

## Minute of Meeting Audit, Risk and Scrutiny Board

Date	Time	Venue
Monday, 04 November 2019	10:00	Corporate Meeting Room 1, Council Headquarters, Renfrewshire House, Cotton Street, Paisley, PA1 1AN

### Present

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

### Also Attending

J Cornett, M Ferris and A Haar (all Audit Scotland).

### In Attendance

L McIntyre, Head of Policy & Commissioning (Chief Executive's); J Mackie, Placement Team Leader and Lead Officer, C Doogan, Energy Team Leader and Lead Officer and P McConnachie, Facilities Manager (all Communities, Housing & Planning Services); D Kerr, Service Co-ordination Manager and Lead Officer, (Environment & Infrastructure Services); and A MacArthur, Head of Finance, A McMahon, Chief Auditor, K Locke, Risk Manager, J McIntyre, Assistant Business Partner, and C MacDonald, Senior Committee Services Officer (both Finance & Resources).

### Apologies

Councillors Harte and Rodden.

### Declarations of Interest

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

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

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

The report intimated that at the meeting of the Board held on 28 May 2019 it was agreed that a programme of briefings for members would be provided and would continue to form part of the agenda at every alternate meeting.

A McMahon, Chief Auditor gave a briefing to Members relative to “following the public pound”.

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

## **2 Summary of Internal Audit Reports for period 01 July to September 2019**

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

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

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

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

## **3 Internal Audit and Counter Fraud Progress and Performance for Period to 30 September 2019**

There was submitted a report by the Chief Auditor relative to Internal Audit and Counter Fraud performance from 1 July to 30 September 2019 in terms of the delivery of the annual Audit Plan 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 the focus 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 also detailed the progress made against local and national initiatives involving Internal Audit and the Counter Fraud Team.

**DECIDED:** That the Internal Audit and Counter Fraud Team progress and performance from 1 July to 30 September 2019 be noted.

#### **4 Audited Annual Accounts and Annual Audit Report 2018/19**

Under reference to Item 1 – Audited Annual accounts 2018/19 - of the Minute of the meeting of this Board held on 23 September 2019, there was submitted a report by the Director of Finance & Resources relative to the audit of the Annual Accounts 2018/19.

The report intimated that the Council's audited Annual Accounts for 2018/19 had been approved for signature by Council on 26 September 2019, subject to any final adjustments to the accounts being agreed by the Director of Finance & Resources in agreement with the Convener of the Finance, Resources and Customer Services Policy Board. The audited accounts were signed on 8 October 2019, with the audit certificate being signed by Audit Scotland on 9 October 2019. There had no material changes to the annual accounts submitted to Council on 26 September 2019. A copy of the Audited Accounts 2018/19 and the 2018/19 Audit Scotland Annual Audit Report were attached as appendices to the report.

It was noted that the Audit Director had provided an unqualified opinion that the accounts provided a true and fair view of the Council's financial position. However, this opinion had been modified to reflect that adequate accounting records in respect of 2018/19 year end debtor and creditor balances had not been kept by the Council. Ensuring the records were accurate prior to the final accounts being certified and the complexity experienced in the work associated with some of the amendments, predominantly classification adjustments contributed to the delay experienced in concluding the annual accounts process. This had resulted in the Council missing the statutory deadline of 30 September to authorise the audited annual accounts for issue. Council finance officers, along with Audit Scotland, had now put measures in place to ensure that the issues and delays encountered in completing the 2018/19 annual accounts would not be repeated.

**DECIDED:**

- (a) That the Audited Annual Accounts attached as an appendix to the report be noted;
- (b) That it be noted that the Audited Annual Accounts had now been certified by Audit Scotland who had issued an unqualified but modified audit opinion that the accounts provided a true and fair view of the Council's financial position; and
- (c) That the Annual Audit Report by Audit Scotland, also attached as an appendix to the report, be noted.

## **5 Strategic, Corporate and Service Risks, Mid-year Report**

There was submitted a report by the Director of Finance & Resources relative to the mid-year progress on the management of the risks recorded in the strategic and corporate risk registers and service plans.

The report advised that progress against actions was largely in line with expectations. A copy of the Register of longer-term strategic and corporate risks; the Register of longer-term significant service risk; and a list of all 'business as usual' risks with current progress on linked actions yet to be completed were attached as appendices to the report.

**DECIDED**: That the progress being made by the Council in managing the risks identified be noted.

## **6 The Effectiveness of Fair Trade within Renfrewshire - Lead Officer Craig Doogan**

Under reference to Item 13 - The Effectiveness of Fair Trade within Renfrewshire - of the Minute of the meeting of this Board held on 28 May 2019, there was submitted a report by the Lead Officer relative to an update on the review of the effectiveness of Fair Trade within Renfrewshire.

The report outlined the progress to date and detailed the results of the staff survey on Fair Trade and the outcome of the meetings with the Chair of Renfrewshire's Fair Trade Steering Group and Fair Trade Scotland.

**DECIDED**: That the progress of the review be noted.

## **7 Review of Bus Deregulation and Effect on Transport Services in Renfrewshire - Lead Officer Jamie Mackie**

Under reference to Item 14 - Bus Deregulation and the Effect on Transport Services in Renfrewshire - of the Minute of the meeting of this Board held on 28 May 2019, there was submitted a report by the Lead Officer relative to an update on the review of bus deregulation and the effect on transport services in Renfrewshire.

The report considered the perspectives of community representatives and key stakeholders.

Councillor Sharkey, seconded by Councillor Burns, moved that in addition to the recommendations in the report the following key points be included within the Board's recommendations to Council:

Bus services are often limited, with no direct link serving Lochwinnoch village centre and Paisley. Services have contracted in terms of scale and frequency in recent years.

The reduction of services has a significant impact on the ability of residents to access vital services such as health centres, shopping, schools and workplaces across Renfrewshire. This impact may be significant on the most vulnerable, such as the elderly population or those on lower incomes.

Improved partnership working is required between operators, the Regional Transport Authority (Strathclyde Partnership for Transport) and Renfrewshire Council to ensure that vital bus services are available for those who need them.

The Transport (Scotland) Bill being considered by the Scottish Parliament currently identifies new powers for a local transport authority (local authorities or Strathclyde Partnership for Transport) to provide bus services.

To improve bus services for the benefit of local residents, the potential for Renfrewshire Council to utilise emerging powers and consider municipal run bus services should be investigated in partnership with SPT and neighbouring authorities.

This was agreed.

It was further proposed that the key points pertain to the whole of Renfrewshire and not just to Lochwinnoch Village and Paisley. This was also agreed.

**DECIDED:**

- (a) That the progress of the review be noted;
- (b) That the information presented at this stage of the review be noted;
- (c) That the next steps of the review be noted;
- (d) That the following key points be included within the Board's recommendations to Council:

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The Transport (Scotland) Bill being considered by the Scottish Parliament currently identifies new powers for a local transport authority (local authorities or Strathclyde Partnership for Transport) to provide bus services.

To improve bus services for the benefit of local residents, the potential for Renfrewshire Council to utilise emerging powers and consider municipal run bus services should be investigated in partnership with SPT and neighbouring authorities; and

- (e) That it be agreed that the key points pertain to the whole of Renfrewshire and not just to Lochwinnoch Village and Paisley.

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

Under reference to Item 15 - Maintenance of Multi-Occupancy Accommodation (Mixed Tenure Buildings) - of the Minute of the meeting of this Board held on 28 May 2019, there There was submitted a report by the Lead Officer relative to an update on progress on the review of maintenance of multi-occupancy accommodation (mixed tenure buildings).

The report outlined the progress to date and highlighted the key points in the review. It was noted that the Lead Officer would meet with representatives of Paisley Housing Association to gather views on the maintenance process of multi-occupancy accommodation within Renfrewshire.

The Mixed Tenure Manager from Communities, Housing & Property Services was present to provide information in relation to the review.

### **DECIDED:**

- (a) That the content of the report be noted and the initial conclusions be agreed;
- (b) That the next steps of the process outlined within the report be agreed.

## **9 Conversion of Grassed Areas to Parking - Lead Officer Michael Moran**

There was submitted a report by the Lead Officer relative to the proposed purpose, scope and terms of reference and witnesses to be called for the review of conversion of grassed areas to parking.

The report intimated that the key purpose of the review would be to set out the Council's current arrangements for the maintenance and/or repurposing of open spaces across Renfrewshire; review available evidence to measure and identify the scale of the parking problem, linked to open spaces, within specific areas and across Renfrewshire; to identify benefits or challenges regarding the repurposing of open spaces within residential areas; and to provide recommendations for consideration of the Board. The provisional timescale for the review was outlined within the appendix to the report.

### **DECIDED:**

- (a) That the purpose and scope of the review be approved;
- (b) That the provisional timescale as outlined in the appendix to the report be approved;
- (c) That the Lead Officer be authorised to contact any organisations recommended by the Board who might have information useful to the Board and who might be potential witnesses;

(d) That powers be delegated to the Lead Officer in consultation with the Convener to alter the timetable having regard to the availability of evidence and witnesses throughout the course of the review; and

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

## **EXCLUSION OF PRESS AND PUBLIC**

The Board resolved that the press and public be excluded from the meeting during consideration of Item 10 as it was likely, in view of the nature of the business to be transacted, that if members of the press and public were present, there would be disclosure to them of exempt information as defined in paragraph 1 of Part I of Schedule 7A of the Local Government (Scotland) Act 1973.

### **10 Summary of Exempt Internal Audit Investigation Report for Period 01 July to 30 September 2019**

- Information relating to any individual;