take on management responsibility for the project; and

- any significant consultancy assignments will be reported separately to the audit committee. Any significant consulting exercise, not included in the annual audit plan, will be approved by the Audit, Risk and Scrutiny Board. Significant is defined as any single assignment equivalent to 5% of annual planned days.

INTERNAL AUDIT PLAN:
The authority for the production and execution of the audit plan rests with the Chief Auditor. The internal audit plan will be developed based on a prioritisation of the audit universe using a risk-based methodology, including input of senior management and the Board. At least annually, the Chief Auditor will submit to senior management and the Board an internal audit plan for review and approval. The internal audit plan will consist of a work schedule as well as resource requirements for the next financial year.

The Chief Auditor will communicate the impact of any resource limitations and any significant deviation from the approved internal audit plan will be communicated to senior management and the Board through periodic performance reports.

REPORTING AND MONITORING:
A written report will be prepared and issued by the Chief Auditor or designee following the conclusion of each internal audit engagement and will be distributed as appropriate. The results of each internal audit engagement will also be communicated to senior management and the Board.

The internal audit report may include management's response and corrective action taken or to be taken in regard to the specific findings and recommendations. Management's response, whether included within the original audit report or provided thereafter by management of the audited area should include a timetable for anticipated completion of action to be taken and an explanation for any corrective action that will not be implemented.

4

The internal audit activity will be responsible for appropriate follow-up on engagement findings and recommendations.

PERIODIC ASSESSMENT:
The Chief Auditor will at least annually, report to senior management and the Board on the internal audit activity's purpose, authority, and responsibility, as well as performance relative to its plan. Annual reporting will also provide an annual audit opinion on the overall adequacy and effectiveness of the Council's internal control environment, and include details of any significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by senior management and the Board.

In addition, the Chief Auditor will communicate to senior management and the Board on the internal audit activity's quality assurance and improvement programme, including results of internal assessments and external assessments conducted at least every five years.

PROVISION OF SERVICES TO ASSOCIATE/OTHER BODIES:
The Chief Auditor provides internal audit services to various associate bodies and the principles of this Audit Charter apply to those associate bodies by means of a service level agreement between the Council and the body:

Associate Body	Defined 'Board'	Defined "Senior Management"
Renfrewshire Valuation Joint Board	Joint Board	Assessor and Electoral Registration Officer
Renfrewshire Leisure Ltd	Board of Directors	Chief Executive
Scotland Excel	Executive Sub-Committee	Director
Glasgow and Clyde Valley Strategic Development Planning Authority	Joint Committee	Strategic Development Plan Manager

The Chief Auditor is the appointed internal auditor for the Renfrewshire Health and Social Care Integration Joint Board. Services are provided under the Internal Audit Charter for that Board.

The Chief Auditor may provide internal audit services to other organisations, on a commercial basis, if this is in the interests of Renfrewshire Council.

APPROVAL
The Internal Audit Charter will be approved by the Board and shall be subject to regular review by the Chief Auditor in consultation with senior management.

Effective date 22 May 2023

5

![Renfrewshire Council logo](Renfrewshire Council)

_____

To: **Audit, Risk and Scrutiny Board**

On: **22 May 2023**

_____

Report by: **Director of Finance and Resources**

_____

Heading: **Risk Management Annual Report 2022/2023**

_____

1.   **Summary**

1.1   This paper presents the Risk Management Annual Report for
        2022/2023 (Appendix 1). The Report describes the corporate risk
        management activity that has taken place during 2022/2023 in relation
        to the council's risk management arrangements and strategic risk
        management objectives. It is not the purpose of this paper to report on
        the management of specific risks as such information is already
        provided separately to the Board in the Risk Report, May 2023 paper.

1.2   In exceptionally challenging times and with diminishing resources, the
        council continues to apply an appropriate level of risk management to
        prevent or mitigate the effects of loss or harm. In doing so, we
        recognise that good risk management contributes to the delivery of
        better financial outcomes, business objectives, better project success
        rates, achievement of targets and fewer unexpected problems.

1.3   We purposefully promote an environment that is risk 'aware' rather than
        risk 'averse' and strive to place risk management information at the
        heart of the key decisions that we make. This means that we can take
        an effective approach to managing risk in a way that both addresses
        our significant challenges and enables innovation.

_____

2.   **Recommendations**

2.1   It is recommended that the Board considers the content of the Annual
        Report and notes the significant contribution that it makes with regards
        to the council's corporate governance arrangements.

_____

3.   **Background**

3.1   In keeping with the 'Scheme of Delegated Functions' a Risk
          Management Annual Report is provided to the Audit, Risk and Scrutiny
          Board each year for consideration. The report supports the council's
          code of corporate governance and seeks to provide assurance to
          stakeholders (internal and external) concerning the risk management
          arrangements applied during 2022/2023.

_____

Implications of the report

1.   **Financial** – not relevant to report recommendations

2.   **HR & Organisational Development** – not relevant to report recommendations

3.   **Community/Council Planning** – effective risk management supports the delivery of all
      community/ council plan outcomes

4.   **Legal** – not relevant to report recommendations

5.   **Property/Assets** – not relevant to report recommendations

6.   **Information Technology** – not relevant to report recommendations

7.   **Equality & Human Rights** – not relevant to report recommendations

8.   **Health & Safety** – not relevant to report recommendations

9.   **Procurement** – not relevant to report recommendations

10.   **Risk** – as per the subject matter of this report

11.   **Privacy Impact** – not relevant to report recommendations

12.   **Cosla Policy Position** – not relevant to report recommendations

13.   **Climate Risk** – not relevant to report recommendations

_____

List of Background Papers

(a) Non applicable – reports provided on a year-by-year basis

_____

Author: Karen Locke
                  Risk Manager
                  07506 957 037
                  Karen.Locke@renfrewshire.gov.uk

Appendix 1

Risk Management Annual Report

2022 - 2023

Document Title:	Risk Management Annual Report 2022/2023		
Service:	N/A	Lead Author	Risk Manager and the Corporate Risk Management Group
Date Effective:	22 May 2023	Review Dates:	Not applicable

CONTENT

Document Title:	Risk Management Annual Report 2022/2023		
Service:	N/A	Lead Author	Risk Manager and the Corporate Risk Management Group
Date Effective:	22 May 2023	Review Dates:	Not applicable

1.   Introduction

1.1 The Risk Management Annual Report is provided to the Audit, Risk and Scrutiny Board each year in keeping with its delegated function of considering the corporate risk management annual report. The Report describes the corporate-led risk management activity that has taken place during 2022/23 in relation to the council's risk management arrangements and strategic risk management objectives. The Report does not cover the management of specific risks as such information is already provided separately to the Board in the Risk Report, April 2023 paper.

1.2 In exceptionally challenging times and with diminishing resources, the council continues to apply an appropriate level of risk management to prevent or mitigate the effects of loss or harm. In doing so, we recognise that good risk management contributes to the delivery of better financial outcomes, business objectives, better project success rates, achievement of targets and fewer unexpected problems.

1.3 We purposefully promote an environment that is risk 'aware' rather than risk 'averse' and strive to place risk management information at the heart of the key decisions that we make. This means that we can take an effective approach to managing risk in a way that both addresses our significant challenges and enables innovation.

1.4 This annual report supports the council's corporate governance arrangements and seeks to provide assurance to stakeholders (internal and external) concerning the organisational risk management arrangements applied during 2022/23.

2.   Risk Management Framework 2022/23: Overview

2.1   Below is an overview of the key components of the council's risk management framework. Thereafter sections 3 to 7 of this report expand on each component and highlight specific points relevant to 2022/23 developments.

(1)   **Infrastructure/ enablers**
At the heart of the council's risk management arrangements are the strategic risk management objectives, the risk management policy and strategy and the strategic risk management development plan. Also embedded within the infrastructure are the communications systems in use for risk management information, the Intranet and the key policy boards and groups such as the Corporate Management Team and Corporate Risk Management Group that have a specific role in risk management.

(2)   **Process**
A cyclical process for risk assessment, treatment, communication, monitoring and review of risk using a standardised risk matrix. The process and supporting matrix continue to enable a consistent approach to risk management throughout the council, set within the context of the council's capacity and tolerance for risk, sometimes also referred to as 'risk appetite.'

(3)   **Application/ results**
Risk management is not viewed as an isolated function or practice but is applied to other key business processes of the council, including service planning, financial planning, performance management, procurement, project management and partnerships. Applying risk management at the right time and in the right way is key to risk management adding value to the organisation and delivering tangible results.

(4)   **Reporting and monitoring**
Reporting and monitoring arrangements, including individual and group roles and responsibilities for risk management, are defined in such a way as to ensure a suitable flow of risk management information throughout the council and an appropriate level of monitoring and scrutiny relating to the effectiveness of the risk management arrangements in place and progress being made in relation to activity linked to strategic and corporate risk registers and service risk management plans.

(5)   **Risk management function**
For the risk management framework to be effective, it must be underpinned by training, guidance and ongoing development activity which raise awareness of how to implement good risk management practice across the council. This aspect of the framework informs the workplan of the corporate risk management function under the responsibility of the Director of Finance and Resources.

Document Title:	Risk Management Annual Report 2022/2023		
Service:	N/A	Lead Author	Risk Manager and the Corporate Risk Management Group
Date Effective:	22 May 2023	Review Dates:	Not applicable

3.   Risk Management Infrastructure/ Enablers

3.1   Risk Management Policy and Strategy

In March 2021 'Risk Matters – the next level,' the combined risk management policy and strategy was revised and approved by the Audit, Risk and Scrutiny Board[1].

There have been no changes to the policy or strategy over the past year as our corporate risk management activity has been focused on the development work required to implement and embed the various changes agreed by the Board when approving Risk Matters in 2021.

Risk Matters is due to come back to Board for formal approval again in November 2023.

Strategic Risk Management Objectives

The council bases its strategic risk management objectives around the former National Risk Management Performance Assessment Model developed by ALARM[2].

The strategic risk management objectives remain relevant and continue to form the basis of our Strategic Risk Management Development Plan.

Strategic Risk Management Objectives

Enablers

(1) Leadership and management: Ensuring that our Members, Directors and Senior Managers fully support and promote risk management

(2) Policy and strategy: Ensuring that our policy and strategy remain fit for purpose and maintain a consistent approach to the management of risk and increasing its effectiveness

(3) People: Ensure that our people are equipped and supported to manage risk well

(4) Partnerships and resources: Ensuring that we have effective arrangements for managing risks in partnerships and resourcing risk management activity

(5) Processes: **Ensuring that our** risk management processes are effective in supporting the business activities of the council

(6) Risk handling and assurance: Ensuring that risks are handled well and that the council has assurance that risk management is delivering successful outcomes and supporting innovation

Results

(7) Outcomes and delivery: **Ensuring that** risk management does contribute to achieving positive outcomes for the council

3.2   Strategic Risk Management Development Plan

To support the implementation of "Risk Matters – the next level" and the ongoing development of risk management practice within the council, a Strategic Risk Management Development Plan (the Plan), is in place, outlining key actions that require to be completed over the life cycle of Risk Matters. The Plan is accessible to all Corporate Risk Management Group members via the Group's MS Teams channel.

As reported to Board in May 2021, the creation of the 2021 Plan was paused for several reasons including, but not limited to, the significant tender exercise in 2021 to put in place all the council's insurance policies. A new Plan was therefore to be created for 2022/2024.

The Group is pleased to report to Board on the progress of the two-year Plan as follows:

✅   **YEAR 1**, 2022-23 Key performance figure (year-end) - 100%, (30 of 30 actions) for 2022/23 complete (against an 85% in-year target)

▶   **YEARS 1 and 2 combined**, 2022-24 Key performance figure (2-yr end) - 79%, 30 of 38 actions for 2022/24 complete (against an 85% full plan target)

Year 2, 2023/24, there are no current concerns regarding capacity to deliver on the planned actions.

---

[1] Risk Matters is reviewed formally every two years by Board with an interim annual review conducted by the Corporate Risk Management Group.

[2] 'ALARM' is the public sector risk management association. The council's Risk Manager is a Board Director of ALARM.

Document Title:	Risk Management Annual Report 2022/2023		
Service:	N/A	Lead Author	Risk Manager and the Corporate Risk Management Group
Date Effective:	22 May 2023	Review Dates:	Not applicable

3.3 The Corporate Risk Management Group

The revised Risk Matters approved by Board in March 2021 brought in a new and refreshed role for the Corporate Risk Management Group from April 2021 onwards. Making better use of technologies available, the Group's activities are now not so much driven by meeting schedules but rather, use MS Teams 'channels' more effectively, enabling more dynamic conversations and activities in relation to risk management. Meetings do take place to check that risk owners are updating their risks and key milestones are met, such as reporting to Board, and where joint discussion and debate is required on corporate initiatives or on activities to support the Strategic Risk Management Development Plan.

- **New in 2022/23**: The Corporate Risk Management Group has undertaken its first 'control deep dive.' Control deep dive is a valuable exercise which involves detailed investigation of specific risk controls known to be in place. The purpose of the deep dive exercise is to form a view on whether the risk is under controlled, well controlled, or over controlled. The exercise undertaken in March focused on the council's cyber security arrangements (both technical and non-technical controls). The outputs have been finalised with a report going to the Corporate Management Team in April 2023 with appropriate recommendations.

3.4 The Intranet

The intranet continues to be a key tool for communicating and providing risk management information and guidance to all staff with access to it. The Intranet risk management pages provide access to 'Risk Matters' and a range of supporting guidance documents and templates and contact details for the risk management and insurance service.

4. Risk Management Process

4.1 The standardised process for risk management within the council remains fit for purpose. The table below summarises the guidance which accompanies the process. Applying this process in all aspects of business helps officers to manage their activities and pursue opportunities in a way that helps achieve objectives and prevent loss or harm.

Establish the context	Services consider risk in terms of context such as key themes and objectives, service priorities, operational activities or projects, longer-term or shorter-term objectives.
Identify risk	Services carefully define their risks in such a way as to be clear about the situation presented (opportunity, activity, service change, problem or challenge) and the consequences that may flow from it. We use risk 'bowtie' analysis which employees are finding very visual and helpful in understanding risk.
Analyse risk	Services analyse risk in terms of likelihood of occurrence and should it occur, its potential impact using the standardised risk matrix.
Evaluate risk	Services evaluate risk in terms of significance, being either 'low', 'moderate', 'high' or 'very high' and compare this with the council's capacity and tolerance for risk.
Treat risk	Services consider a range of options when deciding on the most appropriate way to address their risks, either through measures to **t**erminate; **t**ransfer elsewhere (such as through insurance); **t**olerate as it is; or, **t**reat with cost effective measures to reduce it to a level where the exposure is acceptable or tolerable for the council in keeping with its capacity and tolerance for risk. Note: in the case of opportunities, services may '**t**ake' an informed risk in terms of tolerating it if an opportunity is judged to be (1) worthwhile pursuing and (2) the service is confident in its ability to achieve the benefits and justify the risk.
Monitor and review risk	Services are aware that once a risk assessment has been undertaken it is necessary to continue to monitor and review the risk for changes in context or the measures that are in place to control it.
Communicate and consult	Services are aware that it is good practice for at least two officers with relevant subject knowledge to undertake risk assessment (in consultation with other officers if necessary) with the key outcomes of the risk assessment process communicated to relevant persons (such as using the risk implications section on Board papers).

4.2 A major achievement in 2022/23 relates to the new risk assurance model which saw 'business as usual' risks lifted out of the **risk management process** above, with an alternative focus on **risk assurance** developed. (More on that at 5.5)

3

Document Title:	Risk Management Annual Report 2022/2023		
Service:	N/A	Lead Author	Risk Manager and the Corporate Risk Management Group
Date Effective:	22 May 2023	Review Dates:	Not applicable

Page 85 of 144

5.   Risk Management Application/ Results

5.1   For risk management to truly add value for the organisation, it needs to be applied across the range of business processes in operation throughout the council and all its service departments. This section provides an outline of how this happens in practice across a range of business practices.

5.2   Risk management continued to be a key component of the council's **programme and project management** arrangements meaning that if risks are proactively addressed through each stage of a project, the outcomes are more likely to be achieved on time and within the planned budget.

5.3   Each service continues to monitor their risks and refresh them annually, taking account of the service priorities and **service improvement plans**. This means that risks relating to the service priorities are proactively addressed and services are more likely to achieve their priorities and outcomes as planned.

5.4   Each year, services bring to the attention of the Director of Finance and Resources any areas of unavoidable cost pressures they are experiencing. During this process services can highlight instances where cost pressures relate to risks, and this supports effective decisions to be made in **financial planning**.

   ✚ **New in 2022/23**: The Corporate Risk Management Group (in partnership with ICT and Business Analysis colleagues and subject matter experts for 'business as usual' risks), completed the development work to support better assurance around how these risks are handled. Short life working groups developed practical assurance question sets for each area of risk, and the new model, now live, requires all Heads of Services to complete all 12 modules over the course of 2023/24. This means that audit and risk colleagues and subject matter experts will be able to have a corporate view on the levels of assurance for each aspect of risk and this will be reported to Board in due course.

6.   Reporting and Monitoring

6.1   The governance arrangements in place during 2022/23 have continued to ensure clear lines of accountability for risk management and continue to enable a suitable flow of risk information throughout the council. The Audit, Risk & Scrutiny Board previously received a progress report on risk in November 2022.

6.2   Each service has a representative on the Corporate Risk Management Group (the Group). The Group has overseen the 2022/23 strategic and corporate risks, monitoring progress. Services have taken ownership of their risks with processes being followed for reporting, and where necessary 'escalation' of significant risks to the Group. All service departments submitted their risk data on time for the progress reports to the Audit, Risk and Scrutiny Board as planned.

6.3   The Corporate Risk Management Group has now updated how and when it meets and monitors risk in a way that is more dynamic.
   ▪ Risk <u>pulse</u>: 6-weekly MS Teams calls, touching base with each other and reporting in any important matters of mutual interest and flagging any perceived emerging risk.
   ▪ Risk <u>dives</u>: twice yearly 'in person' half days (as per control deep dives described earlier at 3.3).
   ▪ Risk <u>bites</u>: meetings arranged on an ad hoc basis to check progress on aspects of risk management development work.

6.4   In terms of monitoring performance in risk management the council historically participated in the ALARM/ CIPFA[3] benchmarking club, using ALARM's National Risk Management Performance Assessment Model. Although the benchmarking club no longer exists the risk maturity model attached to it still does, describing maturity as:

▪ Level 1	▪ Level 2	▪ Level 3	▪ Level 4	▪ Level 5
Awareness	Happening	Working	Embedded and integrated	Driving

   The council aims for and is performing at level 4.

6.5   In relation to Key Performance Indicators for risk management, the set previously in place have now been set aside on the basis that they have been superseded by the development work of the previous 2 years. New indicators will require to be established towards the end of 2023/24 for implementation in 2024/25.

---

[3] Chartered Institute for Public Finance and Accountancy.

Document Title:	Risk Management Annual Report 2022/2023		
Service:	N/A	Lead Author	Risk Manager and the Corporate Risk Management Group
Date Effective:	22 May 2023	Review Dates:	Not applicable

7. Risk Management Function/ Training and Development

7.1 The council's Risk Management Training Strategy ensures we are clear about the council's expectations as to the degree of risk management knowledge required across a range of roles within the council, and the risk management training and development solutions that are available and should be accessed through the council to enable competence and capacity to manage risk within those roles. Post covid, more training is delivered now online, either via narrated slides or iLearn, which anyone can access at a time convenient to their own situation/ workloads, or even bespoke sessions developed for colleagues interested in a specific aspect of risk.

7.2 Over the course of 2022/23 the following bespoke presentations, workshops or training-related activities were delivered:

- Risk and contingency event for the local government election
- Health and social care integration: risk practitioner perspective
- Risk session for health and social care partnership 'leadership network'
- Contract risk and insurance training for Scotland Excel
- Risk management workshop for Renfrewshire Valuation Joint Board
- Risk management training for OneRen directors x 2 sessions
- Risk management training for council employees doing their university business management courses x 2 sessions
- Risk management training for Audit, Risk and Scrutiny Board members
- Risk 'deep dive' method development and facilitation

7.3 Ad hoc support, advice or training requests continue to be met so far as reasonably practical.

7.4 To continue to provide evidenced based training, development and advice for the council, the council's Risk Manager maintains continued professional development in her field and is qualified to Masters Level (MSc in Risk Management awarded by Glasgow Caledonian University).

7.5 Through membership of a number of groups that include ALARM (the Public Risk Management Association), and the ALARM Scotland Group, the Risk Manager keeps abreast of risk management developments and best practice in other public-sector organisations and local authority areas. The Risk Manager now sits on the ALARM Board and is presently serving as President-Elect (shadowing the President for 2 years). This role means greater development opportunities that in turn serve the council well.

7.6 Through the council's contracts with Insurers and Insurance Brokers, the Risk and Insurance Team keep up to date with developments in the insurance sector in order to ensure that the council's insurance interests and liabilities are protected so far as possible.

8. Conclusion

8.1 This Report has provided an overview of risk management arrangements and activity relating to 2022/23 in regard to the council's corporate-led risk management approach. It is intended that the report provides assurance to the Board.

Document Title:	Risk Management Annual Report 2022/2023		
Service:	N/A	Lead Author	Risk Manager and the Corporate Risk Management Group
Date Effective:	22 May 2023	Review Dates:	Not applicable

To: **Audit, Risk and Scrutiny Board**

On: **22 May 2023**

Report by: **Director of Finance and Resources**

Heading: **Risk Report, May 2023**

1. **Summary**

1.1 Each year the Board considers and approves the council's risks.

1.2 This paper sets out the latest position in managing the council's risks, as we have entered the new financial year. The appendices attached provide details of:

- 1: longer-term or imminent strategic risks (from April 2023)
- 2: longer-term significant corporate risks (from April 2023)
- 3: significant service risks (note nil entry and explanatory note)
- 4: the list of 'business as usual' risks (ongoing)

2. **Recommendations**

2.1 It is recommended that the Board approves the report, agreeing with the risks identified.

3. **Background**

3.1 The key areas of risk **previously** reported to the Audit, Risk & Scrutiny Board in **November** 2022 were:

Strategic Risks:
Very High-Risk Economy
Very High-Risk Unemployment
Very High-Risk Reducing inequalities
High Risk Climate, sustainability & adaptability

Corporate Risks:
Very High-Risk Financial sustainability
Very High-Risk Financial stability
High-Risk Cyber attack
High Risk Regulatory services/ statutory activities
High Risk Commercial vehicle & operator's license
High Risk Tree Fall and Ash Dieback
High Risk Asset Management

ARS 22/5/23

3.2   The strategic and corporate risk profile for the council in terms of its longer-term or imminent risks was as shown by the matrix below:

Evaluation:	Low	Moderate	High	Very High	Total
LT or Imm Strategic Risks:	00	00	01	03	04
LT or Imm Corporate Risks:	00	00	05	02	07

3.3   Risks are evaluated using the Council's adopted risk matrix; this involves multiplying the likelihood of a risk occurring by its potential impact. Risks are then evaluated as either 'low' (green), 'moderate' (yellow), 'high' (amber) or 'very high' (red).

3.4   It was noted that when service departments had reviewed their top 'significant' operational risks (i.e., those evaluated as high or very high) all reported that any such risks were already captured by some strategic and/ or corporate risks.

3.5   The Corporate Risk Management Group has again reviewed the risk profile on behalf of the Corporate Management Team and the current information is now presented to Board, setting out the key risks as we have entered the 2023-24 financial year.

3.6   Movement in risk profile since the previous risk report to Board in November 2022:

- Risks removed/ de-escalated

  Unemployment – this strategic risk had previously been a very high one for the council, but with targeted activities (including job creation programmes and demand led interventions, focus on youth unemployment, working with schools to better prepare pupils for employment, community benefit clauses embedded in procurement activities, enhanced and expanded employability services, and focused partnership working to ensure no-one is left behind), Renfrewshire is now seeing high levels of employment locally. Acknowledging however that there is no room for complacency, we ensure that going forward, employment, unemployment and low-paid employment matters will continue to feature in the wider 'economy' risk.

- Risks remaining, with scoring/ evaluation changed
  Nil report for this section.

- Risks added/ escalated from service/s to strategic or corporate
  Nil report for this section.

- Risks added/ escalated from 'business as usual' to strategic or corporate
  Nil report for this section.

3.7   With paragraph 3.6 in mind, the risk profile is therefore now as follows:

Evaluation:	Low	Moderate	High	Very High	Total
LT or Imm Strategic Risks:	00	00	01	02	03
LT or Imm Corporate Risks:	00	00	05	02	07

Strategic Risks:

Very High-Risk Economy

Very High-Risk Reducing inequalities

High Risk Climate, sustainability & adaptability

Corporate Risks:

Very High-Risk Financial sustainability

Very High-Risk Financial stability

High-Risk Cyber attack

High Risk Regulatory services/ statutory activities

High Risk Commercial vehicle & operator's license

High Risk Tree Fall and Ash Dieback

High Risk Asset Management

3.8   Most services report that any significant service risks are already captured by the above risks with further (less significant) service risks being embedded in their service improvement processes. Following the recent organisation structural changes however, Environment, Housing and Infrastructure Services will be fully reviewing their risk profile to determine if any new significant risks should be captured going forward.

3.9   Horizon Scanning
        While not necessarily included on risk registers, there are always matters that the Corporate Risk Management Group will keep a watching brief on. Of particular help in this, is the Global Risks Report – a survey produced annually by the World Economic Forum in partnership with Marsh McLennan and Zurich Insurance Group. It is worth noting that the report highlights that the cost-of-living crisis dominates global risks in the next two years, while climate action failure dominates the next decade. Both aspects feature in our local risk reporting.

3.10   Appendix 1 provides the detail for 3 longer-term or imminent strategic risks.
        Appendix 2 provides the detail for 7 longer-term or imminent corporate risks.
        Appendix 3 confirms a nil report for significant service risks (over and above service-led risks already in appendices 1 and 2).
        Appendix 4 outlines our 'business as usual' risk areas [1]

3.11   The strategic and corporate risks are now aligned with the council plan themes that were approved in 2022.

---

[1] For 'business as usual' risks, the council takes a different approach. BAU risks are defined as those not generally related to corporate priorities or ambitions but rather are inherent by nature of our type of organisation. Essentially these are risks we have no option but to live with and manage and monitor.

_____

Implications of the Report

1.   **Financial**

Recurring costs associated with the measures in place for each risk are considered proportionate to the level of risk, and new planned actions are also considered to be cost effective.

The financial requirements to support the risks should be met within the budget of each relevant risk owner, nevertheless, any unplanned and unbudgeted cost pressures that arise in relation to any of the risks identified will be subject to review in consultation with the Director of Finance and Resources.

2.   **HR & Organisational Development** – not relevant to report recommendations

3.   **Community/Council Planning** – effective risk management supports the delivery of all community/ council plan outcomes

4.   **Legal** – not relevant to report recommendations

5.   **Property/Assets** – not relevant to report recommendations

6.   **Information Technology** – not relevant to report recommendations

7.   **Equality & Human Rights** – not relevant to report recommendations

8.   **Health & Safety** – not relevant to report recommendations

9.   **Procurement** – not relevant to report recommendations

10.   **Risk** – as per the subject matter of this report

11.   **Privacy Impact** – not relevant to report recommendations

12.   **Cosla Policy Position** – not relevant to report recommendations

13.   **Climate Risk** – not relevant to report recommendations

_____

Author: Karen Locke, Risk Manager
                 Tel: 07506 957 037, Email: Karen.Locke@renfrewshire.gov.uk

Appendix 1: Strategic Risks, longer-term or imminent

- ECONOMY – building an inclusive, green and resilient economy

Context	Risk Statement	Owned by	Current Controls	Likelihood	Impact	Evaluation
SRR.23.01.01 Economy The coronavirus pandemic has resulted in significant challenges for economies across the world. The UK and Scottish Governments invested billions to support businesses through lockdowns and furlough in order to keep businesses viable and retain people in employment. Renfrewshire's economy has well established strengths in transport (including Glasgow Airport), retail (including Braehead), manufacturing (including significant international exports) and construction. All these sectors and their wider supply chains have been impacted by the lockdown restrictions which have reduced supply and led to subdued demand for products and services. The construction sector is currently experiencing significant volatility in terms of labour, supply chains, prices, and construction inflation. This makes "building our way out of Covid" less attractive, coupled with a connected surge in construction claims and disputes.	Even before the COVID-19 crisis, the Scottish economy was facing several strategic challenges including climate change, Brexit and lower than average productivity. Likewise, Renfrewshire's economy was facing challenges such as: growing the working age population; more closely aligning the education and skills provision with the needs of local employers; and achieving a strong and inclusive economy. The risk therefore is that significant economic improvement and upskilling of local workforce is difficult to progress until the current landscape improves and our investment programmes are completed	Head of Economy and Development Head of Finance & Procurement Programme Director – City Deal & Infrastructure	(1) Economic Recovery Plan (2) Capital investment such as investment in housing and heritage assets; supporting Scotland's prospectus for international investment by identifying and developing opportunities such as AMIDS[2] and supporting local businesses seeking to export to new markets (3) Taking forward measures to counter any education learning loss (4) Developing skills interventions to address the risks of unemployment, in particular those in low-paid employment, and parents. (5) Support for local businesses to bid for council contracts (6) Support for local businesses to become more carbon neutral	05	05	25 V.High

Action Codes	Actions	Assigned To	Date	Status
CESIP22.01.02	Maximise funding for regeneration of Renfrewshire's places through grant submissions to external sources including UK and Scottish Governments. The Regeneration and Place Team have successfully been able to secure and receive funding through various external sources. Between 21/22 and 25/26 we have been allocated £4.4m from the Place Based Investment Fund for capital regeneration projects. Between 22/23 and 24/25 we have received £1.5m in funding for capital and revenue regeneration spend from the Shared Prosperity fund.	Head of Economy and Development	31-Mar-2023	▶

---

[2] *Advanced Manufacturing Innovation District*

	Have consistently been successful in RCGF funding applications. Most recent successful application received £800k in funding for the PACE theatre project. Have recently secured £35k funding from Visit Scotland to develop a strategic Tourism Infrastructure Development Plan for Clyde Muirshiel Regional Park. Recently the team submitted applications to NLHF and HES in respect of a potential new heritage scheme in Johnstone and Kilbarchan.			
CESDP21 - 01 - 27	Monitor benefits of City Deal Projects, including AMIDS, Clyde Waterfront and Renfrew Riverside and City Region wide employment programmes. Community Benefits: 110 of 150 community benefits have been delivered to date. The remainder are on track/have been re-baselined to be completed as part of the project lifespan. Project Benefits: Project is developing at pace with all expected benefits in terms of infrastructure, economy and wider regeneration on track. **Glasgow Airport Investment Area (GAIA)** Community Benefits: 70 out of 70 community benefits have been delivered. Project Benefits: Enabling infrastructure benefits of the GAIA project is now complete. The infrastructure in place has allowed the progression of the AMIDS site to take place with key link road throughout and new connecting bridges opened.	Programme Director - City Deal and Infrastructure	31-Mar-2023	▶
CESDP21 - 01 - 13	Deliver on the ambitions of our town centre strategies and specifically working with partners to transform Paisley Town Centre through the Paisley Town Centre Action Plan 2016-2026. The transformation of Paisley on the back of the Action Plan has begun. Goals such creating an international culture and heritage destination and acting as a stimulus for property investment, development and re-use has already been realised. There are a number of significant regeneration projects currently under construction including the restoration of the Museum, Town Hall and Arts Centre and the creation of a new Culture and Learning Hub in the High Street. The recent publication of the Paisley Vision document will also act as a further catalyst to inspire future development in and around the town centre. The team are now looking at delivering refreshed strategies for other major settlements in Renfrewshire. The first will be in Johnstone, with further updates for Erskine, Linwood and Renfrew in the pipeline.	Chief Economic and Regeneration Manager	31-Mar-2023	▶
CESDP21 - 01 - 26	Work with partners to deliver the Advanced Manufacturing Innovation District – Scotland (AMIDS) First two centres of employment are significantly progressed with occupation of the 1st now completed in Q4 2022 and the other due in Q1 2023. Procurement of a joint venture partner for the remaining AMIDS site is nearing completion, with agreement anticipated May 2023. A strategic Group has been established with key stakeholders informing progression of development. Key enabling infrastructure is now complete together with new public realm space.	Programme Director, City Deal and Infrastructure	31-Mar-2023	▶
CESIP20 - 01 - 07	Participate fully in all aspects of the new National Manufacturing Institute Scotland (NMIS) Governance arrangements and Medicine Manufacturing Innovation Centre (MMIC) delivery. RC have strong links with NMIS and MMIC as they are represented on the NMIS One Scotland Collaboration Group and chair the AMIDS Strategic Advisory Group with both organisations represented. CD&I team members work closely with both organisations	Programme Director, City Deal and Infrastructure	31-Mar-2023	▶

	daily and continue to assist with the commissioning of their buildings. MMIC building is already operational with NMIS expected to open in early 2023. Work has progressed with the Strategic Advisory Group to ensure partnerships are in place and a collaborative approach is allowing NMIS and MMIC to lead on engaging with sector specific organisation to hopefully progress to further occupation at the AMIDS site. A meeting is scheduled at the NMIS building in March to plan through full governance and programme management structures for how all parties engage with each other.			
CESIP22.02.01	Progressing the AMIDS South project to maintain the programme requirements of the UK Government Levelling Up Fund award. Planning consent obtained (Jan 2023). Liaison with stakeholders and continuing development of detailed designs ongoing in advance of construction tender issue during 2023. Dialogue with UK Government agencies continuing on all aspects including delivery programme.	Programme Director, City Deal and Infrastructure	31-Mar-2023	▶

- PLACE - working together to enhance wellbeing across communities
- FAIR - nurturing bright, happy and healthy futures for all

Context	Risk Statement	Owned by	Current Controls	Likelihood	Impact	Evaluation
SRR.23.02.02 **Reducing inequalities in Renfrewshire** The Council plays a key role in tackling inequalities and providing the best possible services to our communities, particularly those who are experiencing the poorest outcomes. As well as our focus on health and wellbeing, we are also committed to support vulnerable individuals, groups or communities through early intervention and prevention, responding to poverty, supporting routes to employment as well as dealing with welfare reforms. The impact of COVID-19 is likely to have exacerbated existing inequalities in terms of for example educational attainment, health, poverty and mental health. There will be a significant focus on ensuring that people receive the economic and wellbeing support that is needed, with a real opportunity to work in a different way, and to tackle some of the existing inequalities across communities as we do this. The current cost of living crisis impacts disproportionately on particular groups in society. In the short term, significant focus is on supporting food insecurity and supporting people on low incomes to maximise income and seek advice with income and debt management.	If we don't have a coordinated approach to tackling inequalities across Renfrewshire (including for example, the causes and consequences of poverty), this could jeopardise the effort in reducing both the short-term impacts on households but also have wider long-term consequences on attainment and health for people living on low incomes.	Head of Policy & Partnerships	(1) Fairer Renfrewshire Programme (2) Attainment Challenge (3) Strong partnership working (e.g. Community Planning Partnership (CPP). Advice Partnership, Empowering Communities Forum, Improving Life Chances, CPP Board (4) CPP have identified priorities e.g. Alcohol and Drugs, Social isolation etc. (5) Social Renewal Plan has been developed through a programme of analysis, research, and engagement. (6) Neighbourhood hub model in place to support local needs on a partnership basis in response to COVID	05	05	25 V.High

Action Codes	Actions	Assigned To	Date	Status
CESIP22.03.01	Develop the new Fairer Renfrewshire programme. The Fairer Renfrewshire Sub-Committee has been meeting since August 22 and a Fairer Renfrewshire Officers Group made up of officers from across services is meeting monthly. Work with partners to develop the Fairer Renfrewshire Programme is ongoing. There are four key emerging themes which are shared across all elements of the programme, and these are: •Improving financial security •Advancing equality of opportunity •Building community capacity and resilience •Listening to lived experience Funding has been allocated from the Fairer Renfrewshire budget to a number of projects to support residents with immediate Cost of Living increases. These include supports around food, fuel and advice. Work is also ongoing around digital access and supporting residents to get online through the Citizen Voice group, with a new post of Digital Champion in libraries has been recruited.	Strategic Partnerships & Inequalities Manager	31-Mar-2025	▶

	Our Winter Connections programme was set up to support residents over the Winter 22/23 period, and has provided grants to a number of organisations to run activities. The development of a panel of people with lived experience of poverty to inform the Council's policy and practice is ongoing. A diverse panel has been recruited and have met formally six times, with test of change being evaluated by Poverty Alliance. In addition, officers are undertaking a 'deep dive' child poverty data exercise, to support the Local Child Poverty Action Plan as well as the wider Fairer Renfrewshire programme			
CESIP22.03.02	Develop and implement the action plan for the Trauma-Informed and Responsive Renfrewshire Programme. A coordinator post has been created to lead this programme of work going forward, with the coordinator starting in late October 2022. Further engagement with the Improvement Service and other local authorities has taken place through national networks for trauma champions and trauma leads, and the steering group reconvened in March 2023 to further explore the draft plan for the Programme. Leadership training for the Corporate Management Team was also undertaken in March 2023.	Head of Policy & Partnerships	31-Mar-2024	▶
CESIP22.03.03	Deliver the Stigma/Language Matters project. The work of the Alcohol and Drugs Commission identified the need for partners to act robustly to eradicate stigma and promote positive conversations around recovery. Although the initial focus for this initiative was focused on alcohol and drug stigma, there is the opportunity to widen its scope to include other existing and emerging priorities, such as The Promise, Tackling Poverty, Trauma Informed and Responsive Renfrewshire and Our Values for example. High level themes and initial actions have been identified, including supporting staff to understand the power of language, be confident in their use of language, and to challenge stigma by speaking up when people make negative or wrong comments; and supporting national campaigns to help people in Renfrewshire understand the power and impact of language. A review of the resources required to deliver this project is currently underway.	Head of Policy & Partnerships	31-Mar-2024	▶
CESIP22.03.06	Develop and implement targeted interventions to supporting communities through the cost-of-living crisis, with a particular focus on food and fuel insecurity The Community Food Fund has supported community food provision across Renfrewshire. Three allocations of funding have been made to the Fuel Insecurity Pilot which continues to support fuel vouchers augmented with energy advice and the increase in payment amount and continuation of the Financial Insecurity Winter Payment supports households who are struggling to purchase essentials like food and fuel. In addition the Tackling Poverty programme continues to support an Energy Adviser in the Energy Management Unit.	Strategic Partnerships & Inequalities Manager	31-Mar-2023	✅
CESIP22.03.09	Carry out an evaluation of the Tackling Poverty programme and develop a transition plan for mainstreaming this work. Work commenced in Q2 and initial projects identified for evaluation. This work is ongoing with Programme Management Unit support.	Strategic Partnerships & Inequalities Manager	30-Sep-2023	▶

- GREEN – leading Renfrewshire to Net Zero

Context	Risk Statement	Owned by	Current Controls	Likelihood	Impact	Evaluation
SRR.23.03.03 Climate, Sustainability & Adaptability Renfrewshire Council declared a Climate Emergency on 27 June 2019 and established a Climate Change Sub-Committee, now the Planning and Climate Change Policy Board to lead on this work. The actions required are potentially complex and multi-faceted and need to be supported by organisations across all sectors, and in partnership with local communities. Actions include: pledging to work proactively with others towards a net zero Renfrewshire by 2030, taking into account both production and consumption emissions; and assisting communities to become more resilient to the impacts of global warming, particularly to flooding and to drought.	The climate emergency brings a risk to Council and its communities in relation to increased extreme weather as well as food insecurity. We need to focus on mitigation and adaptation and ensure a just transition so no one is left behind and none is disadvantaged in the transition to net zero. The Council would need to take action and support those most disadvantaged. A key risk is that the Council is not in control of all of the levers, and cannot deliver everything required in isolation, so there is a risk that others do not contribute towards the 2030 target.	Head of Policy & Partnerships Head of Climate, Public Protection and Roads Climate Change Working Group	(1) The Council has used the Climate Change Assessment Tool – helps public sector organisations in Scotland self-evaluate their performance under the public sector duties of the Climate Change (Scotland) Act 2009 (2) Renfrewshire's Plan for Net Zero has specific objectives to reduce emissions, and these are included in other key documents such as the Council Plan (3) Implementation of the Corporate Asset Management Strategy ensures that property assets are managed effectively and efficiently through the provision of relevant management and performance information (4) The Energy Management Team: ensure energy management initiatives are aligned to the capital investment programme and corporate asset strategy to optimise use of property estate and reduce overall running costs and energy consumption levels. Promote reductions in energy usage and advise employees and residents about energy efficiency (5) Through the Procurement Unit, sustainability and community benefits are considered in the development of all contract strategies (6) Governance through the Planning & Climate Change Policy Board (7) Launch of the Climate change action fund – to support a range of initiatives/feasibility to test new ways of working and to be ready to lever external funding (8) Climate Panel / Partnership Forum to support engagement and ensure all voices are heard, including traditionally underrepresented groups (9) Community Climate Fund – fund for community organisations to enable behaviour change and local green projects to make our communities more resilient	04	04	16 <mark>High</mark>

Action Codes	New Actions	Assigned To	Date	Status
CESIP22.04.01	Complete the District Heating Network at AMIDS, with supplies to NMIS and MMIC. The district heating network is now complete and operational.	Programme Director, City Deal and Infrastructure	31-Mar-23	✅
CESIP22.04.02	Develop the first stage of Renfrewshire's Plan for Net Zero The Plan for Net Zero was developed in partnership with other services, stakeholders and our citizens through Renfrewshire's Climate Panel. The Plan was approved by the Planning and Climate Change Policy Board on 23rd August.	Strategy, Policy & Insight Manager	31-Dec-22	✅
Forward action linked to Net Zero plan: Climate change action to make Renfrewshire net zero - Renfrewshire Website				

Appendix 2: Corporate Risks, longer-term or imminent

- LIVING our VALUES – making a difference together

Context	Risk Statement	Owned by	Current Controls	Likelihood	Impact	Evaluation
CRR23.04.04 **Financial Sustainability** **Financial recovery from global events** - Rebuilding of financial resilience following unprecedented costs and loss of income incurred in responding to the COVID-19 pandemic - Anticipated reduced income from NDR/CT over the medium term as full economic implications of the pandemic and cost-of-living crisis hit local businesses and communities - Pricing volatility and global supply issues leading to shortage of labour and materials following Brexit and the outbreak of the Ukraine war **Best value report** - Recommendation in Best Value report to prioritise how services need to be provided in future to be funded from within available resources. **Cost and Income pressures** - Future grant settlements and the level of funding available. - Implications of national economic policy choices to protect certain services from real-terms reductions in funding such as the Police and NHS - Future Local Government pay settlements, and non-payroll inflation - Demographics and demand pressures, such as an ageing population with increased associated	If significant cost pressures are not successfully planned for and managed effectively over the medium to longer term, this could jeopardise the financial sustainability of the council and result in a significant impact on availability and quality of front-line services and capital investment resources. Decisions will then be required on the continuity or scope of some services currently offered.	Head of Finance & Procurement	(1) Revised medium- to long-term Financial Outlook reassessed the various risks to the Council's short, medium- and longer-term financial sustainability. Refreshed report to Council on 2 March 2023 outlined the immediate financial concerns and plans to address these, including R4R savings (see 3 below), financial sustainability workstreams, and utilising flexibilities agreed by the Scottish Government; however, as the position continues to develop and evolve, close monitoring will be required to ensure that the Council manages costs in the short term and fully appreciates the longer term consequences of actions taken to address short-term risks. Committee reports of this nature cover a wide range of current and future financial and economic factors e.g., Strategic Economic and National Policy Context, Cost Pressures, Pressures on Income and Mitigation Strategies to deal with such uncertainties. (2) A well-developed and embedded budget planning, budget setting and budgetary control system is in place throughout the organisation, and this informs members and officers regarding financial performance and stability. This facilitates robust and transparent decision making and incorporates an escalation process with regards budget management issues which may arise. (3) In conjunction with the medium to longer term financial outlook and the Council's continued "Right for Renfrewshire (R4R) Programme", Renfrewshire Council has been pro-active in planning for the future by identifying and agreeing a planned release of resources. This is required to meet emerging budget pressures and has been run in conjunction with the Council's long-term debt smoothing strategy to support the release of planned savings over a number of years; however, the pandemic interrupted the planned delivery of savings under RFR, so the full programme has been reviewed. It remains the case that savings will continue to require be generated at scale in order to ensure the ongoing financial sustainability of the Council.	05	05	25 V.High

service demands, and increases in demand for children's social care
- Implications of welfare reform and poverty levels, exacerbated by cost-of-living crisis.
- Reductions in income from fee-generating services such as car parking; implications of the national economic recovery and associated risks/uncertainty in economic factors e.g., interest rates and inflation.
- Implications of third party provider financial stability, such as childcare providers in current economic climate
- Liability for predecessor organisations, in light of the removal of the limitation period for historic child abuse claims

(4) The Council approved a number of Financial Sustainability Workstreams in June 2022. These are led by Directors and look to progress recurring revenue savings.

(5) There is close financial monitoring of the agreed savings to ensure that they are delivered within the agreed timescales or where this is not possible, to understand and reschedule planned delivery to achieve the associated objectives. Monitoring is undertaken via a combination of financial and operational measures, actions and related update reports.

(6) Regular updates and bespoke reports are provided to CMT and the Council with regards the national fiscal position, likely developments and the impact on the council through close liaison with national groups e.g., CIPFA DoFs, COSLA and the Scottish Government. This liaison remains critical in ensuring the Council is aware of potential financial developments and is in a position to influence these.

(7) Levels of and use of reserves has been a key tool in addressing the costs of the pandemic, therefore the planned use of and rebuilding of reserves in the medium term, and the Council's Capital Investment and Treasury Management Strategy, are key to ensuring ongoing financial sustainability.

Other controls

(8) Reports and publications from Audit Scotland in relation to the Local Government financial outlook, financial planning and related developments and improvements are supplemented with a Renfrewshire context report, with both reports being submitted to the Council's Audit Risk and Scrutiny Board.

(9) Utilisation and energy consumption has clarified priority areas for investment in the Council's estate and this has supported and informed investment decisions and the formulation of the Council's Capital and Revenue budgets.

Action Codes	Linked Actions	Latest Note	Assigned To	Due Date	Status
CRR22.05.05a	Strategic Property Review and new ways of working / Review of local policy positions	Work on all of the financial sustainability workstreams is being progressed with updates regularly to Council. Agreed budget changes will then be incorporated into the General Fund base budget in	Director of Environment, Housing and Infrastructure	30-Sep-2023	▶
CRR22.05.05b	Charging, fees and commercialisation / review of Council risk		Director of Finance and Resources	30-Sep-2023	▶
CRR22.05.05c	Strategic review of procurement		Chief Executive (Head of Policy and Partnerships)	30-Sep-2023	▶

CRR22.05.05d	Connected Communities / Review of Management grades and structures	future years to capture the recurring savings.	Chief Executive (Head of Policy and Partnerships)	30-Sep-2023	▶
CRR22.05.05e	Digital Strategy	Due dates amended to 30 Sep 2023.	Director of Finance and Resources	30-Sep-2023	▶
CRR22.05.05f	Council Tax and Tax Policy		Director of Finance and Resources	30-Sep-2023	▶

Context	Risk Statement	Owned by	Current Controls	Likelihood	Impact	Evaluation
CRR23.04.05 **Financial Stability** Context: Imminent shorter-term risk for financial stability, recognising the immediate financial situation of the Council (note: the medium to longer-term financial position is captured under financial 'sustainability')	If significant short-term costs and income losses are not closely monitored and understood, this could destabilise the finances of the Council to an extent beyond the financial resilience of the Council, resulting in a need for immediate cost control measures, or short-term savings which have an immediate impact on service delivery.	Head of Finance and Procurement	(1) Revenue budget monitoring reports to Policy Boards focus on the forecast year-end outturn position rather than the historic periodic position, so that significant variances are reported early, and any mitigating steps can be taken. This is already highlighting severe price pressures (such as energy costs) across different services. The impact of pay inflation is also highlighted through this reporting mechanism. (2) Review of all Right for Renfrewshire programmes has been undertaken in order to recalculate potential cost savings in-year and to reprofile agreed savings, the delivery of which was interrupted by the pandemic (3) Review of Financial Sustainability workstreams following approval of the 2023/24 Revenue Budget to ensure targets remain achievable (4) Clear analysis of the Council's reserves position and potential for reprioritisation or redirection; including the development of plans to rebuild financial resilience of the Council in the medium term (5) Ongoing discussion with directors to understand the financial consequences of the current economic climate for each service and how these will be managed; (6) Review of capital plan and ongoing projects to ensure clear understanding of phasing of potential spend.	05	05	25 **V.High**

Action Codes	Linked Actions	Latest Note	Assigned	Due Date	Status
CRR22.05.07a	Investigate potential of Service Concession Flexibility allowed by Scottish Government	This exercise has now been completed and approved by Council through the Revenue Estimates 2023/24 where annual recurring savings of £1.4m were identified.	Head of Finance and Procurement	31-Oct-2022	✓
CRR22.05.07b	Report to Council the financial impact of utilising the service concession flexibility	Complete – reported to Council in Financial Outlook in December 2022 and Revenue Estimates report in March 2023	Director of Finance and Resources	31-Dec-2022	✓

Context	Risk Statement	Owned by	Current Controls	Likelihood	Impact	Evaluation
CRR23.04.06 **Cyber Attack** Context: ▪Review of the council's cyber environment ▪Ever increasing criminal cyber activity ▪Increasing reliance on electronic systems	While the council's cyber protections are robust, cyber-attacks are becoming more and more frequent and sophisticated, and the council could be subject to an attack such as that on SEPA, with the risk of significant impact on council service provision.	CMT	For security reasons, controls are not published in the public domain *Note, this risk has been subject to a deep dive exercise in March 2023. Recommendations are with the CMT for approval.*	04	04	16 **High**
Action Codes	**Linked Actions**		**Latest Note**	**Assigned To**	**Due Date**	**Status**
As agreed by the Corporate Management Team						

Context	Risk Statement	Owned by	Current Controls		Likelihood	Impact	Evaluation
CRR23.04.07 **Impact on Regulatory Services due to Covid-19 and EU withdrawal.** Context: Increased demands have been placed on Regulatory Services (Environmental Health and Trading Standards) due recovery post-pandemic and EU withdrawal. Resource and funding will be required to meet the current demands and ensure that statutory duties are not impacted.	There is a risk, due to the shifting legislative landscape and rapidly increasing demands on Regulatory staff arising from COVID-19 and the EU Exit on 1 January 2021 that statutory duties may not be able to be fully met. Regulatory Services continue to function within a post-pandemic recovery phase.	Head of Climate, Public Protection & Roads	(1)	Bedding in the new "grow your own" structure, to ensure a strong and resilient workforce moving forward. This will also support the retention of skilled and qualified employees within the service.	03	05	15 **High**
			(2)	Working with REHIS, Society of Chief Environmental Health Officers for Scotland and University West of Scotland, Renfrewshire Council been mentoring a student from September 2021 as part of the first cohort of new trainees under a new Environmental Health course. This will lead to a larger number of EHOs to come through and replace an ageing workforce.			
			(3)	Three Fair Trading & Licensing Officers are passed Stage 1 of the Trading Standards qualification process and are undergoing Stage 2. This is a long process, which takes a significant amount of staff resource to support but can be undertaken in small, incremental stages, to ensure service delivery as a priority.			
			(4)	Wider staff being trained in functions to release EHO/TSO to focus on EU withdrawal work at Glasgow Airport.			
			(5)	Discussions with Glasgow Airport to understand impacts of changes at Glasgow Airport from EU withdrawal.			
			(6)	Discussions with DEFRA & Food Standards Scotland on Import/Exports duties			
			(7)	Regular meetings with other appropriate bodies to understand landscape for EU withdrawal and impacts on Renfrewshire.			
Action Codes	**Linked Actions**		**Latest Note**		**Assigned To**	**Due Date**	**Status**
Ongoing monitoring							

Context	Risk Statement	Owned by	Current Controls	Likelihood	Impact	Evaluation
CRR23.04.08 **Commercial vehicle and operator licence compliance** Context: The council's vehicle fleet, managed by Environment & Infrastructure Services, comprises around 500 vehicles including heavy and large goods vehicles, light vans and cars. The council implements a range of measures to ensure ongoing vehicle operator licence compliance.	Renfrewshire Council requires its fleet of vehicles to be effectively managed, otherwise there could be sustained impact in several areas including community care, housing maintenance and repairs, streetscene operations and waste collection.	Head of Operations and Service Development	Governance (1) Training and Compliance Officer in post monitoring compliance performance and linking to inspection activity (2) Monitoring and tracking of vehicle servicing (3) Tachograph analysis system ensuring monitoring and compliance of driving staff (4) Operator Licencing Awareness Training (OLAT) conducted for all operational service managers (5) Full compliance audit report focusing on Operator Licence and Compliance completed in 2019 by Freight Transport Association (FTA) (6) Regular monitoring of Driver and Vehicle Standards Agency (DVSA) updates and controls (7) Quarterly attendance at Logistics UK (formerly FTA) and APSE Transport boards Operational (8) Reduction in average age of Council Fleet (9) Workshop equipment and tooling improvements	03	05	15 High

Action Codes	Linked Actions	Latest Note	Assigned To	Date	Status
(Presently monitoring compliance until such times as the risk can be reduced. We are currently recruiting for two compliance posts within the service)					

Context	Risk Statement	Owned by	Current Controls	Likelihood	Impact	Evaluation
CRR23.04.09 **Asset Management** Context: GOVERNANCE – roles and responsibilities - Estates (Leases – by and from the council, and on behalf of HSCP) - Facilities management (security, housekeeping, statutory duties/ inspection, maintenance, repair, building fire risk assessment) - Property services (capital works, and CAMIS development) - All services (inspection inventories and response, people elements of fire risk assessment)	Effective governance and management of the council's property assets is essential, otherwise there is a significant risk of harm, financial loss, service disruption, non-compliances, fines, rising energy costs and inability to recover losses via insurance proceeds	Director of Environment, Housing & Infrastructure; Director of Finance & Resources; Head of Economy & Development Services	Corporately: Key responsibilities with regards to the Estate span 2 specific service departments, but they come together through a CAMIS Development Group (Corporate Asset Management Information System) which is taking forward a workplan to more effectively consolidate and oversee asset management risk Heads of Service: Effective asset management in practice on the frontline is included within the new Risk Assurance model which went live on 1 April 2023.	03	05	15 High

Action Codes	Linked Actions	Latest Note	Assigned To	Due	Status
CRR22.05.10a	New CAMIS Development Group to appoint Joint Chairs/ Heads of Service	Head of Property Services and Head of Facilities Management Services have agreed to co-chair the group	CAMIS Development Group	30-Sep-2022	✅
CRR22.05.10b	Agree Terms of Reference for the CAMIS Development Group	The Terms of Reference have been finalised.	CAMIS Development Group	15-Nov-2022	✅
CRR22.05.10c	Undertake gap analysis to ascertain if any responsibilities in terms of governance are missing or unclear	Organisational changes agreed by Council have streamlined some governance arrangements – specifically that Property Services are now part of the Facilities & Property Services function in Environment, Housing & Infrastructure Services. There is less scope therefore for unclear responsibilities.	CAMIS Development Group	19-Dec-2022	✅
CRR22.05.10f	Develop a workplan for the group and prioritise areas of initial focus	Leads for initial priority activities have been agreed and a workplan is progressing in line with the Group's terms of reference.	CAMIS Development Group	28-Feb-2023	✅
CRR22.05.10g	Agree the workplan for 2023/24	Workplan and meeting schedules are in place, aligned to the Group's terms of reference	CAMIS Development Group	31-Mar-2023	✅
CRR22.05.10d	Undertake gap analysis to identify activities that take place outside of the CAMIS environment and consider if these can be brought into CAMIS by way of system development	Making good progress but more involved than initially thought. Issues include future reference/ amendment to Scheme of Delegated Functions: Delegations to Officers – Due date therefore amended to June 2023	CAMIS Development Group	30-Jun-2023	▶
CRR22.05.10e	Explore data and status monitoring	Making good progress but more involved than initially thought – Due date therefore amended to June 2023	CAMIS Development Group	30-Jun-2023	▶

Context	Risk Statement	Owned by	Current Controls	Likelihood	Impact	Evaluation
CRR23.04.10 **Tree Fall and Ash Die Back & Larch Infection** <u>Context</u>: The main trigger for this risk a significant outbreak of Ash Dieback in the UK which will results in a significant number of trees within Renfrewshire having to be felled	Tree management in Renfrewshire has historically been based around risk-based response to any reporting of concerns, however with the emergence of Ash Die back in the UK there is now an increased potential for: - public injury and property damage; - awards against the Council; and, - reputational damage. - Statutory notices	Head of Operations and Service Development	Responses to customer / public complaints and enquiries Reactive surveys Visual inspections Statutory notices served – (Forestry Scotland)	05	03	15 <mark>High</mark>

Action Codes	Linked Actions	Latest Note	Assigned To	Date	Status
CRR22.05.11a	Tree & woodland area formal inspections	Officers are undertaking a table-top Google assessment of Ash dieback - this is still ongoing. Due date amended to 30 June 2023	Tree & Woodland Officer	30-June-2023	▶
CRR22.05.11b	Produce, disseminate and promote a formalised Ash Dieback Action Plan	Looking to adapt Tree Council for Scotland's Ash Die back plan. This will follow on from the desktop survey. Due date amended to 31 Dec 2023	Tree & Woodland Officer	31-Dec-2023	▶
CRR22.05.11c	Further identify areas of larch trees and schedule removal	2 Larch Infections fully dealt with felling circa 1300 trees. Legal notice received requiring a further felling of trees and due date amended accordingly to 31 August 2023.	Tree & Woodland Officer	31-Aug-2023	▶
CRR22.05.11d	Accurately record findings and seek funding for replanting projects	Working with Clyde Climate Forrest and Trees for Cities. In terms of Larch Infections we have commenced some replating using resources available. Due date amended to 31 Dec 2023	Tree & Woodland Officer	31-Dec-2023	▶

Appendix 3: Significant Service Risks

Nil return, HOWEVER:

Following the recent organisation structural changes, Environment, Housing and Infrastructure Services will be fully reviewing their risk profile to determine if any new significant risks should be recorded in this section going forward.

Appendix 4: Business-as-Usual Risks

The council has 12 areas of risk that it considers to be business-as-usual risk; those not generally related to corporate priorities or ambitions but rather they are inherent by nature of our type of organisation and services we deliver. The table below sets out what our business-as-usual risk areas are (in no specific order), and what they cover.

BAU RISK AREA	ENCOMPASSING	BAU RISK AREA	ENCOMPASSING
1. Community & public safety	Child and adult protection Serious and organised crime (external)	2. Asset management	Statutory compliance Arrangements for void properties Fleet and other infrastructure ICT hardware and software assets and responsibilities
3. People wellbeing & development	Staff health and wellbeing Training and development Corporate and local induction	4. Information handling	GDPR compliance Information asset management Information security Records management
5. Health, safety & managing adverse events	Staff incident recording RIDDOR arrangements Incident monitoring and trends analysis	6. Programme and project management	Governance Compliance with industry standards/ adopted methods
7. Organisation resilience	Business continuity: - Staffing resource - ICT and/ or power outages - Facility issue - Cyber security	8. Partnership management	Partnership registers Agreements Liabilities
9. Financial control and governance	Authorities and delegation Budgeting and accounting Conflict and whistleblowing Insider threat and crime Counter fraud	10. Service performance monitoring	Trends analysis Links to risk management and service improvement
11. Procurement and contract management	Standing orders Roles and responsibilities Monitoring & Performance Mgt	12. Complaints, comments and claims handling	Compliance Trends analysis Links to service improvement

The new risk assurance model in place for the above risks has gone live on 1 April. With the new ICT solution developed in-house to track these risks, Audit and Risk officers can see on a monthly basis, how Heads of Service and direct reports to Directors are responding to the question sets for each area of risk. In November 2023, members will receive the mid-year report that will give a first insight to how the new model is working.

Renfrewshire Council

To: **Audit, Risk and Scrutiny Board**

On: **22 May 2023**

_____

Report by: **Chief Executive**

_____

Heading: **Local Government Benchmarking Framework 2021/22**

_____

1. Summary

1.1 In March 2023, the Improvement Service published the 2021/22 Local Government Benchmarking Framework (LGBF) performance data for all Scottish local authorities. The Framework is a high-level benchmarking tool which allows local authorities to compare their performance across a wide range of key service areas such as education, housing, and adult social care.

1.2 Renfrewshire Council has participated in the development of the LGBF since its inception in 2010 and the framework has expanded to comprise 105 indicators. The purpose of the Framework is to support evidence-based comparisons and encourage shared learning and improvement.

1.3 This report provides an overview of Renfrewshire's performance in relation to the LGBF for 2021/22, as well as outlining the wider context and trends for local authorities across Scotland. Last year's overview report to this Board noted the impact of the pandemic on performance, and that impact continues to be reflected in the 2021/22 data, which evidences both the recovery work undertaken by councils and the challenges they continue to face. Appendix 1 shows Renfrewshire's performance across all indicators and provides a comparison with last year.

1.4 Within the LGBF, councils are ranked against each other to show relative performance but the rankings should be considered in context. It is possible for performance to improve in real terms but for this not to be reflected in rankings because other councils have also improved.

1.5   In 2021/22, Renfrewshire has performed as follows in terms of the LGBF:
- o 47 indicators have improved performance;
- o 43 indicators have falling performance;
- o 1 indicator had no change
- o 14 indicators do not yet have updated data available;
- o 38 indicators have improved their ranking;
- o 41 indicators have fallen in the rankings;
- o 12 indicators have a ranking which is unchanged;
- o 30 indicators are ranked in the top 8 best performing councils for that measure;
- o 14 indicators are ranked in the 8 lowest performing councils for that measure.

1.6   Renfrewshire Council actively contributes to national discussions and learning on the Local Government Benchmarking Framework and uses it to identify opportunities to explore areas of challenge and of best practice.

2.   Recommendations

2.1   It is recommended that the Audit, Risk and Scrutiny Board notes the contents of the report.

3.   Background

3.1   All Scottish local authorities participate in the Local Government Benchmarking Framework (LGBF), which allows councils to compare their performance across a suite of indicators, including costs and performance of key council services, and levels of public satisfaction. Whilst there are always different views on the nature and calculation of specific indicators, the framework provides a tool for the Council to consider its performance in relation to delivering Best Value, as well as a platform for learning and sharing good practice. It is used in conjunction with other benchmarking tools, data and information that Council services use to assess performance, such as service key performance indicators, service improvement outturn reports, national and local surveys, inspections, and audits.

3.2   There are currently 105 indicators in the Framework, which cover the majority of council services across ten categories:
- Children's services;
- Corporate services;
- Adult social care;
- Culture and leisure services;
- Environmental services;
- Housing services;
- Corporate asset management;
- Economic development;
- Financial sustainability;
- Tackling climate change.

3.3   There are four new indicators included in the dataset this year, all of them under the heading of Corporate Services. These new indicators can be seen as proxy measures for the impact of the current cost of living crisis and the ongoing hardship which the pandemic caused for many households. The new measures are:

        • CORP9: Percentage of Crisis Grant decisions within 1 day
        • CORP10: Percentage of Community Care Grant decisions within 15 days
        • CORP11: The proportion of the Scottish Welfare Fund budget spent
        • CORP12: The proportion of Discretionary Housing Payment funding spent

3.4   The LGBF provides a useful means of comparing relative performance across all Scottish councils but like all performance information, it should be used with caution, with due consideration given to local priorities and investment decisions, and differences in council structures. The dataset for 2021/22 is an opportunity to compare the second year of the pandemic with the first, and reflect on the work done across all councils to support recovery. It does not represent the full range of council service delivery and does not measure some of the pandemic-specific activity councils have undertaken.

3.5   The data is collated, verified, and published for all Scottish councils by the Improvement Service. The final data for 2021/22 was published on 13 March 2023. The data can be accessed through the Council's Public Performance Report as well as on the Improvement Service website. The Improvement Service will revise the publication throughout the year as additional data becomes available.

4. National Context

4.1   Alongside the performance data, the Improvement Service publishes a national overview report each year, highlighting key trends across Scotland and considering local variation. The 2021/22 report notes that the data is "from a period when communities and council services were still managing the significant ongoing impact of Covid, while new challenges were emerging in the shape of soaring inflationary pressures and a 'cost of living crisis', the effects of which are likely to cause a new economic and public health emergency."

4.2   The national report identifies funding as "more challenging than ever" for local government noting increased demand, growing needs and an increase in ring-fenced funding which it calculates results in a 1.2% reduction in the revenue funding available for locally-identified priorities.

4.3   A further area of challenge identified by the Improvement Service are workforce pressures which have been exacerbated by the pandemic. This not only relates to staff absence but to skills shortages they attribute to both the pandemic and to Brexit; alongside more people opting for early retirement during the pandemic (particularly from senior roles), fewer people are coming to the UK for work. Pay competition from other sectors is also a factor.

4.4 Social care and the growing demand which arises from an ageing population has been an issue for a number of years and whilst councils have protected social care funding, the Improvement Service do not consider that funding (even where there has been an increase) is able to keep pace with demand.

4.5 In reporting on the second year of the pandemic, the Improvement Service do note some early signs of recovery, particularly in relation to those services which impact children. They note the work done by local authorities to provide nurturing environments, to provide whole family support and to work effectively in partnership with others to deal with mental health challenges.

5. Overview of Renfrewshire's Performance

5.1 This section provides an overview of Renfrewshire's LGBF performance in relation to our Council Plan themes, and by theme, with a focus on pandemic recovery and on cost measures. Appendix 1 provides the Council's data, ranked position, the Scottish average, and the family group range for all the indicators.

5.2 As noted in 1.5 above, Renfrewshire Council ranked in the top eight performing councils for 30 indicators. This includes five cost indicators and nine measures of pupil attainment. Strong performance is also indicated in terms of sound financial management, economic development, roads maintenance and social care support as it relates to preventing hospital readmissions and delayed discharges.

Council Plan Themes: Place

5.3 Renfrewshire Council's proportion of procurement spend with local businesses fell slightly between 2020/21 and 2021/22. In the period 2021-2022 Renfrewshire Council recorded direct spend of £36.5 million with businesses based directly in Renfrewshire. This accounted for 18.8% of our total spend. A further 26.5% of our spend was with businesses located in bordering local authorities (Glasgow, Inverclyde, North Ayrshire, East Renfrewshire and West Dunbartonshire), therefore 45% of the council's total spend of approx. £196m is spent within Renfrewshire and the neighbouring council areas. Increasing direct spend with local businesses is a key element of Community Wealth Building and the corporate procurement team are working closely with Economic Development to identify ways to support local businesses with tendering for council contracts. An event was held in Johnstone Town Hall on 29 November 2022 - "Doing Business with Renfrewshire Council" - and over 70 attendees representing 58 Renfrewshire businesses attended this event. All of those who responded to the post event evaluation survey said they were likely or very likely to take action as a result and all would want to attend future events. Further events will take place this year, starting in March. These events will offer support to local businesses to enable them to bid for contracts with the council and the wider public sector. Due to the time lag in the publication of LGBF data, this work is not yet reflected in the figures.

5.4	The average time taken to process business and industry planning applications reduced from 9.9 weeks last year to 8.9 weeks in 2021/22. There were fewer complex applications received during the year. Planning authorities have a legal obligation to wait for consultation responses from external stakeholders such as the Scottish Environment Protection Agency SEPA and Transport Scotland. Renfrewshire's performance has been above average for several years.

Council Plan Themes: Economy

5.5	The rate of business start-ups in the population is showing clear signs of recovery following a significant drop during the pandemic, when council services were focused on employability and on supporting existing businesses to remain viable. The rate has increased from 4.91 per 10,000 population in 2020/21 to 14.89 in 2021/22 so is almost at pre-pandemic levels.

5.6	Employability programmes were very successful in 2021/22, with 40% of people taking part in a council programme moving into paid employment. This is more than double the Scottish average.

5.7	Town vacancy rates remained relatively stable during the pandemic. Renfrewshire's rate has increased considerably in 2021/22 from 11.75% of commercial units vacant to 17.7%, with much of the rise attributable to the decision not to re-let units in the Paisley Centre ahead of its redevelopment. This resulted in Renfrewshire moving from 17th to 28th in the ranking.

Council Plan Themes: Fair

5.8	Renfrewshire Council dealt with more than 9,000 crisis grant applications in 2021/22, and 88.5% of these had a decision within one day. This is a fall on the previous year's figure. The cost of living crisis has increased the volume of applications; by February 2023, applications had exceeded 9500 for the year. The service's own target for processing crisis grants is 2 days but as the figure shows, the majority are dealt with in one day, and staff prioritise this work in order to respond as quickly as possible. A recent review of work allocation processes has resulted in changes which should speed up the processing of Crisis Grants. The effect will start to be evidenced in the 2022/23 data but will have a greater impact in 2023/24 figures.

5.9	The LGBF data for 2021/22 reports that 25.9% of carers surveyed in Renfrewshire felt supported to continue in their caring role. Across Scotland, the number of carers reporting that they feel supported to continue in their caring role has been falling steadily. The impact of Covid-19 was felt severely by this group, and increasing numbers of carers are becoming known to Renfrewshire Carers' Centre and Renfrewshire Health and Social Care Partnership. In 2021/22, 2815 unpaid carers received some form of support and that figure includes 963 carers previously not known to services. The data for this indicator is taken from the Health and Care Experience Survey undertaken through GP practices, so not all carers completing it may be aware

of the range of services and supports available.   A key strand of the HSCP's new Unpaid Carers Strategy is the identification of carers; internal surveys carried out indicate that once carers access local services, there is a positive impact on their ability to manage their caring role.

5.10   Two of the indicators are taken from a subset the Health and Care Experience Survey, and are based on a survey of people who use social care services and whose care is funded by the local authority or the Health Board.   Councils do not have access to this specific data, only to the overall results by local authority area. Renfrewshire's performance in terms of individuals saying they had a say in their care and support has improved slightly from 73.1% to 73.2% but as the national picture is broadly one of decline, Renfrewshire's ranked position has moved from 25th to 13th and performance is above the national average. By contrast, the percentage who felt that services and supports were improving or maintaining their quality of life followed the national trend and fell from 81.83% to 75.81%, resulting in the ranked position moving from 13th to 23rd. Without the specific data and context, it is difficult to provide analysis of these figures. Comparisons between years should be treated with caution as it is likely that different individuals complete the survey each year.

Council Plan Themes: Green

5.11   Recycling rates were adversely affected across the country during the first phase of the pandemic, and this was evidenced in the LGBF data for 2020/21. Renfrewshire's recycling rate has shown steady progress in recent years, and is one of only nine councils where more than half of household waste is recycled. In 2021/22, 51.7% of Renfrewshire's household waste was recycled and more recent local data indicates that the proportion is continuing to grow.

Council Plan Themes: Values

5.12   Renfrewshire's performance in relation to non-teaching staff absence has declined, with the average days lost rising from 11.89 days in 2020/21 to 13.19 days in 2021/22. This does appear to be a trend across the country, and due to the position in other councils worsening at a faster rate, Renfrewshire's ranked position did improve from 31st to 22nd. There continues to be a strategic and operational drive within the Council focused on both short- and long-term interventions. The period covered by this data is the second year of the pandemic and higher absence rates were noted across most councils.

5.13   The gender pay gap in Renfrewshire Council narrowed in 2021/22, reducing from 3.67% to 2.29%. This is a continuation of the trend of recent years. The introduction of the living wage and recent pay awards have contributed to this narrowing, as they affect the lower paid grades where women make up the majority of staff.

5.14   Performance remains strong in relation to hospital readmissions and delayed discharges. This results from having good services which support people to remain in the community and prevent hospital admission, as well as on joint working which leads

to good discharge planning and minimises delays once an individual is ready to be discharged from hospital care.

Council Plan Themes: Improving Outcomes for Children and Young People

5.15   Renfrewshire continues to be one of the strongest performing council areas in relation to educational attainment. Because of changes to assessment methods in both 2020 and 2021, data is not directly comparable with earlier years. Nonetheless, Renfrewshire's performance relative to other councils and to the Scottish average is positive in relation to attainment at SCQF Levels 5 and 6 (an example of An SCQF level 5 qualification would be national 5 and SCQF level 6 would be a Higher). The poverty related attainment gap for numeracy and literacy in primary schools narrowed in 2021/22.

5.16   Exclusion data is published with a considerable time lag and the information in this year's LGBF release relates to 2020/21. Renfrewshire's exclusion rate in that year was 20.88 exclusions per 1000 pupils, compared with a Scottish average of 11.87. For children who were looked after in the period, it was 165.71 per 1000 pupils, compared with a Scottish average of 78.00. All Renfrewshire learning establishments are prioritising approaches which work to prevent exclusion and early internal data suggests that the number of exclusions is decreasing. One of the key components of The Promise is to reduce exclusions for care-experienced children and young people to zero, and Children's Services will be relaunching their Standard Circular 8 to keep the focus on this important pledge. Reducing exclusions will be a continuing priority within the service's inclusion portfolio.

Responding to and recovering from the pandemic

5.17   The latest LGBF data covers the second year of the pandemic, and the early stages of recovery are evident in some of the figures. Recovery remains an important focus for the Council but it is recognised that there will be a medium- to long-term impact on services arising from the public health restrictions for some time.

5.18   Indicators relating to housing stock demonstrate this impact; periodic restrictions which prevented tradespeople entering properties to undertake non-emergency work affected the average completion time for repairs, which rose to 14.57 days. Restrictions also severely affected the re-letting of void properties, resulting in an increase in the amount of potential rents lost (up from 1.52%in 2019/20 before the pandemic to 2.03% in 2021/22). All but three councils in Scotland saw the percentage of housing stock meeting Scottish Housing Quality Standards fall considerably in 2021/22, when two new elements of compliance (on smoke and heat detectors) were introduced. The effect of Covid on the construction industry meant upgrades could not be completed by March 2022. The upgrading work is ongoing and a substantial uplift in properties passing SQHS will be evident in the 2022/23 data.

5.19 A combination of full closures followed by repurposing of some buildings as vaccination centres had resulted in very high cost per attendance at sports facilities in 2020/21. The end of some restrictions allowed facilities to increase capacity and therefore reduce the average cost from £35.25 in 2020/21 to £5.72 in 2021/22. In common with all other Scottish council areas, the costs have yet to recover to pre-pandemic levels. OneRen, who provide sports and leisure facilities on behalf of Renfrewshire Council, have experienced an increase in the running costs of services arising from higher inflation, increased utility costs and supply chain challenges. This is being experienced by organisations and households across the country and may remain a challenge for some time.

Understanding Cost Indicators and Performance

5.20 The approach taken in relation to LGBF rankings on cost measures (of which there are 19) is to consider 'cheapest' as 'best performing'. As such, any consideration of relative and absolute performance must take account of local policy decisions which target investment in priority areas. In Renfrewshire, current examples would be the investment in roads and waste. Similarly, differences in the structure of every council can also account for variation; an example of this would be indicator CORP1 which shows support services as a percentage of expenditure. In Renfrewshire, the model of centralised support means that more staffing costs are captured in that figure than in councils where each operational service has its own support staff.

5.21 Investment in roads has been a priority for the Council in recent years with £16.6m of capital investment allocated to roads over the last three years. The measures of road conditions look at the proportion requiring maintenance treatment and Renfrewshire out-performs the Scottish average for all four classes of road as well as having improved on previous performance.

5.22 There has been a significant change in the cost indicator relating to environmental health and trading standards. This is due to a change in which staff are included in that grouping for accounting purposes, with Renfrewshire now including additional roles. Comparisons with previous years' data is therefore not appropriate.

5.23 The cost of library visits has fallen considerably, with Renfrewshire now one of the cheapest per visit. This is the first year that Renfrewshire has included digital visits in the data submission; given the uptake in digital visits during the pandemic, which has been sustained, this has resulted in many more visits being included and resulted in lower costs per visit. It is not clear whether all councils have revised their submission to take account of the change in measurement, which might explain the higher cost in some areas.

5.24 It should also be noted that cost measures only present part of a story and alone, they should not be perceived to equate to quality.

6. Monitoring and reporting of LGBF

6.1   The performance of the LGBF indicators will continue to be monitored by the Corporate Management Team, through service improvement planning processes and through further benchmarking activities to develop and share best practice. A report on the LGBF will continue to be submitted to the Audit, Risk and Scrutiny Board annually to review performance and monitor progress.

6.2   Renfrewshire Council publishes its statutory Public Performance Reporting document on the Council's website in March each year. Relevant performance information gathered through the LGBF is included as part of the report.   This year's data is available online [here](#).

Implications of this report

1.   **Financial – n/a**

2.   **HR and Organisational Development –** n/a

3.   **Community/Council Planning –** n/a

4.   **Legal –** n/a

5.   **Property/Assets –** n/a

6.   **Information Technology –** n/a

7.   **Equality & Human Rights –** The recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report because it is for noting only.

8.   **Health and Safety –** n/a

9.   **Procurement –** n/a

10.   **Risk –** n/a

11.   **Privacy Impact –** n/a

12.   **Cosla Policy Position –** the LGBF framework represents a joint commitment by SOLACE (Scotland) and COSLA to develop better measurement and comparable data to target resources and drive improvements.

13.   **Climate Risk –** n/a

List of Background Papers:

None

Author: Lisa Fingland, Service Planning and Policy Development Manager,
lisa.fingland@renfrewshire.gov.uk

Appendix 1: Renfrewshire's 2021/22 data for all LGBF indicators

Family Groups allow comparisons and encourage discussions between similar councils. Renfrewshire is currently in the following family groups:

- Family Group 3 for population type, which includes Children Services, Adult Social Care and Housing Services – Clackmannanshire, Dumfries & Galloway, Falkirk, Fife, Renfrewshire, South Ayrshire, South Lanarkshire, and West Lothian.

- Family Group 3 for area, which includes Corporate Services, Culture and Leisure, Environmental Services, Corporate Assets, Economic Development, Financial Sustainability, Tackling Climate Change – Angus, Clackmannanshire, East Renfrewshire, Inverclyde, Midlothian, Renfrewshire, South Lanarkshire and West Lothian.

Children's Services

There are 32 indicators in this category. In 2021/22 there are 11 ranked in the top quarter. Data is not yet available for 12 indicators.

Indicator	Ranked Position		Family Group Ranked	Data		Scottish Average	Family Group Range
	2020/21	2021/22		2020/21	2021/22		
CHN1 Cost Per Primary School Pupil	12	8	2	£5,960	£6,059	£6,325	£6,003 (Falkirk) to £6,631 (Clackmannanshire)
CHN2 Cost per Secondary School Pupil	2	1	1	£7,010	£7,040	£7,898	£7,040 (Renfrewshire) to £8,408 (Clackmannanshire)
CHN3 Cost per Pre-School Education Registration	8	9	4	£8,230	£9,578	£10,283	£7,979 (Dumfries and Galloway) to £11,967 (Falkirk)
CHN4 % of Pupils Gaining 5+ Awards at Level 5	8	6	2	72%	74%	69%	78 (West Lothian) to 62 (Clackmannanshire)
CHN5 % of Pupils Gaining 5+ Awards at Level 6	7	5	2	45%	44%	40%	54 (West Lothian) to 32 (Clackmannanshire)
CHN6 % of Pupils from Deprived Areas Gaining 5+ Awards at Level 5 (SIMD)	12	6	2	50%	57%	52%	62 (West Lothian) to 44 (Fife)
CHN7 % of Pupils from Deprived Areas Gaining 5+ Awards at Level 6 (SIMD)	13	5	2	21%	27%	23%	37 (West Lothian) to 16 (Clackmannanshire and Fife)

CHN8a The Gross Cost of "Children Looked After" in Residential Based Services per Child per Week	23	n/a	n/a	£4,916	n/a	n/a	New data not available
CHN8b The Gross Cost of "Children Looked After" in a Community Setting per Child per Week	20	n/a	n/a	£388.51	n/a	n/a	New data not available
CHN9 % of children being looked after in the community	8	n/a	n/a	92.5%	n/a	n/a	New data not available
CHN10 % of Adults Satisfied with Local Schools[1]	21	17	2	71.37%	76.37%	74.5%	82.10 (South Ayrshire) to 68.13 (Fife)
CHN11 Proportion of Pupils Entering Positive Destinations	7	8	2	96.52%	96.65%	95.73%	98.56 (South Ayrshire) to 94.25 (Falkirk)
CHN12a Overall Average Total Tariff	7	9	3	1058	1037	981	1074 (Falkirk) to 891 (Clackmannanshire)
CHN12b Average Total Tariff SIMD quintile 1	9	7	2	700	743	702	754 (West Lothian) to 609 (Clackmannanshire)
CHN12c Average total tariff SIMD quintile 2	10	12	4	898	870	827	942 (South Ayrshire) to 735 (Dumfries and Galloway)
CHN12d Average total tariff SIMD quintile 3	6	6	1	1070	1055	965	1055 (Renfrewshire) to 891 (Fife)
CHN12e Average total tariff SIMD quintile 4	4	7	3	1311	1206	1113	1336 (Falkirk) to 1020 (Clackmannanshire)
CHN12f Average total tariff SIMD quintile 5	6	4	2	1390	1391	1316	1418 (Falkirk) to 1154 (Dumfries and Galloway)
CHN13a % of P1, P4 and P7 pupils combined achieving expected CFE Level in Literacy	9	11	3	70%	72%	71%	79% (West Lothian) to 62% (Dumfries and Galloway)
CHN13b % of P1, P4 and P7 pupils combined achieving expected CFE Level in Numeracy	5	7	2	80%	81%	78%	84% (West Lothian) to 72% (Clackmannanshire)
CHN14a Literacy Attainment Gap (P1,4,7 Combined) - percentage point gap between the least deprived and most deprived pupils	21	12	4	29	21	21	10 (Dumfries and Galloway) to 27 (Falkirk)
CHN14b Numeracy Attainment Gap (P1,4,7 Combined) - percentage point gap between the least deprived and most deprived pupils	17	17	6	23	19	18	13 (Dumfries and Galloway) to 22 (Falkirk)
CHN17 % of children meeting developmental milestones	27	n/a	n/a	80.51%	n/a	n/a	New data not available

[1] Satisfaction data is based on a three-year average and the 2021/22 data relates to the period 2018-2021.

Indicator						
CHN18 % of funded early years provision which is graded good/better	7	15	4	95.45%	90.28%	89.4%	97.92 (South Ayrshire) to 86.25 (Dumfries and Galloway)
CHN19a School attendance rate	20	n/a	n/a	91.9%	n/a	n/a	Time lag in publication; new data not available
CHN19b School attendance rate (Looked After Children)	24	n/a	n/a	86.51%	n/a	n/a	Time lag in publication; new data not available
CHN20a School exclusion rate (per 1,000 pupils)	29	n/a	n/a	20.88	n/a	n/a	Time lag in publication; new data not available
CHN20b School exclusion rate (per 1,000 'looked after pupils')	25	n/a	n/a	165.71	n/a	n/a	Time lag in publication; new data not available
CHN21 Participation rate for 16-19 year olds	14	16	4	93.00	93.25	92.35	93.67 (South Ayrshire) to 90.72 (Clackmannanshire)
CHN22 % of child protection re-registrations within 18 months	28	n/a	n/a	11.71%	n/a	n/a	Time lag in publication; new data not available
CHN23 % LAC with more than 1 placement in the last year (Aug-July)	10	n/a	n/a	15.84%	n/a	n/a	Time lag in publication; new data not available
CHN24 % of children living in poverty (After Housing Costs)	14	n/a	n/a	19.5%	n/a	n/a	Time lag in publication; new data not available

Corporate Services

There are twelve indicators in the Corporate category, including four which are new for 2021/22; these relate to crisis grants, community care grants, Social Welfare Fund and Discretionary Housing Payments. There are two indicators ranked in the top quarter and two in the bottom quarter.

Indicator	Ranked Position		Family Group Ranking	Data		Scottish Average	Family Group Range
	2020/21	2021/22		2020/21	2021/22		
CORP 1 Support services as a % of total gross expenditure	29	29	7	5.6	5.68	4.07	2.88 (West Lothian) to 5.73 (Clackmannanshire)
CORP 3b % of the highest paid 5% employees who are women	16	17	6	57.11	58.15	58.96	62.96 (Angus) to 55.02 (Midlothian)
CORP 3c The gender pay gap (%)	17	13	4	3.67	2.29	3.54	-1.85 (Angus) to 6.60 (Inverclyde)
CORP 4 The cost per dwelling of collecting council tax	25	21	5	£9.30	£8.03	£6.59	£2.01 (West Lothian) to £17.87 (East Renfrewshire)

Indicator						
CORP 6a Sickness absence days per teacher	30	19	6	5.7	5.9	5.83	4.14 (East Renfrewshire) to 8.74 (Clackmannanshire)
CORP 6b Sickness absence days per employee (non-teacher)	31	22	6	11.89	13.19	12.19	8.80 (Inverclyde) to 14.93 (Clackmannanshire)
CORP 7 % of income due from council tax received by the end of the year	20	21	7	95.03	95.48	95.73	97.19 (Angus) to 94.18 (Midlothian)
CORP 8 % of invoices sampled that were paid within 30 days	1	5	1	97.25	95.5	92.2	95.5 (Renfrewshire) to 86.64 (East Renfrewshire)
CORP 9 % of Crisis Grant decisions within 1 day	28	27	6	92.5	88.5	93.25	99.75 (Inverclyde) to 64.5 (West Lothian)
CORP 10 % of CCG Grant decisions within 15 days	18	18	5	93.75	91.75	85.75	99.75 (Midlothian) to 77.5 (West Lothian)
CORP 11 The proportion of SWF Budget Spent	17	17	5	79.73	100.81	115.15	197.72 (West Lothian) to 70.12 (Angus)
CORP 12 Proportion of DHP Funding spent	8	7	3	105.02	101.73	95.99	102.34 (West Lothian) to 76.79 (Angus)

Adult Social Care

There are eleven indicators in this category. There are six ranked in the top quarter and one in the bottom quarter.

Indicator	Ranked Position		Family Group Ranking	Data		Scottish Average	Family Group Range
	2020/21	2021/22		2020/21	2021/22		
SW1 Home care costs per hour for people aged 65 or over	12	12	3	£26.38	£25.67	£28.59	£16.16 (Clackmannanshire) to £34.98 (Falkirk)
SW2 Self Directed Support (Direct Payments + Managed Personalised Budgets) spend on adults 18+ as a % of total social work spend on adults 18+	19	18	3	4.47%	4.77%	8.2%	7.9% (West Lothian) to 2.5% (Clackmannanshire)

SW3a % of people aged 65 and over with long-term care needs who receiving personal care at home	30	20	2	53.51%	60.88%	61.89%	72.3 (Clackmannanshire) to 58.9 (South Ayrshire)
SW4b % of adults supported at home who agree that their services and support had an impact in improving or maintaining their quality of life	13	23	5	81.83%	75.81%	78.12	85.7 (Clackmannanshire) to 70.4 (Falkirk)
SW4c Percentage of adults supported at home who agree that they are supported to live as independently as possible	19	23	5	80.26%	75.22%	78.82%	82.2 (South Lanarkshire) to 70.4 (West Lothian)
SW4d Percentage of adults supported at home who agree that they had a say in how their help, care or support was provided	25	13	4	73.13%	73.24%	70.59%	80.6 (West Lothian) to 63.9 (Falkirk)
SW4e Percentage of carers who feel supported to continue in their caring role	23	29	6	32.9%	25.9%	29.69%	33.8 (South Ayrshire) to 23.8 (Clackmannanshire)
SW5 Residential costs per week per resident for people aged 65 or over	5	6	3	£464	£470	£649.00	£260 (Dumfries and Galloway) to £943 (Fife)
SW6 Rate of readmission to hospital within 28 days per 1,000 discharges	7	6	1	100.1	86.7	109.6	86.7 (Renfrewshire) to 146.2 (Falkirk)
SW7 Proportion of care services graded 'good' (4) or better in Care Inspectorate inspections	15	8	2	85.5	81.46	75.8	91.7 (Clackmannanshire) to 73.3 (Fife)
SW8 Number of days people spend in hospital when they are ready to be discharged, per 1,000 population (75+)	16	5	1	368.24	295.92	747.92	295.92 (Renfrewshire) to 1365.13 (South Ayrshire)

Culture and Leisure

There are eight indicators in the Culture and Leisure category; data is currently not available for one of them. There is one ranked in the top quarter and one ranked in the bottom quarter.

Indicator	Ranked Position		Family Group Ranking	Data		Scottish Average	Family Group Range
	2020/21	2021/22		2020/21	2021/22		
C&L1 Cost per attendance at sports facilities	18	16	4	£35.25	£5.72	£6.43	£2.08 (West Lothian) to £19.40 (Midlothian)
C&L2 Cost per library visit	18	3	1	£5.35	£1.55	£2.90	£1.55 (Renfrewshire) to £11.89 (East Renfrewshire)
C&L3 Cost per visit to Museums & Galleries	n/a	n/a	n/a	n/a	n/a	£4.75	£0.21 (West Lothian) to £47.29 (Angus)
C&L4 Cost of parks & open spaces per 1,000 population	27	29	8	£28,982	£32,162	£20,315	£5,8572 (Midlothian) to £32,162 (Renfrewshire)
C&L5a % of adults satisfied with libraries[2]	18	24	5	73.73	69.07	74.37	77.63 (East Renfrewshire) to 64.07 (Midlothian)
C&L5b % of adults satisfied with parks and open spaces	18	13	3	83.77	87.77	85.5	93.87 (East Renfrewshire) to 79.43 (South Lanarkshire)
C&L5c % of adults satisfied with museums and galleries	10	18	2	69.33	63.67	71.3	64.7 (South Lanarkshire) 48.07 (Clackmannanshire)
C&L5d % of adults satisfied with leisure facilities	7	13	3	75.8	74.47	71.77	78.67 (Inverclyde) to 57.67 (Clackmannanshire)

Environment

There are 15 indicators in the Environment category. There are four ranked in the top quarter and seven in the bottom quarter.

Indicator	Ranked Position		Family Group Ranking	Data		Scottish Average	Family Group Range
	2020/21	2021/22		2020/21	2021/22		

---

[2] Satisfaction data is based on a three-year average and the 2021/22 data for C&L5a, C&L5b, C&L5c and C&L5d relates to the period 2018-2021.

Indicator							
ENV1a Net cost of waste collection per premise	15	26	8	£68.42	£83.01	£70.08	£50.50 (Clackmannanshire) to £83.01 (Renfrewshire)
ENV2a Net cost of waste disposal per premise	12	17	5	£103.23	£101.81	£100.23	£53.53 (Midlothian) to £122.97 (West Lothian)
ENV3a Net cost of street cleaning per 1,000 population	2	2	1	£6,642	£7,191	£14,848	£7,191 (Renfrewshire) to £21,078(Inverclyde)
ENV3c Street Cleanliness Score	13	18	6	93.59	89.6	89.7	97.00 (Angus) to 85.10 (Inverclyde)
ENV4a Cost of Roads per kilometre	25	28	6	£16,278	£20,856	£11,117	£8,815 (Midlothian) to £28,578 (East Renfrewshire)
ENV4b % of A Class roads that should be considered for maintenance treatment[3]	4	5	2	19.4	17.29	27.6	16.70 (Inverclyde) to 26.91 (Clackmannanshire)
ENV4c % of B Class roads that should be considered for maintenance treatment	7	7	2	23.7	21.24	33.61	19.00 (Clackmannanshire) to 37.46 (Angus)
ENV4d % of C Class roads that should be considered for maintenance treatment	19	18	4	33.5	30.55	33.24	27.02 (Clackmannanshire) to 38.97 (West Lothian)
ENV4e % of U Class roads that should be considered for maintenance treatment	11	9	3	34.3	30.99	36.65	29.57 (West Lothian to 42.33 (East Renfrewshire)
ENV5 Cost of Trading Standards and environmental health per 1,000 population	18	28	8	£19,869	£32,462	£20,947	£12,272 (Clackmannanshire) to £32,462 (Renfrewshire)
ENV5a Cost of Trading Standards per 1000	30	30	8	£13,032	£12,536	£6,088	£1,314 (Clackmannanshire) to £12,536 (Renfrewshire)
ENV5b Cost of environmental health per 1,000 population	1	26	7	£6,837	£20,257	£15,019	£8,432 (East Renfrewshire) to £23,293 (Inverclyde)
ENV6 % of total household waste arising that is recycled	11	8	3	49.11	51.7	42.7	58.10 (East Renfrewshire) 40.40 (South Lanarkshire)
ENV7a % of adults satisfied with refuse collection [4]	24	28	7	70.63	66.3	75.3	88.40 (Inverclyde) to 64.33 (Clackmannanshire)
ENV7b % of adults satisfied with street cleaning	31	32	8	52.77	47.77	59.97	69.63 (Angus) to 47.77 (Renfrewshire)

---

[3] The maintenance indicators data is based on a two-year average and the 2021/22 data for ENV4b, ENV4c, ENV4d and ENV4e relates to the period 2020-2022.
[4] Satisfaction data is based on a three-year average and the 2021/22 data relates to the period 2018-2021.

Housing

There are five indicators in the Housing category.

Indicator	Ranked Position		Family Group Ranking	Data		Scottish Average	Family Group Range
	2020/21	2021/22		2020/21	2021/22		
HSN1b Gross rent arrears (all tenants) as at 31 March each year as a percentage of rent due for the reporting year	7	9	3	6.42	7.99	8.67	3.92 (South Ayrshire) to 11.32 (Falkirk)
HSN2 % of rent due in the year that was lost due to voids	18	20	6	1.58	2.03	1.63	0.6 (South Lanarkshire) 2.26 (Falkirk)
HSN3 % of council dwellings meeting Scottish Housing Standards	13	20	7	91.65	57.11	69.7	89.84 (West Lothian) to 57.11 (Renfrewshire)
HSN4b Average number of days taken to complete non-emergency repairs	17	24	6	10.71	14.57	9.19	4.90 (Clackmannanshire) to 16.99 (Falkirk)
HSN5a % of council dwellings that are energy efficient	14	20	6	86.63	78.37	87.78	98.64 (South Lanarkshire) to 62.30 (Clackmannanshire)

Corporate Asset

There are 2 indicators in the Corporate Asset category.

Indicator	Ranked Position		Family Group Ranking	Data		Scottish Average	Family Group Range
	2020/21	2021/22		2020/21	2021/22		
CORP-ASSET1 Proportion of operational buildings that are suitable for their current use	8	9	5	92.11	91.39	85.26	96.65 (West Lothian) to 67.86 (Midlothian)
CORP-ASSET2 Proportion of internal floor area of operational buildings in satisfactory condition	9	11	4	95.12	94.49	90.12	97.5 (Clackmannanshire) to 85.82 (Midlothian)

Economic Development

There are thirteen indicators in the Economic Development category. There are four ranked in the top quarter and one in the bottom quarter.

Indicator	Ranked Position		Family Group Ranking	Data		Scottish Average	Family Group Range
	2020/21	2021/22		2020/21	2021/22		
ECON1 % of unemployed people assisted into work from council operated / funded employability programmes	2	5	1	17.85	40.24	19.57	40.24 (Renfrewshire) to 5.35 (Angus)
ECON2 Cost of Planning & Building Standards per planning application	17	11	3	£5,417	£4,106	£4,337	£3,359 (Clackmannanshire) to £6535 (Inverclyde)
ECON3 Average time per business and industry planning application (weeks)	15	7	4	9.88	8.93	11.71	6.75 (Midlothian) to 20.59 (South Lanarkshire)
ECON4 % of procurement spend spent on local enterprises	25	25	5	19.3	18.87	29.88	42.89 (Angus) to 13.72 (East Renfrewshire)
ECON5 No of business gateway start-ups per 10,000 population	30	20	7	4.91	14.89	14.41	29.6 (Inverclyde) to 13.10 (Midlothian)
ECON6 Investment in Economic Development & Tourism per 1,000 Population	9	9	1	£112.422	£140,676	£119,388	£140,676 (Renfrewshire) £29,775 (East Renfrewshire)
ECON7 Proportion of people earning less than the real living wage	19	19	4	21.6	19.8	14.4	12.5 (South Lanarkshire) to 22.3 (Angus)
ECON8 Proportion of properties receiving superfast broadband	10	8	2	96.5	98	94.1	98.2 (Clackmannanshire and West Lothian) to 87.7 (Angus)
ECON9 Town Vacancy Rates	17	28	7	11.75	17.7	11.4	4.47 (East Renfrewshire) to 18.57 (Clackmannanshire)
ECON10 Immediately available employment land as a % of total land allocated for employment purposes in the local development plan	1	3	2	98.05	98.05	27.19	100.00 (East Renfrewshire) to 12.73 (South Lanarkshire)
ECON11 Gross Value Added (GVA) per capita	11	13	2	£24,880	£22,002	£24,721	£25,514 (West Lothian) to £10,421 (East Renfrewshire)
ECON12a Claimant Count as % of Working Age Population	22	20	5	6.3	3.6	3.7	2.00 (East Renfrewshire) to 4.40 (Inverclyde)

Indicator	Ranked Position			Data			Family Group Range
	2020/21	2021/22	Family Group Ranking	2020/21	2021/22	Scottish Average	
ECON12b Claimant Count as % of 16-24 Population	20	16	3	7.77	3.48	3.68	1.70 (East Renfrewshire) to 5.08 (Inverclyde)

Financial Sustainability

There are five indicators in the Financial Sustainability category. Three are ranked in the top quarter and one is in the bottom quarter.

Indicator	Ranked Position		Family Group Ranking	Data		Scottish Average	Family Group Range
	2020/21	2021/22		2020/21	2021/22		
FINSUS1 Total useable reserves as a % of council annual budgeted revenue	4	3	1	43.29	46.23	24.44	46.23 (Renfrewshire) to 14.74 (South Lanarkshire)
FINSUS2 Uncommitted General Fund Balance as a % of council annual budgeted net revenue	19	20	4	2.51	2.4	3.48	4.40 (East Renfrewshire) to 0.44 (West Lothian)
FINSUS3 Ratio of Financing Costs to Net Revenue Stream – General Fund	9	4	2	4.7	3.11	5.89	1.08 (Midlothian) to 10.16 (Inverclyde)
FINSUS4 Ratio of Financing Costs to Net Revenue Stream – Housing Revenue Account	26	25	7	51.4	40.64	22.12	7.32 (Clackmannanshire) to 40.64 (Renfrewshire)
FINSUS5 Actual outturn as a percentage of budgeted expenditure	15	8	2	98.85	100.02	98.25	100.19 (West Lothian) to 93.04 (Clackmannanshire)

Tackling Climate Change

There are two indicators in the Tackling Climate Change category, but data is not yet available for 2021/22.

Indicator	Ranked Position		Family Group Ranking	Data		Scottish Average	Family Group Range
	2020/21	2021/22		2020/21	2021/22		
CLIM1 CO2 emissions area wide per capita	14	n/a	n/a	4.07	n/a	n/a	New data not available
CLIM2 CO2 emissions are wide: emissions within scope of LA per capita	8	n/a	n/a	3.61	n/a	n/a	New data not available

To:　　　　**Audit, Risk and Scrutiny Board**

On:　　　　**22 May 2023**

Report by:　**Director of Finance and Resources**

Heading:　　**Absence Statistics – Quarter 4 of 22/23.**

1.　Summary

1.1　The purpose of this report is to provide the Audit, Risk and Scrutiny Board with the absence information for the period 1 January to 31 March 2023.

1.2　During the period, Short- and Long-term absences continue to be exacerbated due to lengthier NHS treatment and medical intervention waiting times.

1.3　The report details the absence statistics by service and by category of staff. The report provides information in relation to absence targets and how services have performed against them. An analysis of the reasons for absence has also been compiled and details are included within the report.

2.　Recommendations

2.1　It is recommended that the Board notes the content of this report.

3.　Background

3.1　The Audit Risk and Scrutiny Board agreed that absence levels will be reported on a quarterly basis. It was agreed that the report will include the following information relating to supporting attendance: -

- Absence statistics broken down by service and category of staff.
- Reasons for absence broken down by service and category of staff.
- Progress made by services in relation to their supporting attendance action plans.

1

ARS 22/5/23

4. Sickness absence statistics for quarter 4 - 1 January to 31 March 2023.

4.1 A comparison of the council overall absence performance for the quarter (Q4) with the same quarter in 2022 is detailed in table 1. Table 2 details services performance. In line with the reporting requirements for Scottish Councils, absence is expressed as a number of workdays lost per full time equivalent (FTE) employee.

Table 1 Council performance – Q4

Employee Group	Quarter Ending March 2022	Quarter Ending March 2023	Variance +/- year on year
Local Government	3.63	4.16	+0.53
Teachers	2.15	2.72	+0.57
Council Overall	3.24	3.79	+0.55

4.2 **Table 2** Service performance - Q4

Service	Quarter Ending March 2022	Quarter Ending March 2023	Variance +/- year on year
Chief Executives	1.97	0.97	- 1.0
Childrens Services	3.12	3.89	+0.77
Communities and Housing Services	3.20	3.90	+0.70
Environment and Infrastructure	3.50	3.80	+0.30
Finance & Resource Services	2.24	2.38	+0.14
Renfrewshire Health and Social Care Partnership	4.69	5.47	+0.78
Council Overall	3.24	3.79	+0.55
Council Overall Target	2.60	2.60	n/a

5. Sickness absence targets analysis for Quarter 4.

5.1 The local government employee absence level of 4.16 days lost per FTE employee is **1.56 days above** the council target of 2.60 days.

5.2 In addition, the teacher absence level of 2.72 days lost per FTE employee is **1.18 days above** the council target of 1.54 days.

5.3 The council has recorded an overall absence rate of 3.79 days lost per FTE employee, which is **1.19 days above** the council target of 2.60 days.

2

6. **Sickness absence reasons and related support measures during Quarter 4.**

6.1 The main sickness absence reasons, and their total of the overall absences expressed as a percentage, across the council, during this quarter were:
- Psychological   29.5%
- Respiratory   18.9%
- Muscoskeletal 17.6%
- Stomach/bowel/blood and metabolic disorders 15%

6.2 To support employees with psychological absences, the council provides a range of support services that employees can be referred to at an early stage for assistance, such as the council's Occupational Health Service and the Time for Talking employee counselling service.

6.3 The Time for Talking (TFT) counselling service provides 24-hour confidential support to employees with a range of personal health and well-being issues. It operates a flexible approach to appointments offering consultations in the early mornings or evenings as well as throughout the day. **22.9%** of the sessions were face to face, **25.7** % were by secure video call and **51.4%** were by telephone.

6.4 **326** sessions were offered by TFT during quarter 4 of which 83% were attended. 82% of the staff attending felt significantly better after their sessions. The main presenting issues are detailed below:

Personal
Stress/anxiety/depression
Family Relationships
Change

Work & Personal
Stress/anxiety
Demands

Work related
Change
Demands
Roll

6.5 Stress risk assessments are undertaken to support employees who have identified stress as having an impact on their wellbeing. An action plan is agreed and undertaken at a local level with the specialist support from HR and OD.

6.6 HR and OD work in collaboration with NHS colleagues, to offer safeTalk and ASIST courses on suicide awareness and prevention as well as anxiety awareness courses. We also promote the "Doing Well" service which supports employees with depression and low moods.

6.7 HR and OD have been working with the mental health first aiders (MHFAs) across the council. A forum has been set up and further training is in the process of being organised. MHFAs can play a significant part by supporting or sign posting an individual who may be experiencing mental ill health.

6.8   The Physiotherapy service supports employees with Muscoskeletal and Joint Disorder conditions through the council's Occupational Health Service. The service has continued to be provided throughout the quarter using secure face to face appointments, video conferencing and telephone consultations. Employees will receive an appointment within 10 days, following a referral.

6.9   The council's usage of the Occupational Health Service (OHS) for Q4 was **1025** appointments. OHS provides advice and guidance on the impact of ill health on work and what steps the council and/or the employee may make to secure a return to work.

Appointment referral type	Number	Main types of issues
Wellbeing	354	CBT/DBT/Physiotherapy
Management	506	Various health issues
Health surveillance	165	Audio/ Hand arm vibration

7.   Measures to support attendance at work

7.1   A number of measures continue to be progressed to support attendance at work, including the following: -

- HR and Organisational Development (OD) continue to develop a health and well-being strategy that will be launched later this year.

- HR and OD have been working with service management teams to focus upon the absence data and look at interventions to support their staff. The biggest focus has been on the reduction of longer-term cases.

- HR and OD have been promoting the employee benefits scheme, which includes cycle to work. This may encourage employees to become active and healthier, which may help reduce spells of absence.

- HR and OD have been working with the corporate procurement team to change the current employee counselling contract into an employee assistance scheme. This will allow for other types of support and therapies to be made available to those suffering from mental ill health.

- We continue to actively manage our OH provision. We will ensure that we continue to fully utilise all the available resource to support our staff who are off sick as well as those who are returning to the workplace either with an ongoing condition or are in recovery.

- The council offered the flu vaccine out to all staff not covered under the criteria for an inoculation from the NHS. We worked with our OH provider from October 2022 and the last of the sessions were delivered in January 2023. We offered vouchers for those who could not attend in person. As part of this programme, we collaborated

closely with our partner organisations (One Ren, RVJB and Scotland Excel) to offer to their staff too.

- As part of the council's health and safety management system, occupations which include manual handling activities as part of the role, require task risk assessments. These risk assessments are reviewed on an ongoing basis to ensure that safe working practices are maintained.

- We continue to review our statutory and mandatory training courses. Included in the review is the suitability of the moving and handling training courses for people movement and manual handling training for objects.

_____

Implications of this Report

1   **Financial Implications** - Improvement in attendance impacts on the financial costs of absence.

2   **HR and Organisational Development Implications** - HR and Organisational Development Practitioners will continue to work with service managers and consult with the Trade Unions, on the implementation of the Supporting Attendance at Work Policy and Guidance and initiatives detailed in this report.

3   **Community Planning**

    Children and Young People - none.

    Jobs and the Economy - none.

    Community care, health, and wellbeing - provides for continuous improvement in health and attendance.

    Safer and Stronger - provides for improved service performance across the Council.

    Greener - none.

    Empowering our communities - none.

4   **Legal Implications** - none.

5   **Property/Asset Implications** - none.

6   **Information Technology Implications** - none.

7   **Equality and Human Rights Implications** - none.

8   **Health and Safety Implications** - it is integral to the Council's aim of securing the health and well-being of employees.

9   **Procurement Implications** - none.

5

10   **Risk Implications** - Without continued effective supporting attendance focus, there is a risk that sickness absence levels will adversely impact on the Council both financially and in terms of service delivery. Consequently, supporting attendance activities are monitored via the Corporate Risk Register.

11   **Privacy Impact Implications** - none.

12.   **Cosla Policy Position –** none

13.   **Climate Risk** - none

_____

List of Background Papers - none.
The contact officer within the service is Steven Fanning, Principal HR and OD Adviser, telephone 0141 618 7284, e-mail steven.fanning@renfrewshire.gov.uk

Author: Steven Fanning, Principal HR, and OD Adviser,
              Finance and Resources,
              telephone 0141 618 7284,
              e-mail steven.fanning@renfrewshire.gov.uk

6

To:	Audit, Risk & Scrutiny Board
On:	22 May 2023

Report by:	Lead Officer

Heading:	Charges for Bulk Items Uplift for the Elderly

1. Summary

1.1. At its meeting on 22 August 2022, members of the Audit, Risk and Scrutiny Board agreed an annual programme of activity for the Board for 2022/23. This included a review of charges for bulk items uplifts for the elderly as part of the programme of activity.

2. Recommendations

The Board is asked to:

2.1. Note the progress contained within the report.

3. Background

3.1. Residents of Renfrewshire can request special uplifts if they need any bulky general waste collected from their home. This can be for between 1 and 20 items but cannot include hazardous, clinical, or toxic waste. Loose waste must be bagged or tied in manageable bundles where necessary. In addition, appliances such as washing machines, freezers, cookers etc are all charged individually and cannot form part of the 1 to 20 items.

3.2. Ground clearances are when residents have more than 20 items and the charge quoted is for a maximum of one hour's work. However, if officers visit and assess that it will take longer than this, they will contact the resident about the additional costs before commencing any work. Again, domestic appliances are charged individually and do not form part of a ground clearance.

3.3. Renfrewshire Council aims to collect item(s) as soon as possible within 14 days. Residents must ensure any white goods have their doors removed or place in

a position where no one can access it. Special uplift requests for white goods and general goods can be made at the same time, however white goods are charged separately.

3.4. The charges for 2023/24 are £37.15 for a domestic uplift (1-20 items) and £37.15 for each domestic white good. The ground clearance charges are £88.00 covering a driver, a waste collector, and a vehicle, for a maximum of one hour's work.

3.5. Residents who are council tenants are entitled to two special uplifts per year as part of their rent charge, this is paid for from within the overall Housing Revenue Account (HRA). This is achieved by providing their rent reference number when making their booking.

3.6. The current scheme provides no free, discounted or exemptions for this service for any other residents.

3.7. The board approved, the age of 65 to be assumed in relation to the term elderly for the duration of this review where this is practical. If an exception to this age is used, it will be clearly noted within the review.

4.   **Purpose of the Review**

4.1. The key purpose of this review will be to:

   1. Set out the current position in relation to bulk uplifts within Renfrewshire Council;

   2. Consider the impact of offering a free bulk uplift service for the elderly; and

   3. Identify any other mitigations that could be recommended for the elderly that the council could pursue within available resources.

5.   **Scope of the Review and Timescales**

5.1. In relation to 4.1(1) above, the focus of the review will be on research into demographics within Renfrewshire; in particular, the elderly population and current trends for existing service demand.

5.2. In relation to 4.1(2) above, the focus of the review will be on assessing the financial and non-financial implications in relation to the provision of free bulk uplifts for the elderly.

5.3. In relation to 4.1(3) above, the focus on the review will be exploring existing or potential options available to the elderly within Renfrewshire through partner organisations such as the third sector.

5.4. In relation to 4.1(3) above, consideration will be given to the existing services provided within neighbouring local authorities in relation to free bulk uplifts for the elderly to consider any benefits for Renfrewshire.

5.5. For clarity, the level of charges applied to bulk uplifts within Renfrewshire is outwith the scope of this review.

5.6. It is proposed that the review is progressed through 2023, with a conclusive report being submitted for approval to the Audit, Risk and Scrutiny Board on 18 September 2023, and a final report to Council 14 December 2023. The table below provides an outline of the proposed timetable.

Timetable for Bulk Uplift for the Elderly Review

Date of Board Meeting	Stage of Review
23 January 2023 - **Complete**	Commencement of review
18 March 2023 - **Complete**	Continuation of review
22 May 2023 - **Current**	Continuation of review
21 August 2023	Continuation of review
18 September 2023	Report to Board
14 December 2023	Final Report to Council

6. Progress Update

6.1. The review has been progressing well and research has continued across all areas within scope. This section will provide an update on the findings since the 18 March 2023 report that have reached a conclusion or a relevant point of interest to the review, with particular focus on the objectives within 5.2.

6.2. In this report, we explore financial and non-financial implications in relation to the provision of free bulk uplifts for the elderly within Renfrewshire; this is in relation to scope objective 5.2.

6.2.1 This section looks at the trends in income for special uplifts from 2020/21 to 2022/23. The information has been analysed by recharges to the HRA and for charges direct to Renfrewshire residents.

Financial Year	HRA Tenants	Residents	Total
2020/2021	£159,440.30	£55,866.00	**£215,306.30**
2021/2022	£111,655.35	£62,308.80	**£173,964.15**
2022/2023	£109,928.10	£71,079.98	**£181,008.08**
Average	**£127,007.92**	**£63,084.93**	**£190,092.84**

The service is managed through the deployment of a driver, waste collector and a specialised vehicle. The demand fluctuates within the table, and a major influence on this was due to COVID-19 and the post-pandemic recovery.

6.2.2 In order to assess the current demand for the service, a sample analysis of 12 weeks of requests from the period 9 January 2023 to 2 April 2023 has been reviewed. The analysis below shows that based on total orders we are averaging 15.3 orders daily and 74.5 items per day.

Week	Special Uplifts	Ground Clears	Total Uplifts	Daily Average Uplifts	Total Items	Daily Average Items
1	98	13	111	15.9	544	77.7
2	85	11	96	13.7	407	58.1
3	88	9	97	13.9	472	67.4
4	85	8	93	13.3	425	60.7
5	84	5	89	12.7	479	68.4
6	107	13	120	17.1	520	74.3
7	114	7	121	17.3	692	98.9
8	123	18	141	20.1	637	91.0
9	113	14	127	18.1	656	93.7
10	77	6	83	11.9	418	59.7
11	102	17	119	17.0	551	78.7
12	81	3	84	12.0	455	65.0
Total	**1,157**	**124**	**1,281**	**15.3**	**6,256**	**74.5**

Operational managers have confirmed that any significant recurring increase in demand due to a free or discounted service could not be managed without either an additional team or by using an external partner to manage the increased demand.

6.2.3 The impact of creating a free bulk uplift service for the Elderly is likely to increase demand. This increase could be managed in two ways: by increasing capacity either internally or externally, both of which bring additional costs.

6.2.4 If we assume that demand increases beyond the current levels and an additional team consisting of a driver, waste collector, and specialised vehicle is required, then an additional cost of around £116,500 per year is estimated. This equates to around £320 per day in extra costs for Renfrewshire Council. In the past, external contractors have been used to aid in reducing the post-pandemic backlog, and this was at a cost of around £40 per uplift; however, costs are likely to have increased since then due to inflation.

6.2.5 If a policy of free uplifts for the Elderly was introduced, what sort of impact could this have based on demand levels, and how would this impact the service? Currently, we do not require the age of the requestor; therefore, we do not hold this information to analyse our existing data. Therefore, to gauge current demand, if we utilise the age profile we have already identified in the report dated 13 March 2023, and assume that 19.22% of our current demand is for the Elderly, then we can assume a drop in income of £34,789.75 before any demand increases or further assumptions are made, as detailed in the table below.

Impact on income 2022/23 levels	HRA Tenants	Residents	Total
2022/23 Near Actual	£109,928.10	£71,079.98	**£181,008.08**
19.22% Reduction	£21,128.18	£13,661.57	**£34,789.75**
2022/23 Revised	£88,799.92	£57,418.41	**£146,218.33**

It is, however, possible that the actual percentage of current service recipients could be higher than the demographic average due to the type of service provided and that this loss could be higher.

6.2.6 In summary, the impact of introducing a policy for free bulk uplifts for the Elderly could result in a reduction in income (minimum £0.035m) and an increased demand for the service resulting in a requirement to increase capacity at an additional cost (which could rise initially to £0.117m), bringing the total additional annual cost to potentially £0.152m

6.3 Although not within the initial scope of this review it was identified, during the investigation, that two Scottish Local Authorities provide a discounted Bulk Uplift service. This is not just for the Elderly but for any resident who is in receipt of Housing benefit or Council Tax Reduction.

6.3.1 In order to assess the potential impact of a similar policy in Renfrewshire the latest Council Tax Reduction (CTR) information has been analysed for Renfrewshire, split between HRA and other residents who are in receipt of any amount of CTR. The table below shows that the percentage of HRA tenants claiming CTR is 51.55% and 12.31% of other tenancies.

CTR Analysis	HRA Tenants	Residents	Total
Number of Claims	6,297	9,671	15,968
Stock Number	12,216	78,566	90,782
% CTR	**51.55%**	**12.31%**	**17.59%**

6.3.2 The table below outlines a high-level assumption on the potential cost of implementing this type of policy. This is based purely on the CTR data from above and assumes only a potential loss of income of 51.55% for HRA tenants and 12.31% for other residents of Renfrewshire. This has been modelled on both 50% and 60% reductions, in line with the two schemes identified nationally.

Impact on income 2022/23 levels	HRA Tenants	Residents	Total
No discount 100% charge	£109,928.10	£71,079.98	£181,008.08
50% discount on CTR%	£28,332.40	£4,374.76	£32,707.16
60% discount on CTR%	£33,998.88	£5,249.71	£39,248.59

The table shows a potential loss of income of £32,707.16 to £39,248.59 assuming existing income levels and no change to demand assumptions for

uplifts. If this policy was implemented and demand exceeded the current operational capacity, then additional costs as highlighted in 6.2.5 could similarly be expected.

6.3.3 In summary the impact of introducing a policy for discounted bulk uplifts for CTR eligible could result in a reduction in income (minimum £0.033m) and an increased demand for the service resulting in a requirement to increase capacity at an additional cost (rising to £0.117m), bringing the total additional annual cost to potentially £0.150m.

6.4 The next report to Board will focus Scope 5.3 above, reviewing existing, or potential options available to the Elderly within Renfrewshire through partner organisations such as the third sector.

_____

Implications of this report

1. **Financial** - The outcome of this review could result in additional costs and loss of income to Renfrewshire Council as outlined in section 6.

2. **HR and Organisational Development** - None directly arising from this report.

3. **Community/Council Planning** - None directly arising from this report.

4. **Legal** - None directly arising from this report.

5. **Property/Assets** - None directly arising from this report.

6. **Information Technology** - None directly arising from this report.

7. **Equality and Human Rights** - The Recommendations contained within this report have not yet been assessed in relation to their impact on equalities and human rights because the paper sets out the scope for a review process rather than proposing any changes to services. Impact assessments will be undertaken as part of the review, and the results of the assessment will be published on the Council's website. Any policy changes arising from the review will also be fully assessed.

8. **Health and Safety** - None directly arising from this report.

9. **Procurement** - None directly arising from this report.

10. **Risk** - The potential risk that the Council will overspend its approved budgets for the year will be managed at a Council-wide level by the Chief Executive and Directors.

11. **Privacy Impact** - None directly arising from this report.

12. **Cosla Policy Position -** Not applicable.

13. **Climate Risk -** None directly arising from this report.

_____

List of Background Papers

Audit, Risk and Scrutiny Board Annual Programme approved 22 August 2022.
Audit, Risk and Scrutiny Board Charges for Bulk Items Uplift for the Elderly 23 January 2023.
Audit, Risk and Scrutiny Board Charges for Bulk Items Uplift for the Elderly 13 March 2023.

The foregoing background papers will be retained within Finance and Resources for inspection by the public for the prescribed period of four years from the date of the meeting. The contact officer within the service is Finance Business Partner John Kilpatrick who can be contacted at john.kilpatrick@renfrewshire.gov.uk

_____

Author: John Kilpatrick, Finance Business Partner