

Minute of Meeting Audit, Risk and Scrutiny Board

Date	Time	Venue
Monday, 23 November 2020	10:00	remotely via Teams,

Present

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

In Attendance

M Moran, Assistant Economic Development Manager and Lead Officer (Chief Executive's); D Gillies, Head of Facilities Management (Environment & Infrastructure Services); L Neary, Head of Transformation, HR and OD, A MacArthur, Head of Finance, A McMahon, Chief Auditor, K Locke, Risk Manager, A Connor, Records Manager, R McFarnon, Service Delivery Manager (Customer Operations), S Fanning, Principal HR & OD Adviser, D Pole, End User Technician, D Low, Democratic Services Manager; A McNaughton and C MacDonald, both Senior Committee Services Officers (all Finance & Resources).

Also in Attendance

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

Declarations of Interest

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

1 Audit Scotland Report to those Charged with Governance - 2019/20 Renfrewshire Council Annual Accounts

There was submitted a report by the Director of Finance & Resources relative to Audit Scotland's findings from the audit of the 2019/20 Renfrewshire Council financial statements; the findings from the audit of the annual accounts; and their other audit

activity over the course of 2019/20.

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

In accordance with International Auditing Standards (ISA260) Audit Scotland was obliged to report to those charged with the governance of the organisation matters which had arisen in the course of the audit. A copy of the findings from the audit of the 2019/20 Renfrewshire Council accounts was attached as an appendix to the report.

Under the Local Authority Accounts (Scotland) Regulations 2014, the Council required to meet to consider the Annual Accounts and approve those accounts for signature no later than 30 September 2020. However, for 2019/20, the Coronavirus (Scotland) Act 2020 provided flexibility to the deadline and it had been extended to 30 November 2020.

DECIDED: That the report and attached Audit Scotland report be noted.

2 Audited Annual Accounts 2019/20 - Renfrewshire Council

There was submitted a report by the Director of Finance & Resources relative to the audit of the Annual Accounts 2019/20, a copy of which was appended to the report.

The report intimated that the 2019/20 unaudited Annual Accounts were approved at the meeting of the Council held on 25 June 2020. Each year the Council's appointed external auditors (Audit Scotland) carried out an audit of the Council's financial statements and provided an opinion as to whether those statements provided a true and fair view of the financial position of the Council and its income and expenditure for the year; and also whether they had been prepared in accordance with the relevant regulations.

The report advised that there were three changes made to the annual accounts over the course of the audit in relation to the valuation of the pension liability, the valuation of Plant, Property and Equipment and Creditors. Other reclassification and presentational changes had also been agreed.

DECIDED: That it be agreed that the report and attached audited annual accounts 2019/20 be noted and recommended to the Council for approval.

3 Audit Scotland Report to those Charged with Governance - 2019/20 Common Good Funds and Coats Observatory Trust Annual Accounts

There was submitted a report by the Director of Finance & Resources relative to Audit Scotland's findings from the audit of the Common Good Funds and charities controlled by the Council for 2019/20.

The report intimated that each year the Council's appointed external auditors (Audit Scotland) carried out an audit of the Council's financial statements of the Common Good funds and Coats Observatory Trust controlled by the Council and provided an opinion as to whether those statements provided a fair and true view of the financial position of the charities and their income and expenditure for the year and also whether they had been prepared in accordance with the relevant regulations.

A copy of the 2019/20 audited Annual Accounts for the Common Good funds and Coats Observatory Trust controlled by the Council was attached as an appendix to the report. Under the Local Authority Accounts (Scotland) Regulations 2014, the Council required to meet to consider the Annual Accounts and approve those accounts for signature no later than 30 September 2020. However, for 2019/20, the Coronavirus (Scotland) Act 2020 provided flexibility to the deadline and it had been extended to 30 November 2020.

DECIDED That the report and attached Audit Scotland reports be noted.

4 Audited Financial Statements 2019/20 - Common Good Funds and Coats Observatory Trust

There was submitted a report by the Director of Finance & Resources relative to the audited annual accounts of the Common Good Funds and charities controlled by the Council for 2019/20.

The report intimated that each year the Council's appointed external auditors (Audit Scotland) carried out an audit of the Council's financial statements of the Common Good funds and charities controlled by the Council and provided an opinion as to whether those statements provided a fair and true view of the financial position of the charities and their income and expenditure for the year and also whether they had been prepared in accordance with the relevant regulations.

The report advised that there were no significant changes to the annual accounts required over the course of the audit process and minor presentational changes were agreed.

A copy of the 2019/20 audited Annual Accounts for the Common Good funds and charities controlled by the Council was attached as an appendix to the report.

DECIDED: That the attached 2019/20 audited financial statements for the charities controlled by the Council be noted and the report be recommended to the Council for approval.

5 Internal Audit and Counter Fraud Progress and Performance for Period to 30 September 2020

There was submitted a report by the Chief Auditor relative to Internal Audit and Counter Fraud performance between 1 July to 30 September 2020 in terms of the delivery of the Audit Plan for the year and outlining actual performance against targets set by the Director of Finance & Resources.

No formal performance targets for fraud investigation had been established as a major part of the team's work involved being the single point of contact for the Department for

Work and Pensions (DWP) Single Fraud Investigation Service and the Service Level Agreement for the work contained time targets for completing this work. It was noted that the focus over the last year had been on increasing fraud awareness amongst employees to prevent fraud from occurring against the Council. The types of fraud referrals received to date were wide-ranging and the team's objective was to concentrate on investigating those referrals considered to contain the greatest fraud risk. The report also detailed the progress made against local and national initiatives involving Internal Audit and the Counter Fraud Team.

The report advised that as a result of the COVID-19 pandemic, the majority of fraud investigation work had been suspended until September 2020. This work had now recommenced with priority being given to those areas with the greatest fraud risk. Joint working with the DWP's Single Fraud Investigation service had also temporarily ceased and they were awaiting a date for the work to recommence. Referrals for consideration of fraud investigations were still being passed to the DWP. All of the Counter Fraud Team were currently working from home.

It was noted that the Internal Audit team were also working from home full-time and were continuing to work on planned audit assignments which were able to be undertaken remotely. The team were also providing advice and support where necessary to council services. In addition, a review of the current audit plan had been undertaken to take account of the current situation and proposed amendments to the plan were included in the report.

DECIDED:

- (a) That the Internal Audit and Counter Fraud Team progress and performance to 30 September 2020 be noted;
- (b) That the proposed amendments to the Annual Internal Audit Plan for 2020/2021 be approved; and
- (c) That authority be delegated authority to the Chief Auditor to continue to monitor and, if necessary, revise the Internal Audit Plan, in consultation with the Convener, for the remainder of the year to March 2021. Any amendments made under this delegation would be reported to members in the annual report.

6 Summary of Internal Audit Reports for period 01 July to 30 September 2020

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.

An appendix to the report detailed the category of assurance, service, engagement and assurance rating and gave recommended risk ratings for each engagement as either critical, important, good practice or service improvement. A summary of findings was also provided in relation to final reports issued for those engagements completed during the period 1 July to 30 September 2020.

The report intimated that in addition to the reports listed in the Appendix, Internal Audit had an ongoing commitment to a range corporate and service initiatives, progress information security matters in partnership with ICT and Legal Services, provided

regular advice to officers, provided Internal Audit services to the associated bodies for which Renfrewshire Council was the lead authority and to Renfrewshire Leisure Limited and Renfrewshire Health and Social Care Integration Joint Board, coordination of the Council's Corporate Risk Management activity and management of the counter fraud, risk management and insurance team.

DECIDED: That the summary of Audit findings report for the period 1 July to 30 September 2020 be noted.

7 Audit Scotland Report - The National Fraud Initiative 2018/2019

There was submitted a report by the Chief Auditor relative to Audit Scotland's report on the National Fraud Initiative (NFI) 2018/2019 which was published in July 2020, a copy of which was appended to the report.

The report highlighted that Scottish public bodies had recorded outcomes of £15.3 million arising since the last NFI report in June 2018. The cumulative outcomes from the NFI in Scotland were now around £143.6 million and £1.93 billion across the UK.

DECIDED: That the report from Audit Scotland and the position in relation to Renfrewshire Council's arrangements be noted.

8 Audit Scotland Report - Covid-19 Emerging Fraud Risks

There was submitted a report by the Chief Auditor relative to a series of reports which Audit Scotland had begun publishing relating to the Covid-19 pandemic. The first report was published in July 2020, entitled 'Covid-19: Emerging Fraud Risks', a copy of which was appended to the report.

The report highlighted that since the start of the pandemic, the risk of fraud and error had increased throughout all of the Public Sector as organisations became stretched, and controls and governance were changed. The report detailed the range of fraud risks emerging from the Covid-19 crisis to date and provided some recommended actions for public bodies in order to help reduce these risks.

DECIDED: That the report from Audit Scotland, and Renfrewshire Council's arrangements, which were in place in relation to the recommended actions that organisations could take to reduce the emerging public sector fraud risks, be noted.

9 Audit Scotland Report - Covid 19 Guide for Audit and Risk Committees

There was submitted a report by the Chief Auditor relative to a series of guides which Audit Scotland had developed for public bodies and auditors in relation to the risks arising from Covid-19. The Guide for Audit and Risk Committees had been published in August 2020, a copy of which was appended to the report.

The guide focused on the short-term challenges facing public bodies in the response phase of the pandemic and highlighted key areas that audit and risk committees required to focus on.

DECIDED: That the Audit Scotland Covid-19 Guide for Audit and Risk Committees be noted.

10 Strategic, Corporate and Service Risks

There was submitted a report by the Director of Finance & Resources relative to the strategic and corporate risk registers.

The report advised that the strategic and corporate risk registers were usually refreshed on an annual basis; led by the Corporate Risk Management Group (CRMG), on behalf of and in consultation with the Corporate Management Team. In addition, each service department maintained its own risk management plan in respect of the operational risks within their areas of responsibility. The CRMG had been preparing the risks to be submitted to the Audit, Risk and Scrutiny Board for approval when the UK went into lockdown in response to the global pandemic. Since March 2020, the risk management priority of the organisation had focused firstly on the corporate risk for the response to Covid-19 and then on the recovery from Covid-19. Over more recent months however, it had become clear that rather than have separate risks relating to Covid-19, the more appropriate approach was to review all existing risks for Covid-19 impact, and further, reconsider the council's full risk profile as viewed now through the Covid-19 experience. This work had now been completed, agreed by the Emergency Management Team and included within the report.

To assist with understanding how the CRMG had approached its review of the strategic and corporate risk profile and also to help provide a clear audit trail of the transition from the former risk profile to the new one the audited trail of change from previous risk was outlined in appendix 1 the report.

Last year, risks were sub-categorised as being 'imminent, longer-term and business as usual,' with longer-term challenges reported in detail and a summary only for business as usual risks. Given the amount of change however arising from this specific review, all risks were presented in their full form as appendices 2-4 to the report.

The report highlighted that the Council now had five very high (red) risks which went well beyond the Council's appetite for risk and ordinarily would have been deemed to be 'unacceptable.' However, given that the risks were largely being driven by external factors outwith the Council's control, there was little option but to continue to carefully manage and monitor these.

DECIDED: That the strategic, corporate and key service risks be approved and the Board be assured regarding the methodologies used to ensure the appropriate risks were being identified and managed.

11 Risk Management Annual Report 2019/20

There was submitted a report by the Director of Finance & Resources relative to corporate risk management activity which took place during 2019/20 in relation to the Council's risk management arrangements and strategic risk management objectives. A copy of the Risk Management Annual Report for 2019/20 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.

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 the future plans as outlined in section 9 of the attached Appendix be noted.

12 Scottish Information Commissioner - Annual Report and Accounts 2019/20: Freedom of Information in a Changing Environment

There was submitted a report by the Director of Finance & Resources relative to the annual report and accounts 2019/20 by the Scottish Information Commissioner.

The report intimated that the Freedom of Information (Scotland) Act 2002 (FOISA) created a general right to obtain information from any designated Scottish public authority subject to limited exemptions. The Annual Report for 2019/20 reviewed the role of Freedom of Information (FOI) in a changing environment. The Commissioner advised that as the report covered up until the end of March 2020, much of the impact of the Covid-19 pandemic would be more apparent in the following year's report.

The Commissioner's 2019/20 annual report highlighted some positive key messages and important trends in the Freedom of Information (FOI) landscape in Scotland.

It was noted that in total there had been 79,300 FOI requests in Scotland in 2019/20 which was a decrease of 6% on the previous year. Renfrewshire Council received 1,691 FOI requests in 2019/20 compared to 1,729 in 2018/19.

Across Scotland 2.3% of requests resulted in a requirement for review. The Council received 17 requirements for review in 2019/20 compared to 41 the previous financial year.

The report advised that since the last report submitted to the Board on 20 January 2020 which advised that there was one further valid appeal application for the year 2019, which was decided in favour of the Council, there had been no further appeals for 2019/20.

The report advised that the low level of requirement for review compared to the high volume of requests processed by the Council indicated that the Council continued to manage its responsibilities well.

DECIDED:

- (a) That the contents of the Scottish Information Commissioner's annual report be noted: and
- (b) That the information on the numbers of FOI requests, reviews and appeals involving the Council as indicated in paragraph 3.4 of the report be noted.

13 Absence Statistics Q1 20/21

There was submitted a report by the Director of Finance & Resources relative to the Council's absence statistics for the quarter 1 ending 30 June 2020 and for quarter 2 ending 30 September 2020.

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

The report intimated that short-term absences had reduced and it was thought that this might have been due to: 'working from home arrangements' which allowed people to more easily continue to work when they may have been feeling slightly unwell; less people had been circulating and interacting due to non-essential workplace activities being closed down thereby reducing the opportunity for transmission of short-term ailments when working or commuting; and there had been a strong sense of community and commitment reflected in the workforce ethos to continue to deliver essential services during such an unprecedented time. It was noted that longer term absences had risen slightly compared to the same time last year, but it was thought that this might have been due to a range of wider factors including increased anxieties around the impact of the Covid-19 virus.

DECIDED: That the report on absence statistics for the quarter 1 ending 30 June 2020 and for quarter 2 ending 30 September 2020 be noted.

14 Scottish Public Services Ombudsman (SPSO) Annual Report 2019/2

There was submitted a report by the Director of Finance & Resources relative to the Scottish Public Services Ombudsman's (SPSO) Annual Report 2019/20.

The report intimated that the SPSO was the final stage for complaints about Councils, the National Health Service, housing associations, colleges, universities, prisons, most water providers, the Scottish Government and its agencies and departments and most Scottish authorities. The Health Sector was the sector about which the SPSO received most complaints (36%) with Local Authority receiving the second highest number (31%). No complaint details for specific organisations were included in the report. However, information was received separately from the SPSO relative to Renfrewshire which indicated that the number of complaints received by the SPSO was 47 which was the same as 2018/19. Of the 47 complaints determined during the period none went to investigation stage. The SPSO would not generally consider a complaint unless the complainer had gone through the Council's complaints procedure fully. In 2019/20 the Council received 7,633 complaints compared with 8,200 in 2018/19.

DECIDED:

(a) That the report be noted; and

(b) That it be noted of the 47 complaints against Renfrewshire Council determined by the SPSO in 2019/20 none went to investigation stage.

15 Commissioner for Ethical Standards in Public Life in Scotland - Annual Report 2019/20

There was submitted a report by the Director of Finance & Resources relative to the annual report by the Commissioner for Ethical Standards in Public Life in Scotland.

The report provided details of the investigation of complaints about the conduct of councillors, members of devolved public bodies and MSPs and scrutiny of Scotland's Ministerial public appointments process. The report also related to the Commissioner's 2020/24 strategic plan, looked forward to the 2020/21 period of the plan and provided an overview of the 2019/20 budget.

The report also advised that the Ethical Standards Commissioner, who commenced on 1 April 2019 had implemented a restructure plan to reshape the service to better meet the needs of MSPs, Councillors, Board Members and members of the public. This had proved incredibly challenging and had been punctuated by the pandemic but had delivered significant benefits.

Nationally during 2019/20 the Commissioner received 284 complaints compared with 173 in 2018/19. The subject matter of the complaints was detailed in the report, however, it was highlighted that the largest category of complaints related to quasi-judicial or regulatory applications.

No specific figures relative to Renfrewshire Council were included in the Commissioner's report. However, information had been received separately from the Commissioner that, during the period covered by the report five complaints had been received compared with three in 2018/19 and four in 2017/18.

The report noted that, due to the lockdown arrangements, the Council had not been able to deliver against the Council's induction programme of events and development opportunities for councillors. However, elected members were provided with many opportunities for training and the Head of Corporate Governance was available for members for advice on the Code of Conduct generally and specifically in relation to the registration and declaration of interests.

DECIDED:

(a) That the 2019/20 annual report by the Commission for Ethical Standards in Public Life in Scotland be noted; and

(b) That the actions taken in Renfrewshire in relation to the Code of Conduct and members' development opportunities be noted.

16 Conversion of Grassed Areas to Parking - Lead Officer Michael Moran

There was submitted a report by the Lead Officer which summarised the evidence and findings following the review and outlined a number of recommendations.

The report outlined the purpose and scope of the review, included summaries of the information reported to each Board meeting and highlighted the key findings, conclusions and proposed recommendations.

After discussion, the Board agreed that the approved report be submitted to a future meeting of the Council.

DECIDED:

- (a) That it be agreed that the report be approved; and
- (b) That it be approved that the report be submitted to Council to be held on 17 December 2020.

RECORDING OF DISSENT

Councillor Sharkey, being the mover of an amendment, which failed to find a seconder asked that his dissent be recorded in terms of Standing Order 24.

Exclusion of Press and Public

The Board resolved that the press and public be excluded from the meeting during consideration of the following item 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 paragraphs 1 and 14 of Part I of Schedule 7A of the Local Government (Scotland) Act 1973.

17 Summary of Internal Audit Investigation Report for Period 01 July to 30 September 2020

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 an internal audit investigation.

DECIDED: That the summary of the Internal Audit Investigation finalised during the period from 1 July to 30 September 2020 be noted.