

## Minute of Meeting

### Audit, Risk and Scrutiny Board

Date	Time	Venue
Monday, 19 March 2018	10:00	Corporate Meeting Room 1, Council Headquarters, Renfrewshire House, Cotton Street, Paisley, PA1 1AN

**Present:** Councillor Bill Binks, Councillor Stephen Burns, Councillor Michelle Campbell, Councillor Alison Jean Dowling, Councillor Neill Graham, Councillor Emma Rodden, Councillor Jim Sharkey

#### In Attendance

L McIntyre, Head of Policy & Commissioning (Chief Executive's); P MacLeod, Director of Children's Services; F Carlin, Head of Planning & Housing Services and L Feely, Housing Asset & Investment Manager (Development & Housing Services); S MacDougall, Director of Environment & Communities; O Reid, Head of Public Protection, G McNeil, Head of Amenity Services, C Dalrymple, Regulatory & Enforcement Manager, C Grainger, Planning & Performance Manager, C Hunter, Environmental Improvements Manager, Lead Officer and D Kerr, Service Co-ordination Officer (all Environment & Communities); A Russell, Director of Finance & Resources; A McMahon, Chief Auditor, K Locke, Lead Officer, Risk Manager, S Fanning, Senior Health & Safety Officer and C MacDonald, Senior Committee Services Officer (all Finance & Resources); and I Beattie, Head of Health & Social Care (Paisley) (Renfrewshire Health & Social Care Partnership).

#### Also in Attendance

M Ferris and A Haahr (both Audit Scotland).

#### Apology

Councillor Tom Begg.

#### Declarations of Interest

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

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

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

The report intimated that at the meeting of the Board held on 28 August 2017 it was agreed that a programme of training briefings for members would be provided and would continue to form part of the agenda at every alternate meeting. A copy of the Audit, Risk & Scrutiny training programme was attached as an appendix to the report.

M Ferris and A Haar from Audit Scotland provided a briefing to members on the role of external audit, an overview of Audit Scotland, the role it played, key areas of work and how the work was developed.

**DECIDED:** That the content of the current training briefing be noted.

## **2 Internal Audit Reporting to Board**

There was submitted a report by the Chief Auditor relative to Internal Audit reporting to Board.

The report intimated that in March 2017 a peer review process by West Lothian Council's Audit, Risk and Counter Fraud Section had identified that there was scope to improve the information provided to the Board in relation to finalised audit engagements and follow-up work. The recommendation was reiterated in Audit Scotland's annual review of the adequacy of Internal Audit for the period to 31 March 2017. The Chief Auditor undertook to review the information provided to Board in relation to completed audit engagements by September 2017 and the arrangements for reporting on follow up work by March 2018. Enhanced reporting arrangements for completed audit engagements were put in place in August 2017 and a further enhancement was made in November 2017, to include a section on each committee summary for management commentary.

At a meeting of the Board held on 28 August 2017, it was agreed that the Chief Auditor would give consideration to whether more detailed information could be provided to the Board in relation to those risks rated as critical. In assessing the potential risk to the Council of further disclosure of those recommendations rated as critical, it was the Chief Auditor's opinion that it would not be in the interests of the Council to disclose the detailed recommendations to the Audit, Risk and Scrutiny Board and the reasons were outlined within the report.

The report advised that it was the Chief Auditor's opinion that there was an opportunity to enhance the escalation procedures for cases where agreed actions had not been effectively implemented by the date agreed. The information reported currently would be split by service and details of outstanding critical recommendations would be provided to the Board. The Chief Auditor would still need to preserve the confidentiality of the information in cases where it might breach legislation or where the risk of the weakness being exploited was of such significance that she would seek to have the report heard in private, to protect the Council's interests. It was noted that an audit management system was being developed to facilitate 'self-service' within the services, in relation to updates on the progress of implementing recommendations. This development would facilitate more regular reporting of outstanding actions in the future.

**DECIDED:** That the reporting arrangements put in place to communicate the results of internal Audit work to the Board be noted.

### **3 Summary of Internal Audit Reports for Period October to December 2017**

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

The appendix detailed the category of assurance, service, engagement and assurance rating and gave recommended risk ratings for each engagement as either critical, important, good practice or service improvement. A summary of findings was also provided in relation to final reports issued for those engagements completed during the period 1 October to 31 December 2017.

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

**DECIDED:** That the summary of Audit findings reported during the period 1 October to 31 December 2017 be noted.

### **4 Internal Audit and Counter Fraud Progress and Performance to December 2017**

There was submitted a report by the Chief Auditor relative to Internal Audit and Counter Fraud performance from 1 April to 31 December 2017 in terms of the delivery of the Audit Plan for the year and outlining actual performance against targets set by the Director of Finance & Resources. No formal performance targets for fraud investigation had been established as a major part of the team's work involved being the single point of contact for the Department for Work and Pensions (DWP) Single Fraud Investigation Service.

It was noted that effort over the last year had been on increasing fraud awareness amongst employees to prevent fraud from occurring against the Council. The types of fraud referrals received to date were wide-ranging and the team's objective was to concentrate on investigating those referrals considered to contain the greatest fraud risk.

The report advised that the 2017/18 Internal Audit Plan included an assignment for "Integration Joint Board Post Implementation Review". However, a joint inspection of Adult Services within Renfrewshire Health and Social Care Partnership by Healthcare Improvement Scotland and the Care Inspectorate took place in 2017/18 and the Chief Auditor participated in this review. Furthermore, Audit Scotland planned to undertake a national review of health and social care integration. Following discussion with the Chief Executive, it was agreed that the scope of the review would likely include some similar objectives and therefore the assignment on the Audit Plan was recommended

for cancellation at this stage. It was anticipated that the 20 days of resource planned for the assignment would be utilised to supplement the investigation budget to March 2018.

**DECIDED:**

(a) That the Internal Audit and Counter Fraud Team progress and performance to 31 December 2017 be noted; and

(b) That the proposed changes to the internal audit plan be agreed.

## **5 Annual Internal Audit Plan 2018/19**

There was submitted a report by the Chief Auditor relative to the 2018/19 risk-based Annual Internal Audit Plan which had been developed in line with the requirements of the Public Sector Internal Audit Standards.

The Plan took account of the outcomes of the internal corporate and service risk identification and evaluation processes and the current business environment. In addition to undertaking work which would provide assurance on the robustness of key internal controls, the Plan sought to reflect the key priorities and challenges for the Council. The report set out the methods that had been employed to facilitate production of the Plan and the influencing factors that had been considered in the assessment of priority areas of audit.

**DECIDED:**

(a) That the risk-based audit plan for 2018/19 be approved; and

(b) That it be noted that progress of the 2018/19 audit plan and summaries of the findings from each audit assignment would be reported to the Board on a quarterly basis.

## **6 Local Government Benchmarking Framework Indicator Profile 2016/17**

There was submitted a report by the Chief Executive relative to the Local Government Benchmarking Framework (LGBF) indicator profile 2016/17.

The report indicated that in Scotland, local authorities had a statutory duty to achieve Best Value, the key to which was ensuring "sound governance, good management, public reporting on performance and a focus on improvement". The report advised that the Council had a robust performance management framework in place, which ensured that performance was monitored rigorously by corporate and service level management teams and scrutinised by elected members through appropriate governance mechanisms. Public performance reporting was also undertaken to ensure local citizens, businesses and partner organisations were able to track Council performance levels over time.

The report provided analysis of the Council's LGBF data for 2016/17, compared the Council's performance to other councils, highlighted improvements in performance data and identified areas for further improvement. Of the 64 national indicators where current data was available, 44 of those indicators had improved since last year or remained relatively unchanged, 20 indicators had declined in performance, and 11

indicators had no data available. The report considered why certain indicators were ranked in the bottom quartile and where there was declining performance, and detailed planned actions to improve performance, including learning from best practice in other authorities. Analysis of the indicator suite and benchmarking information against each of the 64 indicators was contained in the appendix to the report.

It was proposed that in relation to the average time to process planning applications, which was contained within the appendix, that the average time for planning applications, less those applications where there was a delay caused by applicants themselves, be investigated and a report be submitted to a future meeting of the Board. This was agreed.

**DECIDED:**

- (a) That the information within the report be noted; and
- (b) That it be agreed that the average time for planning applications, less those applications where there was a delay caused by applicants themselves, be investigated and a report submitted to a future meeting of the Board.

## **7 Annual Complaints Report 2016/17**

There was submitted a report by the Chief Executive relative to the annual complaints report 2016/17.

The report intimated that the Council's complaint-handling procedure ensured that the Council knew how well it was delivering its services and showed its commitment to using the issues raised in complaints to improve services. Full implementation of the Scottish Public Services Ombudsman's (SPSO) guidance commenced within the Council from 1 March 2013 which introduced quicker, simpler and more streamlined complaints handling with local, early resolution. As part of the procedure, all complaints resolved at the frontline were recorded and monitored and in line with the model SPSO complaints handling procedure, Renfrewshire Council's complaints handling procedure used a two stage process; frontline resolution and investigation stage.

It was noted that 6,364 complaints were received in 2016/17, which was a reduction from 6,860 in 2015/16; the number of complaints received in relation to the size of the local population had decreased since 2015/16 from 7 to 6.5 per 1000 population; 97% of the complaints were handled at the frontline stage; 76.7% of frontline complaints were closed within target timescales; 92.8% of investigation complaints were completed within target timescales; 36% of complaints received at the investigation stage were upheld compared to 25% in 2015/16; in 2016/17 49 complaints were received by the SPSO in relation to Renfrewshire out of a total of 5,586 nationally and of the 49 cases, five were investigated with 3 being fully upheld, one partially upheld and one not upheld. The SPSO indicated that a low uphold rate suggested a robustness in an authority's handling of complaints.

The report also set out the stages of the complaints process and the appendix to the report provided a summary of the numbers and types of complaints received, responded to within timescales, customer satisfaction monitoring and key complaint areas including what was being done to address issues raised.

The report advised that it had been five years since the complaints handling procedure had been introduced and that a review of the procedure would take place in 2018 which would continue to drive improvement in practice and complaints performance.

**DECIDED:**

(a) That the report be noted; and

(b) That it be noted that a review of the complaints process would be led by the Chief Executive's Service during 2018.

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

There was submitted a report by the Director of Finance & Resources relative to the annual review of the Council's local Code of Corporate Governance (the Code).

The report reviewed the Code which set the standard for local authority governance in the UK and provided evidence of how the Council complied with the Code. CIPFA and Solace reviewed the Framework in 2015 to ensure it remained 'fit for purpose' and published a revised edition in spring 2016. The new Code placed greater emphasis on relationships and behaviours between elected members and senior management; performance reporting; and council and service level plans. The Code reflected the increased importance placed by the Council on self-assessment and activities involving greater scrutiny of services. It was also linked to the Best Value criteria where governance and accountability were key elements against which the Council was assessed.

**DECIDED:**

(a) That the Council's compliance with its Local Code of Corporate Governance as set out in the appendix to the report be noted; and

(b) That it be noted that the Local Code of Corporate Governance would be reviewed again in 2019.

## **9 Compliance with the Code of Corporate Governance**

There was submitted a report by the Chief Auditor relative to the Council's Code of Corporate Governance.

It was noted that the Director of Finance & Resources had responsibility for reporting annually to the Board in compliance with the Code and any changes to the Code that might be necessary to maintain it and ensure its effectiveness in practice. In addition, the Council's Chief Auditor had responsibility to review independently and report to the Board annually to provide assurance on the adequacy and effectiveness of the Code and the extent of the Council's compliance.

The report intimated that Internal Audit had reviewed the Code and confirmed that the Council complied with its requirements and had confirmed that it was evident that the Code had been subject to review and updating. The Director of Finance & Resources had endorsed the Chief Auditor's recommendation that the local Code should continue to be subject to annual review to ensure that it continued to reflect developments and best practice in governance.

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

## **10 Absence Statistics**

There was submitted a report by the Director of Finance & Resources relative to the Council's absence statistics for the period 1 October to 31 December 2017. The report provided information in relation to absence targets and how services and categories of staff had performed against them. An analysis of the reasons for absence for the period was included in the report. Information was also provided on supporting attendance activity levels by service and costs of sick pay and the overall number of days lost for Quarter 3, ending 31 December 2017 and for the equivalent quarters in previous years.

**DECIDED:** That the report on absence statistics for the period 1 October 2017 to 31 December 2017 be noted.

## **Sederunt**

Prior to consideration of the following item the Convener welcomed representatives from Williamsburgh Tenants & Residents Association.

## **11 Fly-Tipping in the Countryside and at known Fly-tipping Spots (Lead Officer Karen Locke)**

Under reference to item 3 of the Minute of the meeting of the Board held on 22 January 2017, there was submitted a report by the Lead Officer relative to the Board's review of fly-tipping in the countryside and at known fly-tipping spots. The report provided an update on progress of the review and information that had been prepared for the Board's interest to date.

The report advised that the scope of the review was to look at the research available to understand the extent of fly-tipping in general in Scotland and specifically in Renfrewshire to identify key reasons that motivated both individuals and organisations towards fly-tipping. At the meeting of the Board held on 22 January 2018, a number of actions were agreed and progress against each of the actions was outlined within the report.

A joint presentation was given by the Head of Amenity Services and the Head of Public Protection which highlighted the national and local situation in relation to fly-tipping; the role played by Environment & Community Services and future plans. In relation to enforcement of fly-tipping, it was noted that a fine of up to £200 could be imposed on perpetrators. It was proposed that, as part of the recommendations in the Board's final report, the Council petition the Scottish Government to impose a higher maximum fine for fly-tipping. This was agreed.

The representatives from Williamsburgh Tenants & Residents Association provided information from the perspective of residents living in and around Clarence Street, Paisley.

There followed a question and answer session at the conclusion of which the Convener thanked the representatives from Environment & Communities and Williamsburgh Tenants & Residents Association for their contribution to the Board's review.

**DECIDED:**

- (a) That the progress of the review and outcome of previous matters arising be noted;
- (b) That the presentation from Environment & Communities be noted;
- (c) That the input from Williamsburgh Tenants & Residents Association be noted; and
- (d) That it be agreed that, as part of the recommendations of the Board's final report, the Council petition the Scottish Government to impose a higher maximum fine for fly-tipping

## **12 Review of Housing Repairs by Council and Outside Contractors (Lead Officer Colin Hunter)**

Under reference to item 4 of the Minute of the meeting of the Board held on 22 January 2017 there was submitted a report by the Lead Officer relative to an update on progress of the Board's review of housing repairs by Council and outside contractors.

The report advised that the scope of the review was to identify the current processes in place to monitor and ensure high-quality repairs to Council housing stock, completed timeously and within set targets; that properties were not left in a dangerous condition; that satisfactory monitoring and evaluation of repairs was undertaken and that there were measures in place to address unsatisfactory works by both external contractors and Building Services.

The report intimated that a comparison exercise had been undertaken with East Ayrshire, North Ayrshire and Dundee City Councils. Renfrewshire Council's repairs service was performing reasonably well and was similar in terms of performance and service delivery to that of North Ayrshire and Dundee City Councils. However, the model of delivery in East Ayrshire Council had been redesigned and was providing enhanced levels of customer satisfaction.

It was noted that the Lead Officer had visited East Ayrshire Council to discuss the repairs process in greater detail and the main points from the information gathering process were outlined within the report. The Lead Officer advised that the Housing Asset Services Manager for East Ayrshire Council, who had been scheduled to give a presentation to the Board, had tendered apologies for the meeting due to illness and the presentation would be rescheduled for a future meeting of the Board.

Responses to questions received from other local authorities and statistical information regarding their repairs service and customer satisfaction were included within appendix 1 to the report and information on the repairs service from North Ayrshire and Dundee City Councils was included within appendix 2. In relation to the



information contained within appendix 1, it was proposed that the Lead Officer supply a breakdown of the figures within the table relating to Renfrewshire Council. This was agreed.

The next steps for the review process were outlined within the report and it was noted that work was currently underway to change how repairs were currently being delivered and specific areas of interest had been identified within the Council's repairs process to be investigated and would be reported at the next meeting of the Board.

**DECIDED:**

- (a) That the content of the report and initial findings as set out within the report be noted;
- (b) That the next steps for the review process be agreed;
- (c) That the attendance of senior officers from Development & Housing Services, Environment & Communities and the Housing Asset Services Manager for East Ayrshire Council to the Board meeting on 29 May 2018 be noted; and
- (d) That it be agreed that the Lead Officer supply a breakdown of figures contained within Appendix 1.