

Minute of Meeting Audit, Risk and Scrutiny Board

Date	Time	Venue
Monday, 18 March 2024	15:00	Council Chambers (Renfrewshire), Council Headquarters, Renfrewshire House, Cotton Street, Paisley, PA1 1AN

Present: Councillor Jennifer Adam, Councillor Andy Doig, Councillor Chris Gilmour, Councillor John Gray, Councillor Lisa-Marie Hughes, Councillor Robert Innes, Councillor James MacLaren, Councillor Janis McDonald, Councillor Ben Smith

Chair

Councillor Andy Doig, Convener, presided.

In Attendance

A MacArthur, Director of Finance & Resources; L McIntyre, Head of Policy & Partnerships, L Fingland, Service Planning & Policy Development Manager, R Smith, Climate Emergency Lead Officer and Lead Officer for Neighbour Disputes and L McGuinness, Communications Business Lead (Transformation) (all Chief Executive's); G Hannah, Head of Climate Change, Public Protection & Roads and G Hutton, Head of Operations & Service Development (both Environment, Housing & Infrastructure); C McCourt, Head of Finance & Procurement, M Boyd, Head of People & Organisational Development, M Conaghan, Head of Corporate Governance, P Murray, Head of Digital, Customer & Transformation Services, A McMahan, Chief Auditor, K Campbell, Assistant Chief Auditor, E Shields, Strategic Service Delivery Manager, S Fanning, Principal HR & OD Adviser, E Currie and C MacDonald (both Senior Committee Services Officers) and J Barron, Committee Services Officer (all Finance & Resources).

Also in Attendance

G Devlin, Partner & National Head of Internal Audit and A Kolodziej, Senior Manager (both Azets).

Webcasting of Meeting

Prior to the commencement of the meeting the Convener intimated that this meeting of the Board would be filmed for live or subsequent broadcast via the Council's internet site.

Valedictory and Welcome

Prior to the commencement of the meeting, the Convener thanked Councillor Montgomery for his contribution as a member of this Board and welcomed Councillor Smith to his first meeting.

Declarations of Interest and Transparency Statements

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

1 Annual Internal Audit Plan 2024/25

There was submitted a report by the Chief Auditor relative to the 2024/25 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 the current business environment and the priority areas of audit. A copy of the Annual Internal Audit Plan 2024/25 was appended to the report.

DECIDED:

(a) That the content of the risk-based audit plan for 2024/25 be approved; and

(b) That it be noted that the progress of the 2024/25 annual audit plan and summaries of the findings from each audit assignment would be reported to the Board on a quarterly basis.

2 External Audit Plan 2023/24

There was submitted a report by the Director of Finance & Resources relative to the External Audit Plan 2023/24, a copy of which was appended to the report.

The report intimated that the external auditor Azets had submitted an Audit Plan which outlined the approach to the audit of the 2023/24 financial statements of the Council and the Coats Observatory Trust in order to assess whether they provided a true and fair view of the financial position of the Council, and also whether they had been prepared in accordance with proper accounting practice.

The Plan outlined the responsibilities of Azets and the Council, their assessment of key challenges and risks, and the approach and timetable for completion of the audit. The report also advised of a 6% increase in audit fees for the Council and the Coats Observatory Trust.

DECIDED: That the content of the attached report, including the proposed audit fees for the Council and the Coats Observatory Trust be noted.

3 **Internal Audit Review of Compliance with the Local 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 Chief Executive 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 effectiveness of the revised Code which operated during 2023/24 and confirmed that the Council complied with its requirements and that it was evident that the Code had been subject to review and updating.

The Chief Executive 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.

4 **Actions Monitoring Report - Dargavel Primary School Independent Review and Accounts Commission Section 102 Report for School Accommodation for Dargavel Village**

There was submitted a monitoring report by the Chief Executive relative to Dargavel Primary School.

The report advised that following the findings of an independent review into the circumstances of the errors in planning and delivery of primary school provision in the Dargavel area, a SMART action plan was developed detailing the Council's response with a commitment that updates on the plan would be provided to the Audit, Risk & Scrutiny Board going forward. A copy of the actions from the independent review was attached to the report as Appendix 1, Appendix 2 set out the Council's response and planned actions and Appendix 3 set out the planned actions from the Cross Party Working Group.

DECIDED:

(a) That the update provided in Appendix 1 in relation to the Council's response

actions to the independent review be noted;

(b) That the plan provided in Appendix 2 in relation to the Council's response actions to the s.102 report; and

(c) That the plan provided in Appendix 3 in relation to the report by the Council's Cross Party Working Group be noted.

5 **Audit Scotland Audit of Housing Benefit Risk Assessment Report**

There was submitted a report by the Director of Finance & Resources relative to a Housing Benefit Risk Assessment for Renfrewshire by Audit Scotland.

The report advised that during August and September 2023, Audit Scotland carried out a scheduled Housing Benefit Risk Assessment for Renfrewshire and provided a report to the Council's Chief Executive on 1 February 2024. The report was attached as Appendix 1.

The key objective of the risk assessment was to determine the extent to which the benefit service was meeting its obligations to achieve continuous improvement in its activities. The report noted the impact on service delivery following significant challenges since the last audit in 2018; which included dealing with the impact of the Covid-19 pandemic, increased workloads, resource challenges in respect of staff turnover and absence and the loss of a fully functioning benefit work management IT system for a period during 2022/23.

The report advised that the Council had a robust performance management framework in place and that key aspects of benefit service performance were regularly reported to staff, senior management, and Elected Members. It was noted that although claims processing performance significantly declined in 2022/23, the Council's positive actions addressed the decline, and performance in 2023/24 was better than internal targets, and just above the Scottish average.

Two key areas for improvement had been identified within the report. Accuracy performance, which had declined, and housing benefit overpayment recovery. In response to the eight recommendations made by the auditor, an action plan had been agreed and incorporated in the report attached as Appendix 1. Work had already commenced to progress these actions and, as improved performance had been sustained, the Service had capacity to implement the changes proposed and was confident that these would make a positive contribution to the continuous improvement of the benefits service.

DECIDED: That the Audit of Housing Benefit Risk Assessment Report, Appendix 1 and the action plan included within the report be noted.

6 **CIPFA Audit Committee Guidance – Self Assessment and Action Plan**

There was submitted a report by the Director of Finance & Resources relative to the self-assessment and action plan arising from the Dargavel Independent Review and to the outcome from the two development sessions held for members of the Audit, Risk & Scrutiny Board.

The report advised that in response to the Dargavel Primary School Independent Review and recommendations made by the Council's external auditors, the Council agreed to undertake an assessment of the Audit Risk and Scrutiny Board against CIPFA's published good practice guide for audit committees. Members participated in two development sessions, on 19 January and 26 February 2024 and the report highlighted the outcome from those development sessions and identified the required changes to the Council's governance arrangements.

DECIDED:

- (a) That the content of the report, being the outcome of the self-assessment against the CIPFA guidance for effective Audit Committees and the two development sessions be noted;
- (b) That the Action Plan resulting from the self-assessment against the CIPFA guidance for effective Audit Committees be agreed, that the progress made in implementing the actions arising be noted and that it be agreed that the Action Plan be submitted to the Council for noting;
- (c) That the proposed revisions to the Terms of Reference for the Audit, Risk and Scrutiny Board be recommend to Council for approval;
- (d) That the proposed revisions to the Guidelines for the Operation of the Audit, Risk and Scrutiny Board be recommended to Council for approval;
- (e) That the proposed revisions to the Role Descriptions for Councillors, Senior Councillors and Leader of the Council be recommended to Council for approval; and
- (f) That the content of the proposed training and development programme for members of the Audit, Risk and Scrutiny Board be noted.

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Councillor Smith left the meeting during consideration of the following item of business.

7 Annual Report on the Compliance with the Code of Corporate Governance 2023

There was submitted a report by the Chief Executive relative to the annual review of the Council's Local Code of Corporate Governance (the Code) which was based on the Delivering Good Governance in Local Government Framework. This framework set the standard for local authority governance in the UK and was revised by CIPFA and SOLACE in 2016 to ensure it remained fit for purpose. A list of seven overarching principles and sub-principles against which compliance was measured was attached as Appendix 1 and evidence of how the Council complied with the updated Code was attached as Appendix 2.

DECIDED:

- (a) That the Council's compliance with the Local Code of Corporate Governance be

noted;

(b) That the evidence for compliance as set out in Appendix 2 be noted; and

(c) That it be noted that compliance with the Code was also subject to planned internal audit activity.

8 **Audit Scotland report – Local Government in Scotland Financial Bulletin 2022/23**

There was submitted a report by the Director of Finance & Resources relative to the Audit Scotland Local Government in Scotland Financial Bulletin 2022/23.

The report assessed the financial position of Scotland's councils during 2022/23 and the future outlook for services. The report noted that councils had less money to spend in real terms in 2022/23 and that the level of funding gap within Scottish councils increased significantly during this period, owing to pressures including increased demand for services, inflation and the cost-of-living.

The Accounts Commission also noted within the report that capital budgets were also significantly strained, risking impacts on the maintenance of key public buildings and infrastructure, for example schools, libraries and roads.

The report advised that Renfrewshire Council's financial position was outlined most recently in a report to Council on 29 February 2024, which reaffirmed that inflation, fuel and food price rises and construction costs, as well as an increased demand for services, was projected to result in a £45-50 million funding gap over the medium term.

DECIDED: That the findings and recommendations of the Local Government in Scotland: Financial Bulletin 2022/23, attached as Appendix 1 to the report be noted.

9 **Absence Statistics – Quarter 3 of 2023/24**

There was submitted a report by the Director of Finance & Resources relative to the Council's absence statistics for quarter 3 of 2023/24 for the period 1 October to 31 December 2023.

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

DECIDED: That the report be noted.

10 **Audit, Risk and Scrutiny Request for Review in Relation to Possible Closure of Police Stations Within Renfrewshire**

There was submitted a report by the Director of Finance & Resources in relation to a request for review to be carried out by the Board with regard to the possible closure of local police stations within Renfrewshire. A copy of Councillor James MacLaren's request was attached as an appendix to the report.

Councillor Doig, seconded by Councillor Hughes moved a motion "That the matter may be considered as part of a future review following the conclusions of the Fire & Police Board". This was agreed unanimously.

DECIDED: That it be agreed that the matter may be considered as part of a future review following the conclusions of the Police and Fire and Rescue Sub-Committee.

11 **Audit Risk & Scrutiny Request for Review of Street Lighting Within Renfrewshire**

There was submitted a report by the Director of Finance & Resources in relation to a request for review to be carried out by the Board with regard to the LED streetlights not providing enough light for pedestrians. A copy of Councillor James MacLaren's request was attached as an appendix to the report.

Councillor Doig, seconded by Councillor McDonald moved a motion "That the matter may be considered as part of a future review following the conclusions of the Infrastructure, Land and Environment Policy Board". This was agreed unanimously.

DECIDED: That it be agreed that the matter may be considered as part of a future review following the conclusions of the Infrastructure, Land and Environment Policy Board.

12 **Neighbour Disputes - Lead Officer Roz Smith**

Under reference to item 5 of the Minute of the meeting of this Board held on 22 August 2022, there was submitted a report by the Lead Officer relative to the Board's review of Neighbour Disputes.

The report reviewed the current disposals/actions that were available to the Council and others to resolve neighbour disputes and antisocial behaviour, including legislation and regulatory powers.

DECIDED: That the progress contained within the report be noted.

EXCLUSION OF PRESS AND PUBLIC

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

13 Summary of Outstanding Internal Audit Recommendations

There was submitted an annual report by the Chief Auditor advising members of audit recommendations where agreed actions had not been effectively implemented by the date agreed.

The report provided the updated position of those critical recommendations that had been followed up during 2023/24 but had not yet been fully implemented by service management.

DECIDED: That the position with regard to the outstanding recommendations indicated within the report be noted.