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Renfrewshire Council

Notice of Meeting and Agenda
Audit, Scrutiny and Petitions Board

Date	Time	Venue
Monday, 20 March 2017	10:00	CMR 1, Council Headquarters, Renfrewshire House, Cotton Street, Paisley, PA1 1AN

KENNETH GRAHAM
Head of Corporate Governance

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

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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.

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):

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.

Renfrewshire Council

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To: Audit, Scrutiny and Petitions Board

On: 20 March 2017

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Report by: Chief Executive

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Heading: Local Government Benchmarking Framework Indicator Profile 2015/16

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1.   **Summary**

1.1   In Scotland, local authorities have a statutory duty to achieve Best Value, the key to which is ensuring "sound governance, good management, public reporting on performance and a focus on improvement".

1.2   The Council has a robust performance management framework in place, which ensures that performance is monitored rigorously by corporate and service level management teams and scrutinised thoroughly by elected members through appropriate governance mechanisms. Public performance reporting is also undertaken to ensure local citizens, businesses and partner organisations are able to track Council performance levels over time.

1.3   The performance of council services, based on considerations such as quality, cost and satisfaction of service users is monitored through a number of mechanisms including:

- external validation of services through for example inspections of schools, pre 5 establishments and registered care services;
- 6 monthly reporting to the Leadership Board on progress relating to the implementation of the Council Plan;
- quarterly performance reports scrutinised by the Corporate Management Team;
- 6 monthly reports to relevant policy boards in relation to Service Improvement Plans and related performance scorecards;

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- detailed consideration of aspects of performance such as complaints handling by the relevant policy board or Audit Scrutiny and Petitions Board; and
- operational performance reporting at a service level, including business plans monitored by policy boards.

1.4   Comprehensive scrutiny of performance is also undertaken through the Local Government Benchmarking Framework (LGBF). This framework brings together performance indicators covering information about a wide range of key services such as education, housing and adult social care.

1.5   The main purpose of the framework is to allow councils to work and learn together to improve services based on their comparative service information. As with all benchmarking exercises of this kind, there are differing views on the appropriateness of the indicators used within the LGBF across professional groups and local authorities. Some of the indicators are drawn from national surveys where the local sample size is small, and discussions are undertaken regularly across Councils on the methods for calculating each of the performance indicators.

1.5   It is the view of officers that the LGBF represents a very positive opportunity for the Council to compare performance across a broad range of service areas, acting as a catalyst for conversations about service improvement and innovation. The LGBF is seen as an important supplement to the more detailed and focused performance monitoring which takes place at a corporate and service level, with appropriate levels of scrutiny by elected members undertaken on a regular basis. This allows performance to be monitored and required improvements to service delivery can be expedited by services.

1.6   The validated Local Government Benchmarking Framework data for 2015/16 was published by the Improvement Service on 24th February 2017. The summary national report produced on the LGBF by the Improvement Service summarises the overall performance of Scottish local authorities as follows:

"Across the six-year period for which we present data, total current spending by Scottish councils has reduced by 11% in real terms from £17.18 billion to £15.30 billion. During this time, councils have achieved substantial improvements in efficiency, innovation and productivity while service output and outcomes have been maintained and improved. However there remains significant variation between councils as they pursue different policy choices in relation to where they prioritise spend.

While councils have continued to maintain and improve service outputs and outcomes across the majority of service areas in the last 12 months, there is evidence that the ongoing budget constraints are beginning to impact upon some service areas."

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1.6   Key messages for Renfrewshire from the 2015/16 Indicator Profile are as follows:

- Of the 68 national indicators in the Local Government Benchmarking Framework:
  o 34 indicators have improved since last year or have remained relatively unchanged (23 specifically improved);
  o 30 indicators have declined in performance;
  o 1 new indicator has been introduced for which no trend information is available; and
  o 4 indicators have no data available yet.
- The Council is in the top quartile (ranked 1st to 8th) for 13 of the 68 indicators, with consistent performance relating to education cost indicators and also in relation to cost of the provision of environmental services such as street cleaning.
- In relation to street cleaning, the Council has delivered efficiency savings but has maintained street cleanliness scores, in contrast to the national trend which reflects reduced spending and reduced performance in terms of cleanliness.
- The Council is also performing at a level above the national trend for business gateway start ups and in relation to assisting unemployed people into work, where we are in the top quartile for performance in Renfrewshire against declining performance levels nationally. Supporting employment and regeneration are key corporate priorities for the Council.
- Whilst relative performance is more mixed in terms of attainment indicators, the information gathered through this process supports local work on raising attainment which is a key strategic priority for the Council. Targeted improvements are planned through the Scottish Attainment Challenge and Pupil Equity funding allocated to Renfrewshire. Children's Services will seek to build on the early achievements realised in relation to the need to address the poverty attainment gap, with the LGBF results indicating a 27% increase in the tariff score for those children who are in the 20% most deprived areas in Renfrewshire.
- There are ten indicators in the LGBF where Renfrewshire is ranked in the bottom quartile (25th to 32nd of all authorities). These are outlined in section 4.4. In terms of those indicators relating to satisfaction with adult care services locally, it should be noted that these are collected through national surveys in which participants may not have used the service being rated. Local home care surveys suggest that satisfaction levels are in the region of 90%, which is significantly above the reported figure for satisfaction with adult care services through the LGBF.

1.7   Appendix 1 provides a summary of available benchmarking information against each of the 68 indicators in the LGBF. The appendix provides detailed information relating to the performance of similar councils who have been placed into "family

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group" with Renfrewshire Council, and also provides further context on performance across the broad service areas for elected member scrutiny.

1.8 Renfrewshire Council published its statutory public performance reporting document on the Council's website on the 8th March. Relevant performance information gathered through the LGBF has been included as part of the report. All national and council level information relating to the LGBF is reported on the Improvement Service's website, which is linked to the Councils own website.

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2. **Recommendations**

2.1 It is recommended that the Audit, Scrutiny and Petitions Board notes the information contained within this report.

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3. **Background**

3.1 All Scottish councils have a duty to deliver best value, a critical element of which is reviewing performance of council services and the impact of service delivery, and reporting this performance to citizens and stakeholders.

3.2 During the year, the Council publishes local corporate management and service performance information in board reports, key publications and on our website to demonstrate the delivery of Best Value in our service arrangements.

3.3 All Scottish local authorities participate in comprehensive performance scrutiny through the Local Government Benchmarking Framework (LGBF). This framework brings together performance indicators covering information about a wide range of key services, such as education, housing and social care.

3.4 The LGBF data is collated, verified and published for all Scottish Councils by the Improvement Service. The validated data for 2015/16 was published on the 24th February 2017: a link to the Improvement Service reporting tool is available on the performance section of our website.

3.5 The national LGBF report in summarising the performance of Councils across Scotland recognises that:

"While councils have continued to maintain and improve service outputs and outcomes across the majority of service areas in the last 12 months, there is evidence that the ongoing budget constraints are beginning to impact upon some service areas"

3.6 This message was reflected in the report by the Chief Executive to the Leadership Board on 8 June 2016 on the Better Council Change Programme. The report highlighted that the Accounts Commission noted that a single year financial settlement, growing demands and cost pressures from our ageing population, and

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the ambitions of the Community Empowerment (Scotland) Act 2015 compound the challenges on local authorities. The Chair of the Commission, in his introduction, notes that incremental changes to services in order to make savings are 'neither sufficient nor sustainable solutions set against the scale of the challenge facing Councils' and recommends a 'more strategic approach' which involves options for service delivery being considered in partnership with service users and communities.

3.7   This report to the Leadership Board confirmed that the Council had made significant progress in terms of implementing plans for transformation and the Better Council Change programme has played a significant role in helping to manage the impact of budget deficits on services over successive years, in a planned way throughout the financial year. The report noted that "the programme has aimed to introduce change to the organisation and the delivery of services to facilitate the release of the necessary budget savings, and where possible minimise or mitigate the impact of the budget reduction on the public and on our workforce. The constant review and update of the change programme, so far, has helped us avoid, in the main, short-term savings decisions which need to be implemented quickly and which can be damaging to the service and those who use it" .

3.8   This is useful context against which the assessment of performance comparatively across all Councils must be made.

4.   **Overview of Renfrewshire's Performance**

4.1   Renfrewshire Council has participated in the development of the LGBF since its inception in 2010. This year there has been an increase in the number of indicators from 56 to 68. The new indicators now include: average tariff scores for school children; the gender pay gap; cost per planning application; average time per planning application; procurement spend on local small/medium businesses; and number of business gateway start-ups. The framework reports on this suite of 68 indicators which cover the majority of council services under eight service categories:

1. Children's Services
2. Corporate Services
3. Adult Social Care
4. Culture and Leisure Services
5. Environmental Services
6. Housing Services
7. Corporate Asset Management
8. Economic Development

The framework reports on service costs, customer satisfaction and service effectiveness.

4.2   The customer satisfaction data is drawn from the Scottish Household Survey and while robust at Scotland level, there are limitations at local authority level in relation to the very small sample sizes and low confidence levels. To boost sample sizes, 3 year rolled averages have been used in this year's release of the information.

4.3   The LGBF dataset enables councils to review their own performance over time, compare performance against peer authorities and identify areas for improvement. An overview of Renfrewshire's 2015/16 dataset shows:

- 34 indicators have improved since last year or have remained relatively unchanged (23 specifically improved);
- 30 indicators have declined in performance;
- 11 indicators have remained relatively unchanged;
- There is 1 new indicator which has no trend information; and
- There is currently no data available for 4 indicators.

4.4   The Council is in the top quartile for thirteen indicators and in the bottom quartile for ten. We have significantly improved our rankings for cost of environmental health (24 to 4) and for unemployed people assisted into work (10 to 2) and are now in the top quartile.

Analysis of top quartile

4.5   The Council was ranked in the top quartile (1st to 8th) of Scottish councils for thirteen of the framework indicators:

- Average tariff SIMD Quintile 4 – rank 8
- Cost per primary school pupil – rank 2
- Cost per secondary school pupil – rank 1
- Percentage of the highest paid 5% of employees who are women – rank 5
- (Domestic Noise) Average time (hours) between time of complaint and attendance on site, for those requiring attendance on site – rank 7
- Percentage of invoices sampled that were paid within 30 days – rank 3
- Older persons (over 65) home care costs per hour – rank 4
- Net cost of street cleaning per 1,000 population – rank 6
- Cost of trading standards per 1,000 population – rank 2
- Cost of environmental health per 1,000 population – rank 4
- Proportion of operational buildings that are suitable for their current use – rank 1
- Percentage of unemployed people assisted into work from Council operated / funded Employability programmes – rank 2
- No. of business gateway start-ups per 10,000 population – rank 5

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Analysis of bottom quartile and declining performance

4.6   The Council ranked in the bottom quartile (25th to 32nd) of Scottish councils in ten of the framework indicators. Further information on why the indicators are in the bottom quartile and planned actions to improve performance are provided in appendix one.

- Cost of democratic core per 1,000 population – rank 28
- SDS spend on adults 18+ as a percentage of total social work spend on adults 18+ - rank 26
- Percentage of adults receiving any care or support who rate it as excellent or good – rank 25
- Percentage of adults supported at home who agree that their services and support had an impact in improving or maintaining their quality of life – rank 29
- Cost per library attendance – rank 28
- Cost of museums per visit – rank 29
- Cleanliness score (% acceptable) – rank 29
- Percentage of adults satisfied with street cleaning – rank 30
- Percentage of rent due in the year that was lost due to voids – rank 25
- Cost per planning application – rank 30

4.7   The performance of the LGBF indicators will continue to be monitored and progressed through the service improvement planning process and through further benchmarking activities undertaken through the family groups to develop and share best practice. A report on the LGBF will continue to be submitted to the Audit, Scrutiny and Petitions Board annually to review performance and monitor progress.

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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** - 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'

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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

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Appendix 1

Family Groups were set up as a way for councils to compare and discuss performance with other similar councils. We are currently in the following two family groups:

- Family Group 1 for Children Services, Adult Social Care and Housing Services – Clackmannanshire, Dumfries & Galloway, Falkirk, Fife, Renfrewshire and West Lothian.
- Family Group 2 for Corporate Services, Culture and Leisure, Environmental Services, Corporate Assets and Economic Development – Angus, Clackmannanshire, East Renfrewshire, Inverclyde, Midlothian, Renfrewshire, South Lanarkshire and West Lothian.

<u>**Children's Services**</u>

The Children's Services category consists of 18 indicators, 6 of which were introduced this year. Data is currently not available through the LGBF for the following indicators: gross cost of 'children looked after' in residential based services; gross cost of 'children looked after' in a community based setting; balance of care for looked after children, % of children being looked after in the community; and proportion of pupils entering positive destinations. A summary of our 2015/16 data, as well as the Scottish average and our family group position, has been provided below.

The profile for 2015/16 indicates that the performance for the overall average tariff score indicator has decreased since 2014/15. In 2015/16 there was a decrease in the uptake of advanced higher qualifications across Renfrewshire and in particular, the popular advanced higher in graphic communication had a higher than normal 'no awards'.

The average total tariff score for pupils by SIMD 1 & 2 (Quintile 1) combined is showing a drop in both performance and rank since last year. The average tariff score for Renfrewshire's most deprived children (in SIMD1) has improved by 27% since 2012 against a national improvement of 20% as we continue to focus on alleviating the impact of poverty on children's attainment. Similarly, there has been an increase in tariff scores in quintiles 2-4. Tariff scores are calculated on the latest and best qualifications our young people achieve.

Renfrewshire maintained its performance in 2015/16 in relation to the percentage of pupils gaining 5+ awards at SCQF level 6. Although there has been an increase overall since 2012, performance is similar to last year and this has resulted in a lower ranking in the LGBF.

In addition to the funding allocated through Renfrewshire's tackling poverty commission, the authority has now been designated a Challenge Authority through the Scottish Attainment Challenge. The funding from this, together with the pupil equity funding which will be allocated directly to schools from April 2017, will enable schools to continue to target children most affected by the poverty related attainment gap.

Renfrewshire is in the process of establishing a project team to work with schools to increase their focus and accelerate targeted improvement activity in literacy, numeracy and health and wellbeing. It will also support and complement the broader range of initiatives and programmes to ensure that all of Renfrewshire's children and young people

reach their full potential. Attainment is a focus of attention for the Corporate Management Team and has included separate performance spotlight meetings on the subject.

We continue to work with schools to improve levels of attainment and achievement. A revised approach to quality assurance and improvement is currently being developed and will be in place for the start of the new school session.

A number of amended and new educational attainment measures have been introduced this year and some measures have seen changes to the way data is collected. The LGBF board is currently working with Association of Directors of Education in Scotland and others to improve and expand the suite of children's services' measures. Therefore, the suite presented in the LGBF 2015/16 will be subject to further changes/amendments to be introduced next year.

Indicator	Ranked Position		Data		Scottish Average	Family Group Position
	2014/15	2015/16	2014/15	2015/16		
CHN1 - Cost per primary school pupil	2	2	£4071.19	£4088.73	£4733.06	Family group ranges from £4052.03 (Clackmannanshire) to £5626.36 (Dumfries & Galloway). The majority of councils increased costs (5 out of 8)
CHN2 - Cost per secondary school pupil	1	1	£5577.40	£5767.41	£6736.84	Family group ranges from £5767.41 (Renfrewshire) to £7868.90 (Clackmannanshire). The majority of councils increased costs (6 out of 8).
CHN3 - Cost per pre-school education registration	15	16	£3176.60	£3734.98	£3853.71	Family group ranges from £2479.62 (West Lothian) to £4834.28 (Falkirk). All councils increased costs.
CHN4 - Percentage of pupils gaining 5+ awards at level 5	13	11	58%	60%	59%	Family group ranges from 52% (Clackmannanshire) to 65% (South Ayrshire). The majority of councils increased percentages.
CHN5 - Percentage of pupils gaining 5+ awards at level 6	10	14	32%	32%	33%	Family group ranges from 26% (Clackmannanshire) to 37% (West Lothian). The majority of councils increased percentages.
CHN6 - Percentage of pupils from deprived areas gaining 5+ awards at level 5 (SIMD)	14	10	36%	40%	39%	Family group ranges from 34% (Clackmannanshire) to 47% (West Lothian). The majority of councils increased percentages.
CHN7 - Percentage of pupils from deprived areas gaining 5+	11	13	14%	14%	15%	Family group ranges from 10% (Clackmannanshire) to 21% (West Lothian). The majority of councils increased percentage.

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Indicator	Ranked Position		Data		Scottish Average	Family Group Position
	2014/15	2015/16	2014/15	2015/16		
awards at level 6 (SIMD)						
CHN10 - Percentage of adults satisfied with local schools	6	10	88.7%	84.7%	78%	Family group ranges from 73.3% (Fife) to 87.7% (Clackmannanshire). Satisfaction levels reduced across all councils.
CHN12a - Overall average tariff score	9	22	882.26	840.06	875.23	Family group ranges from 765.11 (Clackmannanshire) to 937.92 (South Ayrshire). The majority of councils increased scores.
CHN12b - Average total tariff score SIMD Quintile 1	11	13	599	576	600	Family group ranges from 516 (Falkirk) to 681 (West Lothian). The majority of councils increased tariff scores.
CHN12c - Average total tariff score SIMD Quintile 2	20	21	689	714	739	Family group ranges from 675 (Fife) to 840 (Clackmannanshire). The majority of councils increased scores.
CHN12d - Average total tariff score SIMD Quintile 3	12	16	899	882	862	Family group ranges from 799 (Clackmannanshire) to 933 (South Ayrshire / West Lothian). The majority of councils increased scores.
CHN12e - Average total tariff score SIMD Quintile 4	12	8	1004	1054	997	Family group ranges from 959 (Dumfries & Galloway) to 1139 (South Ayrshire). Performance was mixed across group, 4 increased, 3 decreased and 1 remained the same.
CHN12f - Average total tariff score SIMD Quintile 5	5	14	1233	1163	1195	Family group ranges from 1034 (Clackmannanshire) to 1263 (West Lothian). The majority decreased scores.

Corporate Services

The Corporate Services category consists of 10 indicators, covering unit cost and performance data. A summary of our 2015/16 data, as well as the Scottish average and our family group position, has been provided below.

Indicator	Ranked Position		Data		Scottish Average	Family Group Position
	2014/15	2015/16	2014/15	2015/16		
CORP1 - Support services as a percentage of total gross expenditure	26	22	6.5%	5.8%	5.4%	Family group ranges from 2.9% (Inverclyde) to 7.1% (Clackmannanshire). Most council's performance remained relatively stable.

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Indicator	Ranked Position		Data		Scottish Average	Family Group Position
	2014/15	2015/16	2014/15	2015/16		
CORP 2 - Cost of democratic core per 1,000 population	27	28	£46,283.65	£47,055.45	£29,980.64	Family group ranges from £22,402.69 (West Lothian) £47,055.45 (Renfrewshire). The majority of councils decreased costs (7 out of 8)
CORP 3b - The percentage of the highest paid 5% of employees who are women	3	5	56.98%	55.15%	51.89%	Family group ranges from 44.57% (Midlothian) to 55.15% (Renfrewshire). Performance was mixed, 4 increased, 3 decreased, 1 remained the same.
CORP 3c - The gender pay gap – new measure	n/a	13	n/a	2.93%	4.99%	Family group ranges from -0.82% (West Lothian) to 10.89% (Inverclyde). NB a positive figure indicates male employees are, on average, paid more per hour than female employees
CORP 4 - The cost per dwelling of collecting Council Tax	20	23	£11.26	£11.38	£10.34	Family group ranges from £6.28 (West Lothian) to £19.55 (Clackmannanshire). Performance was mixed, 3 increased, 2 decreased and 3 remained the same.
CORP 5b2 - (Domestic Noise) Average time (hours) between time of complaint and attendance on site, for those requiring attendance on site	3	7	0.50	0.53	70.30	Family group ranges from 0.37 (East Renfrewshire) to 9.90 (West Lothian). Even split between performance increasing and decreasing.
CORP 6a - Sickness absence days per teacher	12	18	6.05	6.39	6.12	Family group ranges from 4.16 (Midlothian) to 7.20 (Clackmannanshire). The majority reduced number of days – 6 out of 8
CORP 6b - Sickness absence days per employee	9	15	9.92	10.37	10.63	Family group ranges from 9.48 (Inverclyde) to 13.43 (Clackmannanshire). Performance was evenly spilt.
CORP 7 - Percentage of income due from Council Tax received by the end of the year	11	14	96%	96%	95.66%	Family group ranges from 94.4% (Midlothian) to 97.82% (Angus). Performance was evenly split.

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Indicator	Ranked Position		Data		Scottish Average	Family Group Position
	2014/15	2015/16	2014/15	2015/16		
CORP 8 - Percentage of invoices sampled that were paid within 30 days	2	3	97.29%	96.91%	92.77%	Family group ranges from 84.65% (Clackmannanshire) to 96.91% (Renfrewshire). Mixed performance, 3 increased, 2 decreased, 2 stable (1 no data)

Indicator in the bottom quartile

Cost of democratic core per 1,000 population – As with other cost related indicators, it can be difficult to make accurate comparisons as different local authorities take different approaches in allocating costs to the corporate and democratic core and in defining support services. For example, previous detailed engagement with other local authorities who have a lower democratic core cost confirmed a material difference in approach which captured the costs of a much smaller pool of officers in supporting the corporate and democratic process.

In addition, within Renfrewshire Council the ongoing development of the Corporate Support Model has resulted in the creation of a Customer and Business Support function which has pulled together under a single function all the resources and costs associated with administration and business support which previously was less visible and was captured within devolved service functions.

Renfrewshire Council has been an early adopter of such an approach which required significant effort to achieve and which have driven significant budget savings for the Council over event years. In comparison to many other councils therefore, it is expected that greater visibility of such costs are more accurately captured within Renfrewshire as part of the associated costing process which supports the LGBF framework.

Notwithstanding this, the ongoing delivery of savings from this area, through streamlined processes and better use of technology, remains a key part of the ongoing change programme.

Adult Social Care

The Adult Social Care category consists of 7 indicators, covering unit cost, satisfaction and performance data. A summary of our 2015/16 data, as well as the Scottish average and our family group position, has been provided below.

Indicator	Ranked Position		Data		Scottish Average	Family Group position
	2014/15	2015/16	2014/15	2015/16		
SW1 - Older persons (over 65) home care costs per hour	7	4	£14.95	£15.47	£21.58	Family group ranges from £14.74 (Falkirk) to £32.05 (West Lothian). Performance was evenly split.
SW2 – SDS spend on adults 18+ as a	26	26	1.86%	2.26%	6.65	Family group ranges from 1.32% (Clackmannanshire) to 5.13% (Dumfries & Galloway).

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Indicator	Ranked Position		Data		Scottish Average	Family Group position
	2014/15	2015/16	2014/15	2015/16		
percentage of total social work spend on adults 18+						7 councils increased SDS spend with South Lanarkshire staying the same.
SW3 – Percentage of people 65+ with intensive needs receiving care at home	22	19	31.06%	33.29%	34.78%	Family group ranges from 22.77% (Fife) to 47.97% (Clackmannanshire). Majority of councils increased percentage, 5 out of 8.
SW4 – Percentage of adults satisfied with social care or social work services	13	18	62.67%	52.67%	50.67%	Family group ranges from 39.33% (South Lanarkshire) to 72.67% (Clackmannanshire). Satisfaction levels decreased across the majority of councils.
SW4a – Percentage of adults receiving any care of support who rate it as excellent or good	26	25	82.29%	79.11%	84%	Family group ranges from 76.7% (South Lanarkshire) to 87% (Clackmannanshire). The majority of councils reduced percentages.
SW4b – Percentage of adults supported at home who agree that their services and support had an impact on improving or maintaining their quality of life	22	29	82.72%	79.92%	81%	Family group ranges from 78% (Clackmannanshire) to 86.7% (Dumfries & Galloway). 6 out of 8 councils decreased percentage.
SW5 – Average weekly cost per resident	17	17	£393.15	£388.73	£368.85	Family group ranges from £171.15 (Dumfries & Galloway) to £401.21 (South Lanarkshire). The majority of councils reduced the weekly cost, 6 out of 8.

Indicators in Bottom Quartile

SW2 – SDS spend on adults 18+ as a percentage of total social work spend on adults 18+ - Spend has increased from 1.86% in 2014/15 to 2.26% 2015/16, however our ranking remained at 26. Renfrewshire Council has seen a slow uptake in direct payments, this may be due to the complexity of managing a budget, sourcing services or even employing staff. However, the number of people with an 'SDS package' continues to grow – in 2014/15, 66 clients received a direct payment and in 2015/16 this had increased to 154. In Renfrewshire there has been a greater uptake of the option where the Local

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Authority selects, arranges and provides services, in 2015/16 90% of SDS clients elected for this option. Renfrewshire's data only includes the SDS spend which is on direct payments – at present recording systems do not allow for easy identification of spend on other options. It is not clear whether this is the case for other local authorities so comparisons may not be appropriate.

SW4a – Percentage of adults receiving any care or support who rate it as excellent or good – Percentage decreased from 82.29% in 2014/15 to 79.11% in 2015/16 with our ranking increasing from 26 to 25. Renfrewshire Council carried out a survey of Homecare service users which received 182 responses. From these survey results, 90% of respondents were satisfied with the overall service they received from homecare.

SW4b – Percentage of adults supported at home who agree that their services and support had an impact in improving or maintaining their quality of life – Percentage decreased from 82.72% in 2014/15 to 79.92% in 2015/16, with our ranking dropping from 22 to 29.

Issues that have impacted performance
The number of people supported by Care at Home Services has significantly increased over the last five years, rising year on year from 1,264 service users in 2011/12 to 1,707 service users in 2015/16. In recognising the importance that Care at Home plays in allowing people to continue to live in their own homes, Renfrewshire has increased the number of hours this service provides. During the last five years the number of hours of care at home supplied by Renfrewshire rose from 7,820 hours in 2011/12 to 13,530 hours in 2015/16, an increase of 73%.

Intended improvement actions
Renfrewshire HSCP recognise the level of importance and value Care at Home services represent to our service users and as such are currently undertaking a major recruitment campaign to appoint an additional 50 Care at Home Workers to enable the service to continue to meet demand. This is a significant investment in the service.

Culture and Leisure Services

The Culture and Leisure category consists of 8 indicators, covering unit cost and satisfaction data. A summary of our 2015/16 data, as well as the Scottish average and our family group position, has been provided below.

Indicator	Ranked Position		Data		Scottish Average	Family Group Position
	2014/15	2015/16	2014/15	2015/16		
C&L1 – Cost per attendance at sports facilities	10	10	£2.10	£2.01	£2.99	Family group ranges from £1.54 (Angus) to £4.31 (East Renfrewshire). Performance was evenly split.
C&L2 – Cost per library attendance	24	28	£4.19	£4.38	£2.44	Family group ranges from £1.34 (Clackmannanshire) to £4.38 (Renfrewshire). Majority reduced costs – 5 out of 8.

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Indicator	Ranked Position		Data		Scottish Average	Family Group Position
	2014/15	2015/16	2014/15	2015/16		
C&L3 – Cost of museums per visit	28	29	£14.78	£18.95	£3.07	Only four councils have provided costs, costs ranged from £0.51 (West Lothian) to £18.95 (Renfrewshire).
C&L4 – Costs of parks and open spaces per 1,000 population	17	18	£20,978	£21,041	£22,232	Family group ranges from £17,151 (East Renfrewshire) to £33,472 (South Lanarkshire). Majority reduced costs – 5 out of 8.
C&L5a – Percentage of adults satisfied with libraries	19	22	81.33%	76.33%	77.33%	Family group ranges from 72.67% (South Lanarkshire) to 74.33% (Angus). All councils increased satisfaction levels.
C&L5b – Percentage of adults satisfied with parks and open spaces	19	23	84.33%	83.33%	85.67%	Family group ranges from 75.67% (South Lanarkshire) to 91% (Angus). The majority remained relatively stable.
C&L5c – Percentage of adults satisfied with museums and galleries	9	10	81%	79%	74%	Family group ranges from 59.33% (Midlothian) to 82% (Inverclyde). Performance was mixed – 4 decreased, 2 remained stable and 2 increased.
C&L5d – Percentage of adults satisfied with leisure facilities	9	10	83.67%	81%	75.67%	Family group ranges from 72.67% (East Renfrewshire) to 88% (Inverclyde). The majority decreased.

Indicators in Bottom Quartile

Cost per library attendance – The cost has increased from 2014/15 to 2015/16; this is due to a combination of an increase in costs for additional services such as the Digital skills programme and due to a slight reduction in attendance numbers in the library service.

Cost of museums per visit – The cost has increased from 2014/15 to 2015/16, this is due to a combination of an increase in costs for utilities for example and a reduction in visitor numbers. During 2014/15, the museum held the 'Brick Wonders' exhibition, the follow up to the hugely successful 'Brick City' exhibition which had a positive impact on visitor numbers and resulted in a spike in visitor numbers in 2014/15. The exhibition programme in 2015/16 included two exhibitions from the Paisley Art Institute, one of which contained a large selection from the art collections which had not been shown together for decades. Whilst the exhibitions were popular, they did not attract the same numbers as the previous Lego exhibitions. .

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Environmental Services

The Environmental Services category consists of 14 indicators, five of which are statutory, and cover unit cost, satisfaction and performance data. It is an area of significant spend and includes waste management, street cleansing, roads services, trading standards and environmental health. A summary of our 2015/16 data, as well as the Scottish average and our family group position has been provided below.

Indicator	Ranked Position		Data		Scottish Average	Family Group Position
	2014/15	2015/16	2014/15	2015/16		
ENV1a – Net cost per waste collection per premises	11	11	£53.06	£54.85	£63.40	Family group ranges from £39.98 (Inverclyde) to £90.19 (Angus). Majority increased costs (6 out of 8).
ENV2a – Net cost per waste disposal per premises	14	18	£83.61	£98.51	£97.02	Family group ranges from £82.79 (Inverclyde) to £105.02 (Clackmannanshire). All council's increased net cost.
ENV3a – Net cost of street cleaning per 1,000 population	15	6	£13,258	£10,014	£15,480	Family group ranges from £8,909 (East Renfrewshire) to £16,583 (South Lanarkshire). The majority reduced costs.
ENV3c – Cleanliness Score (% acceptable)	29	29	88%	88%	93%	Family group ranges from 88% (Renfrewshire) to 99% (Midlothian). Performance was mixed, 2 increased, 2 decreased and 4 stayed the same.
ENV4a – Cost of maintenance per kilometre of roads	15	18	£10,940	£12,752	£10,791	Family group ranges from £7,531 (Angus) to £31,164 (Inverclyde). The majority increased costs (5 out of 8), Inverclyde increased costs by £3,505.
ENV4b – Percentage of A class roads that should be considered for maintenance treatment	16	16	26.3%	26.3%	29%	Family group ranges from 17.3% (West Lothian) to 31.2% (Inverclyde). Performance was mixed, 4 decreased, 2 increased and 2 stayed the same.
ENV4c – Percentage of B class roads that should be considered for maintenance treatment	14	16	29.5%	31.6%	34.8%	Family group ranges from 24% (South Lanarkshire) to 36.2% (Inverclyde). Majority reduced percentages, 5 out of 8.

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Indicator	Ranked Position		Data		Scottish Average	Family Group Position
	2014/15	2015/16	2014/15	2015/16		
ENV4d – Percentage of C class roads that should be considered for maintenance treatment	19	21	39.5%	38.8%	34.7%	Family group ranges from 27.1% (Angus) to 44.3% (Inverclyde). All councils reduced costs.
ENV4e – Percentage of unclassified roads that should be considered for maintenance treatment	20	17	39.3%	37.2%	40.1%	Family group ranges from 27.1% (West Lothian) to 44.7% (East Renfrewshire). Performance is evenly split.
ENV5a – Cost of trading standards per 1,000 population	1	2	£2,898.50	£2,623.70	£5,873.30	Family group ranges from £2,623.70 (Renfrewshire) to £8,686.60 (West Lothian). The majority of councils reduced costs.
ENV5b – Cost of environmental health per 1,000 population	24	4	£21,179	£10,661	£16,849	Family group ranges from £7,403 (East Renfrewshire) to £21,266 (Angus). Performance is evenly split.
ENV6 – The percentage of total waste arising that is recycled	14	21	46.6%	43.9%	44.3%	Family group ranges from 43.9% (Renfrewshire) to 59.2% (Angus). Performance has been mixed, 4 increased, 3 decreased, 1 stayed the same.
ENV7a – Percentage of adults satisfied with refuse collection	19	17	84%	85.33%	83%	Family group ranges from 75.33% (East Renfrewshire) to 93% (Inverclyde). Majority increased satisfaction, 6 out of 8.
ENV7b – Percentage of adults satisfied with street cleaning	26	30	70.67%	65.67%	73.67%	Family group ranges from 65.67% (Renfrewshire) to 82.67% (West Lothian). Performance was mixed, 4 decreased, 2 increased, 2 stayed the same.

Indicators in the bottom quartile

Street Cleanliness score (% acceptable) – Renfrewshire's Cleanliness Score remained unchanged at 88% between 2014/15 and 2015/16. The rank position in 2015/16 was 29th and was unchanged from its rank in 2014/15. In 2015/16 the Scottish average was 93% which was down 1% from the 2014/15 average.

Issues that have impacted performance:
The last five years has seen a period of unprecedented change within the service and has challenged our service delivery arrangements. As a result new street cleaning specifications have been introduced to help the Council address the financial challenges it has faced. These have reduced activity by 40% whilst prioritising the cleanliness of Town Centres, main arterial routes and known litter hotspots. Street cleaning activities in areas out with these areas has reduced accordingly.

In the period between 2012/13 and 2015/16, the cost of street cleaning per 1,000 population has reduced by 55% from £22,225 to £10,014 per 1,000 population. However against this backdrop of significant budget savings, the service has maintained an 88% street cleanliness score in each of the last three years.

Intended improvement actions:
Substantial savings have already been achieved across the service and further efficiencies are required over the coming years. In 2012 the Council introduced new working arrangements to offer an improved 7 day service and deliver further financial efficiencies. The service is working towards delivering the required financial efficiencies while delivering street cleaning services across Renfrewshire in line with agreed Council priorities.

Percentage of adults satisfied with street cleaning – The satisfaction rate has decreased from 71% in 2014/15 to 66% in 2015/16. The 2015/16 satisfaction rate was 8% below the Scottish average. Renfrewshire's ranking has fallen from 26th in 2014/15 to 30th in 2015/16. Issues that have impacted performance are similar to the issues referred to in the Cleanliness Score indicator above which also will impact on the performance of this indicator. While this data is proportionate at Scotland level, it is acknowledged by the Improvement Service that there are limitations at council level in relation to the very small sample sizes and low confidence levels. The 2015/16 data has been reported this year as a 3 year average to improve data at the local level. However, the Improvement Service continues to explore opportunities to develop alternative measures of customer / resident satisfaction which is comparable at local authority level.

Housing Services

The Housing Services category consists of 5 indicators. A summary of our 2015/16 data, as well as the Scottish average and our family group position, has been provided below.

Indicator	Ranked Position		Data		Scottish Average	Family Group Position
	2014/15	2015/16	2014/15	2015/16		
HSN1b – Gross rent arrears (all tenants) as at 31 March each year as a percentage of rent due for the reporting year	16	11	6.34%	6.01%	6.25%	Family group ranges from 3.08% (South Ayrshire) to 8.02% (Falkirk). Performance was evenly split.
HSN2 – Percentage of rent due in the	25	25	2.03%	1.86%	1.05%	Family group ranges from 0.42% (West Lothian) to 1.86% (Renfrewshire).

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Indicator						Family Group Position
year that was lost due to voids						Majority reduced costs, 6 out of 7 (no data for Dumfries & Galloway)
HSN3 – Percentage of dwellings meeting SHQS	22	24	84.56%	85.87%	92.5%	Family group ranges from 85.87% (Renfrewshire) to 99.4% (West Lothian). Majority increased percentage, 5 out of 7.
HSN4b – Average time taken to complete non-emergency repairs	9	9	8.52	8.40	9.38	Family group ranges from 5.94 (Clackmannanshire) to 13.72 (South Lanarkshire). Performance was mixed and there were no significant changes.
HSN5 – Percentage of council dwellings that are energy efficient	14	12	97.35%	98.52%	96.16%	Family group ranges from 95.78% (South Lanarkshire) to 100% (Clackmannanshire). Performance was mixed, 3 increased, 1 decreased, 3 stayed the same.

Indicator in bottom quartile

Percentage of rent due in the year that was lost due to voids – While the proportion of rent lost through empty properties has improved, reduced from 2.03% in 2014/15 to 1.86% in 2015/16, it remains higher than the Scottish average. Though regeneration activity and local initiatives to tackle low demand and let empty properties as quickly as possible, minimising void periods and reducing rent loss remains a key priority for the housing service.

Corporate Assets

The Corporate Asset category consists of 2 statutory indicators. A summary of our 2015/16 data, as well as the Scottish average and our family group position, has been provided.

Indicator	Ranked Position		Data		Scottish Average	Family Group Position
	2014/15	2015/16	2014/15	2015/16		
Proportion of operational buildings that are suitable for their current use	3	1	91	100	79.6	Family group ranges from 66.8 (Midlothian) to 100 (Renfrewshire). Majority increased costs.
Proportion of internal floor area of operational buildings in satisfactory positions	12	12	88.8	89.5	81.5	Family group ranges from 75.9 (Midlothian) to 97.6 (Clackmannanshire). Performance was mixed – 3 increased, 1 decreased and 4 stayed the same.

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Economic Development

The Economic Development category consists of 5 indicators, four of which are new indicators for this year. A summary of our 2015/16 data, as well as the Scottish average and our family group position, has been provided.

Indicator	Ranked Position		Data		Scottish Average	Family Group Position
	2014/15	2015/16	2014/15	2015/16		
ECON1 – Percentage of unemployed people assisted into work from Council operated/funded Employability programmes	10	2	14.8%	27.5%	No data	Family group ranges from 8.6% (Midlothian) to 27.5% (Renfrewshire). Majority reduced percentage, 5 out of 8.
ECON2 – Cost per planning application	24	30	£5,511.30	£9,534.40	£4,832	Family group ranges from £3,879.10 (Midlothian) to £9,534 (Renfrewshire). Performance was evenly split
ECON3 – Average time (weeks) per planning application	18	16	10.1	9.2	11.2	Family group ranges from 6.1 (Clackmannanshire) to 10.3 (South Lanarkshire). Performance was mixed with no significant changes.
ECON4 – Percentage of procurement spent on local small / medium enterprises	27	24	12.2%	15.9%	19.7%	Family group ranges from 7.3% (East Renfrewshire) to 27% (Inverclyde). Majority increased percentage.
ECON5 – No. of business gateway start-ups per 10,000 population	3	5	17.8	17.6	16.9	Family group ranges from 14.9 (South Lanarkshire) to 22.5 (West Lothian). Majority reduced numbers.

Indicator in the bottom quartile

Cost per planning application – The cost per planning application has increased from £5,511.30 to £9,534.40, with the ranking dropping from 24 to 30. This is a new indicator this year and we have raise concerns with the Improvement Service as to how the indicator has been calculated. It currently uses the gross expenditure across the whole planning department rather than only the budget for planning applications. The correct cost per planning application, calculated using the planning application budget only, would be £904.33.

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

On: **20 March 2017**

Report by: **Chief Auditor**

Heading: **Annual Internal Audit Plan 2017/2018**

1. **Summary**

1.1 In line with the requirements of the Public Sector Internal Audit Standards, a risk based internal audit plan for 2017/18 has been developed. The audit plan takes into account the outcomes of the internal corporate and service risk identification and evaluation processes, and the current business environment. In addition to undertaking work which will provide assurance on the robustness on key internal controls, the plan seeks to reflect the key priorities and challenges for the council.

1.2 A number of methods have been employed to facilitate production of the risk based audit plan for 2017/18:
- Consultation with all Directors and their Senior Management Teams,
- Senior management from the associate bodies and Audit Scotland;
- Benchmarking with other Local Authorities;
- Review of corporate and service risk registers;
- Cumulative audit knowledge and experience;
- Review of key external audit and inspection reports.

1.3 The following influencing factors have been considered in our assessment of the current business environment and the priority areas of audit:
- Financial stability;
- Enterprise Resource Planning;
- Opportunity management;
- Serious organised crime, insider threat and corporate fraud;

- Delivering key outcomes with strategic partners;
- Raising attainment, and
- Facilities and environmental infrastructure.

1.4   The total available resource is 1283 days, the operational audit time available for 2017/18 has been identified as 993 days (77%). The remaining 290 days relates to training, service development, administration and management. Coverage of the plan is achieved through the use of in-house staff and where relevant commissioned from other providers. A copy of the plan is attached at Appendix 1.

1.5   Operational and non-operational time has been calculated in accordance with CIPFA benchmarking criteria. Non-operational time includes provision for training, performance management and service development. In addition to the internal audit assurance function the Chief Auditor has managerial responsibility for risk management, insurance and corporate counter fraud which are excluded from the calculation of available operational audit resources.

1.6   Delivery of the risk based annual audit plan supports effective member scrutiny of the council's internal financial and other control mechanisms.

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2.   **Recommendations**

2.1   Members are asked to approve the content of the risk based audit plan for 2017/18.

2.2   Members are asked to note that the progress of the 2017/18 annual audit plan and summaries of the findings from each audit assignment will be reported to the Board on a quarterly basis.

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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** - None

8. **Health & Safety** – None

9. **Procurement** - None

10**.** **Risk** - The subject matter of this report is the risk based Audit Plan for 2017 – 2018.

11. **Privacy Impact** – None

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Annual Internal Audit Plan 2017/18

Finance & Resources
Internal Audit

Date	March 2017	

Renfrewshire Council

Annual Internal Audit Plan 2017/18

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Audit Plan Overview

1. Introduction

1.1 In line with the requirements of the Public Sector Internal Audit Standards, a risk based internal audit plan for 2017/18 has been developed. In formulating the audit plan a risk assessment has been undertaken giving consideration to the following sources of information:

Risk assessment	(1) Risk assessment and prioritisation of all auditable activities (audit universe).
	(2) Corporate Risk Register.
	(3) Service Risk Registers.
Consultation	(4) The Chief Auditor has met with each member of the CMT and their senior management teams to ascertain any changes to operational practice and national policy and to determine their priorities and risks.
	(5) Senior Management from the associate bodies and Renfrewshire Leisure have been consulted to ascertain their priorities and risks.
	(6) The Chief Executive has been consulted on what she sees as the council's priority and risk areas for the forthcoming year.
	(7) Feedback from, and the expectations of, the Audit, Scrutiny and Petitions Board are identified through the regular meetings with the members of the board.
	(8) The Chief Auditor has met with Audit Scotland to ascertain where assurance on key internal controls is required.
Benchmarking	(9) Other Local Authority internal audit plans.
	(10) Discussion with other Chief Auditors through the Scottish Local Authority Chief Auditors Group.
Review of key internal reports	(11) A Better Future, A Better Council – Council's plan
	(12) The results of internal audit work in 2016/17 and in previous years.
Review of key external reports	(13) Audit Scotland: Renfrewshire Council - Report to Members and the Controller of Audit on the 2015/16 Audit.
	(14) Audit Scotland: Best Value reports issued during 2016/17.
	(15) Accounts Commission: Local Government in Scotland – Financial Overview 2015/16.

1.2 On the basis of the above, the audit engagements planned for 2017/18 is set out in Appendix 1 and shows the planned engagements in the following categories of audit activity:
- Assurance,
- Governance,
- Contingency,
- Planning and Reporting

1.3 It is the responsibility of management to ensure that they have good governance, risk management and internal control arrangements over the functions they are responsible for. It is internal audit's role to provide an independent, objective assurance and consulting activity. The scope of the internal audit plan encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the organisation's governance, risk management, and internal control processes; as well as the quality of performance in carrying out assigned responsibilities to achieve the organisation's stated goals and objectives. Delivery of the internal audit plan supports the requirement for the

Chief Auditor to provide an annual opinion which is used to inform the annual governance statement.

1.4   The Chief Auditor shares information and coordinates activities with other internal and external providers of assurance and consulting services, as appropriate, to ensure proper coverage and minimise duplication of effort. Internal audit may place reliance on the work of other providers of assurance and the ability to do so will be considered during each audit engagement.

1.5   The plan also includes provision for managing and developing the internal audit activity including audit planning, reporting, periodic quality assessments and for following up on previous recommendations and reactive investigative work. The plan includes contingency time to allow for completion of work carried forward from 2016/17 and provides for consultancy engagements to be undertaken where these can improve the council's operations, add value and improve the management of risks. Contingency time also provides for sufficient flexibility to accommodate changing risks and priorities during the course of the year. More detail on each of these elements is set out in sections 4 to 7 of this plan.

2.   The current business environment and key risk areas

2.1   To ensure that the audit activity supports the achievement of the council's objectives, the audit plan, detailed in Appendix 1, has been aligned with the themes contained in the council plan and the community plan.

2.2   There are a number of significant risks, arising from the external and internal environment, which could impact on the council's ability to achieve its objectives. The most significant risks and the risk control measures to manage these risks, have been identified through the council's corporate risk management process. The key corporate risks taken into account in formulating this audit plan are detailed below:

(1)   Financial stability

The council is continuing to face significant financial pressures. Consequently the financial sustainability risk remains very high and continues to be subject to significant and regular scrutiny. The council is developing a range of projects for the next phase of the better council change program to deliver transformational change to service delivery and savings:
* a review of programme management arrangements, focusing on the pace and effectiveness of the change programme;
* a review of workforce planning arrangements;
* a review of the arrangements for client charging and payments
* contingency time to participate in internal project work which supports the better council change programme, as required.

(2)   Enterprise Resource Planning

The council is planning to implement an Enterprise Resource Planning (ERP) product which will change a number of key financial processes. The 2017/18 audit plan includes:
* provision of consultancy support in relation to process redesign during the implementation stage;
* sufficient time to review key financial controls in order to provide an opinion on the financial internal control environment in place for those systems included within the roll out of ERP.

(3)   Opportunity Management

The council is investing in a number of high profile regeneration programmes/projects including City Deal and the development of the 2021 City of Culture bid as a means of supporting business growth and the creation of jobs. There can be significant reputational and financial risks involved in major investment projects. The 2017/18 audit plan supports this agenda by including:

- a review of contract management arrangements;
- reviews of compliance with external funding grant conditions;
- working with the appointed internal auditors for City Deal.

(4)   Serious Organised Crime, Insider Threat and Corporate Fraud

The council has over the last year strengthened its resilience to the threats posed by serious and organised crime, corruption and fraud. The 2017/18 audit plan includes time for:

- participation in the council's integrity group;
- co-ordination of the National Fraud Initiative;
- revision of counter fraud and corruption policies and procedures.

(5)   Delivering Key Outcomes with Strategic Partners

The council is engaged with Strategic Partners in the delivery of key services and outcomes. The partnerships must work together effectively otherwise there will be a risk in relation to performance and reputation around the ability to effectively deliver strategic plans, community and financial outcomes and partnership aims and objectives. The 2017/18 audit plan includes:

- 35 days of audit resource for the Internal Audit function of the Integration Joint Board (Appendix 3)
- a post implementation review of the health and social care integration arrangements.

(6)   Raising Attainment

It is a strategic priority of the council to improving attainment for all young people and close the attainment gap. Targeted funding is available to focus and accelerate targeted improvement activity in literacy, numeracy and health and wellbeing. The 2017/18 audit plan includes:

- a review of the deployment, accountability and responsibility for targeted funds.

(7)   Facilities and Environmental Infrastructure

The council has a duty to ensure its assets are safe and fit for purposes for employees and service users. The 2017/18 audit plan includes:

- a review of housing statutory compliance arrangements.

3.   Allocation of Resources

3.1   In addition to the internal audit assurance function the Chief Auditor has managerial responsibility for risk management, insurance and counter fraud investigations which are excluded from the calculation of available operational audit resources.

3.2   Operational and non-operational time has been calculated in accordance with CIPFA benchmarking criteria. The calculation of operational staff time has been based on 6.25 full time equivalent employees. Non-operational time includes provision for training, performance management and service development.

3.3   Resources from any unfilled elements of posts and other available audit resource will be used flexibly to ensure that the audit plan commitments are met, through the engagement of

temporary staff and other audit service providers where appropriate. Where engagements are undertaken by the other audit service providers, these can provide an opportunity for benchmarking and training and development. Sufficient resources are available to engage specialist contractors where necessary to address the additional risks faced by the council.

3.4   The total available resource is 1283 days; the operational audit time available for 2017/18 has been identified as 993 days (77%). The remaining 290 (23%) days relates to training, service development, administration and management.

3.5   The following paragraphs provide an overview of how audit time has been allocated to audit categories. A summary of the operational time by audit category is detailed in table 1 below. The analysis of non-operational audit activity is detailed in the table 2 below. The planned operational/non-operational time for 2016/17 is given for comparative purposes.

Category of audit	2016/17		2017/18	
	Planned Days	% of Operational Time	Planned Days	% of Operational Time
GOVERNANCE	283	24%	113	11%
ASSURANCE	457	39%	431	44%
CONTINGENCY note 1	309	27%	337	34%
AUDIT PLANNING / REPORTING	111	10%	112	11%
TOTAL OPERATIONAL TIME	1160	100%	993	100%

Table 1

Notes
1. This category includes time for the finalisation of the previous year's audits, corporate exercises, investigations, significant project consultancy activities and emerging priorities.

Activity	2016/17		2017/18	
	Planned Days	% of Non - operational Time	Planned Days	% of Non - operational Time
TRAINING	115	33%	95	33%
STRATEGIC MANAGEMENT	29	8%	28	10%
TEAM ADMINISTRATION	112	32%	97	33%
DEVELOPMENT note 1	93	27%	70	24%
TOTAL NON-OPERATIONAL TIME	349	100%	290	100%

Table 2

Notes
1. This category includes time allocated to development activities to support the implementation of the upgrade to the audit management system and the external peer review process.

4.   Governance (11% of operational time)

4.1   Internal Audit must evaluate the risk exposures relating to the council's and associate bodies governance arrangements including the arrangements for the prevention and detection of fraud and corruption. The engagements within this category form the basis for the Chief Auditor's annual audit opinions and support the annual governance statements.

4.2   The results of the risk assessment are detailed at Appendix 1, Part A in respect of the current year, with a total of 113 days being allocated to these engagements for 2017/18.

5. Assurance (44% of operational time)

5.1 A risk based assessment has been undertaken of all auditable areas taking into account the risk management framework and the expectation of senior management and the Audit, Scrutiny and Petitions Board. The engagements within this category also form the basis for the Chief Auditor's annual opinions and support the annual governance statements. Time is also allocated to following up on the implementation of prior year audit recommendations.

5.2 The results of the risk assessment are detailed at Appendix 1, Part B in respect of the current year, with a total of 431 days being allocated to these engagements for 2017/18.

6. Contingency (34% of operational time)

6.1 This category includes time allocations for finalisation of the 2016/17 audit plan, undertaking reactive investigations of theft, fraud or other malpractice and provides for post-report work which includes attending disciplinary or appeal hearings, employment tribunals and court, as required.

6.2 The council is also undergoing a significant period of change and although these changes represent significant priorities and risks for the council, the arrangements may not be sufficiently well established to be suitable for evidence based audit reviews. In recognition of this, the 2017/18 audit plan includes provision for the on-going and anticipated involvement in significant project consultancy activities, including the better council change programme, implementation of the Enterprise Resource Planning product, City Deal and counter corruption risk assessments, as well as smaller scale internal control reassessment by services.

6.3 The allocation of time for this category is an estimate based on prior experience and available resources. However this will be monitored during the course of the year to ensure that internal audit continue to be in a position to respond to other priority areas which emerge during the course of the year, and, if necessary, revise the audit plan accordingly. Appendix 1, Part C details the indicative time of 337 days allocated across the contingency heading.

7. Audit Planning / Reporting (11% of operational time)

7.1 This category includes annual planning activity and reporting arrangements to the Audit Panel and the Audit, Scrutiny and Petitions Board, the Integration Joint Board Audit Committee and the Boards of the other bodies we provide internal audit services to under a service level agreement. Appendix 1, Part D details the time of 112 days allocated to planning and reporting activities.

8. Analysis of Plan by Service

8.1 Appendix 2 shows the amount of operational audit time allocated to individual services in 2017/18 and compares it to the planned days for 2016/17.

8.2 The planned days allocated to all services relates to work which is cross-cutting rather than service specific as well as time which is allocated out to services as the year progresses, such as contingency and investigations.

8.3 The high level of coverage in Finance and Resources compared to other services continues to reflect the expected reliance placed on transactional finance processes by Audit Scotland and that the majority of the ICT audits are focused on the ICT service.

9. Conclusion

9.1   The annual internal audit plan for 2017/18, based on the strategic risk assessment reflects the current priorities and challenges for the council, and demonstrates that the internal audit service continues to deliver added value while continuing to improve the service in line with best practice.

9.2   The allocation of internal audit resources are sufficient to allow for flexibility to deal with emerging priorities and provide adequate coverage of governance, risk management and internal control to inform the annual assurance statement.

9.3   The plan may be subject to amendment during the course of the year due to the emergence of issues of greater priority, or other unforeseen circumstances. We will report changes to the Audit Panel and the Audit, Scrutiny and Petitions Board.

Chief Auditor
March 2017

Internal Audit Annual Plan 2017/18

Entity	Engagement Title	Service	Council Plan Theme[1]	Days Allocated	Strategic & Corp Risk
Part A – Governance				**113**	
Corporate Governance	Corporate Governance Framework	Corporate - All Services	C	20	No
Council Reporting	IJB Post Implementation Review	Corporate - All Services	B	20	Yes
Prevention and Detection of Fraud and Corruption	Prevention and Detection of Fraud and Corruption	Corporate - All Services	A	50	Yes
IJB - Governance Arrangements	Integration Scheme Compliance	IJB	N/A	23	N/A
Part B – Assurance				**431**	
Charging and Payments	Financial Accounting Arrangements	Adult Services	B	25	Yes
CM - Other Systems	On Line Booking System	Associate Bodies - CMPA	N/A	15	N/A
RVJB		Associate Bodies - RVJB	N/A	20	N/A
SE - Contracts	Contract Management Model - Bravo	Associate Bodies - SE	N/A	20	N/A
Schools Procedures	Education Funding	Children's Services	B	20	Yes
Public Protection	Community Safety	Community Resources	A	25	No
Procurement	Contract Management - Economic Development	Corporate - All Services	C	20	Yes
Procurement - Service Controls	Corporate Purchase Cards	Corporate - All Services	C	25	No
Follow Up	Follow Up	Corporate - All Services	C	40	N/A
Programme Management	Transformation Programme	Corporate - All Services	C	25	Yes
HR Policies and Procedures	Workforce Planning	Corporate - All Services	C	20	Yes
Culture Trust - Other Systems	Leisure - Staffing	Culture Trust	N/A	23	N/A
External Funding Applications	Grants	D&HS	B	15	No
Facilities Management	Housing Statutory Inspections	D&HS & CR	A	20	Yes
Housing Benefit/CTRS	Housing Benefit/CTRS	FAR	B	20	No
ICT	ICT	FAR	C	30	No

[1] A: Better Future – Place, B: Better Future – People, C: Better Council

Entity	Engagement Title	Service	Council Plan Theme[1]	Days Allocated	Strategic & Corp Risk
Internal Controls & Compliance	Key Financial Controls	FAR	C	33	Yes
Payroll	Salary Sacrifice Schemes	FAR	C	20	No
Non Domestic Rates	Non Domestic Rates	FAR	C	15	No
Part C – Contingency				**337**	
Contingency	Contingency	Associate Bodies	N/A	17	N/A
Contingency	Contingency	Corporate - All Services	N/A	110	N/A
Contingency	Corporate Groups	Corporate - All Services	N/A	80	N/A
Contingency	Investigations	Corporate - All Services	N/A	130	N/A
Part D – Planning & Reporting				**112**	
Planning & Reporting	Planning & Reporting	Associate Bodies	N/A	12	N/A
Planning & Reporting	Planning & Reporting	Corporate - All Services	N/A	100	N/A

[1] A: Better Future – Place, B: Better Future – People, C: Better Council

Appendix 2

Analysis by Service

Service	2016/17		2017/18	
	Planned Days	**% of Operational Time**	**Planned Days**	**% of Operational Time**
All Services [note 1]	**637**	**55%**	**640**	**64%**
Chief Executive's Service	**20**	**2%**	**0**	**0%**
Finance & Resources	**195**	**17%**	**118**	**12%**
Children's Services	**40**	**3%**	**20**	**2%**
Adult Services	**20**	**2%**	**25**	**2%**
Community Resources	**47**	**4%**	**25**	**3%**
Development & Housing Services	**60**	**5%**	**35**	**4%**
COUNCIL TOTAL	**1019**	**88%**	**863**	**87%**
Scotland Excel	**28**	**3%**	**23**	**2%**
North Strathclyde Community Justice Authority	**3**	**0%**	**2**	**0%**
Clyde Muirshiel Park Authority	**23**	**2%**	**18**	**2%**
GCVSDPA	**3**	**0%**	**3**	**0%**
Renfrewshire Valuation Joint Board	**23**	**2%**	**23**	**2%**
Renfrewshire Health & Social Care Integration Joint Board	**35**	**3%**	**35**	**4%**
Cultural Trust	**26**	**2%**	**26**	**3%**
TOTAL	**1160**	**100%**	**993**	**100%**

Notes
1. **Planned time includes Follow up Audit, Performance, Contingency, Planning and Reporting and an element of Cross cutting Assurance and Governance Audits and is allocated against services during the course of the year**

Annual Audit Plan 2016/17 – Integration Joint Board

Audit Category	Engagement Title	No. of days	Detailed work
Assurance	Governance	23	• Compliance with the Integration Scheme • Conduct a follow up review of previous audit recommendations to ensure they have been implemented
Planning & Reporting	Annual Plan, Annual Report and Audit Committee reporting & Training	6	The Chief Auditor is required to prepare an annual plan and annual report for the Audit Committee, summarising the work undertaken by Internal Audit during the year and using this to form an opinion on the adequacy of the control environment of the IJB.
Contingency	Ad-hoc advice and Consultancy	6	Any relevant issues raised by NHSGGC and Renfrewshire Council in relation to the operational delivery of services.

To: Audit, Scrutiny and Petitions Board

On: 20 March 2017

Report by: Chief Auditor

Heading: Compliance with the Code of Corporate Governance

1.   Summary

1.1.   Corporate Governance is the system by which local authorities direct and control their functions and relate to their communities. The Council's Local Code of Corporate Governance came into effect formally on 1 April 2002.

1.2.   The Director of Finance and Resources has responsibility for reporting annually to the Audit, Scrutiny and Petitions Board on compliance with the Code and any changes to the Code that may be necessary to maintain it and ensure its effectiveness in practice. In addition, the Council's Chief Auditor has responsibility to review independently and report to the Audit, Scrutiny and Petitions Board annually, to provide assurance on the adequacy and effectiveness of the Code and the extent of compliance with it.

1.3.   Internal Audit has reviewed the adequacy and effectiveness of the Code which was operational during 2016/17. Based on our sample check of the evidence used to demonstrate compliance, we would confirm that the Council complied with the requirements of the Local Code of Corporate Governance.

1.4.   In addition, it is evident that the Local Code has been subject to review and updating in line with developments in best practice and any revised Council Policies. The Director of Finance and Resources endorses the Chief Auditor's recommendation that the Local Code should continue to be subject to an annual review to ensure that it continues to reflect developments in best practice in governance.

2. Recommendations

2.1 Members are invited to note the contents of this report.

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3. Background

3.1. The Council's Local Code of Corporate Governance came into effect formally on 1 April 2002.

3.2. CIPFA, in conjunction with SOLACE, recognise that authorities of different types and geographical areas are subject to separate legislative arrangements and publish guidance notes for Scottish Authorities to complement their Corporate Governance Framework. The Council's Local Code of Corporate Governance is reviewed annually and updated in line with the current guidance notes and also to reflect any updated Council policies.

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Implications of the Report

1. **Financial** - None

2. **HR & Organisational Development** - None

3. **Community Planning**

   Safer and Stronger – This report provides assurance that the governance arrangements in place show a clear commitment to following governance best practice guidance and of promoting the involvement of customers, staff and partners in service delivery.

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** - None

11. **Privacy Impact** – None

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Author: Karen Campbell – 01416187016

Renfrewshire
Council

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

On: **20 March 2017**

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Report by: **Chief Auditor**

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Heading: **Internal Audit – External Quality Assessment**

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1.   **Summary**

1.1   The Public Sector Internal Audit Standards (PSIAS) came into effect from 1 April 2013 and are a mandatory set of standards applying to all internal audit service providers in the public sector.

1.2   The PSIAS requires that an external assessment be conducted at least once every five years.

1.3   In March 2014, the Audit Scrutiny and Petitions Board approved internal audit's participation in the peer review validated self assessment framework developed by the Scottish Local Authorities Chief Internal Auditors' Group (SLACIAG).

1.4   The external quality assessment was undertaken by the Chief Auditor from West Lothian Council and the report is attached at Appendix 1.

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2.   **Recommendations**

2.1   Members are asked to note the external assessors report on Internal Audit's compliance with the Public Sector Internal Audit Standards.

2.2   Members are asked to note the actions to be taken to implement the recommendations made.

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3.   **Background**

3.1   The SLACIAG external quality assessment framework is a validated self assessment peer review, requiring the internal audit service to self assess against the compliance checklist and submit evidence to the external assessor.

3.2   The external assessor undertook a desk top review of the submitted evidence against the self assessment and also met with key stakeholders and members of the Internal Audit team in forming their view of compliance with each of the elements of the PSIAS.

3.3   The overall conclusion of the assessment is that Renfrewshire Council's Internal Audit function is a well managed and effective internal audit service.

3.4   The action plan identifies 4 areas for improvement, the most important relating to the consideration of the level of information provided to the Audit, Scrutiny and Petitions Board to ensure the board are informed of significant risk exposures and control issues. The Chief Auditor has agreed to benchmark with other local authorities and discuss options for future reporting arrangements with Senior Management and the Board as required by the PSIAS.

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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** - None

8.   **Health & Safety** – None

9.   **Procurement** - None

10**.**   **Risk** - Conformance with the PSIAS mitigates the risk of the Internal Audit Service being ineffective.

11.   **Privacy Impact** – None

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Author: Andrea McMahon – 01416187017

Finance & Property Services
Audit, Risk and Counter Fraud Unit

EXTERNAL QUALITY ASSESSMENT

RENFREWSHIRE COUNCIL INTERNAL AUDIT SERVICE

8 March 2017

CONTENTS

1.0   EXECUTIVE SUMMARY

1.1   The Public Sector Internal Audit Standards (PSIAS) took effect from 1 April 2013 and are a mandatory set of standards applying to all internal audit service providers in the public sector.

1.2   The PSIAS requires that an external assessment be conducted at least once every five years by a qualified independent assessor from outside the organisation. In relation to the Renfrewshire Council internal audit function, this report fulfils that obligation.

1.3   Further details of the remit and scope of this external assessment are set out in section 2.0 of this report.

1.4   In relation to the review undertaken it was found that:

- There is a risk based approach to internal audit work which includes consideration of the internal audit universe and the corporate risk register;
- There is a comprehensive, documented process for preparing the annual audit plan and topics in the audit plan are referenced to the council plan theme, and where appropriate the corporate risk register;
- Detailed audit remit letters are issued which identify the audit objectives, scope, staff assigned and timescales;
- Comprehensive internal audit reports are produced which include audit objectives, findings, recommendations, and an audit opinion. Audit reports include an action plan agreed with management;
- There is a documented process for following up agreed audit recommendations and evidence is sought for the implementation of all category "A" recommendations;
- The Chief Auditor prepares an annual report which summarises the internal audit work undertaken during the year, provides information on internal audit performance including customer satisfaction measures, and provides an opinion on the adequacy and effectiveness of the council's internal control, risk management and governance arrangements.

1.5   The overall assessment of compliance with the PSIAS is set out as appendix 1. Overall, I consider that the Renfrewshire internal audit function is a well-managed and effective internal audit service.

1.6   Areas for improvement are identified the action plan in appendix 2 of this report which details my findings. The action plan also includes agreed management action. The following four findings have already been identified as areas for improvement by the Chief Auditor and are included on the current Quality Assurance and Improvement Plan. As such no additional recommendations have been made.

- Financial Code 20, which sets out the authority and responsibilities of internal audit, is in the process of revision.

- There is scope for the planning process and planning remit to be more explicit about the risks associated with the process to be audited.

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- There is a requirement for work programmes to be reviewed prior to the commencement of the audit. I was informed that this is to be considered in conjunction with the implementation of the new version of Galileo.

- Update of the audit manual has been delayed pending the full implementation of the new Galileo system. The audit manual should be updated for current operational arrangements.

1.7　I would like to take the opportunity to thank the officers and members of Renfrewshire Council who assisted with this review.

Kenneth Ribbons
Audit, Risk and Counter Fraud Manager
West Lothian Council

2.0   REMIT AND SCOPE

2.1   The objective was to review the Renfrewshire Council internal audit function against the requirements of the PSIAS.

2.2   The review was undertaken under the auspices of the Scottish Local Authorities Chief Internal Auditors' Group (SLACIAG) external quality assessment (EQA) programme. The review was undertaken using the standard SLACIAG methodology, including the standard checklist and questionnaire.

2.3   The methodology involved an initial desk review of evidence submitted in support of compliance, questionnaires issued to Renfrewshire Council members and officers, and a visit to Renfrewshire Council headquarters in Paisley on 10 January 2017. At this visit the following members and officers were spoken to:

- Councillor Jim Sharkey, Chair, Audit Scrutiny and Petitions Board
- Councillor Cathy McEwen, Vice Chair, Audit Scrutiny and Petitions Board
- Sandra Black, Chief Executive
- Alan Russell, Director of Finance and Resources

In addition the Chief Auditor, Andrea McMahon, and members of her team were interviewed.

2.4   This report was agreed for factual accuracy with Andrea McMahon, Chief Auditor.

SUMMARY OF ASSESSMENT

Reference	Page	Assessment Area	Fully Conforms ✶	Generally Conforms ●	Partially Conforms ◀	Does Not Conform ⬡
Section A	1	Definition of Internal Auditing	✶			
Section B	2	Code of Ethics	✶			
Section C		Attribute Standards				
1000	4	Purpose, Authority and Responsibility	✶			
1100	7	Independence and Objectivity	✶			
1200	13	Proficiency and Due Professional Care	✶			
1300	16	Quality Assurance and Improvement Programme	✶			
Section D		Performance Standards				
2000	19	Managing the internal Audit Activity		●		
2100	26	Nature of Work	✶			
2200	29	Engagement Planning		●		
2300	33	Performing the Engagement	✶			

4

2400	36	**Communicating Results**	✦
2500	42	**Monitoring Progress**	⟩
2600	44	**Communicating the Acceptance of Risks**	✦

APPENDIX 1:   ACTION PLAN

No	PSIAS Reference	Finding / Recommendation	Management response	Responsible Officer	Completion Date
1	1200.1	I was advised that there is a requirement for the Chief Auditor to hold a professional qualification although this could not be verified to the job outline or the person specification. The Chief Auditor job outline received is undated and it is unclear when it was last reviewed. The job outline and person specification should be reviewed, updated for the requirement to hold a professional qualification, and dated.	The person specification could not be located at the time of the review. The Chief Auditor will liaise with HR to develop an appropriate person specification. This action has been added to the QAIP	Chief Auditor	July 2017
2	2000.4	There is a requirement within the PSIAS for the risk based plan to: • incorporate or be linked to a strategic or high level statement of how the internal audit service will be delivered or developed in accordance with the internal audit charter; • identify the respective priorities of the work included in the plan; • set out how internal audit's resource requirements have been assessed. These matters are not explicitly set out within the plan.	The 2017/18 Internal Audit Plan now includes information to address each of the points raised.	Chief Auditor	Complete

No	PSIAS Reference	Finding / Recommendation	Management response	Responsible Officer	Completion Date
3	2000.15	The Audit, Scrutiny and Petitions Board (ASPB) receives quarterly summaries of audit reports issued. Section 2060 of the PSIAS states that reporting must include significant risk exposures and control issues. In order to fully comply with this requirement, more detailed information should be provided to the Board, particularly where the Chief Auditor concludes that the assurance level is limited. This may be achieved by submitting selected internal audit reports to the Board, or by submitting more detailed information on the risk exposures and control issues, including the management response.	Currently the ASPB are content with the information provided. However, the Chief Auditor will benchmark with other Local Authorities and discuss options for future reporting arrangements with Senior Management and the Board, once the new Board has been established post election. This action has been added to the QAIP	Chief Auditor	July 2017
4	2500.1	The annual report contains summary information in relation to the implementation of follow up recommendations. The local government application note, which was developed as a local government specific set of requirements within the PSIAS, requires the effective involvement of the Board in the follow up process. Consideration should therefore be given to reporting details of the specific outstanding recommendations to the Board, particularly those which are ranked "A", the highest category of importance.	Currently the ASPB are content with the information provided. However, the Chief Auditor will benchmark with other Local Authorities and discuss options for future reporting arrangements with Senior Management and the Board, once the new Board has been established post election. This action has been added to the QAIP	Chief Auditor	July 2017

No	PSIAS Reference	Finding / Recommendation	Management response	Responsible Officer	Completion Date
		This would also ensure that the Board was fully appraised of all significant risk exposures and control issues.			

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

On: **20 March 2017**

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

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Heading: **A review of housing benefit fraud investigation liaison arrangements in Scotland**

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1. **Summary**

1.1 Audit Scotland's report on its review of housing benefit fraud investigation liaison arrangements in Scotland was published in December 2016 and is attached at Appendix 1.

1.2 Responsibility for housing benefit counter fraud work transferred from local authorities to the DWP's Fraud and Error Service (FES). This process commenced in July 2014 and concluded in March 2016. Renfrewshire Council was the last local authority to transfer in March 2016.

1.3 The prevention, detection and investigation of fraudulent housing benefit claims are important aspects of a secure and effective benefit service. Counter-fraud activities help to protect public funds by ensuring that fraudulent claims are identified and sanctions are applied where appropriate. The report provides the findings from a review of the efficiency of the arrangements between local authorities and the DWP.

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2. **Recommendations**

2.1 To note the report from Audit Scotland and the actions the council intends to pursue in response to the recommendations made.

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3.   **Background**

3.1   The DWP has estimated that overpayments of housing benefit due to fraud and error increased between 2014/15 and 2015/16 from 5.3% to 6% of housing benefit expenditure. This amounts to a rise in monetary terms from £1.28 billion to £1.46 billion, the highest rate recorded.

3.2   The report acknowledges that the DWP had recognised that the current arrangements were not effective overall, have identified, and are working on a number of activities to address the issues in order to improve performance and procedures. The report is, therefore, intended to complement and support the work of the DWP.

3.3   The report identifies a number of recommendations for improvement to the current arrangements. The majority of the recommendations raised require FES, being the lead organisation for housing benefit counter fraud investigations, to work with local authorities to improve on the current procedures. However, the Renfrewshire Council perspective in relation to each recommendation for improvement is detailed below in italics.

Recommendation for improvement
The fraud referral form should be reviewed and updated to ensure it captures all relevant information at the point of completion. This should include the name of the local authority sending the referral, the amount of the potential fraud, and the full contact details of the SPOC.

Updating the fraud referral form is a matter for the DWP. Our current processes do record the required information, with the exception that it is not always possible at the referral stage to ascertain what the amount of the potential fraud may be. However, where this information is available through Real Time Information, the overpayment amount will be recorded. We also provide details of the current weekly amount of Housing Benefit in payment, to assist FES in the calculation of potential overpayment amounts.

Recommendation for improvement
Local authorities and FES should work together to define and agree a minimum quality standard for local authority fraud referrals, and to ensure that the SPOC is fully trained to deliver this standard. In addition, local authorities and FES should develop a programme of management checks to ensure that only high quality referrals are sent to FES.

The Corporate Counter Fraud Team provides training to Benefit staff, to ensure that they understand the level of information required, when making a fraud referral.; it is not currently within the SPOC's role to quality check fraud referrals, or to score them for likelihood of fraud. As the current process stands the SPOC's role is a conduit to facilitate the efficient flow of information. We will continue to work with the DWP to improve arrangements. However, a change to the SPOC's role could impact on the level of resources required to support the DWP and the resources available to investigate other Council fraud risks.

Recommendation for improvement
Local authorities and FES should establish a more robust method for recording and monitoring referrals, the outcomes, and the exchange of information between both organisations that provides for a complete audit trail of actions taken that is open to scrutiny.

Within Renfrewshire Council, we record all referrals made to the DWP and we will also record outcomes, where these are made available to us. Currently, the LAIEF is the means of exchanging information between the Council and the DWP, via email. We would welcome a more efficient means of information exchange which would give both organisations visibility of the progress and outcome of investigations. Discussions are continuing with the DWP regarding sharing electronic data held on systems within both organisations. Ultimately, a dedicated shared management information system would be the most efficient and transparent way of recording and monitoring referrals and outcomes.

Recommendation for improvement
In HB only cases, where an overpayment is estimated to be less than £2,000, and the local authority has the required level of evidence to support this, in consultation with FES, consideration should be given as to whether the action to create and recover the overpayment is best placed with the local authority, therefore reducing the number of cases referred for compliance action.

This would require a change to the DWP procedures that the Council is currently required to work to. A certain level of investigation is required in order to estimate the potential value of the overpayment. Changing the process, to require the Council to undertake initial investigations, to estimate the level of overpayment would impact on the level of resources required to support the DWP and the resources available to investigate other Council fraud risks.

Recommendation for improvement
The UK local agreement should be reviewed and updated to ensure that performance indicators are relevant and achievable, and are recorded and routinely monitored to allow FES and local authorities to report on performance in a consistent and robust manner.

The Service Level Agreement with the DWP is currently under review. We will be setting performance targets for the newly established corporate counter fraud team in April 2017 and will monitor and report on performance as required.

Recommendation for improvement
FES should seek to develop management information to determine the effectiveness of fraud investigations that it conducts on behalf of local authorities and consider reporting performance on a regular basis. Such information could include:

- **the number and percentage of local authority referrals dealt with by Compliance that resulted in an overpayment**
- **the number and percentage of local authority referrals dealt with by Compliance that resulted in no further action**
- **the number and percentage of local authority referrals dealt with by Local Service Investigation that resulted in an administrative penalty the number and percentage of local authority referrals dealt with by Local Service Investigation that resulted in a prosecution.**

This recommendation is a matter for the DWP to implement.

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Implications of the Report

1.   **Financial** – Changes to the DWP's arrangements for tackling housing benefit fraud and error could impact on the council's DWP subsidy.

2.   **HR & Organisational Development** - Changes to the DWP's arrangements for tackling housing benefit fraud and error could impact on the council's resource requirements.

3.   **Community Planning –**
   Wealthier and fairer – Effective partnership arrangements with the DWP in relation to housing benefit fraud and error is important to protect public funds and reduce local authority and claimant error.

4.   **Legal** - None

5.   **Property/Assets** - None

6.   **Information Technology** - None

7.   **Equality & Human Rights** – None, the report makes recommendations only any proposed changes to procedures would be impact assessed**.**

8.   **Health & Safety** – None

9.   **Procurement** - None

10**.**   **Risk** – Ineffective arrangement for working with the DWP to tackle housing benefit fraud and error could expose resources to increased levels of fraud.

11.   **Privacy Impact** – None

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Author: Andrea McMahon – 01416187017

A review of housing benefit fraud investigation liaison arrangements in Scotland

ACCOUNTS COMMISSION

Prepared by Audit Scotland

December 2016

Contents

Executive summary

1. The Department for Work and Pensions (DWP) recently estimated that overpayments of housing benefit (HB) due to fraud and error increased between 2014/15 and 2015/16 from 5.3% to 6% of HB expenditure. This amounts to a rise in monetary terms from £1.28 billion to £1.46 billion, the highest rate recorded.

2. The prevention, detection and investigation of fraudulent HB claims are important aspects of a secure and effective benefit service. Counter-fraud activities help to protect public funds by ensuring that fraudulent claims are identified and sanctions are applied where appropriate.

3. Since November 2007, Scottish local authority HB counter-fraud arrangements have been reviewed as part of Audit Scotland's HB risk assessment process. This report provides the findings from a review of the efficacy of the arrangements between local authorities and DWP since the responsibility for HB counter-fraud work transferred from local authorities to DWP's Fraud and Error Service (FES).

4. This process commenced in July 2014 and concluded in March 2016, and our report is intended to highlight areas of good practice, while identifying issues affecting performance, and recommending where improvements could be made. The key messages from our review are as follows:

   - There is generally good liaison between local authorities and FES, particularly where the local authority previously employed the investigator.

   - There is a risk that the current process does not provide sufficient assurance that public funds administered by local authorities are being protected as:

     – potentially fraudulent claims are not always being dealt with appropriately

     – fraudulent claimants are not always being subject to sanction or prosecution action

     – fraudulent overpayments are not consistently being created and recovered, where appropriate.

   - Performance against the performance indicators contained within the UK 'Local agreement' is not being routinely recorded, monitored, and reported by FES or local authorities.

   - There is no standard approach for local authorities, using internal IT systems, or via DWP's Fraud Referral and Incident Management System (FRAIMS), to record and monitor the progress of fraud referrals sent to FES, and consequently there is a lack of management information nationally and locally that could be used to:

     – measure the outcomes from local authority fraud referrals

     – determine the effectiveness of the fraud referral process against UK performance indicators

- – help identify and resolve recurring issues
- – highlight good practice.

- As part of the review of management information, the effectiveness of the new arrangements in respect of the number of local authority referrals that result in a referral to the Procurator Fiscal should be undertaken. Analysis of the questionnaire data suggests that numbers have declined significantly since responsibility transferred to DWP.

- The UK fraud referral form should be reviewed and updated to ensure that it captures a minimum level of information to allow DWP's Central Referral Services (CRS) staff to make a fully informed decision on appropriate further action.

- Local authority decision makers need to provide clear guidance to FES on what information is required to allow an HB overpayment decision and calculation to be made.

- In order to encourage high quality referrals, and ensure that local authorities are being suitably funded, DWP should consider reviewing the funding methodology to take account of the number of referrals made that meet a pre-defined and agreed quality standard, that are subsequently accepted for compliance or investigation action.

- DWP and local authorities in Scotland are committed to delivering process improvements and changes to procedures, and to implementing a structured and regular approach to local liaison. These activities included the establishment of the HB Fraud Issues Progression Group (HBFIPG) as a forum to discuss, prioritise and resolve issues.

- In addition, a FES seminar was held for Scottish local authorities in July 2016 with a view to understanding and addressing the issues that were affecting performance, and developing a strategy for improved liaison and joint working.

Background

5. The Local Government in Scotland Act 2003 introduced statutory duties relating to Best Value and Community Planning. The key objective of this review is to determine the extent to which benefit services are meeting their obligations to achieve continuous improvement in respect of HB counter fraud activities. Information for this review was gathered from officers in Scottish councils and the DWP.

Development and pilots

6. In 2010, the joint DWP/HM Revenues and Customs (HMRC) fraud and error strategy proposed a Single Fraud Investigation Service (SFIS) to address fraud across all benefits and tax credits, whether administered by DWP, HMRC, or local authorities. The main objective of

the policy was to ensure that all types of social security benefit and tax credit fraud are investigated according to a single set of guidance and priorities.

7. In preparation for this change, in early 2013 a number of local authority pilots in the UK, which included Glasgow City Council, tested a variety of partnership approaches and a single set of policies and procedures in order to identify the best delivery model. The pilots also tested the different attributes of the service, including how SFIS worked in a Universal Credit environment, and how it worked as part of counter-fraud processes to help combat crime.

8. As a result of the success of these pilots, in the 2013 Autumn Statement, the Chancellor of the Exchequer formally announced the formation of SFIS (now FES), under the auspices of the DWP, with responsibility for investigating HB fraud and tax credit fraud. Previously, local authorities and HMRC were responsible for these investigations. The Crown Prosecution Service in England and Wales and the Procurator Fiscal in Scotland conduct prosecutions arising from fraud investigations.

FES objectives

9. The main objectives of FES are to:

    - operate under a single policy and set of operational procedures for investigating all welfare benefit fraud

    - conduct single investigations covering all welfare benefit fraud

    - rationalise existing investigation and prosecution policies in order to create a more coherent investigation service that is joined up, efficient, and operates in a more consistent and fair manner, taking into account all offences that are committed

    - enhance closer working between DWP, HMRC and local authorities, and bringing together the combined expertise of all three services drawing on the best practices of each

    - support the fraud and error integrated strategy of preventing fraud and error getting into the benefit system by detecting and correcting fraud and punishing and deterring those who have committed fraud.

10. The transfer of counter-fraud work from local authorities commenced nationally in July 2014 and concluded in March 2016 (*see Appendix 1*). In total, over 70 local authority fraud investigation staff also transferred to DWP during this period, and since March 2016, FES has conducted single welfare benefit fraud investigations to one set of policies and procedures for all local authorities.

Current arrangements

11. While local authorities have not been conducting HB fraud investigations since March 2016, there remains an ongoing need for close working with FES in respect of the exchange of data.

Local authorities can refer cases to FES for investigation and, when a case is accepted, will be required to provide FES with evidence, such as copies of claim forms and other supporting documentation.

12. When a fraud or error has been established, local authorities may also be asked to provide FES with details of the amount of overpayment that has arisen as a result, attend court if required, and take appropriate action to recover the HB overpayment.

13. In addition, FES are required to provide the local authority with information to allow them to monitor the progress of an investigation, and to take appropriate action as required, for example, to suspend a claim.

14. The requirements of the exchange of data are set out in the UK local agreement, which was agreed and signed by FES and local authorities as part of the transfer of responsibility for HB fraud investigations to DWP. The local agreement contains ten key performance indicators, the name of a single point of contact (SPOC) for each organisation, and details of the escalation route to address any issues.

Funding

15. Local authorities receive subsidy payments from DWP at the end of each financial year in order to reclaim most of the HB paid to claimants. For overpayments of HB due to fraud or claimant error, local authorities receive 40% of the value paid. For overpayments due to local authority error, subsidy is paid at a rate between 0% and 100%.

16. In line with DWP's new burdens doctrine, local authorities receive an agreed payment to help mitigate the financial impact of the administration involved with the transfer of counter-fraud work to FES. In 2014/15, all Scottish local authorities where counter-fraud work transferred to FES between 1 July 2014 and 31 March 2015 were paid an amount dependant on the proportionate average size of the local authority HB caseload (based on the previous 12 months), and the number of months between the 'go live' date and the end of the financial year.

17. As 2014/15 was the first year of transfer, all local authorities that did not transfer during the year received a one off payment of £562 towards costs relating to human resource or other miscellaneous activity arising from the transfer project.

18. In 2015/16, payments to local authorities were based on the same methodology as the previous year, but also took into account DWP's expectation that 77,000 referrals would be made to FES from across the UK during the year.

19. In 2016/17, payments to local authorities were based on the same methodology as the previous year but also took account of FES management information for 2015/16 when 40,538 referrals were received by FES, from across the UK.

20. However, following discussions with local authority representatives, it was agreed that the number of referrals was lower than expected as local authorities adopted and became familiar with new processes. Consequently, the number of referrals used to calculate the new burdens payment for 2016/17 was increased to 45,000.

21. When we analysed the funding data in respect of the 27 local authorities that recorded referral data, for the period 1 July 2014 to 31 May 2016, we found a disproportionate amount of funding was provided to local authorities per case referred as detailed in Exhibit 1 below.

Exhibit 1: New burdens payments 1 July 2014 to 31 May 2016			
	Number of cases referred	Amount of subsidy received	Subsidy per referral
All local authorities	4,427	£297,324	£67
Local authority A	479	£9,772	£20
Local authority B	24	£2,417	£101
Local authority C	2	£2,525	£1,263

Source: DWP subsidy circulars S9/2014, S8/2015 (revised), and S5/2016

22. As the current funding methodology does not take account of the number of cases referred, or the quality of referrals received by FES, we consider that this approach is financially detrimental to authorities that are referring more cases, and could act as a disincentive, as the amount of resource required to manage the referral process would be significantly greater than in local authorities that refer fewer cases.

23. In order to encourage high quality referrals, and ensure that local authorities are being appropriately funded, DWP should consider reviewing the funding methodology to take account of the actual number of referrals made per local authority that meet a pre-defined and agreed quality standard, that are subsequently accepted for compliance or investigation action.

Our work

24. In June 2016, Audit Scotland issued a questionnaire to each of the 32 Scottish local authorities in order to determine the effectiveness of the liaison arrangements. The questionnaire requested performance information, details of local good practice, local issues, and suggestions for improvement. To ensure a holistic approach, we also met with the FES Group Manager for Scotland and a FES Fraud team leader, and had discussions with senior officers from DWPs Housing Delivery Division.

25. Since we commenced our study, it is acknowledged that DWP had recognised that the current arrangements were not effective overall, had identified, and was working on a number of activities to address the issues in order to improve performance and procedures.

26. These activities included the establishment of the HB Fraud Issues Progression Group (HBFIPG) as a forum to discuss, prioritise and resolve issues, including changes and recommendations arising from previous reviews of the HB counter-fraud process, and commissioning its Performance Development Team (PDT) to produce reports on:

- the issues associated with the rollout of FES

- a review of the end-to-end fraud referral process.

27. In addition, a FES seminar was held for Scottish local authorities in July 2016 with a view to understanding and addressing the issues that were affecting performance, and developing a strategy for improved liaison and joint working.

28. As outcomes, the reports produced by the PDT provided a number of recommendations, which DWP are taking forward through the HBFIPG, and FES (Scotland) has established a programme of liaison meetings as the platform for raising issues and the sharing of good practice. As a minimum, a DWP and a local authority representative from each District (North, East, West and Central) will attend these meetings.

29. This report is therefore intended to complement and support the work of DWP and our findings and recommendations are set out below.

Findings

Good practices

30. A number of working practices, which have helped improve efficiency and effectiveness, have been introduced in some local authorities. These include:

- Dundee City Council monitors and tracks the electronic local authority information exchange form (LAIEF) between the local authority and FES on their benefits workflow system. The council has also been working closely with FES officers, and has provided training to local FES staff in order to help improve FES and local authority processes.

- A separate team in Glasgow City Council deal with all adjudications. This allows learning from previous adjudications that may be similar. This team also attend court, as required, and there is a dedicated administrator who works with the local authority's decision makers.

- A senior HB officer at Inverclyde Council vets all referrals before submission to FES to ensure they would have reached the standard for investigation by the local authority.

- Aberdeen City Council fraud officers input the date the case was opened by FES on the LAIEF in order to monitor progress of an investigation.

- The Scottish Borders Council is considering providing access to the local authority benefits IT system for its ex-fraud officers that transferred to FES. This would allow these officers to gather evidence for investigations independently. The local authority is also setting up sessions for FES officers to provide local authority staff with fraud and compliance awareness training.

Key issues and areas for improvement

31. A number of recurring issues and suggested improvements to the fraud referral process and the measurement of outcomes were identified during this review.

32. As previously mentioned, the FES (Scotland) seminar in July 2016, which was well attended by Scottish local authorities, was held in recognition of the need to improve the relationship between DWP and local authorities, and to identify areas for improvement in order to deliver a more cohesive investigation process across Scotland.

33. The types of issues raised in response to our questionnaire included:

- cases being closed or transferred to DWP's compliance team for non-criminal action without local authorities being informed, and investigation outcomes not being provided resulting in local authorities not knowing if customers had been sanctioned or prosecuted

- the lack of sufficient information provided to local authorities to allow adjudication officers to make robust overpayment decisions

- issues when sending supporting documentation by e-mail as size restrictions mean that documentation cannot always be sent in one e-mail. This provides additional work for FES who need to ensure that separate emails in respect of the same referral are identified and collated

- local authorities being asked to provide FES with all 'relevant' information when it is not clear what FES considers to be relevant

- a lack of regular liaison meetings between local authorities and FES to discuss policy and operational matters

- the LAIEF document does not include the space or functionality to allow local authorities to update relevant sections

- referrals being lost by FES resulting in additional workloads and cost for local authorities to re-refer the case, and the potential increase in any resultant overpayment.

34. The following section looks in detail at the fraud referral process and the local agreement, which contains the key performance measures that set the parameters for joint working.

The referral process

35. In order to ensure a consistent approach, FES and each local authority nominate a SPOC to manage the fraud referral and investigation process. In local authorities the SPOC is responsible for ensuring that a fraud referral and supporting evidence is submitted to FES in the prescribed manner, responding to FES enquiries, and ensuring that appropriate action is taken at the conclusion of investigation or compliance activity. In FES, the SPOC is the person that the local authority would contact if there was a query, or an issue to be resolved.

36. Generally, where there is an allegation that an HB claim is potentially fraudulent and the local authority has sufficient information to support an investigation, a standard fraud referral form is completed and e-mailed to a dedicated FES email account. When received by FES, the local authority receives an automated response from the FRAIMS system acknowledging receipt.

37. Once received, DWPs Central Referral Services (CRS) carries out checks on DWP systems to provide as much background information as possible to enhance the referral. These checks include:

- establishing if the customer is in receipt of benefit
- the value of any potential overpayment
- whether there has been a previous fraud
- details of the household composition.

38. As part of this process, CRS complete a 'routing minute', which contains the details of the allegation from the fraud referral form and background information from the referral enhancement checks of DWP systems. This process allows CRS officers to make a routing decision based on the potential value of the overpayment as follows:

- Generally, where the potential overpayment is less than £2,000, the case is routed to the FES Compliance (non-criminal) team.
- Where the potential overpayment is £2,000 or above, or less than £2,000 and where there is fraudulent intent and/or it is a repeat offence, the case is routed to FES Local Service Investigation (LSI) to conduct a criminal investigation.
- Where there is insufficient information to support either criminal or non-criminal action, the case is closed on the FRAIMS system and removed after 14 weeks as part of a data cleansing routine.

39. Once the routing process is complete, the electronic LAIEF is used by FES to keep the local authority informed on the progress of a referral, to request further information, as appropriate, and to advise the local authority on the outcome at the conclusion of investigation or compliance activity. The LAIEF is also used by the local authority to provide FES with HB information throughout the course of an investigation.

FES Local Service Compliance

40. FES Local Service Compliance teams carry out face-to-face interviews with customers where the level of potential fraud is less than £2,000, or there is insufficient evidence or extenuating circumstances that would not support a prosecution or administrative penalty.

41. The compliance interview is not a criminal investigation and therefore not carried out under caution. The purpose of the interview is to:

- ensure that the customer is receiving the correct benefit entitlement
- obtain the necessary information to enable a potential overpayment/underpayment to be calculated
- establish the causes of the potential overpayment/underpayment
- advise the customer how to stop any future overpayment/underpayment from recurring
- explain the possible consequences of not complying in future, where appropriate.

42. Where it is has been established following a compliance interview that there has been a failure to report a change of circumstances, where there is an HB implication, the information is referred to local authority decision makers, to create an overpayment and initiate recovery action, as appropriate.

FES Local Service Investigations

43. Where the potential fraud is £2,000 or more, and/or where there is fraudulent intent, and/or it is a repeat offence, a fraud referral will be dealt with by FES local service investigation officers. These staff are highly trained in fraud investigation techniques and carry out interviews under caution. Where fraud is established a customer could be sanctioned or prosecuted.

Recommendations for improvement	
1	The fraud referral form should be reviewed and updated to ensure it captures all relevant information at the point of completion. This should include the name of the local authority sending the referral, the amount of the potential fraud, and the full contact details of the SPOC.
2	Local authorities and FES should work together to define and agree a minimum quality standard for local authority fraud referrals, and to ensure that the SPOC is fully trained to deliver this standard. In addition, local authorities and FES should develop a programme of management checks to ensure that only high quality referrals are sent to FES.
3	Local authorities and FES should establish a more robust method for recording and monitoring referrals, the outcomes, and the exchange of information between both

Recommendations for improvement	
	organisations that provides for a complete audit trail of actions taken that is open to scrutiny.
4	In HB only cases, where an overpayment is estimated to be less than £2,000, and the local authority has the required level of evidence to support this, in consultation with FES, consideration should be given as to whether the action to create and recover the overpayment is best placed with the local authority, therefore reducing the number of cases referred for compliance action.

Local agreement

44. The local agreement has six key performance indicators for local authority activity that FES should be monitoring, and four key performance indicators for FES activity that local authorities should be monitoring.

45. The aim of these performance indicators, which cover the end-to-end investigation process, is to provide for an efficient and effective relationship between each organisation to ensure that investigation and compliance activity is conducted in a professional and timeous manner. Exhibit 2 sets out the performance indicators in detail.

Exhibit 2: Local agreement performance indicators	
Local authority performance indicators	**Timescale**
Local authority - CRS referral routing	Within five working days
Local authority - during case build, respond to requests for claim forms etc. prior to Interview Under Caution (IUC)	Within 10 working days
Local authority - during an investigation, where identified, inform FES of changes to entitlement to HB or council tax reduction	Within two working days
Local authority - following IUC, respond to requests for further information, for cases appropriate for prosecution action	Within 10 working days
Local authority - during an investigation, inform FES of the amount of any overpayment which will include any underlying entitlement	Within 10 working days
Local authority - consider offering an Administrative Penalty as an alternative to prosecution and advise FES of the decision	Within 10 working days
FES performance indicators	
DWP - FES investigator to inform local authority of decision to investigate	Within two working days

Exhibit 2: Local agreement performance indicators	
DWP - FES to contact local authority for consideration of claim suspension	Within two working days of establishing factual evidence
DWP - FES to advise the local authority of the outcome of an Administrative Penalty offer	Within five working days
DWP - FES to notify the local authority of the outcome at the conclusion of the investigation	Within five working days

46. In order to monitor these performance indicators, local authorities and FES should have procedures and systems in place to ensure that the recording of referrals to FES is consistent and robust, and that regular monitoring is carried out to ensure compliance. However, from our analysis of the returned questionnaires from the 32 Scottish local authorities, and our discussions with FES (Scotland) senior management, it is clear that neither organisation is routinely recording or monitoring performance.

47. We were told by FES that the FRAIMS system is limited in respect of the management information that is available, and that it is not possible to determine FES or local authority performance against any of the performance indicators. In addition, although 27 of the 32 Scottish local authorities recorded the number of cases referred to FES, none had sufficient management information to determine local authority or FES performance against all of the indicators.

48. Consequently, our analysis is limited to the information provided by local authorities on our questionnaire in respect of the four performance indicators in the local agreement that FES should be meeting to keep them informed on the progress of a referral from receipt to outcome.

Recommendation for improvement	
5	The UK local agreement should be reviewed and updated to ensure that performance indicators are relevant and achievable, and are recorded and routinely monitored to allow FES and local authorities to report on performance in a consistent and robust manner.

FES performance indicators

49. It is acknowledged that our analysis provides an indication of performance from a local authority perspective and is not based on a complete dataset, as some local authorities did not capture the necessary performance information. However, as FES are currently unable to

provide any national MIS to challenge these figures, or provide performance from a FES perspective, we consider that our analysis is representative of the issues being experienced.

50. It also provides an opportunity for both organisations to learn and improve current processes and procedures to ensure that future performance management is robust, consistent and open to scrutiny. The recent recognition and significant work already carried out by DWP into the current arrangements supports these findings.

FES investigator to inform the local authority of decision to investigate

51. The purpose of this performance indicator is to notify the local authority that an investigation has commenced which could lead to a sanction and/or overpayment. In notifying the local authority, it enables them to deal with any subsequent enquiries from the customer, and helps to ensure that a FES investigation is not compromised. In such cases, FES should send a LAIEF to the local authority within two working days of receiving the case.

52. In respect of the 32 local authorities that completed our questionnaire, a total of 4,427 referrals to FES were made between 1 July 2014 and 31 May 2016. Of these, we found that 16 local authorities were not fully capturing information in respect of this performance indicator and were unable to report on how many cases FES had advised of a decision to investigate within the required timeframe.

53. Details of performance against this indicator in respect of the 16 local authorities that recorded this information is provided at Exhibit 3 below.

Exhibit 3: FES investigator to inform local authority of decision to investigate (within two working days from receipt of referral)			
	Number of cases	Number advised	Number advised within timescale
2014/15	1,599	191 (12%)	32 (17%)
2015/16 (31 May 16)	688	145 (21%)	17 (12%)
Totals	**2,287**	**336 (15%)**	**49 (15%)**

Source: Scottish local authorities

FES to contact local authority for consideration of claim suspension

54. The purpose of this performance indicator is to request the local authority to suspend a claim under investigation within two working days of establishing factual evidence, to ensure that the local authority does not continue to pay HB where there is no entitlement. It is also important that FES provide the local authority with sufficient information in order to support a suspension request.

55. Details of performance against this indicator in respect of the five local authorities that recorded this information is provided at Exhibit 4 below.

Exhibit 4: FES to contact local authority for consideration of claim suspension (within two working days of establishing factual evidence)			
	Number of cases	Number advised	Number advised within timescale
2014/15	Data not available	6	4 (67%)
2015/16 (31 May 2016)	Data not available	8	1 (13%)
Totals		14	5 (36%)

Source: Scottish local authorities

56. In the period 1 July 2014 to 31 May 2106, analysis of the questionnaire returns from the 32 Scottish local authorities showed that 4,427 cases had been referred to FES. It is therefore unlikely that in only 14 cases (0.3%) FES had contacted the local authority to suspend a claim.

57. However, as there is no record of the date that FES had established factual evidence on the LAIEF, and FES and local authorities are not routinely recording this information, this performance indicator cannot be accurately measured.

FES to advise local authority of the outcome of an administrative penalty offer

58. The purpose of this performance indicator is to provide the local authority with sufficient information to determine the impact on a customer's HB claim in the event that fraud has been established by FES. This is particularly important as the local authority is required to pursue any subsequent HB overpayment, and early intervention would help the local authority to initiate recovery action in respect of the fraudulent overpayment and the administrative penalty in a timeous manner.

59. Full details of performance against this indicator in respect of the eight local authorities that recorded this information is provided at Exhibit 5 below.

Exhibit 5: FES to advise the local authority of the outcome of an administrative penalty offer (within five working days)			
	Number of cases	Number advised	Number advised within timescale
2014/15	Data not available	98	41 (42%)
2015/16 (31 May 2016)	Data not available	8	4 (50%)

Exhibit 5: FES to advise the local authority of the outcome of an administrative penalty offer (within five working days)			
Totals		**106**	**45 (42%)**

Source: Scottish local authorities

FES to notify the local authority of the outcome at the conclusion of the case

60. This performance indicator provides the local authority with details of the outcome of an investigation in order for appropriate action to be taken. For example, to calculate and initiate the recovery of a fraudulent overpayment.

61. Full details of performance against this indicator in respect of the eight local authorities that recorded this information is provided at Exhibit 6 below.

Exhibit 6: FES to notify local authority of the outcome at the conclusion of the investigation (within five working days)	Number of cases	Number advised	Number advised within timescale
2014/15	Data not available	203	199 (98%)
2015/16 (31 May 2016)	Data not available	74	26 (35%)
Totals		**277**	**225 (81%)**

Source: Scottish local authorities

Investigation outcomes

62. In order to compare the effect of the transfer of responsibility for HB counter-fraud work to FES in respect of fraud investigation outcomes, we asked each local authority to provide information on the number of cases referred to the Procurator Fiscal, and the number of administrative penalties offered in the last full financial year before responsibility transferred to FES. We also sought similar information from FES.

63. However, although the majority of local authorities provided this information, we were unable to establish the same details from FES and therefore a comparison was not possible. However, analysis of the questionnaire data suggests that numbers have declined significantly since responsibility transferred to FES.

Recommendation for improvement	
6	FES should seek to develop management information to determine the effectiveness of fraud investigations that it conducts on behalf of local authorities and consider

Recommendation for improvement
reporting performance on a regular basis. Such information could include:
• the number and percentage of local authority referrals dealt with by Compliance that resulted in an overpayment
• the number and percentage of local authority referrals dealt with by Compliance that resulted in no further action
• the number and percentage of local authority referrals dealt with by Local Service Investigation that resulted in an administrative penalty
• the number and percentage of local authority referrals dealt with by Local Service Investigation that resulted in a prosecution.

Endnotes

Housing Benefit Good Practice Guide: Initiatives which deliver best value, Audit Scotland April 2016

Benefit performance audit: Annual update 2015/16, Audit Scotland June 2016

Review of housing benefit subsidy certification issues 2014/15, Audit Scotland January 2016

Review of activity to reduce fraud and error in housing benefit, Audit Scotland September 2015

Benefits performance audit: Annual Update 2014/15, Audit Scotland June 2015

Review of auditors' housing benefit subsidy claim reported errors 2013/14, Audit Scotland, February 2015

Appendix 1: Timetable of FES rollout in Scotland

64. The table below details the order that HB counter-fraud work was transferred from local authorities to FES.

Local authority	Date transferred
East Ayrshire	July 2014
Dumfries and Galloway	October 2014
South Ayrshire	October 2014
East Dunbartonshire	October 2014
North Lanarkshire	October 2014
Falkirk	October 2014
Glasgow	November 2014
South Lanarkshire	November 2014
Edinburgh	November 2014
East Lothian	November 2014
Fife	December 2014
North Ayrshire	February 2015
West Lothian	February 2015
Stirling	February 2015
Scottish Borders	March 2015
West Dunbartonshire	March 2015
Aberdeen City	April 2015
Aberdeenshire	May 2015
Angus	May 2015
Dundee	June 2015
Perth and Kinross	July 2015
Western Isles	July 2015

Local authority	Date transferred
Highland	August 2015
Moray	August 2015
Orkney	August 2015
Shetland	September 2015
Midlothian	October 2015
Argyll and Bute	October 2015
Clackmannanshire	October 2015
East Renfrewshire	December 2015
Inverclyde	February 2016
Renfrewshire	March 2016

Renfrewshire Council

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

On: **20 March 2017**

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

Heading: **Petition: Corsebar Road, Paisley**

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1.   Summary

1.1.   At the meeting of the Board held on 30 November, 2015 consideration was given to a petition by Ms Dryburgh in the undernoted terms:
"As I have become visually impaired and can no longer drive I have to access buses and also have to frequently attend clinics at the RAH. Trying to cross Corsebar Road is very difficult and dangerous, even for people who are elderly or disabled. I think there is an urgent need for a pedestrian crossing or even just a central island near the entrance to the RAH driveway".

1.2.   The Board considered the petition subsequently at meetings held on 15 February and 28 November 2016.

1.3   At the meeting of the Board held on 28 November 2016, the Board agreed that the petition be continued further and that the Transportation Manager liaise with the Royal Alexandra Hospital in relation to their views on a pedestrian crossing on Corsebar Road in the vicinity of the entrance to the hospital. It was also agreed that with reference to the Head of Amenity Services comment that the site's injury record did not justify an intervention, the Board be provided with details of the injury record and what would justify an intervention.

1.4   The Transportation Manager advises that Community Resources has contacted management staff at the RAH hospital and asked their views on the need for a controlled crossing point at the entrance to the hospital on Corsebar Road. RAH management have advised that they are not aware of any requests or any need for a crossing point at this location as bus services provide access to the main entrance of the hospital building. Community Resources has indicated that they are not proposing to pursue this request for a pedestrian crossing at this location.

1.5   The Transportation Manager further advises that there were three slight accidents, one Sept 2015 one November 2015, and the other Jan 2016. These were at the top of Corsebar Road between Corsebar Crescent, Thornwood Drive and at Cross Road. These were not near the section we had the site visit and there were no pedestrians involved in any of these accidents and none of these accidents would have been preventable if a crossing point was available at the hospital.

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.

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2.   **Recommendation**

2.1   That the Board resumes consideration of the petition.

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3   **Background**

3.1   The Board were advised that the Head of Amenity Services had indicated that a request had been received in 2013 for pedestrian facilities in Corsebar Road which resulted in a vehicle and pedestrian survey. Unfortunately the results of the survey did not justify any pedestrian facilities and no further action was taken. As a result of the RAH parking policy Renfrewshire Council had promoted a Traffic Regulation Order to restrict parking on Craw Road and Ricartsbar Avenue. The Council was currently looking at restrictions for Corsebar Road near to the entrance to the hospital.

3.2   At the meeting of the Board held on 30 November 2015 it was agreed that it be recommended to the Director of Community Resources that a further vehicle and pedestrian survey be undertaken; that a site visit be arranged for those members of the Board who wished to attend; and that the outcome be reported to a future meeting of the Board at which consideration of the petition would be resumed. The site visit took place on 14 December, 2015.

3.3   Consideration of the petition was resumed at the meeting of the Board held on 15 February 2016 at which time the Board noted the outcome of the survey and the conclusion by the Head of Amenity Services that neither side of the hospital entrance showed an appreciable bias in terms of number of pedestrians wishing to cross.

He considered that a signalised crossing will not significantly reduce pedestrian waiting times. The site's injury record does not justify an intervention. There is no observed justification for a signalised crossing based on pedestrian waiting times.

3.4   The Board noted that the location, together with the likelihood that pedestrians crossing at this site were infirm and required longer than average time to cross the road, presented exceptional circumstances. It was also noted that a pedestrian crossing had been installed in Stanley Road, which had significantly less traffic or pedestrians waiting to cross. It was agreed it be recommended to the Director of Community Resources that: (a) the rationale for the installation of a pedestrian crossing at Stanley Road be examined and compared against the Corsebar Road site; (b) all factors be taken into account to make an exceptional case for a pedestrian crossing near the RAH entrance; and (c) the options identified be reported to a future meeting of the Board when consideration of this matter would be resumed.

3.5   The Head of Amenity Services has indicated that the pelican crossing on Stanely Road, Paisley provides a safe crossing point for pedestrians from the Glenburn area to walk to Meikleriggs and vice versa and also access to a playing field. He has indicated that Community Resources will investigate the possibility of installing a crossing near to the entrance of the hospital. However, they are currently addressing parking issues outside the cottages on Corsebar Road and this will have to be taken into consideration.

3.6   The Board gave further consideration to the petition at its meeting held on 28 November 2016 when it was agreed that the petition be continued further and that the Transportation Manager liaise with the Royal Alexandra Hospital in relation to their views on a pedestrian crossing on Corsebar Road in the vicinity of the entrance to the hospital. It was also agreed that with reference to the Head of Amenity Services comment that the site's injury record did not justify an intervention, the Board be provided with details of the injury record and what would justify an intervention. The Transportation Manager's report is as set out in paragraph's 1.4 and 1.5 of this report.

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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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Author: Lilian Belshaw, Democratic Services Manager, 0141 618 7112

Renfrewshire Council

To:	**Audit, Scrutiny & Petitions Board**
On:	**20 March 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 was received from Ms Jessie McEwan "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 Board considered the petition at its meetings held on 28 November 2016 and 13 February 2017.   At the meeting on 13 February 2017 it was agreed that the petition be continued for a site visit.

1.3   The site visit took place on 2 March 2017.

1.4   The principal petitioner, together with one supporter, has been invited to attend this meeting in order that the petition may be considered further.

1.5   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 following the site visit.

3. **Background**

3.1 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.

3.2 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.

3.3 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.

3.4 The petition was continued in order that a site visit could take place with the petitioner, relevant officers, members who wished to attend and representatives from Strathclyde Passenger Transport.

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

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List of Background Papers – petition

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Author: Lilian Belshaw, Democratic Services Manager, 0141 618 7112

Renfrewshire Council

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

On: **20 March 2017**

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

Heading: **Petition: Speed Bumps at the Wickets, Paisley**

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1.   Summary

1.1   A petition was been received from Joseph Jackson, Chairperson, on behalf of the Wickets Residents Association, in the undernoted terms:

 "The Wickets Residents Association

Speeding by some drivers through the Wickets estate is persistent. The Association committee over the last 4 years has striven to address the issues, but to little effect.

The committee wish Renfrewshire Council to approve 3 sets of speed bumps within the estate."

1.2   The petition was considered by the Board at its meeting held on 28 November 2016 when it was agreed that the Transportation Manager undertake further discussions with the petitioners and that a site visit be arranged with Police Scotland; that the Transportation Manager and representatives of the Residents Association; and that the petitioner, together with Police Scotland be invited to a future meeting of the Board at which the petition would be considered further.

1.3   The Transportation Manager has advised that a site meeting was held with Police Scotland to consider the need for any traffic management measures within this small estate. The Police advised that the development was constructed in such a way that the road network makes speeding very difficult. No further measures are proposed for this estate. However the Police would follow up details of the vehicle(s) which residents consider to be breaking the speed limit.

1.4   The principal petitioner, together with one supporter, has been invited to attend this meeting in order that the petition may be considered further.

1.5   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.

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2.   **Recommendation**

2.1   That the Board resumes consideration of the petition.

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3   **Background**

3.1   The Head of Amenity Services advised the Board at its meeting held on 28 November 2016 that he could confirm that there were no injury accidents recorded on this length of road over the last three-year period. However Renfrewshire Council was aware that there have been reports of speeding in this area but there had not been any evidence to support this. He indicated that he would raise this with Police Scotland who may wish to carry out some speed monitoring.

3.2   The Board at its meeting held on 28 November 2016 having heard from the petitioner and the Transportation Manager agreed that the Transportation Manager undertake further discussions with the petitioners and that a site visit be arranged with Police Scotland; that the Transportation Manager and representatives of the Residents Association; and that the petitioner, together with Police Scotland be invited to a future meeting of the Board at which the petition would be considered further.

3.3   The Transportation Manager has provided an update following the site visit and this is detailed at paragraph 1.3 of this report.

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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Author: Lilian Belshaw, Democratic Services Manager, 0141 618 7112