

Minute of Meeting Audit, Risk and Scrutiny Board

Date	Time	Venue
Monday, 13 June 2022	10:00	Council Chamber & on Teams Platform,

Present: Councillor Andy Doig, Councillor Chris Gilmour, Councillor John Gray, Councillor John Hood, Councillor Robert Innes, Councillor James MacLaren, Councillor Kevin Montgomery

In Attendance

A MacArthur, Director of Finance & Resources; L McIntyre, Head of Policy & Commissioning and L Fingland, Service Planning & Policy Development Manager (both Chief Executive's); C Dalrymple Communities & Regulatory Manager (Communities, Housing & Planning); D Gillies, Head of Facilities Management (Hard & Soft Services) and G Hutton, Head of Operations & Infrastructure, (both Environment & Infrastructure); and C McCourt, Head of Finance, M Conaghan, Head of Corporate Governance, K Campbell, Assistant Chief Auditor, K Locke, Risk Manager. B Lambert, Corporate Procurement Manager, D Pole, I Blair and J Whitehead (all End User Technicians), E Gray, and C MacDonald, both Senior Committee Services Officers and D Cunningham, Assistant Committee Services Officer (all Finance & Resources).

Also in Attendance

M Ferris, Senior Audit Manager, Audit Scotland.

Webcasting of Meeting

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

Declarations of Interest

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

1 **Development Plan for Audit, Risk & Scrutiny Board Members**

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

The report intimated that in line with national guidance produced by the Chartered Institute of Public Finance and Accountancy (CIPFA) on the implementation of Audit Committee Principles in Scottish Local Authorities, training on audit and risk related matters was provided to members of the Audit, Risk & Scrutiny Board. A copy of the proposed programme of development briefings was appended to the report.

DECIDED: That the programme of training briefings be approved.

2 **Summary of Internal Audit Reports for period 01 January to 20 May 2022**

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

The appendix to the report detailed the category of assurance, service, engagement and assurance rating and gave recommended risk ratings for each engagement as either critical, important, good practice or service improvement. A summary of findings was also provided in relation to final reports issued for those engagements completed during the period 1 January to 20 May 2022.

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

DECIDED: That the summary of Audit findings report for the period 1 January to 20 May 2022 be noted.

3 **Summary of Outstanding Internal Audit Recommendations**

Under reference to Item 3 of the Minute of the meeting of the Audit, Risk & Scrutiny Board held on 19 March 2018, there was submitted a report by the Chief Auditor relative to a summary of outstanding Internal Audit recommendations.

The report provided an updated position of the critical recommendations that had been followed up during 2021/22 and had not yet been implemented fully. The appendix to the report detailed the recommendations that had not yet been implemented or were in the process of being implemented and the latest responses

received from service management.

DECIDED: That the position in relation to the outstanding recommendations be noted.

4 Internal Audit Annual Report 2021/22

There was submitted a report by the Chief Auditor relative to the Annual Report on the activities of the Council's Internal Audit section.

The report intimated that the Public Sector Internal Audit Standards (PSIAS) required that the Chief Auditor prepared a report at least annually to senior management and the Board on internal audit activity, purpose, authority and responsibility as well as performance relative to its plan. The Annual Report also provided an annual audit opinion on the overall adequacy and effectiveness of the Council's internal control environment and included details of any significant risk exposures, control issues and other matters that could be used to inform the governance statement. The Annual Report for 2021/22 was appended to the report and outlined the role of internal audit; its performance; the strategic and operational issues which influenced the nature of the work carried out; the key audit findings; and contained the annual audit assurance statement.

DECIDED: That the report be noted.

5 Internal Audit Annual Plan 2022/23

There was submitted a report by the Chief Auditor relative to the 2022/23 risk-based Annual Internal Audit Plan which had been developed in line with the requirements of the Public Sector Internal Audit Standards.

The report outlined the methods that had been employed to facilitate production of the risk-based audit plan and that a number of influencing factors had been considered in the assessment of the current business environment and the priority areas of audit.

DECIDED:

(a) That the content of the risk-based audit plan for 2022/23 be approved; and

(b) That it be noted that the progress of the 2022/23 annual audit plan and summaries of the findings from each audit assignment would be reported to the Board on a quarterly basis.

6 Unaudited Annual Governance Statement

There was submitted a report by the Director of Finance & Resources relative to the Annual Governance Statement for 2021/22 which was attached as an appendix to the report.

The Governance Statement for 2021/22 had been prepared in accordance with the relevant regulation and guidance and took account of the Internal Audit Annual Report and Director's evaluation of the operation of the governance arrangements within each service area.

DECIDED: That it be noted that the Annual Governance Statement would be included in the Unaudited Accounts for 2021/22.

7 Risk Report - April 2022

There was submitted a report by the Director of Finance & Resources relative to an update on the strategic, corporate and key service risks for April 2022.

The report advised on the latest position in managing the agreed risks for the first quarter of the year. The appendices provided details of longer-term strategic and corporate risks as at 30 April 2022, details of longer-term significant service risks as at 30 April 2022, and a list of 'business as usual' risks.

DECIDED: That the progress being made in managing the risks identified be approved.

8 Risk Management Annual Report 2021/2022

There was submitted a report by the Director of Finance & Resources relative to corporate risk management activity which took place during 2021/22 in relation to the Council's risk management arrangements and strategic risk management objectives. A copy of the Risk Management Annual Report for 2021/22 was appended to the report.

The report intimated that in exceptionally challenging times and with diminishing resources, the Council continued to apply an appropriate level of risk management to prevent or mitigate the effects of loss or harm. In doing so, it was recognised that good risk management contributed to the delivery of better financial outcomes, business objectives, better project success rates, achievement of targets and fewer unexpected problems.

An environment that was risk 'aware' rather than risk 'averse' was purposefully promoted and every effort was being made to place risk management information at the heart of the key decisions that were being made which meant that an effective approach to managing risk could be taken in a way that both addressed the significant challenges and enabled innovation.

Discussion took place on flooding and gully cleaning and it was agreed that a report be submitted to a future meeting of the board in relation to flood-risk and how it is dealt with.

DECIDED:

(a) That the Annual Report and significant contribution that it made with regard to the Council's corporate governance arrangements be noted; and

(b) That it be agreed that a report be submitted to a future meeting of the board in relation to flood-risk and how it is dealt with.

9 Accounts Commission - Local Government in Scotland - Overview 2022

There was submitted a report by the Chief Executive relative to Audit Scotland's report on behalf of the Accounts Commission, a copy of which was attached as an appendix to the report.

The report outlined the impact of the pandemic on local authorities and covered a period of frequent change, from March 2021 to February 2022. The report focused on how the pandemic had impacted the way in which councils organised themselves and managed resources, and on how they adapted to address local needs. A number of case studies were included to show how different councils had dealt with the many challenges arising. Renfrewshire Council's Community Impact Assessment was highlighted as a case study.

The key messages from the report acknowledged that the year had been very challenging for local authorities, managing a range of complex external factors including the pandemic, the climate crisis and the UK's departure from the EU whilst also dealing with longer-term issues such as demographic shifts. The report highlighted lessons learned from the pandemic and noted positive aspects which could be built on to further improve services and outcomes.

DECIDED:

(a) That the contents of the report be noted; and

(b) That the contents of the Audit Scotland Overview report contained as an appendix to the report be noted.

Exclusion of Press and Public

The Board resolved that the press and public be excluded from the meeting during consideration of Item 6 as it was likely, in view of the nature of the business to be transacted, that if members of the press and public were present, there would be disclosure to them of exempt information as defined in paragraph 1 of Part I of Schedule 7A of the Local Government (Scotland) Act 1973.

10 Summary of Internal Audit Investigation Reports for Period 1 January to 20 May 2022

There was submitted a report by the Chief Auditor relative to the requirement in terms of the Public Sector Internal Audit Standards (PSIAS) that Internal Audit reported on the findings and conclusions of audit engagements to the Board. The appendix to the report provided a summary of the findings of one internal audit investigation.

DECIDED: That the summary finalised during the period from 1 January to 20 May 2022 be noted.