

Minute of Meeting Audit, Risk and Scrutiny Board

Date	Time	Venue
Monday, 06 November 2023	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 Kevin Montgomery

Chair

Councillor Andy Doig presided.

In Attendance

A MacArthur, Director of Finance & Resources; L McIntyre, Head of Policy & Partnerships and L McGuinness, Communications Business Lead (Transformation) (all Chief Executive's); G Hutton, Head of Operations & Service Development, G Hannah, Head of Climate, Public Protection & Roads and C Dalrymple, Head of Facilities & Property Services (all Environment, Housing & Infrastructure); J Calder, Head of Education/Interim Education Officer (Children's Services); 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 McMahon, Chief Auditor, K Campbell, Assistant Chief Auditor, K Locke, Risk Manager, P Boyle, Revenues Manager, S Fanning, Principal HR & OD Adviser, J Kilpatrick, Finance Business Partner and Lead Officer, C MacDonald, Senior Committee Services Officer and J Barron, Committee Services Officer (all Finance & Resources).

Also in Attendance

G Devlin, Audit Partner 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.

Declarations of Interest and Transparency Statements

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

1 Azets Report to those charged with Governance - Renfrewshire Council Group Annual Accounts 2022/23

There was submitted a report by the Director of Finance & Resources relative to the annual audit of the Council's financial statements which had been undertaken by the Council's appointed external auditors, Azets.

The report intimated that each year the Council's appointed external auditors carried out an audit of the Council's financial statements and provided an opinion as to whether those statements provided a fair view of the financial position of the Council and its income and expenditure for the year and also whether the accounts had been prepared in accordance with the Local Government (Scotland) Act 1973.

The report advised that in accordance with International Auditing Standards (ISA260) Azets was obliged to report to those charged with the governance of the organisation matters which had arisen in the course of the audit. A copy of the findings from the audit of the 2022/23 Renfrewshire Council accounts was attached as an appendix to the report.

The report highlighted that there had been two material adjustments made to the accounts over the course of the audit in relation to pension fund disclosures and the revaluation of properties. Further detail was provided within the appendix. In addition, minor and presentational changes had been agreed.

DECIDED: That the report and attached Azets report be noted.

2 Audited Annual Accounts 2022/23 - Renfrewshire Council Group

There was submitted a report by the Director of Finance & Resources relative to the audit of the Council's 2022/23 annual accounts, which had been undertaken by the Council's appointed external auditors, Azets. The report highlighted that the 2022/23 unaudited Renfrewshire Council Annual Accounts had been approved at the meeting of the Council held on 22 June 2023.

A copy of the Renfrewshire Council audited annual accounts 2022/23 was appended to the report for consideration and, if appropriate, signature. It was highlighted that there had been two material adjustments to the accounts over the course of the audit in relation to pension fund disclosures and the revaluation of properties. Further detail in this connection was provided within the Annual Audit Report. In addition, minor and presentational changes had been agreed.

DECIDED: That the 2022/23 Audited Annual Accounts be noted and that it be recommended to Council that they be approved.

3 **Azets Report to those charged with Governance - Coats Observatory Trust Annual Accounts 2022/23**

There was submitted a report by the Director of Finance & Resources relative to the annual audit of the financial statements of the Coats Observatory Trust which had been undertaken by the Council's appointed external auditors, Azets.

The report intimated that each year the Council's appointed external auditors carried out an audit of the financial statements of the charity controlled by Renfrewshire Council and provided a fair opinion as to whether those statements provided a fair and true view of the financial position of the charity and its income and expenditure for the year and whether they had been prepared in accordance with the relevant regulations. The report also stated that in accordance with International Auditing Standards, Azets was obliged to provide a report which highlighted matters that had arisen during the course of the audit. In this connection, copies of the Annual Audit report, prepared by Azets, in respect of the Coats Observatory Trust were appended to the report which outlined the findings from the audit.

DECIDED: That the Annual Accounts of the Coats Observatory Trust for 2022/23 be approved for signature in accordance with the Local Authority Accounts (Scotland) Regulations 2014.

4 **Audited Financial Statements 2022/23 Coats Observatory Trust**

There was submitted a report by the Director of Finance & Resources relative to the audit of the 2022/23 financial statements of Coats Observatory Trust controlled by Renfrewshire Council which had been undertaken by the Council's appointed external auditors, Azets.

The report highlighted that the 2022/23 unaudited financial statements of the charity controlled by Renfrewshire Council had been approved at the meeting of the Council held on 22 June 2023. The report intimated that each year the Council's appointed external auditors carried out an audit of the financial statements of the charity controlled by Renfrewshire Council and provided an opinion as to whether those statements provided a fair and true view of the financial position of the charity and their income and expenditure for the year and whether they had been prepared in accordance with the relevant regulations.

The report advised that there were no material changes to the property value of Trust assets and no significant changes to the annual accounts required over the course of the audit process and that minor presentational changes had been agreed.

A copy of the audited Trustees' Annual Report and Financial Statements 2022/23 for the Coats Observatory Trust were appended to the report for consideration and, if appropriate, signature.

DECIDED: That the 2022/23 audited financial statements for the Coats Observatory Trust attached to the report be noted and that it be recommended to Council that they be approved.

5 **Best Value Thematic Report**

There was submitted a report by the Chief Executive relative to Azets stand-alone best value thematic report which formed an appendix to the report.

The report advised that the Council's annual audit process was conducted by external auditors Azets. The report advised that Auditor judgements were provided against several core areas set out in the report. The appendix within the Best Value thematic report contained an action plan which was to be progressed by the Council in response to the recommendations made by the external audit team. The action plan contained two actions which related to opportunities to strengthen the prioritisation of Council Plan activities, and related monitoring arrangements. These would be actioned, and any updates would be provided to elected members through the regular six-monthly update reports on the Council Plan which were provided to the Leadership Board.

DECIDED: That the contents of the Best Value Thematic Report provided by the Council's external auditors as part of the annual audit process be noted.

6 **Summary of Internal Audit Reports for period 1 July to 30 September 2023**

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, 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 2023.

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 OneRen and Renfrewshire Health & Social Care Integration Joint Board, co-ordination of the Council's Corporate Risk Management activity and management of the counter fraud, risk management and insurance team.

DECIDED: That the summary of Internal Audit findings report finalised during the period 1 July to 30 September 2023 be noted.

7 **Internal Audit and Counter Fraud Progress and Performance for Period 1 April to 30 September 2023**

There was submitted a report by the Chief Auditor relative to Internal Audit and Counter Fraud performance between 1 April and 30 September 2023 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 and the Service Level Agreement for the work contained time targets for completing this work.

It was noted that 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 in the period. The report advised that the Internal Audit Team and the Counter Fraud Team were currently working on a hybrid basis and were undertaking home/site visits when the need arose.

DECIDED: That the Internal Audit and Counter Fraud Team progress and performance from 1 April to 30 September 2023 be noted.

8 **CIPFA Audit Committee Guidance - Self Assessment Arrangements**

There was submitted a report by the Chief Auditor relative to the Chartered Institute of Public Finance and Accountancy (CIPFA) Audit Committee Self-Assessment arrangements.

The report advised that CIPFA had published guidance in late 2022 for local authority Audit Committees to support Audit Committee members in fulfilling their role. The guidance advised that a regular self-assessment, against the key principles, should be undertaken to support the planning of the audit committee work programme and training plans and also inform the annual report. The report provided members with an overview of the new CIPFA guidance and developed the arrangements for conducting a self-assessment of compliance against the guidance. Appendix 1 to the report provided a high-level review that incorporated the key principles which were set out in CIPFA's position statement. Appendix 2 provided a resource to support the self-assessment.

The report proposed that an initial assessment be undertaken by the Chair of the Audit, Risk and Scrutiny Board, the Chief Auditor, the Clerk to the Board and any other officers from the Council contributing where appropriate. From the initial assessment any identified areas for further discussion and development would be incorporated into a development session for the members of the Audit, Risk and Scrutiny Board. The outcome of the development session would be a comprehensive action plan for improvement and compliance against the CIPFA guidance.

DECIDED:

- (a) That the proposed format for the self-assessment against the CIPFA Audit Committee Guidance be agreed;
- (b) That it be agreed that a suitable date for the member development session be organised; and
- (c) That it be agreed that the resulting action plan would be submitted to the Council, and completion of the plan would be monitored every six months by the Audit, Risk and Scrutiny Board.

9 Dargavel Primary School Independent Review Recommendations – Actions Monitoring Report

There was submitted a report by the Chief Executive relative to the actions identified in the Dargavel Primary School Independent Review.

The report advised that the Independent Review report submitted to the Council in June 2023 presented a more detailed range of specific actions and important recommendations for the Council to progress and reflect on. A copy of the update and the Council's response was attached as an appendix to the report.

As part of the Council's wider governance arrangements, the report asked the Audit, Risk and Scrutiny Board to consider the actions identified by the Council and the progress achieved. The report provided an update and further detail on the actions the Council had taken and the action to be taken in addressing the recommendations within the independent review.

It was agreed that the report on the Dargavel Housing Development submitted to the meeting of the Education etc PB meeting held on Item 3 - Dargavel Housing Development – Impact on Denominational Education Provision from the Education & Children's Services Policy Board agenda held on 2 November 2023 would be circulated to members after the meeting.

DECIDED:

- (a) That the update provided in Appendix 1 in relation to the Council's response actions be noted;
- (b) That it be noted that many of the actions had been approved or noted through an appropriate policy board and that the Council's response to the independent review recommendations had been considered in detail by the Council's external auditors and reported on as part of the annual audit report also included on the Board's agenda which would be of associated interest to Board members when considering the report;
- (c) That it be noted that the actions outlined in the report had been incorporated into the regular risk reporting arrangements in place for this Board and that regular reports on progress were also provided to relevant Policy Boards; and

(d) That Item 3 - Dargavel Housing Development – Impact on Denominational Education Provision from the Education & Children’s Services Policy Board agenda held on 2 November 2023 would be circulated to members after the meeting.

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Councillor Innes left the meeting prior to consideration of the following item of business.

10 "Risk Matters," the Combined Risk Policy & Strategy

There was submitted a report by the Director of Finance & Resources relative to 'Risk Matters, the Council's combined risk management policy and strategy.

The report intimated that “Risk Matters” was formally reviewed every two years and an interim review was conducted by the Corporate Risk Management Group (CRMG) on behalf of the Corporate Management Team. The report noted that there were no material changes proposed however, one minor amendment had been made to reflect a change in terminology. A copy of “Risk Matters” was attached as an appendix to the report.

DECIDED: That “Risk Matters” version 15.0 be approved in line with the Board’s delegated authority for the Council’s risk management arrangements.

11 Risk Report November 2023

There was submitted a report by the Director of Finance & Resources relative to an update on the strategic, corporate and key service risks for November 2023.

The report advised on the latest position in managing the agreed risks for midway through the financial year. The appendices to the report provided details of longer-term strategic and corporate risks, details of longer-term significant service risks, and a list of ‘business as usual’ risks.

DECIDED: That the report and the agreed risks be approved.

12 Absence Statistics - Quarter 2 July-September 2023

There was submitted a report by the Director of Finance & Resources relative to the Council’s absence statistics for quarter 2 of 2023/24 for the period 1 July to 30 September 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.

13 **Charges for Bulk Items Uplift for the Elderly - Lead Officer John Kilpatrick**

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 charges for bulk items for the elderly.

The report detailed the background and key findings of the review, and the recommendations were outlined in Section 11 of the report.

DECIDED:

- (a) That the key findings be noted, and the recommendations as outlined at Section 11 of the report be approved;
- (b) That the report be approved for submission to the Council meeting to be held on 14 December 2023; and
- (c) That it be noted that the Lead Officer was grateful to all stakeholders who participated in the review.

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.

14 **Summary of Internal Audit Investigation Reports for period 1 July to 30 September 2023**

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 reported on the findings and conclusions of audit engagements to the Board. The appendix to the report provided a summary of the findings of internal audit investigations.

DECIDED: That the summary of the Internal Audit Investigations/Reviews finalised during the period from 1 July to 30 September 2023 be noted.