

Notice of Meeting and Agenda Audit, Scrutiny and Petitions Board

Date	Time	Venue
Monday, 13 February 2017	10:00	CMR 1, Council Headquarters, Renfrewshire House, Cotton Street, Paisley, PA1 1AN

KENNETH GRAHAM
Head of Corporate Governance

Membership

Councillor Derek Bibby: Councillor Maria Brown: Councillor John Caldwell: Councillor Margaret Devine: Provost Anne Hall: Councillor James MacLaren: Councillor Bill Perrie:

Councillor Jim Sharkey (Convener): Councillor Cathy McEwan (Depute Convener):

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.

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 www.renfrewshire.cmis.uk.com/renfrewshire/CouncilandBoards.aspx

For further information, please either email democratic-services@renfrewshire.gov.uk or telephone 0141 618 7112.

Items of business

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.

- | | | |
|----------|---|----------------|
| 1 | Summary of Internal Audit Findings to 31 December 2016 | 3 - 8 |
| | Report by Chief Auditor. | |
| 2 | Internal Audit and Counter-Fraud Progress and Performance to 31 December 2016 | 9 - 14 |
| | Report by Chief Auditor. | |
| 3 | Audit Scotland Annual Audit Plan 2016/17 | 15 - 30 |
| | Report by the Director of Finance and Resources. | |
| 4 | Report by Audit Scotland "Local Government in Scotland - Financial Overview 2015/16" | 31 - 36 |
| | Report by the Director of Finance and Resources. | |
| 5 | 2015/16 Whole of Government Accounts | 37 - 40 |
| | Report by the Director of Finance and Resources. | |
| 6 | Annual Complaints 2015/16 | 41 - 58 |
| | Report by Chief Executive. | |
| 7 | Petition: Bus Stop and Shelter, Barrhead Road, Paisley | 59 - 62 |
| | Report by the Director of Finance and Resources. | |



To: Audit, Scrutiny and Petitions Board

On: 13 February 2017

Report by: Chief Auditor

Heading: Summary of Internal Audit Findings for Quarter to end of December 2016

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, Scrutiny and Petitions Board.
- 1.2 Appendix 1 attached to this report provides a summary of internal audit findings in relation to final reports issued for those engagements completed during the period 1 October – 31 December 2016
- 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;
 - 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 Audit Findings reported during the quarter from 1 October to 31 December 2016.
-

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**
 - (a) 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. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
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

Author: Karen Campbell – 01416187016

Appendix 1

Renfrewshire Council

Internal Audit Service

Quarterly Update for Audit, Scrutiny and Petitions Board

Final Audit Reports issued from 1 October– 31 December 2016

Category	Service	Audit Title	Main Issues	Rec's agreed
Assurance Audits	Corporate	Review of Performance indicators	<ul style="list-style-type: none"> In consultation with Audit Scotland, it was agreed that Internal Audit would be responsible for checking the accuracy of a sample of Performance Indicators (PI's) from the Council Plan Scorecard PLUS at the end of March 2016. The sample selected was as follows: <ol style="list-style-type: none"> Percentage of rent loss due to voids Average length of time taken to re-let properties in the last year. It was the auditor's opinion that the PI's recorded were satisfactory given the information available at the time of audit. However there were inconsistencies in the interpretation of the way the data was to be recorded between the two indicators and management agreed to ensure that a consistent approach was implemented. 	Yes
	Development & Housing	Leader Programme	<ul style="list-style-type: none"> In accordance with the Scottish Government's Service Level Agreement for Leader funding, Internal Audit is required to undertake an annual audit compliance review. Following discussions with the Service, it was identified that no grant 	Yes

			<p>applications had been processed due to the implementation of a new LEADER Programme in December 2015 and therefore this audit focussed on ensuring that employee cost claims submitted in this period were correct and timely.</p> <ul style="list-style-type: none">As a result of changes in the Council's systems, resulting in delays in obtaining the required supporting evidence, claims have been delayed and it was unclear whether this would affect the eligibility of the employee costs and transitional cost claims. Management agreed to confirm with the Scottish Government that the delayed claims were fully eligible.	
Children's Services	Business Continuity in Schools	<ul style="list-style-type: none">A review was undertaken of the business continuity arrangements in schools. Four schools were selected for audit testing.Whilst it was found that there was an adequate system in place for business continuity in schools, the audit did identify some areas for improvement such as completion of one school's Business Continuity Plan, fully updating specimen Business Impact Analyses and undertaking test events to ensure Business Continuity Plans would operate as intended if the need arose.	Yes	
Finance and Resources	Financial Compliance	<ul style="list-style-type: none">In agreement with Audit Scotland, a review was undertaken of the authorisation process for financial transactions to ensure that systems in place were operating effectively.In the main, the controls currently in place adequately ensure that transactions are appropriately authorised. The audit though did identify some specific areas within the process, such as Customer and Business Services officers certifying payments for other services and a small number of officers certifying transactions that they were not authorised for, which	Yes	

			increases the risk of inappropriate spend. Management agreed to implement the recommendations made to enhance the control environment.	
		Deployment of ICT Assets	<ul style="list-style-type: none"> • A review of the process to request and deploy ICT assets to new employees was undertaken to ensure it is efficient and effective. • This review did identify some issues in terms of the information that is accessible to managers in terms of the new start process and the lack of performance monitoring to provide management information on the deployment of ICT assets, which would enable any required follow up action to be taken more timeously. • Sample testing also indicated that users, for various reasons, are often not being set up on the identity management system prior to or on their start date, which delays access to the required ICT systems and the network. 	Yes
Investigations	Community Resources/Development & Housing	Vehicle Maintenance Allegations	<ul style="list-style-type: none"> • Internal Audit was informed of an allegation in relation to repairs being carried out on a privately owned vehicle belonging to an employee, by a member of staff at Council premises. • This review did identify an instance of non compliance with the established arrangements in place and an area of weakness in terms of official guidance. A recommendation has been made in terms of issuing definitive guidance to employees which will ensure that there is no dubiety surrounding the arrangements in place. Management also agreed to take the appropriate action regarding the employees involved. 	Yes

	Community Resources/ Development & Housing	Missing Materials/ Equipment Allegations	<ul style="list-style-type: none"> • An investigation was undertaken after an allegation was made by management surrounding unaccounted for materials and a missing plant item, in relation to a Council Employee. • We were unable to confirm the whereabouts of the unaccounted for materials and item of plant and the evidence suggests that these had been misappropriated by a named employee. However, no declaration of this nature was made. • This review did identify some areas of weaknesses and non compliance with the established procedures in place. Recommendations were therefore made in order to ensure the robustness of the internal control environment and mitigate against the risk of misappropriation. • Disciplinary action has been taken by management. 	Yes
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To: Audit, Scrutiny and Petitions Board

On: 13 February 2017

Report by: Chief Auditor

Heading: Internal Audit and Counter Fraud Progress and Performance for Period to 31 December 2016

1. Summary

- 1.1 The Internal Audit Annual Plan was approved by the Audit, Scrutiny and Petitions Board on 21 March 2016. Normally, Internal Audit measures the progress and performance of the team on a regular basis using a range of performance indicators (PIs) and reports these to members as part of this report. However, since we transferred over mid year to our revised audit management system and are still populating this system, the PIs have to be calculated manually and therefore only the percentage of Audit Plan completion performance indicator is available for the period 1 April 2016 to 31 December 2016.
- 1.2 In terms of Counter Fraud, the current focus in this area is establishing the priorities for this new team and therefore it has been agreed with the Director of Finance and Resources that no performance targets will be established for 2016/17.
- 1.3 The report details progress against local and national initiatives involving Internal Audit and the Counter Fraud Team from 1 April 2016 to 31 December 2016.
-

2. Recommendations

- 2.1 Members are invited to note the Internal Audit and Counter Fraud Team progress and performance to 31 December 2016.

3. Background

- 3.1 The progress and performance of the Internal Audit and Counter Fraud Team is usually subject to regular monitoring using a number of performance measures. However, we have just transferred over to a new audit management system and in order to avoid duplication of effort by populating two systems with the 2016/17 Audit Plan, it was decided that only the Percentage of Audit Plan completion indicator would be prepared. This is because all the indicators would have to be prepared manually. The Director of Finance and Resources has set annual targets for the team to demonstrate continuous improvement.
- 3.2 The Internal Audit Plan is intended to be sufficiently flexible to deal with unplanned investigations and emerging priorities. In the performance report at the end of June 2016, it was been identified that the current planned resource would not be sufficient to accommodate the resource required for certain categories of work for the remainder of the year and therefore changes were approved to the audit plan to accommodate this resource shortfall.
- 3.3 This report provides members with the progress and performance of both the Internal Audit and Counter Fraud Team for the period from 1 April 2016 to 31 December 2016.
- 3.4 Internal Audit and the Counter Fraud Team support a variety of local and national initiatives through participation in professional practitioner groups and co-ordination of national initiatives such as the National Fraud Initiative.

4. Internal Audit Team Performance

(a) Percentage of audit plan completed as at 31 December 2016

This measures the degree to which the Audit plan has been completed

Actual 2015/16	Annual Target 2016/17	Audit Plan Completion Target to 31 Dec 2016	Actual to 31 Dec 2016
95.1%	95.0%	66.5%	60.8%

Actual performance is below target. This is mainly due to a vacancy within the team. From February 2017, an experienced Internal Audit agency worker is being employed and further arrangements are currently being undertaken to rectify the resource gap.

5. Amendments to the 2016/17 Internal Audit Plan

- 5.1 As approved at the board meeting in September 2016, 6 audits have been cancelled and the 130 days have been reallocated to Contingency to assist with the additional time budget pressures due to the higher than anticipated level of investigations and consultancy support. The additional 20 days anticipated to be also required at this date have not been reallocated as the planned reviews where we anticipate time savings have not yet been concluded.
- 5.2 The level of investigations and consultancy work in the third quarter of the year still continued to be higher than anticipated. At the end of December 2016, there is approximately only 10 days remaining in the revised contingency time budget. Therefore, taking account of the additional 20 days above, the total contingency budget remaining for the final quarter of the year is currently 30 days. This budget will continue to be closely monitored by Internal Audit Management and the Board will be notified as soon as possible of any other actions agreed with the Director of Finance and Resources, or if any further revisions are required to the audit plan.

6. External Quality Assessment

- 6.1 The Public Sector Internal Audit Standards require that an external quality assessment is undertaken at least once every 5 years. The Board agreed to participate in the Scottish Local Authorities Chief Internal Auditors' Group peer review framework in March 2014.
- 6.2 The review is being undertaken by West Lothian Council and they have now conducted their on-site visit. They are currently finalising their outcome report and a report will be brought to a future Board meeting on the outcome of the external quality assessment.

7. Counter Fraud Team Progress and Performance

- 7.1 In line with the Service level Agreement, the Counter Fraud Team act as the Single Point of Contact (SPOC) to route potential fraud referrals to the DWP, liaise with the Council's Housing Benefit Team and DWP Fraud Officers and retrieve the necessary evidence for the DWP Fraud Officers from the Housing Benefit System. The resource that has been required for this role since March is one FTE Counter Fraud Officer.
- 7.2 The remainder of the Corporate Counter Fraud resource is currently investigating non-benefit fraud referrals received to date in areas such as tenancy and education.
- 7.3 In addition, the work updating the policies and procedures in place to support has recommenced and it is intended to have a revised draft Strategy for the Prevention and Detection of Fraud and Corruption by March 2017.

- 7.4 We also participate in the Scottish Local Authorities Investigators Group. On behalf of this group, we are currently liaising with Colleagues in Legal and Democratic services to develop a draft Information Sharing Protocol which can be used by all Scottish Local Authorities to facilitate the sharing of information between Authorities for the purpose of the prevention of fraud.

8. Scottish Local Authorities Chief Internal Auditors' Group

- 8.1 At the last meeting in November, presentations were given by representatives from the Police Scotland's Corruption Unit on the work they have been undertaking in the Public Sector and also from the SEEMIS Group on the developments to the Education Management Information System used by all Local Authorities.

9. Local and National Initiatives

- 9.1 The work with CIPFA to adapt their accredited Counter Fraud qualification to be suitable for Scottish Local Authority Counter Fraud Officers is still ongoing.
- 9.2 Internal Audit are involved in the work of the Council's Integrity Group and the Group's action plan (largely based on Police Scotland's Vulnerability Risk Assessment for this Council) is currently being revised into a more concise format, enabling the progress in implementing the actions across the appropriate services to be tracked more easily.
- 9.3 We continue to be involved in the management and security of the Council's information and we have representation on the Information Security and Information Management Governance Groups.
- 9.4 We are awaiting the matches arising from participation in the National Fraud Initiative which require further investigation. These are due in February 2017 and the Internal Audit Service will be responsible for ensuring the appropriate investigations into the results are undertaken and that the outcomes are recorded.
- 9.4 Internal Audit continue to have an ongoing involvement in the new Enterprise Resource Planning Project with the Chief Auditor participating on the Project Board.

Implications of the Report

1. **Financial** - The Council has in place arrangements to recover the any overpayments identified from the work of the Counter Fraud Team and the National Fraud Initiative.

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**
 - (a) 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. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health & Safety** – None
9. **Procurement** - None
10. **Risk** - The progress and performance reported relates to the delivery of the risk-based internal audit plan and the mitigation of the risk of fraud and error.
11. **Privacy Impact** – None

Author: Karen Campbell – 01416187016



To: Audit, Scrutiny and Petitions Board

On: 13 February 2017

Report by: Director of Finance and Resources

Heading: Audit Scotland Annual Audit Plan 2016/17

1. Summary

- 1.1 Based on their analysis of the risks facing the Council, Audit Scotland have submitted an audit plan which outlines their approach to the audit of the 2016/17 financial statements of the Council and the charities it controls in order to assess whether they provide a true and fair view of the financial position of the council, and also whether they have been prepared in accordance with proper accounting practice i.e. the 2016 Code of Practice on Local Authority Accounting in the UK.
- 1.2 The Plan outlines the responsibilities of Audit Scotland and the council; their assessment of key challenges and risks and the approach and timetable for completion of the audit.
-

2. Recommendations

- 2.1 Members are asked to note the content of the attached reports.
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Implications of the Report

1. **Financial** – An unqualified audit opinion demonstrates the council has effective systems of internal control in place.
2. **HR & Organisational Development** - None
3. **Community Planning** – None
4. **Legal** - an audit opinion free from qualification demonstrates compliance with the statutory accounting requirements set out in the Local Government (Scotland) Act 1973.
5. **Property/Assets** - None
6. **Information Technology** - None
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. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health & Safety** - None
9. **Procurement** – None
10. **Risk** - the audit plan highlights audit issues and risks, and the approach Audit Scotland will adopt in seeking assurance that these risks are being managed.
11. **Privacy Impact** - None

List of Background Papers

- (a) None

Author: Alastair MacArthur Ext 7363

Renfrewshire Council

Annual Audit Plan 2016/17

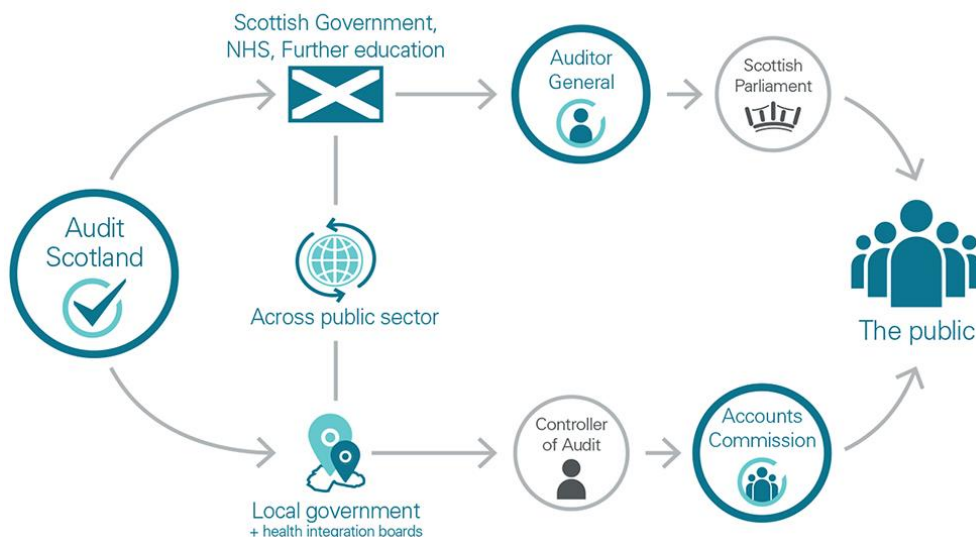


Prepared for Members of Renfrewshire Council
February 2017

Who we are

The Auditor General, the Accounts Commission and Audit Scotland work together to deliver public audit in Scotland:

- The Auditor General is an independent crown appointment, made on the recommendation of the Scottish Parliament, to audit the Scottish Government, NHS and other bodies and report to Parliament on their financial health and performance.
- The Accounts Commission is an independent public body appointed by Scottish ministers to hold local government to account. The Controller of Audit is an independent post established by statute, with powers to report directly to the Commission on the audit of local government.
- Audit Scotland is governed by a board, consisting of the Auditor General, the chair of the Accounts Commission, a non-executive board chair, and two non-executive members appointed by the Scottish Commission for Public Audit, a commission of the Scottish Parliament.



About us

Our vision is to be a world-class audit organisation that improves the use of public money.

Through our work for the Auditor General and the Accounts Commission, we provide independent assurance to the people of Scotland that public money is spent properly and provides value. We aim to achieve this by:

- carrying out relevant and timely audits of the way the public sector manages and spends money
- reporting our findings and conclusions in public
- identifying risks, making clear and relevant recommendations.

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Risks and planned work

1. This annual audit plan contains an overview of the planned scope and timing of our audit and is carried out in accordance with International Standards on Auditing (ISAs), the [Code of Audit Practice](#), and any other relevant guidance. This plan identifies our audit work to provide an opinion on the financial statements and related matters and meet the wider scope requirements of public sector audit including the new approach to Best Value. The wider scope of public audit contributes to conclusions on the appropriateness, effectiveness and impact of corporate governance, performance management arrangements and financial sustainability.

Audit risks

2. Based on our discussions with staff, attendance at committee meetings and a review of supporting information we have identified the following main risk areas for Renfrewshire Council. We have categorised these risks into financial risks and wider dimension risks. The key audit risks, which require specific audit testing, are detailed in Exhibit .

Exhibit 1

Audit Risk	Management assurance	Planned audit work
Financial statement issues and risks		
1 Risk of management override of controls ISA 240 requires that audit work is planned to consider the risk of fraud, which is presumed to be a significant risk in any audit. This includes consideration of the risk of management override of controls in order to change the position disclosed in the financial statements.	Owing to the nature of this risk, assurances from management are not applicable.	Detailed testing of journal entries. Review of accounting estimates. Focused testing of accruals and prepayments. Evaluation of significant transactions that are outside the normal course of business.
2 Risk of fraud over income and expenditure ISA 240 presumes a risk of fraud over income which is expanded to include fraud over expenditure in the public sector by the Code of Audit Practice Renfrewshire Council receives a significant amount of income in addition to Scottish Government funding. The extent and complexity of income means that, in accordance with ISA240, there is an inherent risk of fraud.	The council has well developed processes for the authorisation, separation of duties and workflow associated with income and expenditure. Clear schemes of delegation and authorised signatory databases are regularly updated. Financial systems have authorisation process in-built to ensure the risk of fraud is minimised. The audit plan which internal audit complete will include a	Analytical procedures on income and expenditure streams. Detailed testing of revenue and expenditure transactions focusing on the areas of greatest risk.

Audit Risk	Management assurance	Planned audit work
<p>Particular areas of concern include council tax, non domestic rates and income from sundry debtors. The risk of fraud over expenditure also applies due to the variety and extent of expenditure made by the council in delivering services.</p>	<p>range of systems testing across income and expenditure processes, with recommendations being monitored for implementation.</p> <p>The council has established a Counter Fraud Team who have been actively raising awareness of both financial and non-financial fraud risks through a series of training events targeted at key personnel.</p>	
<p>3 Capacity of finance function</p> <p>The council has made significant changes to its finance function. There is now a separate financial accounting and management accounting function. The finance support function has also been centralised under the Head of Finance with business partners embedded throughout all services. There is a risk that the restructuring of the finance function may affect the capacity of the council to prepare timely, accurate and Code compliant annual accounts. The 2016/17 Code requires significant changes to the format of the Comprehensive Income and Expenditure Statement and the Movements in Reserves Statement.</p>	<p>The finance team operate to a clearly understood year end timetable and procedures, which include responsibilities for particular aspects of the annual accounts completion. Throughout the year finance staff attend CIPFA FAN events to ensure a clear understanding of any changes to the Code, in addition to examining the updated Code, practitioner guidance notes and Audit Scotland technical bulletins.</p>	<p>Ongoing planning with officers to ensure that the annual accounts are prepared and audited in sufficient time to allow the accounts to be approved in September.</p> <p>Review of compliance with accounting standards as part of financial statements audit.</p>
Wider dimension risks		
<p>4 Financial planning</p> <p>The council has identified a need to make savings of £20 million to £30 million in 2017/18 and further recurring annual revenue savings of £16 million to £27 million per annum for the two year period 2018/19 and 2019/20. A significant programme of work is underway to develop options as part of its Better Council Change Programme. Making these additional savings will be challenging given the significant service reforms and workforce reductions implemented to date. There is also a risk the level of planned budget savings will adversely affect the level and quality of service provision.</p>	<p>The Council has undertaken a programme of significant change in recent years to address the financial constraints faced by local government. These challenges will continue over the medium term, with a further phase of the Better Council Change Programme currently being developed in order to continue to try and deliver council services within the available resources. The Council has recently agreed a range of financial planning principles as part of a medium term financial plan which will support the delivery of further savings.</p>	<p>Review of the council's arrangements for financial planning as part of our Best Value audit work.</p> <p>Review of the council's progress in achieving its planned savings.</p>

Audit Risk	Management assurance	Planned audit work
<p>5 Capacity of internal audit service</p> <p>The internal audit plan is currently 4% behind target. This is mainly due to an unexpectedly high number of investigations and the work to support the design of the council's new Enterprise Resource Planning (ERP) system. There is a risk the capacity of the internal audit section is not sufficient to provide the assurances required by the Chief Executive.</p>	<p>Completion of the internal audit plan is monitored on a monthly basis. Additional resources have been identified to close the current shortfall to ensure the audit plan completion target is achieved prior to the presentation of the Chief Auditor's annual opinion which informs the Annual Governance Statement.</p>	<p>Assessment of the internal audit service.</p> <p>Monitoring progress of the internal audit plan, focusing on areas where we plan to place reliance.</p>
<p>6 Effectiveness of Audit, Scrutiny and Petitions Board</p> <p>The Audit, Scrutiny and Petitions Board act as the council's Audit Committee. The Board has oversight of:</p> <ul style="list-style-type: none"> • audit • corporate governance • risk management • monitoring and reviewing service delivery performance, policies and practices • community leadership • standards and ethics • written intimations • petitions. <p>The focus of the Board is substantially on petitions. There is a risk that the council's current governance arrangements for audit and scrutiny do not allow members to adequately focus on audit, corporate governance and risk management.</p>	<p>The council will review existing governance arrangements following the local elections in May 2017.</p>	<p>Review of the council's leadership, governance and scrutiny as part of our Best Value audit work.</p>

Reporting arrangements

3. Audit reporting is the visible output for the annual audit. All annual audit plans and the outputs as detailed in [Exhibit 2](#), and any other outputs on matters of public interest will be published on our website: www.audit-scotland.gov.uk.

4. Matters arising from our audit will be reported on a timely basis and will include agreed action plans. Draft management reports will be issued to the relevant officer(s) to confirm factual accuracy.

5. We will provide an independent auditor's report to Renfrewshire Council and Accounts Commission summarising the results of the audit of the annual accounts. We will provide the Accountable Officer and Accounts Commission with an annual report on the audit containing observations and recommendations on significant matters which have arisen in the course of the audit.

Exhibit 2

2016/17 Audit outputs

Audit Output	Target date	Audit Committee (or equivalent) Date
Interim Audit Report	June 2017	TBC
Best Value Assurance Report	June 2017	TBC
Annual Audit Report including ISA 260 requirements	September 2017	TBC
Signed Independent Auditor's Report	September 2017	N/A

Audit fee

6. The proposed audit fee for the 2016/17 audit of Renfrewshire Council is £338,960. The proposed audit fee for the audit of the charitable trust and common good accounts administered by Renfrewshire Council are £1,000 and £4,550 respectively. In determining the audit fee we have taken account of the risk exposure of Renfrewshire Council, the planned management assurances in place and the level of reliance we plan to take from the work of internal audit. Our audit approach assumes receipt of the unaudited financial statements, with a complete working papers package by 30 June 2017.

7. Where our audit cannot proceed as planned through, for example, late receipt of unaudited financial statements or being unable to take planned reliance from the work of internal audit, a supplementary fee may be levied. An additional fee may also be required in relation to any work or other significant exercises outwith our planned audit activity.

Responsibilities

Audit, Scrutiny and Petitions Board and Accountable Officer

8. Audited bodies have the primary responsibility for ensuring the proper financial stewardship of public funds, compliance with relevant legislation and establishing effective arrangements for governance, propriety and regularity that enable them to successfully deliver their objectives.

9. The audit of the financial statements does not relieve management or the Audit, Scrutiny and Petitions Board, as those charged with governance, of their responsibilities.

Appointed auditor

10. Our responsibilities as independent auditor are established by the 1973 Act for local government, and the Code of Audit Practice, and guided by the auditing profession's ethical guidance.

11. Auditors in the public sector give an independent opinion on the financial statements. We also review and report on the arrangements within the audited body to manage its performance, regularity and use of resources. In doing this, we aim to support improvement and accountability.

Audit scope and timing

Financial statements

12. The statutory financial statements audit will be the foundation and source for the majority of the audit work necessary to support our judgements and conclusions. We also consider the wider environment and challenges facing the public sector. Our audit approach includes:

- understanding the business of Renfrewshire Council and the associated risks which could impact on the financial statements
- assessing the key systems of internal control, and establishing how weaknesses in these systems could impact on the financial statements
- identifying major transaction streams, balances and areas of estimation and understanding how Renfrewshire Council will include these in the financial statements
- assessing the risks of material misstatement in the financial statements
- determining the nature, timing and extent of audit procedures necessary to provide us with sufficient audit evidence as to whether the financial statements are free of material misstatement.

13. We will give an opinion on the financial statements as to:

- whether they give a true and fair view in accordance with applicable law and the 2016/17 Code of the state of the affairs of the council and its group as at 31 March 2017 and of the income and expenditure of the council and its group for the year then ended
- whether they have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2016/17 Code
- whether they have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Materiality

14. Materiality defines the maximum error that we are prepared to accept and still conclude that that our audit objective has been achieved. It helps assist our planning of the audit and allows us to assess the impact of any audit adjustments on the financial statements. We calculate materiality at different levels as described below. The calculated materiality values for Renfrewshire Council are set out in [Exhibit 3](#).



Exhibit 3

Materiality values

Materiality level	Amount
Planning materiality - This is the calculated figure we use in assessing the overall impact of audit adjustments on the financial statements. It has been set at 1% of gross expenditure for the year ended 31 March 2017 based on the 2015/16 audited accounts.	£6.206 million
Performance materiality - This acts as a trigger point. If the aggregate of errors identified during the financial statements audit exceeds performance materiality this would indicate that further audit procedures should be considered. Using our professional judgement we have calculated performance materiality at 50% of planning materiality.	£3.103 million
Reporting threshold - We are required to report to those charged with governance on all unadjusted misstatements in excess of the 'reporting threshold' amount. This has been set at the maximum value permitted.	£0.100 million



15. We review and report on other information published with the financial statements including the management commentary, annual governance statement and the remuneration report. Any issues identified will be reported to the Audit, Scrutiny and Petitions Board.

Timetable

16. To support the efficient use of resources it is critical that a financial statements timetable is agreed with us for the production of the unaudited accounts. An agreed timetable is included at [Exhibit 4](#) which takes account of submission requirements and planned Audit, Scrutiny and Petition Board dates.

Exhibit 4

Financial statements timetable

 Key stage	 Date
Consideration of unaudited financial statements by those charged with governance	June 2017 (TBC)
Latest submission date of unaudited [body's] financial statements with complete working papers package	30 June 2017
Latest date for final clearance meeting with Director of Finance and Resources	Early September 2017
Agreement of audited unsigned financial statements; Issue of Annual Audit Report including ISA 260 report to those charged with governance	By 30 September 2017
Independent auditor's report signed	By 30 September 2017
Latest date for signing of WGA return	30 September 2017

Internal audit

17. Auditing standards require internal and external auditors to work closely together to make best use of available audit resources. We seek to rely on the work of internal audit wherever possible and as part of our planning process we carry out an assessment of the internal audit function. Internal audit is provided by the internal audit service of the council.

Adequacy of Internal Audit

18. We carry out an annual assessment of the internal audit function to determine whether it has sound documentation standards and reporting procedures in place and complies with the main requirements of the Public Sector Internal Audit Standards. We will report the results of this review in our interim management letter.

Areas of reliance

19. In respect of our wider dimension audit responsibilities we plan to consider internal audit work including:

- Review of Corporate Governance Framework.

Audit dimensions

20. Our audit is based on four audit dimensions that frame the wider scope of public sector audit requirements as shown in [Exhibit 5](#).

Exhibit 5

Audit dimensions



21. In the local government sector, the appointed auditor's annual conclusions on these four dimensions will contribute to an overall assessment and assurance on Best Value.

Financial sustainability

22. As auditors we consider the appropriateness of the use of the going concern basis of accounting as part of the annual audit. We will also comment on the body's financial sustainability in the longer term. We define this as medium term (two to five years) and longer term (longer than five years) sustainability. We will carry out work and conclude on:

- the effectiveness of financial planning in identifying and addressing risks to financial sustainability in the short, medium and long term
- the appropriateness and effectiveness of arrangements in place to address the identified funding gaps
- whether the council can demonstrate the affordability and effectiveness of funding and investment decisions it has made.

Financial management

23. Financial management is concerned with financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively. We will review, conclude and report on:

- whether the council has arrangements in place to ensure systems of internal control are operating effectively
- whether the council can demonstrate the effectiveness of its budgetary control system in communicating accurate and timely financial performance
- how the council has assured itself that its financial capacity and skills are appropriate
- whether the council has established appropriate and effective arrangements for the prevention and detection of fraud and corruption.

Governance and transparency

24. Governance and transparency is concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision-making and transparent reporting of financial and performance information. We will review, conclude and report on:

- whether the council can demonstrate that the governance arrangements in place are appropriate and operating effectively
- whether there is effective scrutiny, challenge and transparency on decision making and finance and performance reports
- the quality and timeliness of financial and performance reporting.

Value for money

25. Value for money refers to using resources effectively and continually improving services. We will review, conclude and report on whether:

- the council can provide evidence that it is demonstrating value for money in the use of its resources
- the council can demonstrate that there is a clear link between money spent, output and outcomes delivered
- the council can demonstrate that outcomes are improving
- there is sufficient focus on improvement and the pace of it.

Best Value

26. The Accounts Commission agreed the overall framework for a new approach to auditing Best Value in June 2016. The introduction of the new approach coincides with the new five year audit appointments. As such, auditors will use the framework for their audit work from October 2016.

27. A key feature of the new approach is that it integrates Best Value into the wider scope annual audit, which will influence audit planning and reporting. Best Value will be assessed comprehensively over the five year audit appointment, both through the on-going annual audit work, and also through discrete packages of work to look at specific issues. Conclusions and judgements on Best Value will be reported through:

- the Annual Audit Report for each council, which will provide a rounded picture of the council overall
- an Annual Assurance and Risks report that the Controller of Audit will provide to the Commission that will highlight issues from across all 32 council annual audit reports
- a Best Value Assurance Report (BVAR) for each council that will be considered by the Accounts Commission at least once in a five year period.

28. The six councils on which a BVAR will be published during the first year of the new approach are listed in [Exhibit 6](#) below. Renfrewshire Council is one of those to be covered in this first tranche. Reports will be considered by the Accounts Commission in the period between May 2017 and March 2018.

Exhibit 6

2016/17 Best Value Assurance Reports

Clackmannanshire Council	Orkney Islands Council
East Renfrewshire Council	Renfrewshire Council
Inverclyde Council	West Lothian Council

29. We plan to publish the BVAR for Renfrewshire Council in June 2017. To inform this report we will review all aspects of Best Value at the council. This includes

- performance and outcomes
- improvement
- leadership, governance and scrutiny
- equal opportunities
- partnership and community empowerment
- financial planning
- financial governance and resource management.

Independence and objectivity

30. Auditors appointed by Audit Scotland must comply with the Code of Audit Practice. When auditing the financial statements auditors must also comply with professional standards issued by the Financial Reporting Council and those of the professional accountancy bodies. These standards impose stringent rules to ensure the independence and objectivity of auditors. Audit Scotland has in place robust arrangements to ensure compliance with these standards including an annual “fit and proper” declaration for all members of staff. The arrangements are

overseen by the Assistant Auditor General, who serves as Audit Scotland's Ethics Partner.

31. The engagement lead for the audit of Renfrewshire Council is David McConnell, Assistant Director. Auditing and ethical standards require the appointed auditor to communicate any relationships that may affect the independence and objectivity of audit staff. We are not aware of any such relationships pertaining to the audit of Renfrewshire Council.

Quality control

32. International Standard on Quality Control (UK and Ireland) 1 (ISQC1) requires that a system of quality control is established, as part of financial audit procedures, to provide reasonable assurance that professional standards and regulatory and legal requirements are being complied with and that the independent auditor's report or opinion is appropriate in the circumstances.

33. The foundation of our quality framework is our Audit Guide, which incorporates the application of professional auditing, quality and ethical standards and the Code of Audit Practice issued by Audit Scotland and approved by the Auditor General for Scotland. To ensure that we achieve the required quality standards Audit Scotland conducts peer reviews, internal quality reviews and is currently reviewing the arrangements for external quality reviews.

34. As part of our commitment to quality and continuous improvement, Audit Scotland will periodically seek your views on the quality of our service provision. We welcome feedback at any time and this may be directed to the engagement lead.

Renfrewshire Council

Annual Audit Plan 2016/17

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To: Audit, Scrutiny & Petitions Board

On: 13th February 2017

Report by: Director of Finance & Resources

Heading: Report by Audit Scotland, "Local government in Scotland – financial overview 2015/16"

1. Summary

- 1.1** Audit Scotland issued the above report, which is the first in a new series of overview reports to be prepared by Audit Scotland. The purpose of these overview reports are to provide a high level independent view of matters affecting local government with the purpose of assisting councillors and senior officers. It should be noted that the next overview report in the series will be published in March 2017 and will focus on the performance of council services and the challenges facing councils.
- 1.2** This Audit Scotland overview report provides a strategic financial analysis for local government in Scotland for 2015/16. The report concentrates on four key themes, namely (a) the overall financial health of local government, (b) the significant challenges for local government finance, (c) the need to change the way councils deal with financial challenges and (d) the requirement for a long term financial strategy.
- 1.3** In their report Audit Scotland conclude that overall councils have responded well to controlling their spending and have, in most cases, increased their reserves and reduced debt. Whilst the report highlights that councils continue to face current and future cost pressures it acknowledges that councils have taken a disciplined approach to delivering savings. The report also states that this approach will need to continue in future years to deal with a number of significant emerging challenges such as increasing pensions, wage costs and increasing demands on council services.
- 1.4** The report also highlights that councils must consider how and when to use their cash reserves in line with their financial plans. This will be essential as reserves can only be used once and relying on them to fund ongoing services is not financially sustainable, prudent or a recommended mechanism for bridging funding gaps or dealing with emerging recurring financial pressures.

- 1.5 Whilst Renfrewshire Council is well placed in addressing the key issues raised by Audit Scotland, significant financial and demand pressures continue to be experienced and ongoing action is required to ensure continued sound financial stability.
-

2. **Recommendations**

- 2.1 It is recommended that the Board

1. **Note** the Audit Scotland report, “Local Government in Scotland – Financial Overview 2015/16”
-

Background

- 3.1 The key messages contained within the Audit Scotland report are summarised below in bold text, in addition Renfrewshire Council's position in relation to each key message is provided in italics.

- 3.2 **The overall financial health of local government was generally good in 2015/16 and there was a slight increase in overall reserves and a reduction in overall debt. Auditors did not raise concerns about the immediate financial position of Scotland's councils and, for the fifth year in a row, issued unqualified opinions on councils' accounts.**

Renfrewshire Council Position

Renfrewshire Council performed well in the context of a difficult financial environment in 2015/16. The annual accounts for 2015/16, as approved by external audit, show that after incurring all general fund expenditure of £580.3m and collecting all income of £582.8m (including grant income) there was a net contribution of £2.5m to reserves. The level of unallocated reserves reduced to £7m in line with Council's financial planning parameters.

- 3.3 **Significant challenges for local government finance lie ahead. Councils' budgets are under increasing pressure from a long-term decline in funding, rising demand for services and increasing costs, such as pensions. There is variation in how these pressures are affecting individual councils, with some overspending their total budgets or budgets for individual services such as social care. It is important that councils have effective budgetary control arrangements in place to minimise unplanned budget variances that can affect their financial position.**

Renfrewshire Council Response

The Council has effective financial planning and budgeting systems in place, which allow managers and elected members to closely monitor the current

and projected financial position of the organisation. The report to Council in September 2016, "Financial Outlook 2017/18 -2019/20" outlined the financial challenges facing the Council in the medium term. Directors have clear responsibilities in managing their service budgets and the financial pressures associated with their specific areas.

Budgetary control is regarded as an important integrated function within Renfrewshire Council. Budget management reports/information and data, operational discussions and the resultant management actions are reviewed every four weeks throughout the organisation.

Budget information is communicated in suitable formats which are both timeous and relevant to the various tiers of management within the organisation and to members via summary budget monitoring reports to Policy Boards. Further improvements in the systems of budget and financial management are anticipated from the Enterprise Resource Planning (ERP) system which is currently being implemented across the Council.

3.4 Councils need to change the way they work to deal with the financial challenges they face. All councils face future funding gaps that require further savings or a greater use of their reserves. There is variation in how well placed councils are to address these gaps.

Renfrewshire Council Response

Renfrewshire Council acknowledges that every financial year there has been, and there will continue to be significant financial challenges. The outlook for the funding of public services is characterised by uncertainty and very likely diminishing resources, and this is acknowledged by Renfrewshire Council in its annual budget setting process and longer term financial outlook.

The Council acknowledges that almost continual change is necessary to ensure it continues to deliver on its financial obligations and provide services that aim to meet the requirements of best value and the expectations of customers.

The council has made positive progress in taking forward an ambitious programme of change through the Better Council Change Programme which continually assesses service delivery to release financial savings and modernise the council via demand mitigation measures, its organisational structures & functions, its workforce, and exploiting the use of technology.

To date the Council has managed to achieve a total of £117m of savings and otherwise unavoidable cost pressures, and this alongside effective programme implementation and robust budget monitoring, coupled with effective operational management by dealing with financial related issues has kept the council financially stable.

This modernisation programme acknowledges the demands placed on Renfrewshire Council through rising standards, increasing customer expectations and seeks to address these demands through greater levels of efficiency and value for money from within its existing resource base by using modern working practices and technology, all of which are key components of the ethos of the "Better Council Change Programme"

3.5

Long-term financial strategies must be in place to ensure council spending is aligned with priorities, and supported by medium-term financial plans and budget forecasts. Even where the Scottish Government only provides councils with one-year financial settlements, this does not diminish the importance of medium and longer-term financial planning. This is necessary to allow councillors and officers to assess and scrutinise the impact of approved spending on future budgets and the sustainability of their council's financial position.

Renfrewshire Council Response

The council undertakes both short term and medium to longer term financial planning and reporting.

The report to Council on 3th March 2016 titled "Revenue Budget and Council Tax 2016/17" established the council's anticipated short term financial position to 2017/18.

A comprehensive financial outlook report was provided to Council in September 2016 - the report was framed to take into account good practice recommendations as made by Audit Scotland in relation to financial planning and budgetary control.

The report provided a three year financial outlook but supplemented this outlook by including commentary and analysis in relation to the longer term financial position facing the council. Equally a number of additional factors were incorporated within the report to assist in informing it's audience about strategic priorities, economic factors and resource allocations all of which will be used to influence decision making at all levels within the organisation. A comprehensive supporting document was also appended to the Financial Outlook Report and this specifically focused on the medium to longer term financial strategy.

To support and compliment long term financial planning within the council the Chief Executives Service, via its Policy and Commissioning function, is developing a Data Analytics Service which will provide a range of information to assist in making informed, evidenced based decisions such as projecting demand for services, offering alternative service delivery mechanisms and cover the wider strategic matters all of which will compliment and act as a facilitator for the implementation of the councils longer term financial strategy.

Implications of the Report

1. **Financial** – As outlined in the report.
2. **HR & Organisational Development** - None.
3. **Community Planning** – None.
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 Audit Scotland report highlights the key risks facing local government in the future and potential routes to mitigate these.
11. **Privacy Impact** – None.

Author:

Alastair MacArthur
Finance and Corporate Services
Ext. 7363



To: Audit, Scrutiny & Petitions Board

On: 13 February 2017

Report by: Director of Finance & Resources

Heading: 2015/16 Whole of Government Accounts

1. Summary

- 1.1 The Council is required to submit for audit each year a Whole of Government Accounts (WGA) return based on the Council's annual accounts, which once audited is submitted to the Scottish Government and then to HM Treasury for consolidation into the UK wide public sector accounts.
- 1.2 As a result of a miscommunication between the audit team and corporate finance staff, there was a late submission of information to the Scottish Government which has resulted in a technical qualification of part of the overall WGA return submitted, solely due to its late receipt.
- 1.3 The WGA return itself is unqualified, and discussion with both Audit Scotland and the National Audit Office (who have responsibility for auditing the consolidated returns) has resulted in no further action or information being required by them. Internal accounts completion timetables and procedures have been amended to ensure no recurrence of this issue.
-

2. Recommendations

- 2.1 The Board is requested to note the report.
-

3. **Background**

- 3.1 The Council is required to submit for audit each year a Whole of Government Accounts (WGA) return based on the Council's annual accounts, which once audited is submitted to the Scottish Government and then to HM Treasury for consolidation into the UK wide public sector accounts.
- 3.2 The return is comprised of several parts; one of which details the balances due between public sector bodies eg between local authorities, the NHS, colleges and so on. During the course of the audit review process, the finance team highlighted that some classification corrections were required to the original submitted information included in this part of the return.
- 3.3 Unfortunately, there was a lack of clarification as to the timing of the cut off for this revised information between the finance team and the external audit team. This resulted in the corrected information being provided too late to external audit to be included within the overall return, and as a consequence external audit had no option other than to provide a qualified opinion with regards this part of the return. An unqualified opinion was provided with regards the remainder of the information provided and in terms of the overall submission.
- 3.4 Subsequent discussion with Audit Scotland has clarified that no further action is proposed by them, nor by the National Audit Office who have responsibility for auditing the consolidated national returns. While the late submission was unfortunate, there are no issues with the quality of the information provided or the overall accuracy of the return.
- 3.5 Internal year end timetables and procedures have been updated to ensure revised WGA information is clearly included and the cut-off dates for these submissions are clearly understood by both the finance team and the external auditor.
-

Implications of the Report

1. **Financial** – there are no financial implications arising from the technical qualification. Year end procedures have been amended to ensure clear communication and timescales within the corporate finance team and with external audit.
 2. **HR & Organisational Development** - *none*
 3. **Community Planning** –
 4. **Legal** - *none*
 5. **Property/Assets** - *none*
 6. **Information Technology** - *none*
 7. **Equality & Human Rights**
 - (a) 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. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
 8. **Health & Safety** - *none*
 9. **Procurement** – *none*
 10. **Risk** - *none.*
 11. **Privacy Impact** - *none*
-

Author: *Alastair MacArthur – Head of Finance*



To: Audit, Scrutiny and Petitions Board

On: 13 February 2017

Report by: Chief Executive

Heading: Annual Complaints Report 2015/16

1. Summary and Key Messages

- 1.1 Renfrewshire Council's complaints handling procedure ensures the Council knows how well it is delivering its services and shows its commitment to using the issues raised in complaints to improve services.
- 1.2 Introduced in 2013, the procedure complies with the Scottish Public Services Ombudsman's (SPSO) guidance and model complaints handling procedure, and aims to help 'get it right first time'. The aim is to have quicker, simpler and more streamlined complaints handling with local, early resolution by capable, well-trained staff. As part of the procedure, all complaints resolved at the frontline are also now recorded and monitored.
- 1.3 This report provides information on the complaints Renfrewshire Council received in 2015/16 and shows how this information has been used to ensure that the Council delivers high quality, efficient and responsive services to meet people's needs.
- 1.4 The key messages highlighted in the report are as follows:
- 6,860 complaints were received in 2015/16, which is an increase from 5725 in 2014/15, reflecting the national trend of a sustained increase in the number of complaints handled by Scottish Local Authorities since the new complaints procedure was introduced in 2013.

- The number of complaints received in relation to the size of the Renfrewshire population is small, with 7 complaints received per 1000 population.
- Renfrewshire Council is increasingly responsive to complaints, reflecting the commitment within the organisation to complaints handling. The average time to respond to frontline complaints received was 3.9 days in 2015/16 improving from 5.7 days in 2014/15 and well within the target of 5 days set by SPSO.
- The average time to respond to an investigation complaint received was 12.6 days, improving from 13.2 days in 2014/15 and well within the target of 20 days set by SPSO.
- Overall 82% of frontline complaints and 94% of investigation complaints received were completed within target timescales.
- 97% were handled at the frontline stage demonstrating that the Council is highly responsive to initial reports of dissatisfaction from customers.
- The percentage of complaints received that were upheld after investigation has also fallen from 37.5% in 2013/14 to 24.85% in 2015/16. This indicates that the Council is successfully shifting the balance of complaints handling to the frontline resolution stage, which is a key driver of the SPSO model complaints handling procedure.
- Only a very small number of complaints received are escalated to the Scottish Public Services Ombudsman for investigation. In 2015/16, 52 complaints were investigated by the SPSO. None were fully investigated, only one was partly upheld and none were the subject of a report to the Scottish Parliament. The SPSO indicates that a low uphold rate suggests a robustness in the authority's handling of complaints.
- The breakdown of complaints received by Service, is broadly reflective of the nature and volume of services provided. For example, a significant proportion of complaints are handled by Community Resources. Over 11 million waste and recycling collections are made by the service each year, however complaints about this service delivery account for only 0.1% of the service delivered reflecting very high levels of general satisfaction.

1.5 The report also highlights the continuous improvement activity that the Council intends to undertake during 2017 in relation to complaints handling.

2. Recommendations

2.1 It is recommended that members of the Audit, Scrutiny and Petitions Board:

- Note the content of this report.

3. Background

- 3.1 Renfrewshire Council's complaint handling procedure was implemented in 2013, and complies with the model Complaints Handling procedure for local authorities introduced by the Scottish Public Services Ombudsman (SPSO) at that time.
- 3.2 The Complaints Handling Procedure (CHP) reflects Renfrewshire Council's ongoing commitment to the provision of high quality complaints handling. The CHP operates to ensure that complaints are processed and responded to consistently within targeted timescales, with a particular focus on working to resolve customer dissatisfaction as close as possible to the point of contact or service delivery.
- 3.3 Services record, analyse and monitor complaints performance and use the information gathered through the CHP to improve service delivery wherever possible.
- 3.4 It is important to note that the model SPSO complaints handling procedure adopted by Renfrewshire Council does not apply to complaints pertaining to the delivery of social care services, which are subject to different and very specific legislative requirements. The complaints handling performance information detailed within this report, therefore does not include social work complaints which are covered within Section 8 of this report.
- 3.5 In line with the model SPSO complaints handling procedure, Renfrewshire Council's CHP uses a two stage process: Frontline Resolution and Investigation stage. These are outlined below

Stage 1: Frontline Resolution

The frontline resolution stage aims to quickly resolve straightforward customer complaints that require little or no investigation. Any member of staff may deal with complaints at this stage.

The main principle is to seek early resolution, resolving complaints at the earliest opportunity and as close to the point of service delivery as possible. This may mean a face-to-face discussion with the customer, or asking an appropriate member of staff to deal directly with the complaint. **The Council has 5 days to respond to these complaints.**

An example of a complaint which may be addressed at the frontline resolution stage is a refuse bin which was missed during a scheduled uplift. When this is reported the service would arrange for a remedial uplift to be made.

Stage 2: Investigation

Not all complaints are suitable for frontline resolution and not all complaints will be satisfactorily resolved at this stage. Complaints handled at the Investigation stage of the complaints handling procedure are typically complex or require a detailed examination before the Council can state its position. These complaints may already have been considered at the frontline resolution stage, or they may have been identified from the start as needing immediate investigation.

An investigation aims to establish all the facts relevant to the points made in the complaint and to give the customer a full, objective and proportionate response that represents the final position. **The Council has 20 days to respond to these complaints.**

An example of an investigation may relate to the standard or nature of a repair within a council property which requires an inspection or visit to investigate.

3.6 Following the implementation of the CHP in 2013, the organisation has put into place a range of mechanisms to promote awareness of the CHP amongst both customers and employees. For example:

- Posters and promotional materials have been placed at all Council buildings and offices, and forms made available for completion.
- Information is available on the CHP on the Council website, and an online complaints form is available for submission.
- The CHP and complaints form can be completed on the Council's intranet site by staff.
- Training on the CHP has been provided to frontline staff within services
- An internal complaints handling group has been in place historically and has been refreshed for 2017.

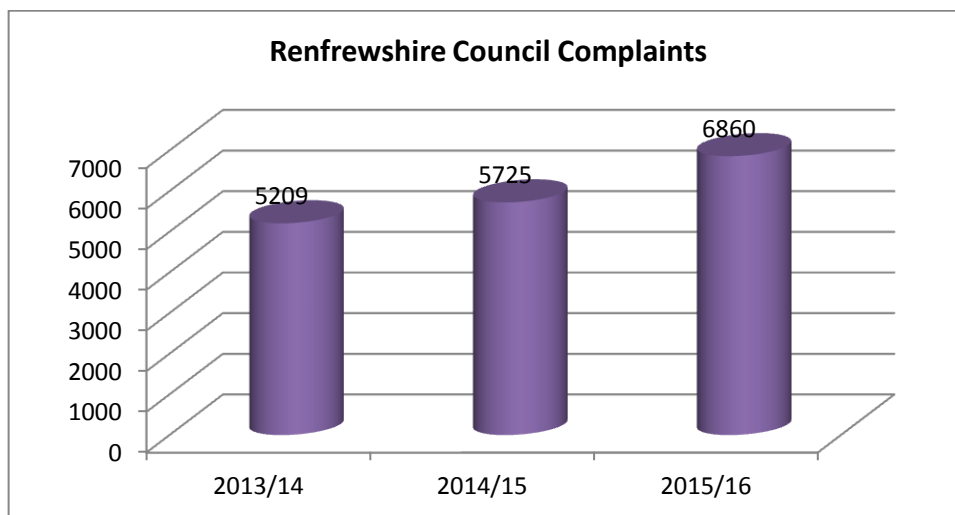
3.7 Regular improvement activity is undertaken to review and update the Council's approach to complaints handling, as required. Improvement activities which have been targeted for 2017 are detailed in Section 7.

4. Complaints handling performance

4.1 Councils are required to report their complaints handling performance against a range of high-level performance indicators related to the SPSO complaints handling procedure. Appendix 1 details Renfrewshire Council's complaints performance for 2015/16 against these key SPSO performance indicators.

- 4.2 Similar to other local authorities, Renfrewshire Council has experienced a steady rise in the number of complaints received which rose from 5725 in 2014/15 to 6,860 in 2015/16.

Table 1



- 4.3 Officers within the organisation are active in national benchmarking groups and review internal complaints handling performance levels against comparator organisations. It is evident from this work that local authorities are seeing a sustained increase in the number of complaints handled by their organisation, which was anticipated in 2013 following the introduction of the SPSO model complaints handling procedure. The model encourages and indeed facilitates enhanced recording of local authority complaints, requiring for example all front line complaints to be recorded and included within performance reports. Previously performance indicators relating to complaints included only defined “formal complaints” received by the local authority. This is supported by data analysis which indicates that 97% of all complaints recorded by the Council in 2015/16 were handled at the front line resolution stage.
- 4.4 The number of complaints received in relation to the size of the local population is also small, with 7 complaints received per 1000 population. This has increased since 2013 from 3.25 per 1000 population, and the reasons for this will be reviewed as part of a scheduled review of the CHP during 2017.
- 4.5 Complaints handling performance remains very strong within Renfrewshire Council. 82% of frontline complaints and 94% of investigation complaints received were completed within target timescales, representing increased performance from 74% and 91% respectively in 2014/15.

4.6 In addition:

- The average time to respond to a frontline complaint was 3.9 days in 15/16 improving from 5.7 days in 2014/15;
- The average time to respond to an investigation complaint was 12.6 days, improving from 13.2 days in 2014/15 and well within the target of 20 days set by SPSO.

4.7 In November 2016, the Audit, Scrutiny and Petitions Board considered a report relating to the SPSO annual report for 2015/16. The SPSO will not generally consider a complaint in relation to a local authority unless the complainer has gone through the Council's complaints procedure. During the period of the report the SPSO determined 52 complaints relative to Renfrewshire compared with 62 in 2014/15 and 57 in 2013/14. Of the 52 complaints determined by the SPSO during 2015/16, none were fully investigated, only one was partly upheld and none were the subject of a report to the Scottish Parliament. The SPSO indicates that a low uphold rate suggests a robustness in the authority's handling of complaints.

5. Analysis of complaints

5.1 As outlined in Section 3 above, complaints relating to social care services are not included within the SPSO model CHP, and SPSO performance indicators relating to complaints do not include complaints about these services.

5.2 Analysis of all complaints received indicates that the proportion of complaints received by each service area is broadly reflective of the nature and volume of service provided by each service. For example, as is illustrated in the table below, Community Resources responded to 72% of complaints received, in relation to service areas such as:

- Refuse bin collections;
- Special uplift service;
- Repairs not completed within timescales; and
- Street lighting

Table 2 – Proportion of complaints received by the Council broken down by service

Service	Proportion of complaints received in 2015/16	Proportion of Frontline Complaints Received	Proportion of Investigation Complaints Received
Chief Executives	0.1%	0.1%	0%
Children's Services	1.6%	1.59%	0.05%
Community	72%	72%	0.16%

Resources			
Development & Housing	15%	15.1%	0.23%
Finance & Resources	12%	10.1%	2.42%

- 5.3 Community Resources delivers the highest volume of front line council services. These include: refuse collection, roads maintenance, streetscene and land services, parks and cemeteries, street lighting, housing repairs and community safety wardens. It is to be expected therefore that Community Resources will receive the highest level of customer feedback which is often resolved at the frontline stage. When put into context the number of complaints received in relation to the level of service provided continues to be low. For example, the number of complaints about missed waste collections is less than 0.1% of the total number of collections made.

6. Using complaints handling data to improve service delivery

- 6.1 Following an internal review of complaints handling performance, Community Resources increased the use of proactive communications to the public to keep them informed and thereby reducing the need for complaints to be made by customers due to lack of information. For example, Community Resources provide regular updates on winter maintenance and gritting information through social media. Information on delays to waste collections are also provided via social media and to the Customer Service Centre to ensure customers are provided with updates, thereby preventing enquiries and complaints from being made unnecessarily. Community Resources will continue to monitor the success of such measures, whilst analysing the source of complaints and taking appropriate action to minimise these.
- 6.2 Development and Housing Services (DHS) carried out a review of the complaints process across the service and identified areas where improvements could be made, both to benefit internal process but ultimately to provide a more effective service for customers. As a result, Lagan-based complaints handling was rolled out across the full service in October and November 2016 and training was given to the appropriate officers. In addition, the complaints process has been highlighted in articles in the DHS staff newsletter, In the Loop, and also as the 'spotlight' screen saver for DHS employees. These measures help to ensure that employees are confident about how to deal with complaints effectively.

7 Continuous improvement of the complaints handling process

- 7.1 Renfrewshire Council is committed to continuous improvement driven by intelligence gathered through complaints. In 2016, an internal working group undertook an audit of correspondence in order to assess compliance with the Council's CHP. This was a very positive exercise, with the findings indicating

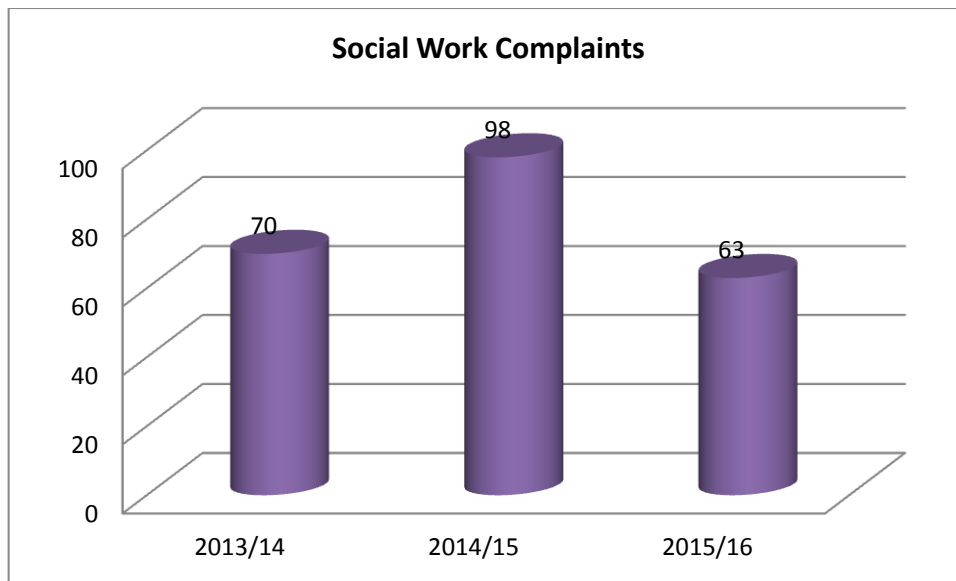
a good level of knowledge and experience of the CHP across the Council. There were very good examples of complaints response letters, and learning that could be shared across services.

- 7.2 Opportunities for development were identified through the audit, particularly in relation to reviewing the current system used to monitor complaints across services, reviewing sample letters and templates, and consideration of reviewing current training offered to employees on the CHP given the significant level of change which has occurred across Council services during the last 3 years.
- 7.3 To take these forward, a cross service working group has been established. This group will ensure that as a Council we continue to build on good practice and ensure continuous improvement and learning in the approach to correspondence and complaints from customers.

8. Social Work Complaints

- 8.1 Complaints relating to the provision of social work services are handled through a separate, but complementary process to the Council's complaints handling procedure. This is due to the existing legislation in place relating to the handling of social work complaints. Both Children's Services and the Health and Social Care Partnership which provide social work services, endeavour to acknowledge complaints within 3 working days, to process complaints and reply to complaints within 20 working days or within 28 days with agreement of the client and in line with the current legislation for more complex complaints. Customers who remain unhappy with the complaint can appeal to the Director of Social Work or the Chief Executive if the Director has already been involved in the complaint. If they are still unhappy they may have their complaint reviewed by the Social Work Complaints Review Committee (CRC). Finally after the Social Work complaints process has been exhausted the complaint can be referred to the SPSO.
- 8.2 In order to align to the Council complaints handling process all social work complaints are measured against the 20 day timescale, rather than the discretionary 28 day limit prescribed in legislation. 63 social work complaints were received in 2015/16. Of the 63 complaints, 73% were processed on time. Child Care and Criminal Justice received 24 complaints and 71% of these were processed on time. The Health and Social Care Partnership (Social Work only) received 39 complaints and 74% were completed on time.
- 8.3 Table 3 below illustrates the number of social work complaints received over the last 3 years, with a spike in 2014/15, and numbers returning in 2015/16 to 2013/14 levels.

Table 3



- 8.4 The CRC for handling the final internal stage of social work complaints is made up of a panel of independent lay people. The CRC hear from the complainant in person and/or by a written submission as well as hearing evidence from social care staff. They then consider the decision made by the service and can overrule the decisions made by social care staff. In 2015/16 a total of 3 complaints were referred to CRC, none of which overturned the original decision made by the service.
- 8.5 In March 2016, the Scottish Parliament approved the Public Services Reform (Social Work Complaints Procedure) (Scotland) Order 2016, which saw the removal of provisions for social work complaints in the Scotland Act 1968. This order allows a model Complaints Handling Procedure (CHP), prepared by SPSO to be produced. It also saw the amendment of the Scottish Public Services Act 2002, to allow the SPSO to investigate complaints in relation to the substance of Social Work decisions. In effect, this means that the current statutory Social Work complaints procedure, including CRCs, will be abolished, and new procedures will be developed in line with the handling of complaints for other public sector services. The SPSO's model CHP will be fully implemented from 1 April 2017.
- 8.6 All complaints prior to the 1 April 2017 will follow the historical social work complaints handling process. This means in effect for the year 2016/17 the 2 complaints processes will be running in parallel, which is likely to affect a very small number of complaints.
- 8.7 It is anticipated that the introduction of the new Social Work CHP will see an increase in the number of complaints logged, as front line resolution complaints will be recorded for the first time. This would be in line with the Council's experience in 2013 when its new CHP was introduced.

- 8.8 Although the implementation of the new social work CHP will be challenging, it represents an opportunity to reconfigure how complaints are handled, improve the knowledge of staff at all levels on dealing with complaints and using complaints to drive continuous improvement

Implications of the Report

1. **Financial** - none
2. **HR & Organisational Development** – none
3. **Community Planning** – none.
4. **Legal** – none
5. **Property/Assets** – none
6. **Information Technology** – none
7. **Equality & Human Rights** -
 - (a) 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 as it is for noting only. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health & Safety** - none
9. **Procurement** - none
10. **Risk** - none
11. **Privacy Impact** - none

List of Background Papers – n/a

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Appendix 1: Renfrewshire Council Annual Complaints Report 2015/16 SPSO Indicators



Generated on: 20 January 2017

Priority 01. The total number of complaints received per thousand population







Short Name	2013/14	2014/15	2015/16
	Value	Value	Value
Total number of complaints received	5,209	5,725	6,860
Total number of complaints received per 1000 population	3.25	7.25	7

Priority 02. Complaints closed at stage 1 and stage 2 as a percentage of all complaints closed







Short Name	2013/14	2014/15	2015/16
	Value	Value	Value
Number of complaints closed at stage 1	5,007	5,441	5,077
Number of complaints closed at stage 2	225	198	178
Number of complaints closed at stage 2 after escalation	20	5	5
Number of complaints closed at stage 1 as a percentage of all complaints	95.68%	97.2%	96.62%
Number of complaints closed at stage 2 as a percentage of all complaints	4.33%	3.5%	3.4%
Number of complaints closed at stage 2 after escalation as a percentage of all complaints	0.4%	0.1%	0.1%

Priority 03. The number of complaints upheld/partially upheld/not upheld at each stage as a percentage of complaints closed at each stage

Short Name	Short Term Trend Arrow	Long Term Trend Arrow	2013/14	2014/15	2015/16
			Value	Value	Value
Number of complaints upheld at stage 1 as a percentage of all complaints closed at stage 1	↑	↑	71.53%	74.3%	85.46%
Number of complaints not upheld at stage 1 as percentage of all complaints closed at stage 1	↓	↓	16.13%	17.5%	8.99%
Number of complaints partially upheld at stage 1 as percentage of all complaints closed at stage1	↑	↓	12.38%	8.3%	5.55%
Number of complaints upheld at stage 2 as percentage of all complaints closed at stage 2	↑	↑	37.5%	36.9%	24.85%
Number of complaints not upheld at stage 2 as percentage of all complaints closed at stage 2	↓	↓	37.28%	51.5%	61.08%
Number of complaints partially upheld at stage 2 as percentage of all complaints closed at stage 2	↑	↑	25.23%	11.6%	14.08%

Short Name	Short Term Trend Arrow	Long Term Trend Arrow	2013/14	2014/15	2015/16
			Value	Value	Value
Number of escalated complaints upheld at stage 2 as percentage of all complaints at stage 2			2.85%	2.17%	0.93%
Number of escalated complaints not upheld at stage 2 as percentage of all complaints closed at stage 2			3.75%	6.82%	1.05%
Number of escalated complaints partially upheld at stage 2 as percentage of all complaints closed at stage 2			1.68%	0%	0.65%





Priority 04. The average time in working days for a full response to complaints at each stage

Short Name	Short Term Trend Arrow	Long Term Trend Arrow	2013/14	2014/15	2015/16
			Value	Value	Value
Average time in working days to respond to complaints at stage 1			3.43	5.7	3.9
Average time in working days to respond to complaints at stage 2			12.83	13.2	12.6
Average time in working days to respond to complaints after escalation			8.75	10.8	1.9

Priority 05. The number and percentage of complaints at each stage which were responded to in full within the set timescales of 5 and 20 working days

Short Name	Short Term Trend Arrow	Long Term Trend Arrow	2013/14	2014/15	2015/16
			Value	Value	Value
Number of complaints closed at stage one within 5 working days as a percentage of the total number of stage one complaints	↑	↑	82.08%	73.83%	81.5%
Number of complaints closed at stage 2 within 20 working days as a percentage of total number of stage 2 complaints	↑	↑	90.83%	89.37%	93.85%
Number of escalated complaints closed within 20 working days as a percentage of total number of stage 2 complaints	↓	↓	7.13%	0.5%	1.98%

Priority 06. The number and percentage of complaints at each state where an extension to the 5 or 20 working day timeline has been authorised

Short Name	Short Term Trend Arrow	Long Term Trend Arrow	2013/14	2014/15	2015/16
			Value	Value	Value
Number of complaints closed at stage 1 where extension was authorised, as a percentage of all complaints at stage 1			1.7%	1.23%	0.13%
Number of complaints closed at stage 2 where extension was authorised, as a percentage of all complaints closed at stage 2			4.25%	0%	1.18%



To: **Audit, Scrutiny & Petitions Board**

On: **13 February 2017**

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

Heading: **Petition: Bus Shelter, Barrhead Road, Paisley**

1. Summary

- 1.1 A petition comprising around 100 signatures has been received from Ms Jessie McEwan in the undernoted terms:

“To reinstate the bus stop and shelter on Barrhead Road, adjacent to Barscube Terrace – because of concerns and issues of access for those disabled and elderly passengers.”

- 1.2 The Head of Amenity Services advises that the bus shelter at Barrhead Road opposite Cartha Crescent, Paisley has been assessed for safety reasons by Strathclyde Partnership for Transport and Renfrewshire Council. Access from the footpath to the shelter is by 4 steps which is not DDA compliant. In addition access into the shelter is restricted to less than 1 metre and as a result has been decommissioned on safety grounds. Strathclyde Partnership for Transport has removed the bus stop flag and advised the bus operators that they should no longer use this stop. However the shelter will have to remain in place as it forms part of the bus shelter advertising contract and subject to planning permission. The nearest stop and shelter is approximately 90 metres southeast of the decommissioned stop.
- 1.4 The Board at its meeting held on 28 November 2016, having heard from the petitioner and the Transportation Manager agreed that the Transportation Manager investigate what measures would be required to make the shelter DDA compliant and that the petitioner be invited to a future meeting of the Board at which the petition would be considered further.
- 1.5 The Transportation Manager has advised that the potential for making this shelter bus-compliant for use by disabled people has been investigated further which identified that the level difference is significant between the road surface and the footway. This would involve regrading the ground levels to enable access by wheel-chair users which would be extensive and involve building retaining walls. This location is not practical for a bus stop or shelter.

- 1.6 The principal petitioner, together with one supporter, has been invited to attend this meeting in order that the petition may be considered further.
- 1.7 The role of the Board is to consider the petition, hear and ask questions of the petitioner and take the appropriate action in respect of the petition which will be one of the following:
- (a) that no action is taken, in which case the reasons will be specified and intimated to the petitioner;
- (b) that the petition be referred to the relevant director/and or policy board for further investigation, with or without any specific recommendation; or
- (c) refer the petition to another organisation if the petition relates to that organisation.
-

2. Recommendation

- 2.1 That the Board considers the petition further in light of the information provided by the Transportation Manager.
-

Implications of this report

- 1. Financial Implications – none**
- 2. HR and Organisational Development Implications – none**
- 3. Community Plan/Council Plan Implications – none**
- 4. Legal Implications – none**
- 5. Property/Assets Implications – none**
- 6. Information Technology Implications – none**
- 7. Equality and Human Rights Implications**
 - (a) 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 for example it is for noting only. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
- 8. Health and Safety Implications – none**
- 9. Procurement Implications – none**

10. Risk Implications – none

11. Privacy Impact – none

List of Background Papers – petition

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