

**Corporate and Community Services Department**

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Date: 17 September 2021

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TO: Councillors Stewart Miller (Chair), Barbara Grant (Vice-Chair), Angela Convery, Charlie Gilbert, Annette Ireland, Jim McLean and Jim Swift.

**AUDIT AND SCRUTINY COMMITTEE**

A meeting of the Audit and Scrutiny Committee will be held on **Thursday, 23 September 2021 at 2.00pm.**

The agenda of business is as listed below.

**Please note this is a virtual meeting.**

**CAROLINE INNES**

C INNES

DEPUTY CHIEF EXECUTIVE

**AGENDA**

1. **Report apologies for absence.**
2. **Declarations of interest.**
3. **Chair's Report.**
4. **Withdrawal from the European Union - Update - Joint Report by Director of Corporate & Community Services and Director of Environment (copy attached, pages 3 - 8).**
5. **Managing Absence Annual Report – Report by Deputy Chief Executive (copy attached, pages 9 - 14).**
6. **Summary of Early Retirement/Redundancy Costs to 31 March 2021 – Report by Deputy Chief Executive (copy attached, pages 15 - 18).**

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- 7. National Fraud Initiative – Update – Report by Head of Communities, Revenues and Change (copy attached, pages 19 - 24).**
- 8. Managing the Risk of Fraud and Corruption – Fraud Response Statement 2020/21 (Including Audit Scotland Fraud and Irregularity Report 2020/21) - Report by Chief Executive (copy attached, pages 25 - 32).**
- 9. Strategic Risk Register and Risk Management Progress - Biannual Report - Report by Chief Executive (copy attached, pages 33 - 60).**
- 10. Local External Audit Report – East Renfrewshire Council Management Report 2020/21 – Review of Internal Controls in Financial Systems - Report by External Auditor (copy attached, pages 61 - 72).**
- 11. Internal Audit Annual Report 2020/21 - Report by Chief Auditor (copy attached, pages 73 - 90).**

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EAST RENFREWSHIRE COUNCIL  
AUDIT AND SCRUTINY COMMITTEE  
23 SEPTEMBER 2021

Report by Directors of Corporate & Community Services and Environment  
UPDATE ON WITHDRAWAL FROM THE EUROPEAN UNION

### **PURPOSE OF REPORT**

1. This report provides an update on the United Kingdom's (UK's) exit from the European Union (EU) and East Renfrewshire Council's work in response to this.

### **RECOMMENDATION**

2. It is recommended that the Audit and Scrutiny Committee:-
- (a) note and consider this report; and
  - (b) determine if any further updates are required.

### **BACKGROUND**

3. Following the results of the 2016 Referendum, the UK ceased its EU membership on 31 January 2020. From 1 January 2021, the UK and EU entered a new relationship primarily based upon a Trade and Cooperation Agreement; reached on 24 December 2020.
4. The agreements between the EU and UK have provisions that govern their future relationship, trade and citizen's rights. There remains potential for supplementary agreements. The Trade and Cooperation Agreement will be reviewed every five years.
5. Increasing numbers of goods and services are proving challenging to procure, and / or had substantial price increases. However, it is impossible to untangle how much of this is EU Exit related and how much is a consequence of the Coronavirus pandemic and other factors.
6. EU nationals seeking to protect their rights to live / work in the UK were invited to apply to the EU Settlement Scheme; which arose because of the end of Freedom of Movement between the UK and EU on 31 December 2020. From 30 June 2021, any EU nationals newly seeking to live / work in the UK will be required to meet the points based immigration criteria.
7. While the legal and regulatory landscape has yet to alter significantly, the UK and Scottish legislature may opt to alter this in the future. The UK will not have to follow EU rules and will not be subject to the European Court of Justice, however, both sides have committed to keeping policies within parameters that avoid unfair trade competition.

### **TRADE AND THE ECONOMY**

8. While the Trade and Cooperation Agreement provides for tariff free trade, businesses face increased import / export difficulties because of the changed border regime. As well as a challenging supply chain environment, import / export faces duty costs, as well as indirect costs arising from paperwork and goods checks. Export to the EU has been impacted, as there have been delays to import and Northern Ireland related measures being implemented. This

was primarily to allow the UK and businesses to adapt to the new border regime. On 6 September, the UK announced its intention to extend grace periods in relation to Northern Ireland on an indefinite basis. At the time of writing, all other grace periods in relation to import are due to expire on 1 October 2021 and 1 January 2022.

9. Across the Council, there has been impacts in relation to the pricing and availability of construction, road and environmental raw materials. These products have been subject to significant price increases, with container costs and port delays having impact. The latter element will be at least partially attributable to EU Exit and the changed border models. Additionally goods have faced longer lead times, arising from reductions in manufacturing or backlogs. A combination of Coronavirus, the Suez Canal blockage in March 2021 and EU Exit have contributed to this situation. Specific examples of product issues include:

- Copper: Pricing has increased from \$4,772 per tonne in April 2020 to \$9,949 in April 2021. Mining was impacted by Covid-19 lockdowns, evidenced by February 2021 showing 74,000 tonnes of copper available on stock markets – compared to 222,000 tonnes in April 2020. This deficit in availability has created a sellers' market.
- Timber: To March 2021, the price of sawn wood was 16.6% higher than in the previous year. Timber is particularly prone to EU Exit issues, as 80% of the wood used in the UK building industry comes from Europe.

10. Price increases and delays to these type of products increase the risk to our Capital Projects. As materials become scarce or come at an inflated cost, there is heightened risk that works will miss deadlines or exceed the budget allocated.

11. Price increases and product scarcity has affected our food purchasing. For example, poultry prices for school meals have increased by 27%. This exceeds worst-case scenario predictions for increases of up to 10% following a No Deal EU Exit. Prolonged lead in times have also impacted our vehicle purchasing. The period for carrying out specification and purchases was typically nine months, but this is now extending to eighteen months and beyond. This is linked to global shortages of component parts, for example microchips.

12. With businesses adapting to a changing border regime, it is anticipated our services that regularly interact with or support them will receive increased requests for information and advice. This is likely to impact upon Economic Development, Trading Standards and Environmental Health.

13. There will be a significant increase in the number of Export Health Certificates, (EHCs) required for products of animal origin, because of border regime changes. The need for EHCs have arisen through the Trade & Cooperation Agreement. They require to be signed by an authorised person; typically an Environmental Health Officer (EHO). There is significant concern that as UK border relaxations end in October 2021 and January 2022 – there will be a substantial escalation in the requirement for EHOs to check products and administer EHCs.

14. Coronavirus has already heavily driven EHO workload; as has the return to food inspections, etc. that had previously been permitted to be suspended in response to the pandemic. This workforce continues to face national shortage; any increase in requirement for EHCs will create further challenges. The Society of Local Authority Chief Executives discussed these concerns in August 2021, and this is a matter that COSLA regularly link with the profession to seek solutions from the Government.

15. In light of the current economic situation, recruitment and retention of employees is becoming a growing challenge. It has been well publicised that there is a national shortage of HGV drivers across the UK, which is seeing talent become highly sought after and attracting signing bonuses or increased wages. As mentioned, Environmental Health Officers have been and continue to be an area of workforce that is facing shortages. We have faced challenges in recruitment within Care at Home and of agency staff across a number of areas. These

broader employment pressures will likely mean that future recruitment will become more challenging, with salaries & benefits driven up in sectors with significant shortages.

16. It should be noted that the current economic climate is because of a number of factors. This includes EU Exit, but also Coronavirus and the Suez blockage. It is likely that these factors have combined to a perfect storm scenario; but it means that it is impossible to determine which challenges are because of EU Exit.

## **DATA & INFORMATION SHARING**

17. The EU provided the UK with an equivalency certification in relation to data protection and sharing in June 2021. This means that information sharing can carry on as it had done prior to EU Exit. The equivalency decision is unique in that it has a four yearly review built into it. Any review will consider if the UK has diverted significantly from its existing data protection measures, which are currently in line with those of the EU, this includes GDPR.

## **FUNDING**

18. The UK Government is due to launch the Shared Prosperity Fund in 2022, with a view to replacing previously available EU funding, such as Structural Funds. In the Autumn Statement, the UK Government indicated that additional funding to support communities would be available to bridge the gap between EU Funding and the Shared Prosperity Fund.

19. In Spring 2021, the UK Government confirmed that the Shared Prosperity Fund will be a competitive process. Local Authorities and projects will bid for funds - with the UK Government determining where funding will be awarded. This is similar to the process that is in place for the Community Renewal Fund and Level Up funding. The UK Government will be utilising the lessons learned from these schemes to shape the Shared Prosperity Fund.

20. The Council is exploring opportunities that may arise from these new funding streams. Our work on Inclusive Growth, Community Wealth Building and Community Capacity will be crucial to our success in seeking support under any funding streams.

## **LAWS & REGULATIONS**

21. Laws and Regulations in place have not directly altered because of the end of the Transition Period; with both the UK and Scottish legislature ensuring any elements derived directly from EU law were in UK / Scottish law.

22. Procurement law in Scotland has witnessed minor technical changes following EU Exit; however, procedures and basic requirements have not changed. Equal treatment to bidders from other countries, that are signatories to the World Trade Organisation's Government Procurement Agreement remains. The UK has become a party to this agreement in its own right, rather than by virtue of EU Membership. The primary change to public procurement is that public bodies will publish notices through the new UK system rather than the EU system.

23. It should be noted that as part of the UK – EU Deal, there is agreement for a level playing field in areas such as environmental standards, state subsidies and labour rights. Both parties are committed to keeping policies within parameters that avoid unfair trade competition. This should mean that these areas would not weaken from their current position; because significant changes would result in tariffs upon trade.

24. The Scottish Government have legislated through the European Union (Legal Continuity) (Scotland) Act, which aims to keep pace and equity with EU legislation. Under this Act, there is provision that seeks to ensure that Local Authorities will be consulted where the Scottish Government wants to introduce new powers.

25. The Internal Market Act 2020 came into effect on 31 December 2020, following the UK leaving the EU. The key principles of the Act are mutual recognition and non-discrimination. At its most basic level, the Act means that if goods and services can be legally sold in one part of the UK – they can be legally sold in all other parts. The non-discrimination principle prevents devolved governments from legislating in a way that discriminates between goods and services from other parts of the UK.

26. The impacts of the Internal Market Act will be better understood as it is tested by practical examples from the devolved administrations. One area where it has emerged that the legal basis of the Act will be used is in relation to Subsidy Controls. The Internal Market Act 2020 defined the power to grant subsidies to be a reserved power. The effects of this can be seen in the recent Subsidy Control Bill, where the proposal is that Governance of subsidies from public bodies is determined by Westminster. Devolved administrations will only be able to influence the new rules as part of the existing intergovernmental consultation arrangements.

## **EU SETTLEMENT SCHEME**

27. The EU Settlement Scheme closed on 30 June 2021. However, there are circumstances in which the Home Office is accepting late applications. The Scheme allows EU Nationals resident in the UK prior to 31 December 2020 to apply to protect their rights to live and work in the UK. Successful applicants receive either Settled or Pre-Settled status; depending on the period they have continuously lived in the UK. Settled Status will be awarded to successful applicants who have lived in the UK for five years or longer.

28. Home Office figures indicate that to the end of March 2021, there have been 1,260 Settlement Scheme applications within East Renfrewshire. With January 2021 National Records Scotland data highlighting approximately 2,000 EU Nationals resident in East Renfrewshire – this would suggest that 63% have applied to the Settlement Scheme. Home Office quarterly statistics are due for update in September 2021, providing data to the end of June 2021.

29. The Council's Brexit webpage continues to signpost the EU Settlement Scheme, the circumstances for late applications and avenues of support. Additionally, we have signposted alternative language events for potential applicants through Council social media channels. Similar information on the Intranet provides information and support for Council staff.

30. In the lead up to the June 2021 deadline, to encourage applications to the Settlement Scheme, The Council's Money Advice and Rights Team contacted EU Nationals who utilise the service to ensure awareness of the Settlement Scheme. A Frequently Asked Questions document was created for frontline staff who may have contact with Customers seeking direct support. This FAQ document was uploaded to the staff Intranet as well as being modified and shared with colleagues across the Health Board's HSCPs and in the private care sector. Collaboration took place with Citizens Advice and the Chamber of Commerce.

31. Additionally, the Brexit Coordinator will continue to work with partners to ensure that our messaging and approach to Settlement Scheme remains up to date. This will include monitoring and engagement with the Independent Monitoring Authority (IMA). The IMA are an independent body who were established to protect the rights of EU Citizens and uphold the terms of the Withdrawal Agreement on citizen's rights.

## **BREXIT WORKING GROUP**

32. The Council's Brexit Working Group meets to identify emerging issues arising from EU Exit – analysing their impact and appropriately focussing on risk controls, where required. The need for and frequency of meetings will be regularly reviewed, to ensure that it reflects issues arising.

33. The Brexit Working Group maintains a Brexit Risk Register, with any significant risks within this document reflected in the Council's Strategic Risk Register. The latest refresh of the Brexit Risk Register reflects the challenges in obtaining goods and services. The primary risks identified pertain to detrimental impacts on Council service provision – either arising from increased demand (for example through increased EHC requirements), or from a changed legislative framework. However, there is acceptance that risks will need to remain under review and be updated as more impacts emerge.

## **FINANCE AND EFFICIENCY**

34. There are currently no finance and efficiency implications arising from this report.

## **CONSULTATION**

35. This report has been produced with input from the Council's Brexit Working Group.

## **PARTNERSHIP WORKING**

36. This report details work of the Council's Brexit Working Group, a cross-discipline group of Council Officers. Each Council Department is represented along with a number of key areas. Additionally, the Council has worked with COSLA, Voluntary Action East Renfrewshire, the Scottish Government, Citizens Advice and the East Renfrewshire Chamber of Commerce as part of our EU Exit preparations.

## **IMPLICATIONS OF THE PROPOSALS**

37. There are currently no staffing, property, legal, IT, State Aid, equalities and sustainability implications arising from this report. However, it is noted that State Aid is a developing area of UK Government Policy. Council officers continue to review developments.

## **CONCLUSION**

38. In providing a broad overview of the status of the UK's exit from the EU, this report seeks to outline the main areas of impact upon East Renfrewshire Council, as well as work undertaken and ongoing. While the ongoing Covid-19 pandemic undoubtedly remains the priority, EU Exit procedures and preparations were well established, having been implemented for previous Brexit deadlines. These will be key mechanisms in responding to impacts from EU Exit that may develop, as the new UK-EU relationship becomes established.

## **RECOMMENDATION**

39. It is recommended that the Audit and Scrutiny Committee:-

- (a) note and consider this report; and
- (b) determine if any further updates are required.

## SOURCES CITED

EU Settlement Scheme Quarterly Statistics, March 2021:

<https://www.gov.uk/government/statistics/eu-settlement-scheme-quarterly-statistics-march-2021>

Annual Population Survey (APS), Office for National Statistics, National Records of Scotland (updated January 2021) – Tab 1B (Population by Nationality)

<https://www.nrscotland.gov.uk/statistics-and-data/statistics/statistics-by-theme/population/population-estimates/population-by-country-of-birth-and-nationality/jul-19-jun-20>

Note: Data from the APS is rounded to the nearest 1,000. If a figure is calculated to be under 500, it will be rounded to zero. As the APS is a sample survey, there are large confidence intervals that come with this data and therefore the true value will lie somewhere in this range (not necessarily zero).

7 September 2021

Report author: Brexit Coordinator

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EAST RENFREWSHIRE COUNCIL

AUDIT AND SCRUTINY COMMITTEE

23 September 2021

Report by Deputy Chief Executive

Managing Absence

**PURPOSE OF REPORT**

1. The purpose of this report is to update the Audit and Scrutiny Committee on the Council's sickness absence levels and its approach to managing absence.

**RECOMMENDATION**

2. The Committee is requested to note the content of the report, the trend in absence ratings and to support the range of approaches being taken to reduce absence levels across the Council.

**REPORT**

Absence Data 2020/21

3. In 2020/21 there has been a reduction in Local Government Employee (LGE) absence with days lost per FTE at 10.4 days compared with 13 days in 19/20 which is a decrease of 2.6 days.

4. Teacher absence has reduced to 4.0 days per FTE compared to 5.2 days per FTE in 19/20, which is a reduction of 1.1 days. The Council's overall annual day's absence per FTE was 8.2 which is a significant improvement in comparison to 10.1 days absence per FTE in 2019/20 and in 2018/19.

5. The top three absence reasons combined across the council for both long and short term sickness absence in 2020/2021 can be attributed to stress non-work related, musculoskeletal including back pain and Gastro intestinal disorders.

6. Stress (non-work related) is the top reason for absence across the Council, which makes up 31% of the overall absence. Managers continue to be encouraged to make staff aware of the services available such as the employee counselling service, online resources provided via the Employee Assistance Programme and occupational health where an employee is absent or is showing signs of stress, anxiety or is presented with a personal problem.

Covid-19 Absence

7. It should be noted that absences due to Covid-19 are not included in the statutory absence figures. The council started to record Covid-19 absence data on 30 March 2020

and this information is currently reported separately and regularly reviewed by CRMT (Council's Resilience Management Team).

#### Sickness Absence Reporting

8. With the introduction of the new HR and Payroll system the sickness performance indicator for teachers has moved from an automated to a manual calculation. An agreement has been reached with internal audit regarding the calculation that will be used, and we have benchmarked various calculation scenarios with other local authorities to ensure we are complying with the improvement services' local government benchmarking framework calculations. Returning to an automated calculation requires further system set-up and this will be considered in a future release of the system.

#### Absence Benchmarking

9. The LGBF (Local Government Benchmark Framework) data comparing LGE (Local Government) and teaching absence data from all councils is issued by the Improvement Service annually (Table 1) and we review this with respect to our performance and targets. This data is issued in the latter half of the financial year so the latest data available is for 2019/20. It should be noted that the Improvement Service do not report overall absence data.

10. When reviewing the benchmarking data for 2019/20 the Council is ranked 26<sup>th</sup> out of 32 councils for LGE absence, in 2018/19 our ranking was 21<sup>st</sup>. The Council's LGE absence was 13 days per FTE in 2019/20 with other councils ranging from 8.2 to 14.1 days per FTE for the same period. The LGBF data demonstrates that LGE Scottish average absence was the highest for 8 years at 11.9 working days lost per FTE in 2019/20.

11. In 2019/20 the East Renfrewshire teachers' absence SPI position has reduced from 11<sup>th</sup> to 6<sup>th</sup> place with 5.2 days absence per FTE. Other councils range from 4.3 to 10 days per FTE during this period. The LGBF data demonstrates that teacher absence has increased over the past 5 years with the Scottish average being 6.3 working days lost per FTE in 2019/20.

12. 2020/21 sickness absence data demonstrates that there has been a significant improvement compared to 2019/20. This improvement may be as a result of COVID, therefore it could be expected that other Local Authorities will see a similar improvement. Covid absence data is not included in this measurement and councils are also reporting indirect improvements for example, less colds/flu as less people mixing, and less absence as people are able to work from home but may not have been well enough to come into the office. The LGBF 2020/21 data is not yet available to review and compare.

Table 1: Statutory Absence Performance Indicator

	2013/14 Days absence /FTE	2014/15 Days absence /FTE	2015/16 Days absence /FTE	2016/17 Days absence /FTE	2017/18 Days absence / FTE	2018/19 Days absence / FTE	2019/20 Days absence/ FTE	2020/21 Days absence/ FTE
LGE	12.3	13.5	11.8	11.5	10.5	12.2	13.0	10.4
LGE Scottish Average	10.3	10.8	10.7	10.9	11.4	11.49	11.9	Data not yet available
LGE National Placing	29 <sup>th</sup>	31 <sup>st</sup>	25 <sup>th</sup>	20 <sup>th</sup>	8 <sup>th</sup>	21 <sup>st</sup>	26 <sup>th</sup>	Data not yet available
Teachers	6.1	6.3	5.6	4.1	4.5	6.1	5.2	4.00
Teachers Scottish Average	6.1	6.3	6.2	6.0	6.1	6.2	6.3	Data not yet available
Teachers National Placing	18 <sup>th</sup>	16 <sup>th</sup>	7 <sup>th</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	11 <sup>th</sup>	6 <sup>th</sup>	Data not yet available
<b>Overall ERC absence</b>	<b>10.3</b>	<b>11.2</b>	<b>9.8</b>	<b>9.0</b>	<b>8.5</b>	<b>10.1</b>	<b>10.1</b>	<b>8.2</b>

### Industry Sickness Absence Data

13. The CIPD (Chartered Institute of Personnel and Development) annual survey report 2020 on Health and Well-being at Work highlights that on average public sector employees had an absence level of 8.0 days of absence, which is a reduction of 0.4 days per employee from the previous year. The Council's overall absence for 2020/21 is positioned slightly above the public sector average, by 0.2 days per FTE.

14. The Office of National Statistics 'Sickness in the UK labour Market: 2020, published on 3 March 2021 states that the Coronavirus has affected the sickness absence data in a number of ways, while the virus may have led to additional sickness absence, measures such as furloughing, social distancing, shielding and increased home working appear to have helped reduce other causes of absence, allowing the general downward trend to continue.

15. The CIPD Health and Wellbeing at Work 2021 report states that mental health and stress are among the top causes of absence across all sectors, but particularly in the public sector. Covid-19 has exacerbated the risks to many people's mental health.

16. The report states there are corresponding improvements in the proportion of respondents who believe their Organisation actively promote good mental wellbeing and that Senior Leaders encourage a focus on mental wellbeing through their actions and behaviours, which is more positive in the public sector.

17. Figures from the Office of National Statistics (ONS) have revealed that 19% of employed adults experienced some form of depression between January 2021 and March 2021, with rates of depression in adults more than doubled pre-pandemic levels.

18. Research from these reports will be used to consider our approach to absence management and reporting. The Council already adopts many of these approaches and further detail is provided later in the report.

## Focus on Absence Improvement

19. The CMT continues to support the focus on absence management and improvement. From the analysis and absence monitoring it is evident that the employees who carry out frontline manual services within the Council have higher rates of absence in comparison to other Council services.

20. Departments continue to closely monitor absence focusing on both short and long term absence. Within the hot spot areas Neighbourhood Services, Facilities Management and Homecare there is key focus on a downward trend in relation to absence, however it is recognised that a contributing factor is an ageing workforce and the long term conditions associated, which are a key challenge for these frontline services.

21. There is a focussed approach to further strengthen the capability of managers in promoting employee well-being and attendance ensuring they are trained in absence-handling and that they receive tailored specific support. The capability guidance is used to manage long term absences with 9 dismissals due to capability and 9 ill health retirements in the last year. The process of awarding ill health retirements is managed through our Occupational Health provider and can only be awarded with the approval of an Independent Registered Medical Practitioner.

22. From the benchmarking research suggested best practice approaches, the Council continue to implement to support the health and wellbeing of our employees by facilitating employee surveys, promoting employee counselling services, the provision of training for managers to be able to facilitate difficult conversations and managers are encouraged to use the flexible working policy to support employees with a good work-life balance,

23. In the last year the council has introduced a financial wellbeing provider and the East Ren Rewards scheme which are helping our employees to save money on everyday lifestyle spending, monitoring and evaluating their own financial wellbeing. These schemes are supported by sickness absence research which highlights the importance of financial wellbeing for employees as poor financial well-being can be a significant cause of employee non-work related stress.

24. There is management information available from PAM Assist, Counselling Service Provider, which demonstrated that some employees who do access the Employee Assistance Programme have concerns around financial matters. The Council pays all employees at least the Scottish Local Government Living Wage and all employees are auto-enrolled to become members of Strathclyde Pension Scheme on joining the Council and then again every three years if they have chosen to leave the scheme.

25. In addition when an employee advises of financial difficulties, Management are encouraged to support the employee by signposting the employee to the Money Advice and Rights Team who can offer confidential, impartial and independent advice service to assist with resolving financial concerns.

26. The Council continues to work with Occupational Health the service provider is People Asset Management (PAM), who support occupational health referrals, ill health retiral assessments, audio and hand/arm vibration assessments. Each case is assessed on an individual basis to determine all available options with decision making based on full review of all available information.

27. There are a number of training courses available for managers to attend, which Senior Management are encouraged to support managers to participate in for personal development.

- Personal Resilience
- Workplace Mindfulness
- Assertiveness Skills
- Managing Emotions & Understanding Emotional Intelligence
- Spotting & Managing Stress and Mental Health issues
- Dealing with Stress (E-Learning)
- Managing Stress (E-Learning)
- Ask, Tell – Look after your Mental Health (E-Learning)

The Maximising Attendance course continues to be run by representatives from the HR team who use practical case examples for managers. They are also able to promote the different health and well-being related courses to managers when supporting specific absence cases. The corporate training calendar along with the e-learning courses have been promoted and management will continue to be reminded of these resources to ensure early intervention is a method utilised to support an employee who is showing signs of stress or mental health issues.

28. Stress (non-work related) continues to be the number one reason for absence and managers are encouraged to make as much use of the services available to them when an employee is absent or is showing signs of stress, anxiety or is presented with a personal problem. To support managers the HR team provide advice and support with the management of sickness absence matters.

29. Mental health continues to be an area of focus in the coming year currently benchmarking is underway to consider a mental health strategy that further strengthens the support provided to employees in relation to their wellbeing.

30. During Covid-19 the Council has embedded a holistic approach to employee wellbeing with an increased focus on mental health encouraging employees to access resources and providing employees with information on check-in tools, encouraging employees to talk over any concerns. Also employees have been encouraged to participate in 'switch off and shift' taking short breaks from the working routine in order to promote the importance of employee wellbeing. Managers have been encouraged to check in with staff members on a regular basis.

31. It is recognised that there continues to be a significant amount of change ongoing within the Council and it is recognised that there is the potential for absence levels to continue to be a concern over the next few years due to the level of change and number of planned service reviews. Within the Council it is recognised the importance of engaging with employees throughout the change programme to ensure there is a clear communication strategy.

## CONCLUSIONS

32. The Council's overall absence performance has improved across both LG Employees and Teacher absence since 2019/20, however, it should be noted that this could be as a result of Covid-19 with periods of isolation not being included within the absence figures and a higher percentage of employees working from home.

33. The Council's approach to absence management is in line with CIPD researched approaches.

34. The Council continues to have a strong focus on absence improvement and continues to benchmark and implement training and improvement actions. Over the next year there will be an increased focus on mental health. Managers will be encouraged to be as proactive as possible by participating in training to ensure Managers are confident in dealing with mental health in the workplace ensuring that our employees are well supported. Managers will also be encouraged to embed early intervention when an employee shows signs of a stress related illness and to ensure the appropriate resources are being accessed such as the counselling service provided by PAM to provide support to the employee.

## RECOMMENDATION

35. The Committee is requested to note the content of the report, the trend in absence ratings and to support the range of approaches being taken to reduce absence levels across the Council.

Deputy Chief Executive, September 2021

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## PAPERS

CIPD, Health and Wellbeing at Work, March 2020

CIPD Health and Wellbeing at Work 2021

The Office of National Statistics 'Sickness in the UK labour Market, March 2021

EAST RENFRESHIRE COUNCILAUDIT AND SCRUTINY COMMITTEE23 SEPTEMBER 2021Report by Deputy Chief ExecutiveSUMMARY OF EARLY RETIREMENT/REDUNDANCY COSTS TO  
31 MARCH 2021**PURPOSE OF REPORT**

1. The purpose of this report is to provide the Audit and Scrutiny Committee with a summary of early retirement/redundancy costs from 1 April 2020 to 31 March 2021.

**RECOMMENDATION**

2. The Audit and Scrutiny Committee is requested to note the content of the report covering early retirements/redundancies within the report period and the related projected savings. Please note all figures are pre audit and subject to change.

**BACKGROUND**

3. The Council recognises as good practice that on an annual basis elected members should receive summary information on the number, costs and forecast savings on early retirement and redundancy costs where decisions are delegated to officers.

4. The Local Government Pension Scheme (Scotland) Regulations 1998 permit pension scheme administering authorities to charge employing authorities for the costs incurred by early payment of pension benefits to employees who retire early in various circumstances; such sums are known as "strain on the fund" costs.

5. Strathclyde Pension Fund invoices the council as the costs are incurred. This report covers the period from 1 April 2020 to 31 March 2021.

**REPORT**

6. Redundancies continue to be assessed using a process based on a financial business case. Where the organisation chooses to grant an early retirement or voluntary redundancy the financial business case for the restructure needs to show that the costs can be recovered within acceptable timescales with ongoing tangible savings being achieved thereafter.

7. It should be noted that some redundancies are paid due to legal requirement and there is no business case, this can be due to a number of factors: termination of a temporary contract with no long term funding, termination of temporary contract where the employee had continuous service from another public sector body covered by the RMO (Redundancy Modification Order) or deletion of a post.

8. For statutory purposes leavers are included in the year in which the decision was taken and the non-recurring charges within this report are aligned with the information contained in the 2020-21 statutory accounts.

9. The total charge accounted for the Strain on the Fund cost from Strathclyde Pension Fund for the period April 2020 to March 2021 is £8,097.23.

10. During the period between April 2020 and March 2021 the Council significantly reduced the amount of restructuring and change projects due to COVID-19.

11. During this report period there have been 5 instances of early retiral/redundancy and a summary of these is provided at Appendix A. 2 of these instances were due to the end of temporary contracts with the individuals being legally entitled to a redundancy payment as their contract had exceeded 2 years.

12. From Appendix A the initial costs of processing the early retirals/redundancies was £124,001.74 resulting in net annual savings of £139,900.89. From these figures the initial outlay to process the early retirals/redundancies will be recovered in 0.9 years with savings in excess of £139K per annum being achieved thereafter.

## **RECOMMENDATION**

13. The Audit and Scrutiny Committee is requested to note the content of the report and the explanations provided for early retirals/redundancies within the report period and the related projected savings.

Deputy Chief Executive  
September 2021

Report Author:  
Sharon Dick, Head of HR, and Corporate Services  
Email: [Sharon.Dick@eastrenfrewshire.gov.uk](mailto:Sharon.Dick@eastrenfrewshire.gov.uk)

COSTS/SAVINGS OF EARLY RETIRALS/REDUNDANCIES FROM 1/4/20 TO 31/3/21

PLEASE NOTE THESE FIGURES ARE PRE-AUDIT AND MAY BE SUBJECT TO CHANGE

Redundancy Approvals & Costs Audit Committee 1st April 2020 to 31st March 2021

	Head-Count	FTE Total	Pay in Lieu of Notice	Redundancy	Added Years Lump	Strain on Fund	Additional Employers NI	Total One Off Costs	Added Years Pension	Savings Year 1
<b>Council Total</b>	5	4.2	£0.00	£111,932.33	£0.00	£8,097.23	£3,358.19	£124,001.74	£0.00	£139,900.89

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EAST RENFREWSHIRE COUNCILAUDIT AND SCRUTINY COMMITTEE23 September 2021Report by Head of Communities, Revenues & ChangeNATIONAL FRAUD INITIATIVE - UPDATE**PURPOSE OF REPORT**

1. To provide an update on the National Fraud Initiative (NFI) in Scotland and the work carried out by East Renfrewshire Council in 2020/21.

**RECOMMENDATION**

2. It is recommended that the Committee considers the report and notes the action taken in respect of the National Fraud Initiative (NFI) in East Renfrewshire Council for 2020/21.

**BACKGROUND**

3. Audit Scotland, working closely with public bodies, external auditors and the Cabinet Office, has completed another major data sharing and matching exercise – the National Fraud Initiative (NFI). These exercises make a significant contribution to the security and transparency of public sector finances by confirming that services are provided to the correct people and by reducing fraud and error.

4. These exercises are undertaken every two years and are linked to the statutory audits of the participating bodies.

5. Further work in this area is being highlighted to the Committee through the report on “Managing the risk of Fraud and Corruption – Fraud Response Statement 2020/2021”.

**REPORT**

6. The NFI is a counter-fraud exercise across the UK public sector which aims to prevent and detect fraud. Data matching is an effective and efficient way to identify areas for further investigation by connecting discrepancies between different data sets, which include the Electoral Register, HMRC information on pensions and income, Student Loans, immigration and Department of Work and Pensions (DWP) records.

7. The success of the NFI comes primarily from the public bodies who:

- Investigate the NFI data matches
- Identify and stop fraud and errors
- Recover overpayments
- Hold fraudsters accountable
- Improve their systems

8. East Renfrewshire has a single point of contact for NFI and a well-established internal network of departmental contacts, covering areas such as Housing Benefit; Council Tax Reduction; Council Tax Single Persons Discount; Blue Badges; Housing waiting lists; Civic and Taxi Licensing; Payroll and Accounts Payable (Creditors) history. Each area takes responsibility for comparing their own data sets and for subsequent recovery or follow up action as appropriate. Due to Covid-19 Private Supported Care Homes were not included in the 2020/21 NFI exercise.

9. Within the Council 3,026 matches were reported in the 2020/21 NFI exercise (2018/19 4,422). The decrease in matches of 1,396 is mainly due to Accounts Payable (Creditors) and Housing Benefit. Within Accounts Payable the new Integra Finance and Procurement ICT system was used in 2020/21 versus the eFinancials system in 2018/19. It has been identified that Integra Purchase to Pay has a more robust control environment, with the NFI matching exercise confirming that. Every high risk match (396) and all Single Person Discounts (SPD) (1,105) were investigated – see Table 1. The remaining cases were categorised as medium or low risk and a sample of these cases were also investigated.

10. It should be noted that Business Rates and Business Grants were included for the first time in 2020/21, with these exercises being run later. Data matches for Business Rates are for the Small Business Bonus Scheme and are being investigated by Renfrewshire Council (who administer Business Rates/Non Domestic Rates on behalf of ERC). The Business Grants data is awaited from NFI.

Table 1

<b>Category</b>	<b>High</b>	<b>Medium</b>	<b>Low</b>	<b>Total</b>
Council Tax Reduction	8	122	219	349
Blue Badges	200	65	-	265
Housing Benefit	14		9	23
Housing	38		10	48
Payroll	15	4	33	52
Accounts Payable (Creditors)	91		1,063	1,154
Business Rates	30			30
<b>Total</b>	<b>396</b>	<b>191</b>	<b>1,334</b>	<b>1,921</b>
Single Person Discount (SPD)				1,105
				<b>3,026</b>

11. The majority of high risk matches relate to Blue Badges. These were mainly due to the badge holder being deceased or due to email addresses differing where the applicant was supported to complete their application. No significant issues were identified within these matches and all relevant updates have been processed.

12. Mitigating potential fraud across all areas is a matter for each service area and there are a number of roles across the Council that have specific remits to eradicate or reduce fraud taking place at source (e.g. Tenancy Enforcement Officers, Licensing Enforcement Officer, Internal Audit) and all employees are encouraged through the Code of Conduct and Anti-Fraud and Bribery Strategy to report suspicions of fraud.

### **COUNCIL TAX SINGLE PERSONS DISCOUNT**

13. In 2020/21 the Council has 12,198 live Single Person Discounts (SPD) granted against a Council Tax base of 39,514 households (31%). In monetary terms, this discount amounts to £4.5m per annum (excluding water and waste water).

14. The 2020/21 NFI data-matching exercise highlighted 1,105 cases where SPD had been awarded and may no longer be valid. Following further investigation with customers, this resulted in a cancellation of 202 SPDs, which equates to an annual saving in 2021/22 of a maximum of £77,499 – this figure may be revised downwards as more evidence from customers is received. (As a comparator, in 2018/19 the resulting saving was £95,360). SPD was cancelled from 1<sup>st</sup> April 2021 and retrospective Council Tax demands issued with amounts being actively recovered in line with Council Tax legislation.

### **FRAUD & ERROR SERVICE (FES)**

15. Under national welfare reforms, the Department of Work and Pensions (DWP) set up a fraud and error investigation service (FES). The DWP FES team continue to protect the Council's interests and to mitigate our risk against Housing Benefit fraud.

16. Council and FES investigations into HB fraud can result in Housing Benefit Overpayment (HBO), the imposition of an administration penalty (i.e. half of the amount of the overpayment) or the potential for prosecution for HB fraud. Since we last reported in September 2020, there has been 1 new referral, with 2 previous referrals confirmed as requiring no further action.

### **OTHER RELATED INITIATIVES**

17. The Benefits Section receives information on an ongoing basis via an electronic interface with HMRC called Verify Earnings and Pensions (VEPS). Through this interface, the Council is provided with employment and pension information for Housing Benefit (HB) claimants on an ongoing basis. Any new earnings (or new pension income) for those in receipt of HB is reported to our team through the interface, as are changes to earnings or pension levels. The functionality also allows our team to notify HMRC of new HB claims and within 48 hours of the claim being notified, ERC are supplied with the earnings and /or pension levels for the claimant. This facility assists with benefit processing, as there is less reliance on claimants to provide evidence of their income.

18. The Council is also a member of various networks which circulate and share information about potential scams and frauds. This information is shared routinely across services for learning and development purposes.

## **NEXT STEPS**

19. The NFI website will be available until February 2022 when the majority of investigations will be completed and all outcomes will be recorded and closed off in order that the Cabinet Office can calculate the total outcomes from the 2020/21 exercise.

## **FINANCE AND EFFICIENCY**

20. The recovery delivered through Single Person Discounts will be up to £77,499 in 2021/22. While the recovery through the NFI exercise is relatively low, the main benefit from carrying out the exercise is the reduction in ongoing fraud and the deterrent effect gained from regular data matching.

## **PARTNERSHIP WORKING**

21. The follow up work carried out through the NFI exercise has been through partnership working with the following ERC teams; Housing Benefit & Discretionary Payments, Council Tax, Accountancy; Housing; Customer First; HSCP; C&CS Business Support; Payroll and Accounts Payable (Creditors).

## **CONCLUSION**

22. The Council has a robust and effective approach to NFI, which is complemented by existing fraud prevention measures. East Renfrewshire Council has fully participated in the 2020/21 NFI exercise, investigating 396 matches identified as high risk and recovering up to £77,499 in 2021/22 due to fraudulent or claimant error.

23. NFI has been a challenging exercise to complete this year due to ongoing workload pressures in teams caused by rising demands, new pandemic-related tasks and the ongoing transition between legacy and new ICT systems. As reported to Cabinet and Council recently, teams throughout the Council are experiencing backlogs which will have ramifications for performance measures across 2021/22. This is particularly true for the Revenues and Benefits Service. Service managers are taking all possible actions to recover, but the NFI exercise is a timely reminder that this needs done with care and attention, paying due regard to compliance to mitigate against fraud and error – this is a delicate balance but one where teams have demonstrated a good focus in this challenging year.

## **RECOMMENDATION**

24. It is recommended that the Committee considers the report and notes the action taken in respect of the National Fraud Initiative (NFI) in East Renfrewshire Council for 2020/21.

## **REPORT AUTHOR**

Alison Ballingall, Senior Revenues Manager

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## **BACKGROUND PAPERS**

- National Fraud Initiative – Update, Audit & Scrutiny Committee, 24 September 2020

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EAST RENFREWSHIRE COUNCILAUDIT AND SCRUTINY COMMITTEE23 September 2021Report by Chief ExecutiveMANAGING THE RISK OF FRAUD AND CORRUPTION –  
FRAUD RESPONSE STATEMENT 2020/2021 (INCLUDING AUDIT SCOTLAND FRAUD  
AND IRREGULARITY REPORT 2020/21)**PURPOSE OF REPORT**

1. In order to demonstrate compliance with the Code of Corporate Governance, this Fraud Response Statement provides an overview of measures in place across East Renfrewshire Council to address Anti-Fraud, Bribery and Theft, managing the risk of fraud and corruption, and to provide an update on actions undertaken during 2020/2021 where appropriate.

2. In addition, to save unnecessary duplication of work, this report includes East Renfrewshire Council's response to the Fraud and Irregularity 2020/21 report produced by Audit Scotland. Services have been invited to comment on the key points arising from the report, particularly where there are any variances with the report or there are specific issues arising which they wish to highlight. A copy of the Audit Scotland report [Fraud and irregularity 2020/21 \(audit-scotland.gov.uk\)](https://www.audit-scotland.gov.uk/publications/fraud-and-irregularity-2020-21) published in July 2021 has already been circulated to all Audit and Scrutiny Committee Members.

**RECOMMENDATIONS**

3. It is recommended that the Audit & Scrutiny Committee
- notes the content of the Fraud Response Statement and the work being undertaken across the Council in relation to managing the risk of fraud and corruption and the reporting already in place
  - considers the feedback provided in the context of the comments made in the Audit Scotland report – Fraud and Irregularities 2020/21

**BACKGROUND**

4. The Council is committed to fighting fraud and bribery, whether attempted from inside or outside of the authority, in order to protect public funds. Suppliers, contractors, employees, members and service users are expected to act with integrity and without intention to commit fraud or bribery against the Council.

5. As highlighted in the Audit Scotland Report, it is recognised that the risk of fraud has increased over the last year due to the Covid-19 pandemic. Services continue to review existing controls to ensure that they are still effective and appropriate and at the same time introduce new controls to address new risks. Measures like these have always been important but the unprecedented challenges and pressures brought by the pandemic, and the

opportunities it has presented for fraudsters, bring a renewed focus on ensuring effective governance and controls are in place.

6. Within the Code of Governance work to address fraud, bribery and theft is undertaken in line with the Chartered Institute of Public Finance & Accountancy (CIPFA) Code on “managing the risk of fraud and corruption” which sets out the principles that define the governance and operational arrangements necessary for an effective counter fraud response. The Code is applicable to all public services organisations and is comprised of five key principles, which are to:

- acknowledge the responsibility of the governing body for countering fraud and corruption
- identify the fraud and corruption risks
- develop an appropriate counter fraud and corruption strategy
- provide resources to implement the strategy and
- take action in response to fraud and corruption.

7. A revised Anti-Fraud, Bribery and Theft Strategy written in line with the CIPFA Code above, was approved by the Corporate Management Team on 20<sup>th</sup> August 2019. The revised strategy aims to promote an attitude of zero tolerance to fraud. No fraud is acceptable, regardless of the value or scale.

8. In line with the CIPFA Code recommendations that a Fraud Statement is considered annually. The first Fraud Statement was considered and approved by the Audit and Scrutiny Committee on 24<sup>th</sup> September 2020. This report provides an updated overview of measures in place to address Anti-Fraud, Bribery and Theft and of work undertaken during 2020/2021 where appropriate.

### **Audit Scotland Report – Fraud and irregularity 2020/2021 - Overview**

9. The Fraud and Irregularity 2020/21 report shares risks and case studies to support the Scottish public sector in the prevention of fraud. Key messages include recognising the significant challenges due to Covid-19, ensuring a wide range of actions required to mitigate new risks, addressing weaknesses in controls which contribute to fraud and irregular activities with further information available on Audit Scotland’s website under “counter-fraud”.

10. The report highlights key fraud risks identified in 2020/21 under the following headings:

- Covid-19 funding and reopening of premises and services
- Health and wellbeing
- IT and cybercrime
- Governance
- Procurement
- Payment
- Payroll and recruitment

### **MEASURES IN PLACE TO ADDRESS ANTI-FRAUD, BRIBERY AND THEFT**

#### Governance

11. The Anti-Fraud, Bribery and Theft Strategy, sets out a range of approaches within the Council to identify and minimise fraud and corruption risks. These include independent reviews

of adequacy, efficiency and effectiveness of internal controls by Internal Audit, ensuring all recruitment is undertaken in line with the Recruitment and Selection Policy and that orders and contracts are awarded in accordance with the Council's approved Contract Standing Orders and Financial Regulations.

12. The Council has put in place a range of policies and procedures to support the Strategy to ensure that appropriate action is taken to prevent, detect and investigate fraud. A range of data and intelligence analysis will be undertaken to detect fraud (or attempted fraud) at the earliest opportunity and appropriate sanctions (including disciplinary, regulatory and criminal) will be taken. East Renfrewshire Council will investigate fraud referrals and seek appropriate redress where possible.

13. The Audit and Scrutiny Committee provides a scrutiny role in relation to the application of the Anti-Fraud, Bribery and Theft Strategy. The investigation of suspected fraud or bribery is normally carried out by the Internal Audit team and is reported to the Audit and Scrutiny Committee quarterly by Internal Audit.

14. The pandemic required the Council to undertake new tasks or carry out existing functions in new ways at short notice. To minimise the risks associated with this all departments regularly reviewed their service and the Council's strategic risk register and a new Covid-19 risk register was also maintained.

#### ICT and Cyber Crime

15. The Information Security and Digital Risk Officer throughout the Covid-19 period provided updated guidance, policies and risk assessments across a range of cyber and information security topics. This covered information security when working at home; how to manage information on personal devices; and phishing awareness. This latter point also involved campaigns to check our users response to potential phishing emails. This helped shape further controls and training.

16. It is important that East Renfrewshire Council has a trained, security focused workforce who are capable of identifying suspicious communications and requests, and more importantly how to react to these, is vital in creating an holistic approach to detecting potential fraud including, but not limited to: Online fraud; User account fraud; Phishing and ransomware; False invoicing; False IT Service support calls and/or emails. East Renfrewshire Council participates in a wider UK programme to identify and prevent phishing attacks on the public sector by asking staff to forward suspicious emails to [scam@netcraft.com](mailto:scam@netcraft.com) as well as [information.security@eastrenfrewshire.gov.uk](mailto:information.security@eastrenfrewshire.gov.uk). This results in suspicious content being addressed and blocked from continuing to proliferate across the public sector.

17. Both online and tutor led Information and Cyber Security Training provides employees with this focus for both their work and personal life with mandated online training every 2 years ensuring this focus remains. This work also stresses to employees that they are the Council's strongest defence against such threats and malicious actors who may be attempting to gain access to Council information, computing systems and networks. Employees are trained to always be suspicious and question, not just react, when something is unusual or not expected.

18. The Council actively participates in the national cyber security centre (NCSC) Active Cyber defence programme which provides tools and services which seek to reduce the harm from cyber-attacks and protect against a range of security threats.

19. The Council has invested in a managed cyber security operations centre (CSOC) resulting in key assets across the network being pro-actively monitored for malicious and unusual activity. This provides an additional layer or protection from malicious actors

attempting to gain a foothold within the network with the aim of breaching our information and systems confidentiality, integrity and availability.

### Procurement

20. Financial control was also tightened with close scrutiny of all expenditure and an additional monitoring report provided to Council in June 2020 to provide an early indication of potential pressures. Staff across procurement, accountancy, IJB and Corporate Health and Safety Unit also liaised throughout last year on the purchase and issue of PPE across all Council services.

21. Covid-19 brought significant supply challenges in the area of Personal Protective Equipment (PPE). The Procurement Team worked closely with Scotland Excel and the Scottish Government ensuring that due diligence of suppliers was carried out to eliminate risk of sourcing from fraudulent suppliers.

22. The Procurement Team are included in a working group with Scotland Excel looking at information that could be requested during tender stage and thereafter responses shared with Police Scotland. This working group has been established due to a recognition that fraud of all kinds, including procurement fraud, increased during the recession, that opportunist suppliers have emerged during Covid-19 and that cyber-fraud is on the rise with the new opportunities made possible by the Internet. There is also growing concern that organised crime is engaging in procurement fraud and appropriate steps have been taken to minimise the risk of this within East Renfrewshire Council.

23. In addition to this work Procurement include in high value or high risk contract "The Single Procurement Document (Scotland) standard qualification questionnaire which was supplied by Scottish Ministers for all regulated procurements. Sections within this which support management of the risk of fraud and corruption include – Criminal Convictions; Conspiracy; Corruption; Money Laundering; Payment of Taxes; Blacklisting; Bankruptcy and Arrangement with Accounts Payable.

### Health and wellbeing

24. The Council recognises that remote working may result in isolation and/or mental health issues which could result in vulnerability to be targeted. To keep our workforce healthy a number of messages promoting an appropriate work-life balance and sign-posting to support organisations have been shared with employees. The organisation has promoted flexibility in working times to accommodate other demands, particularly during lockdown periods when childcare provision was not available. Managers are encouraged to have regular contact with employees and enquire about their health and wellbeing and to watch out for signs of mental health in the workforce. The council's employee counselling services has seen increasing number accessing the services which can be accessed via manager or self-referral and this service continues to be promoted.

25. During the pandemic the Council has raised awareness with both residents and employees about potential scams, in particular employee awareness has been raised around financial and vaccine scams.

### Payment/Insurance/Payroll and HR

26. The Council has recently introduced new financial, HR/payroll and Council Tax systems and this meant that procedures were well documented and guidance available on the Council Intranet which assisted employees to work from home. These new systems

incorporated new hierarchies of control so that there were automatic limits and reports on what individual employees could do.

27. Inventories of furniture and equipment were maintained with items taken home to enable employees working there being recorded.

28. Specific controls are in place across all processes, in particular “higher risk” (for example payment or cash involved) to ensure risk of loss through fraud is minimised. This includes processes to prevent fraudsters seeking either directly or indirectly (through customers or suppliers) to elicit funds from the Council through misleading/false information.

29. The HR and Payroll continue to maintain controls around recruitment including right to work checks and the payment of allowances. The team are vigilant and have seen an increase in fraudulent emails requesting changes to employee details, changes are only made where appropriate authorisation is provided.

30. There is a “segregation of responsibilities” including checks upon System User access and within reconciliations are all in place. This approach is a fundamental part of mitigating the risk of fraud being perpetrated and protects both employees and mitigates the risk of Internal or External Fraud being perpetrated against the Council.

31. Communications and sharing of information is vital in sharing information in relation to potential frauds. Local Authorities, on behalf of the Government, manage the process and payment of Covid-19 related payments. Potential scams have been identified with the Council sharing this information. Joint local authority intelligence sharing via the local authority network regarding a fraudulent text, issued in relation to “Crisis Grants” enabled the Council to issue social media messages and warning to residents to prevent fraud.

32. The Revenue Teams work closely with the Department of Work and Pensions (DWP) Fraud & Error Services (FES) in relation to potential Housing Benefit fraud. The team also receive “alerts” through the National Anti-Fraud Network (NAFN).

33. As part of the Insurance claim process controls are in place to help mitigate the risk of fraudulent claims.

## **REPORTING AND POTENTIAL FRAUD 2020/2021**

34. As part of the Intern Audit Progress report considered every 3 months by the Audit and Scrutiny Committee the Chief Internal Auditor provides an update on the requests for assistance which are always dealt with using Internal Audit “contingency”. In 2020/2021 a total of one potential fraudulent incident was reported as outlined below:

- Quarter 1 (April to June 2020) – no potential frauds were reported.
- Quarter 2 (July – September 2020) - no potential frauds were reported.
- Quarter 3 (October – December 2020) – no potential frauds were reported.
- Quarter 4 (January – March 2021) – one report of fraud was noted but as this investigation has been referred to Police Scotland and is ongoing, no further information can be provided at this time.

35. In addition to this the Accounts Payable Team prevented an attempted fraud in November 2020 where what appeared to be a customer email requested a change to bank details. An immediate payment of £13,000 was stopped and there was no loss to East Renfrewshire Council. Following this situation the Accounts Payable Manager introduced enhanced controls to further mitigate this type of risk.

36. The Council Tax Team identified a potential Money Laundering situation during March/April 2020. Appropriate actions were immediately taken by the Team to ensure Anti Money Laundering (AML) requirements were adhered to, including reporting this incident to the Money Laundering Reporting Officer (Head of Accountancy).

37. As mentioned in the Audit Scotland report as a way to reduce counter-fraud risks East Renfrewshire Council has an effective approach to the National Fraud Initiative (NFI). The NFI is a counter-fraud exercise across the UK public sector which aims to prevent and detect fraud. Data matching is an effective and efficient way to identify areas for further investigation by connecting discrepancies between different data sets, which include the Electoral Register, HMRC information on pensions and income, Student Loans, immigration and Department of Work and Pensions (DWP) records.

38. East Renfrewshire has a single point of contact for NFI and a well-established internal network of departmental contacts. A comprehensive report outlining the National Fraud Initiative – update 2020/2021 will be considered by the Audit and Scrutiny Committee on 23<sup>rd</sup> September 2021.

39. During the Covid-19 pandemic the UK Government responded with measures to mitigate the economic and social impact including “Covid-19 related payments” which are administered by the Economic Development Team within the Environment Department. Sadly, there is always the potential that fraudsters will try to take advantage of these emergency measures. The fraud threat posed during emergency situations is higher than at other times, and all public bodies were attuned to the risks facing their organisations and the public sector.

40. The Economic Development, Accounts Payable and Internal Audit Teams have continued to work together to take the appropriate steps to reduce the threat of widespread fraud in relation to the Covid-19 related payments by integrating appropriate controls into the application and appraisal process, payments process and carrying out post-event assurance work to check for fraud and to ensure funding is used for its intended purpose. This included collecting data on who was applying, who was paid, ensuring applicants knew how their data would be used and their legal obligations for grant funding and having robust “claw back” agreements in place to be able to recover funds that were paid out incorrectly or used inappropriately. A sample of high risk grant awards for fraud has been undertaken and where relevant the Team will invoke the claw back agreement and pursue recovery.

41. Externally, the Economic Development Team worked with Police Scotland and SLAED (Scottish Local Authorities’ Economic Development) colleagues to create a list of fraudulent applications that was circulated regularly.

42. In the event of any potential fraud or concern being identified, appropriate escalation is in place through local management, East Renfrewshire Council senior management, Internal Audit and Police Scotland involvement where appropriate.

## **FINANCE AND EFFICIENCY**

43. There are no financial implications of this report although it is hoped that by strengthening the approach to anti-fraud, theft and bribery and streamlining the associated documents will minimise the risk to the Council of any financial or reputational risk.

## **CONSULTATION**

44. A range of colleagues from across the Council including the Head of Accountancy, Chief Auditor, Chief Legal Officer, Chief Procurement Manager, Head of HR and Corporate Services, Head of Digital and Community Safety, Head of Finance and Resources (Chief Financial Officer) HSCP, Senior Revenues Manager, Compliance Officer, Business Development Team Leader have also been consulted as appropriate.

## **CONCLUSION**

45. This Fraud Response Statement provides an overview of measures in place across East Renfrewshire Council to address Anti-Fraud, Bribery and Theft, managing the risk of fraud and corruption, and to provide an update on actions undertaken during 2020/2021. This report provides the evidence to demonstrate full compliance with the Code of Corporate Governance and the risks highlighted in the Audit Scotland report on Fraud Irregularity 2020/21.

## **RECOMMENDATIONS**

46. It is recommended that the Audit & Scrutiny Committee
- notes the content of the Fraud Response Statement and the work being undertaken across the Council in relation to managing the risk of fraud and corruption and the reporting already in place
  - considers the feedback provided in the context of the comments made in the Audit Scotland report – Fraud and Irregularities 2020/21

Lorraine McMillian    Chief Executive  
September 2021

### Report author:

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## **KEY WORDS**

The Fraud Response Statement 2020/21 outlines the work being undertaken across the Council in relation to managing the risk of fraud and corruption.

This report also includes information in relation to Audit Scotland's Fraud and Irregularity Report 2020/21.

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EAST RENFREWSHIRE COUNCILAUDIT AND SCRUTINY COMMITTEE23<sup>rd</sup> September 2021Report by Chief ExecutiveREVIEW OF THE STRATEGIC RISK REGISTER  
AND RISK MANAGEMENT PROGRESS**PURPOSE OF REPORT**

1. This report provides the latest biannual update of the Council's Strategic Risk Register and a summary of risk management progress. The previous update of the Strategic Risk Register was considered by the Audit and Scrutiny Committee on 18<sup>th</sup> March 2021.

**RECOMMENDATIONS**

2. The Audit and Scrutiny Committee is asked to consider and note the development of the Council's Strategic Risk Register noting that this is considered a "live" document and will be updated and amended by the Corporate Management Team (CMT) as appropriate.

**BACKGROUND**

3. The Strategic Risk Register (Appendix 1) sets out the key strategic risks to be considered by East Renfrewshire Council and details the actions that management has put in place to manage these risks. Each service has an operational risk register to record day to day and service specific risks.

4. The previous update of the Council's Strategic Risk Register was considered by the Audit and Scrutiny Committee on 18<sup>th</sup> March 2021.

5. Several risks have been amended to include additional control measures and the risks have been rescored for significance. A thorough review of all risks on the register has been undertaken by the CMT. There are now 42 risks of which 18 are evaluated as high and 24 as medium. Where a risk has been evaluated as "low" it will be removed from the Strategic Risk Register and monitored within Departmental or Operational registers if appropriate.

6. In light of the current Covid-19 pandemic the Strategic Risk Register is reviewed and updated frequently as appropriate to reflect the current "live" situation and therefore liable to change. The Strategic Risk Register in Appendix 1 to this report is therefore reported below as dated (15<sup>th</sup> September 2021).

7. Where risk numbers are not sequential within the Register this is as a result of a risk having been removed from the Strategic Risk Register.

8. Relevant significant risks which may impact on the achievement of the Council's outcomes relating to the work of the Integrated Joint Board and the Culture and Leisure Trust have been considered as part of this update.

## REPORT

9. The following risks remain as **high risks**:

- Increase in the number of children and adults with additional support requirements leading to a rise in demand on services. *(Risks 2.2)*
- Ensuring sufficient catchment places for East Renfrewshire children and young people across all sectors in light of impact of new residential developments – in particular the Local Development Plan. *(Risk 2.3)*
- Closure of facilities (related to Trust) as a result of unforeseen failure or management practices resulting in loss of attendance, revenue, damage to reputation and increased management fee. *(Risk 2.4)*
- Covid-19 pandemic changes East Renfrewshire Culture & Leisure Trust (ERCLT) customers' behaviours and expectations and affects demand, combined with reduced capacity from continued social distancing and Scottish Government guidance/legislation results in loss of attendance, revenue, damage to reputation and increased management fee. *(Risk 2.8)*
- Signification rates of positive Covid-19 testing within an East Renfrewshire community necessitates enhance local Community testing, particularly for Asymptomatic residents. Residents unable to access prompt PCR testing with subsequent impact on requirements to self-isolate and access to services and education. *(Risk 2.10)*
- Scottish Child Abuse Inquiry - Children accommodated by East Renfrewshire Council and legacy areas from 1930 may have been the victims of historical abuse whilst in foster care. Capacity to meet potential increase in demand in relation to access to records and potential claims against the Council as Inquiry work progresses. *(Risk 4.4)*
- Increase in older people, particularly very old, due to demographic changes leads to an over demand on certain services and failure to meet legislation, overspend and negative publicity. *(Risk 5.1)*
- Risk of failure of a key care provider, including care home, care at home and other care provider due to financial instability, staff recruitment and selection difficulties or significant care concerns. Consequences could include: disruption to service delivery, requirement to implement contingency plans, impact on individuals and families with potential disruption to care arrangements. *(Risk 5.2)*
- Significant pressures and lack of service capacity (vacancies and absence) impacts on service delivery and quality standards. *(Risk 5.3)*
- Interruption to service or total inability to provide ICT services, resulting in impact to Council business, due to the loss of the Barrhead Data Centre and/or other critical infrastructure components due to fire, vandalism, equipment malfunction (including environmental controls). *(Risk 6.7)*
- Failure to achieve anticipated benefits and savings from the Finance/HR/Payroll System would lead services short of capacity and risk service delivery. *(Risk 6.14)*
- The re-emergence, escalation or further waves of Covid-19 (or any other emerging pandemic) result in increased controls and restrictions being implemented within East Renfrewshire. This may impact on provision of services through: staff

availability, supply chain issues, increased service demand, financial and service planning upheaval. (*Risk 6.18*)

- Supporting the mass vaccination and asymptomatic testing programmes within East Renfrewshire leads to other key work being delayed or postponed resulting in longer timescales for projects or work not being undertaken and outcomes for residents being reduced. (*Risk 6.20*)

10. The following risk were rescored from **high to medium**:

- Ongoing threat of Covi-19 impacts on the Council's ability to provide education to children and young people, either through significant rates of absence or school/class closures in schools across the authority. Higher rates of staff absence due to impact of Covid-19 cases and the need for self-isolation. Ongoing impact of school closures on attainment of young people. (*Risk 1.4 - Medium*)
- As a result of the EU-UK Trade & Cooperation Agreement impacts, there is significant disruption to Council operations and the services we provide, including front line and support services. (*Risk 6.16 - Medium*)
- The UK significantly diverges from existing EU legal and regulatory provisions, leading to significant disruption to Council operations and services provided. This may include changes enacted through the Internal Market Act. (*Risk 6.1 - Medium*)

11. The following risks were rescored from **medium to high**:

- Failure to pay invoices, Covid-19 related payments and specific Educational Benefits Payments, within a specified timeframe (Local Government Benchmarking Framework indicator/Government requirements) or failure to pay said types of payments correctly (either through fraud or error), which could lead to cessation of supplies; risks to delivery of critical services; inappropriate payments; loss of funds to the Council; reputational damage to Council; issues with insurers; detrimental business/personal financial impact and possibly, legal action. (*Risk 6.8 - High*)
- Brexit leads to economic uncertainty and detrimental impact on the Council budget, operations and services. (*Risk 6.9 - High*)
- Following implementation of the new Council Tax and Benefits system, residual risks and issues remain which require to be worked through over a further period including
  - (i) critical activities must be undertaken including annual billing, year-end activity and Housing Benefit subsidy
  - (ii) limited recovery (both system and Covid) has taken place which may result in reduction of expected income levels to the council and
  - (iii) consolidation of Education Benefits functionality on the new system
  - (iv) Citizens Access customer portal still to be implemented (noting Phase 2 to be delivered) and
  - v) recovery of service backlogs, particularly in Benefits service;
  - vi) impact of service backlogs on national performance indicators which will affect rankings and may cause reputational damage. (*Risk 6.19 - High*)

12. The following risks **were added to** the register:

- Our major works capital programmes face significant pressures as a result of raw material costs, supplier costs, supply chain or contractor difficulties. This will have a

detrimental impact on the costs and/or timescales related to the delivery of projects. (Risk 6.22 - High)

- Many of our officers have been exposed to challenging circumstances and intense demands over a prolonged period, because of work during Covid-19. As a result employees may experience increased stress - particularly those who have been working intensely and offering key frontline services. The Council will seek to ensure support for employee's mental and physical wellbeing. *(Risk 6.23 - High)*
- The Covid-19 Pandemic reduces community activity and diverts staff resources away from being able to identify, plan and deliver Participatory Budgeting (PB) opportunities resulting in the Council failing to meet its goal of 1% of spend being via Participatory Budgeting. *(Risk 6.24 – High)*

13. The following risk has been **removed** from the Strategic Risk Register since this was last considered by the Audit and Scrutiny Committee in March 2021.

- Changes in SQA certification processes in 2020/21 detrimentally impacts upon exam results of young people in the 2020/21 exam diet with a subsequent negative impact on the Council's reputation. *(Risk 2.7)*
  - Reason risk removed: This risk has been superseded. The Department of Education will continue to review in light of any national requirement for future years.
- Impact of Living Wage on the council salary scales with continuing pressure on the lower grades of the scale. Not maintaining differentials between grades. (Risk 6.10)
  - Reason risk removed: Living Wage fully implemented.
- Covid-19 impacts on ability of the Returning Officer to conduct the Scottish Parliamentary Election for the Eastwood Constituency on Thursday 6th May 2021 resulting in reputational damage to the Council. *(Risk 6.21)*
  - Reason risk removed: Election conducted and result declared.

14. The following risks retained the same score as before but the risk descriptions were amended to **reflect the current position or provide further clarity** (additions in bold, removed text with line through and revised risk included below for clarity).

- Significant rates of positive Covid-19 testing within an East Renfrewshire community necessitates enhanced local Community testing, particularly for asymptomatic residents. **Residents unable to access prompt PCR testing with subsequent impact on requirements to self-isolation and access to services and education.** (Risk 2.10)
  - Significant rates of positive Covid-19 testing within an East Renfrewshire community necessitates enhanced local Community testing, particularly for asymptomatic residents. Residents unable to access prompt PCR testing with subsequent impact on requirements to self-isolation and access to services and education. *(Risk 2.10)*
- Risk of failure of a key care provider, including care home, care at home and other care provider due to financial instability, **staff recruitment and selection difficulties** or significant care concerns. **Consequences could include: disruption to service**

**delivery, requirement to implement contingency plans, impact on individuals and families with potential disruption to care arrangements. (Risk 5.2)**

- Risk of failure of a key care provider, including care home, care at home and other care provider due to financial instability, staff recruitment and selection difficulties or significant care concerns. Consequences could include: disruption to service delivery, requirement to implement contingency plans, impact on individuals and families with potential disruption to care arrangements. (Risk 5.2)
- Significant pressures and lack of service capacity (vacancies and absence) impacts on service delivery and quality standards. ~~Impact on service users and carers. Reputational risk to HSCP and Council. Risk of enforcement action should we fail to meet the Care Inspectorate requirements.~~ (Risk 5.3)
  - Significant pressures and lack of service capacity (vacancies and absence) impacts on service delivery and quality standards. (Risk 5.3)
- Following implementation of the new Council Tax and Benefits system, residual risks and issues remain which require to be worked through over a further period including (i) critical activities must be undertaken including annual billing, year-end activity and Housing Benefit subsidy (ii) limited recovery (both system and Covid) has taken place which may result in reduction of expected income levels to the council and (iii) delivery of Education Benefits functionality on the new system **has not taken place** (iv) ~~Citizens access still to be implemented (noting Phase 2 to be delivered)~~ (iv) **Citizens Access customer portal still to be implemented (noting Phase 2 to be delivered)** and v) **recovery of service backlogs, particularly in Benefits service; vi) impact of service backlogs on national performance indicators which will affect rankings and may cause reputational damage.** (Risk 6.19)
  - Following implementation of the new Council Tax and Benefits system, residual risks and issues remain which require to be worked through over a further period including
    - (i) critical activities must be undertaken including annual billing, year-end activity and Housing Benefit subsidy
    - (ii) limited recovery (both system and Covid) has taken place which may result in reduction of expected income levels to the council and
    - (iii) consolidation of Education Benefits functionality on the new system
    - (iv) Citizens Access customer portal still to be implemented (noting Phase 2 to be delivered) and v) recovery of service backlogs, particularly in Benefits service;
    - vi) impact of service backlogs on national performance indicators which will affect rankings and may cause reputational damage. (Risk 6.19)
- Supporting the mass vaccination and ~~asymptomatic~~ **testing programmes and other key Covid-19 response work streams** within East Renfrewshire leads to other key work being delayed or postponed resulting in longer timescales for projects or work not being undertaken and outcomes for residents being reduced. (Risk 6.20)
  - Supporting the mass vaccination, testing programmes and other key Covid-19 response work streams within East Renfrewshire leads to other key work being delayed or postponed resulting in longer timescales for projects or work not being undertaken and outcomes for residents being reduced. (Risk 6.20)

## RISK TOLERANCE

## 15. Map of strategic risks in East Renfrewshire Council

Likelihood	4			2.2; 4.4; 5.2; 6.7; 6.9; 6.19; 6.20	2.8; 5.1; 6.18
	3		1.3	1.2; 3.2; 6.1; 6.4; 6.12; 6.16; 6.17; 6.22	2.3; 2.4; 2.10; 5.3; 6.8; 6.14; 6.23; 6.24
	2			2.6; 2.9; 2.11; 2.12; 3.3; 6.3; 6.:6	1.1; 1.4; 3.1; 3.5; 3.7; 4.1; 4.2; 6.15
	1				
		1	2	3	4
Impact					

Risk Score	Overall Rating
11 to 16	High - RED
5 to 10	Medium - Orange
1 to 4	Low - Green

Outcome	Low Risk	Medium Risk	High Risk	Total
1. All children in East Renfrewshire experience a stable and secure childhood and succeed	-	4	-	4
2. East Renfrewshire residents are healthy and active and have the skills for learning, life and work	-	4	5	9
3. East Renfrewshire is a thriving, attractive and sustainable place for residents and businesses	-	5	-	5
4. East Renfrewshire residents are safe and live in supportive communities	-	2	1	3
5. Older people and people with long term conditions in East Renfrewshire are valued; their voices are heard and they enjoy full and positive lives	-	-	3	3
6. Our Strategic Outcomes: Customer, Efficiency and People	-	9	9	18
<b>Total Strategic Risks</b>	-	<b>24</b>	<b>18</b>	<b>42</b>

## RISK PROGRESS

16. The Corporate Management Team continues to discuss and reviewed the Strategic Risk Register on a regular basis and it remains a standing item on the CMT agenda. A number of updates have been made to both the risk control measures currently in place and the proposed risk control measures to ensure the information reflects the most up to date position.

## FINANCE AND EFFICIENCY

17. The review of the Strategic Risk Register forms a fundamental role in ensuring that the Council meets the objectives detailed in Fairer East Ren, the Modern Ambitious Programme (MAP) and the Outcome Delivery Plan.

## CONSULTATION

18. The Corporate Management Team, Heads of Service and all Corporate Risk Representatives were invited to provide updates to the Strategic Risk Register. In addition at this time all operational risk registers were scrutinised and high risks examined to determine if they should be escalated to the Strategic Risk Register. Risks associated with East Renfrewshire Culture and Leisure Trust (ERCLT) and the Integrated Joint Board were also considered by the relevant Departments and escalated to the Council's Strategic Risk Register where appropriate.

## CONCLUSION

19. As part of the review of the register 3 new risks was added, 3 risks were removed and 5 risk descriptions were amended to reflect the current position. There are now 42 risks on the register of which 18 are classified as "high" risk.

20. The risks captured in the Strategic Risk Register continue to be monitored and evaluated by the Corporate Management Team on a regular basis. Given the current Covid-19 pandemic the Strategic Risk Register is under constant review and liable to change. The Appendix to this report therefore contains the most up to date position at the time of this report (15<sup>th</sup> September 2021).

21. The Strategic Risk Register is reported every 6 months to the Audit and Scrutiny Committee and annually to the Cabinet.

## RECOMMENDATIONS

22. The Cabinet is asked to consider and note the development of the Council's Strategic Risk Register noting that this is considered a "live" document and will be updated and amended by the Corporate Management Team (CMT) as appropriate.

Lorraine McMillan, Chief Executive

September 2021

Report Author: Gill Darbyshire, Chief Executive's Business Manager  
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Appendix 1 East Renfrewshire Council Strategic Risk Register\_V3.0\_15.09.2021

## KEY WORDS

This report provides the Audit and Scrutiny Committee with the latest annual update of the Council's Strategic Risk Register.

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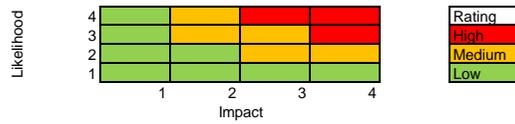
Classification	Official Sensitive
Name	East Renfrewshire Council Strategic Risk Register
Version	V3.0
Date	15/09/2021
Updated by:	Gill Darbyshire, Chief Executive's Business Manager

The risks highlighted within this document are based upon the professional judgement of East Renfrewshire Council Corporate Management Team and officers in East Renfrewshire Council.

The Strategic Risk Register is the property of the Council's Corporate Management Team who will regularly review its contents and scoring.

All risks are currently scored on what is known and based upon information available. Risk scores and controls will be evaluated on an ongoing basis and reflective of developing knowledge.

Risk Scoring is presented based on the risk matrix below



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Outcome 1: All children in East Renfrewshire experience a stable and secure childhood and succeed.												
Risk Status S/C/N (Same, Changed, New)	Risk Number	Risk (Threat / Opportunity to achievement of business objectives)	Risk Control Measures (Mitigations) current in place	Likelihood (Probability)	Impact (Severity)	Risk Score	Proposed Risk Control Measures (Mitigations)	Date for completion	Re-scored Likelihood (Probability)	Re-scored Impact (Severity)	Re-scored Risk Score	Risk Owner
S (17/02/2021)	1.1	Inability to deliver East Renfrewshire Council's preferred or at least an acceptable model of 1,140 hours of free early learning and childcare (ELC) beyond August 2021 which locally addresses the principles of quality, flexibility, accessibility and affordability.	<p>ERC's ongoing revenue funding shortfall from the first full year (2021/22) of implementation of 1140hours has been well documented since 2018 and officers and elected members have petitioned SG/COSLA. In anticipation officers have sought to maximise the carry forward of specific ELC grant funding released on a phased basis in advance of full implementation. Such actions help delay the full financial impact of the funding gap until 2022/23.</p> <p>Continue to monitor provision and regularly review delivery models, following initial review for 2021/22, based on affordability, preferences of parents and taking account of any changes in policy/ legislation making bids as appropriate for funding.</p> <p>Maintain tight control of revenue spend, including scrutiny of requests to recruit to ensure all recruitment is on a needs (ratio) basis and that staffing levels in ELC settings are operating at maximum efficiency.</p> <p>Increase in local authority provision with all capital work now completed. Funded provider places ERC is in partnership with have also been increased.</p> <p>Continue to support the development and engagement of funded providers, including childminders, to increase ELC places.</p> <p>Implement Early Learning and Childcare Strategy including continuing to work with all providers to ensure quality early learning and childcare.</p>	2	4	8	<p>Following the national funding review (effect from 2022/23), assess the impact on ERC's delivery models and report to elected members as appropriate.</p>	Subject to outcome of National Review.	1	4	4	Director of Education
C (24/08/2021)	1.2	New Scottish Government Funding Follows the child guidance in relation to parents accessing Early Learning and Childcare (ELC) in their choice of provider will have a significant financial impact on budget.	<p>High quality, flexible accessible childcare available within East Renfrewshire Local Authority settings.</p> <p>Rigorous scrutiny process to determine partnership status for ERC Funded Providers.</p> <p>Promote the quality and affordability aspects of all ELC settings with parents and carers.</p> <p>As new facilities become operational, flexibility and choice is available for parents.</p> <p>Forecasting of the current demand and cost of children accessing non-LA settings.</p> <p>West Partnership cross-boundary protocol developed for August 2020 in response to Funding Follows the Child guidance.</p> <p>Revised ELC admissions policy reflecting the enhanced 1140 provision and the allocation of places.</p> <p>Operation of application window to ensure allocation to nurseries can be undertaken to provide financial oversight. Funding request window notified to all funded providers.</p>	3	3	9	<p>Review and implement the West Partnership (WP) Cross Boundary Protocol for next round of applications within current financial and space capacity.</p> <p>Develop improved customer communication in conjunction with legal services to ensure a robust adherence to policy and prevent successful challenges to existing practice.</p> <p>Implementation of new streamlined process of additional flexible hours for families in local authority provision. Pilot in the first term of 2021/22 with wider implementation to follow where space is available.</p>	<p>31/03/2022</p> <p>31/12/2021</p> <p>31/10/2021</p>	1	3	3	

<p>C (24/08/2020)</p>	<p>1.3</p>	<p>An increase in the number of requests from parents and carers for children to defer their entry to school prior to the 2023 policy implementation date leads to insufficient places being available and increased costs to ensure provision can be made.</p>	<p>Adherence to the Department's Deferred Entry to School Policy. Implementation of the new ELC Admission Policy (updated November 2020). ELC settings to continue to engage with parents, outlining the progress and achievements of children. Playful pedagogy approach in Early Years of Primary School including high quality remote provision during times of restrictions. Closely monitor applications and ensure adherence to robust processes for administration. Departmental officer sitting on national Scottish Government working group.</p>	<p>3</p>	<p>2</p>	<p>6</p>	<p>Review of the administration and delivery of the deferred entry policy ensuring accuracy and effectiveness ahead of subsequent school admission process for summer 2022 entry.</p>	<p>31/10/2021</p>	<p>3</p>	<p>1</p>	<p>3</p>	<p>Director of Education</p>
<p>C (25/8/2020)</p>	<p>1.4</p>	<p>Ongoing threat of Covid-19 impacts on the Council's ability to provide education to children and young people, either through significant rates of absence or school/class closures in schools across the authority. Higher rates of staff absence due to impact of Covid-19 cases and the need for self isolation. Ongoing impact of school closures on attainment of young people.</p>	<p>Department guidance and individual school recovery plans in place to ensure continuing provision of education in the event of a localised or widespread lockdown/closure. Ongoing review to ensure continued relevance and deliverability. Additional resources from the Scottish Government to begin to address learning loss, in addition to effective practice guidance to Head Teachers from the department. QI team continue to provide support and challenge to schools. Revised Test &amp; Protect measures in place across all establishments to lessen impact of self-isolation and contact tracing requirements. Ongoing communication with parents and families as part of the Council's approach. Ongoing support from Educational Psychological Services to support wellbeing amongst pupils including the launch of HealthiER Minds. Robust adherence to health and safety measures across all settings to reduce transmission rates. Regular review of risk and control measures in places across establishments. Mass testing programme for all staff and senior pupils in place to minimise impacts of positive cases. Continued promotion of vaccination programme for all staff and eligible pupils. Ongoing engagement with West OS as part of the wider work on the West Partnership to ensure continued access to high quality remote learning provision.</p>	<p>2</p>	<p>3</p>	<p>6</p>	<p>Ongoing review of the necessary measures and mitigations in place across schools and nurseries to minimise impact of potential further waves. Effective use of further additional resources being made available by the Scottish Government including additional funds for staffing to address learning loss above and beyond existing additional resources. Wider Scottish Government commitment for significant device provision across schools, with promise of a device and connectivity for every pupil.</p>	<p>Subject to Scottish Government national approach  30/06/2022  To be confirmed</p>	<p>2</p>	<p>2</p>	<p>4</p>	<p>Director of Education</p>

## Outcome 2: East Renfrewshire residents are healthy and active and have the skills for learning, life and work.

Risk Status S/C/N (Same, Changed, New)	Risk Number	Risk (Threat / Opportunity to achievement of business objectives)	Risk Control Measures (Mitigations) current in place	Likelihood (Probability)	Impact (Severity)	Risk Score	Proposed Risk Control Measures (Mitigations)	Date for completion	Re-scored Likelihood (Probability)	Re-scored Impact (Severity)	Re-scored Risk Score	Risk Owner
C (12/08/2020)	2.2	Increase in the number of children and adults with additional support requirements leading to a rise in demand on services.	<p>Advanced Practitioner post to improve practice across adult and children services in preparing young people with additional support needs for adulthood.</p> <p>Analysis of demographic changes and increased financial forecasting.</p> <p>Education Resource Group manage specialist resources and admission to specialist provision.</p> <p>Resource Allocation Group (RAG) strengthened membership to include educational psychologist and occupational therapist.</p> <p>Concluded work to review transitions and new strategy developed</p>	4	3	12	<p>Implement new transitions strategy</p> <p>Council continues to contribute to funding to demographic cost pressures.</p>	<p>31.03.2022</p> <p>Ongoing (review Mar 22)</p>	4	2	8	Chief Officer HSCP
S (17/02/2021)	2.3	Ensuring sufficient catchment places for East Renfrewshire children and young people across all sectors in light of inward migration including the impact of new residential developments- in particular the Local Development Plan.	<p>Regular review of places and demand; and implementation of admission arrangements policy.</p> <p>Current capital plan reflects new build educational estate supplemented as appropriate by developer contributions, according to timescales and extent of provision noted in LDP (1), approved June 2015.</p> <p>On an ongoing basis, Education/Environment continue to review the release of housing and infrastructure requirements. This will also take cognisance of inward migration to existing housing along with ongoing residential development under the adopted LDP1 and any windfall sites as reflected in the Housing Land Supply register.</p> <p>Revised Pupil Product Ratios (PPRs) for ELC, primary, secondary and ASN (Additional Support Needs) reflecting current build costs published summer 2019 and PPRs refreshed.</p> <p>Council approved in June 2019 that the Proposed LDP2 go out to consultation in Autumn 2019 adopting a strategy of consolidation and regeneration with no further new housing sites released. Proposed LDP2 at Examination Reporter Stage. Respond to the requests for clarification/information as part of the Examination/ Reporter stage of LDP2.</p>	3	4	12	<p>Council's Capital Investment Strategy and the associated future 10-year Capital Plan updated to reflect education estate requirements for all school sectors taking account of operational requirements/timescales.</p> <p>As appropriate education statutory consultation to be undertaken in advance and within required timeframes.</p> <p>Education and Environment to collaborate closely about any potential further residential development as LDP3 progresses to ensure sufficiency of places across the education estate and that any new provision is included in future Capital Investment Strategies.</p>	<p>Annual update (next due 28/02/2022)</p> <p>In line with relevant timescales</p> <p>In line with relevant timescales</p>	2	4	8	Director of Education
S (30/08/2019)	2.4	Closure of facilities (related to Trust) as a result of unforeseen failure or management practices resulting in loss of attendance, revenue, damage to reputation and increased management fee.	<p>Current capital plan reflects major new replacement for Eastwood Leisure Centre and provision for repair and maintenance of Culture &amp; Leisure facilities to improve the customer environment. In addition the capital plan includes the intent to renew sports and library facilities for the village of Neilston as part of campus approach to replace outdated local educational provision.</p> <p>Quarterly meetings take place between the Trust and Property and Technical Services to monitor performance.</p> <p>Business Continuity Plans in place for services.</p> <p>SLA in place between ERC &amp; ERCL.</p> <p>Responded to the Main Issues Report and contributed to the new LDP (2) highlighting any impact in terms of the culture and leisure estate.</p> <p>Additional capital maintenance budget agreed for Trust properties in February 2019.</p>	3	4	12	<p>Capital Plan reviewed annually and updated to reflect operational requirements of facilities operated by the Trust. This will be ongoing.</p> <p>Progress new facilities planned for Eastwood Park and Neilston Leisure Centres in line with timescales set out in the Capital Plan.</p> <p>ERCL to take advantage of any opportunities offered by development of LDP3 taking account of due process such as planning and consultation in partnership with East Renfrewshire Council and in line with relevant timescales.</p>	<p>Annual update (next due 28/02/2022)</p> <p>In line with timescales set out in Capital Plan</p> <p>In line with timescales set out in Capital Plan.</p>	2	3	6	Director of Education/Head of Accountancy

C (18/8/2021)	2.6	An increase in the number of children and young people disengaging with learning as a consequence of ongoing Covid-19 impacts and subsequently requiring specialist support.	Curricular focus on health and wellbeing to negate impact of Covid-19  Resources and plans in place for high quality remote learning in all schools and early learning provision. All establishments have been provided with Building Back Better & Fairer plans and continue to be supported by the QI team to ensure continuing high quality.  Effective multi-agency planning around the child.  HealthiER Minds Service to support pupils and staff.  Education Resource Group  Inter-agency recovery group	2	3	6	A review of specialist supports and services across the Education Department.  Effective use of further resources expected from the Scottish Government to address potential learning loss and support curriculum recovery across all schools and ELC settings in the coming months.	31/10/2021  30/06/2022	2	1	2	Director of Education
C (24/08/2021)	2.8	Covid-19 pandemic changes East Renfrewshire Culture & Leisure Trust (ERCLT) customers' behaviours and expectations and affects demand, combined with reduced capacity from continued social distancing, Scottish Government guidance/legislation and the continued use of buildings as vaccination centres results in loss of attendance, revenue, damage to reputation and increased management fee.	Council Resilience Management Team oversight of Business Continuity and contingency planning lead on the tactical response to the ongoing pandemic.  Access furlough scheme to reduce numbers of staff.  Monitor up to date Government guidance  Sharing of key Health / Government advice with the public.  Effective Trust and Council governance arrangements.  Effective measures to ensure non staff costs are controlled are in place.  Consultation and on-going engagement with customers via online channels to build demand, confidence and allay fears.	4	4	16	Managed opening of ERCL services to minimise costs.  Recruitment freeze of Trust staff.  Reallocation of staffing to funded projects.    Trust staff training to identify new products, solutions and operating procedures.	Whilst beyond Level 0 of Scottish Government Strategic Framework  31/08/2022	4	3	12	Director of Education
C (24/08/2021)	2.9	Lack of appropriately skilled teacher workforce due to a combination of students and newly qualified teachers having experienced interrupted placements in school as a result of Covid. This leads to a reduction in the ability to adequately fill teacher vacancies and a reduction in quality of teaching and learning which in turn places an increased pressure on existing experienced teaching staff workload.	Strategy developed with university partners and in place for term three placements for students and probationers  Work with university tutors to ensure health and wellbeing of students/probationers is a priority.  Work collaboratively with university partners to develop a strategy to ensure the upskilling of the new teacher workforce at all levels to plug the gap of learning loss over the last 12 month period.  Extension of in school placements for final year students and probationers not able to attain SFR or SFPR.	2	3	6	Increased in school provision of mentoring and support for students and probationers.  Actively support schools with failing probationers and students through the correct procedures for GTCS/University referral.	30/06/2022  30/06/2022	1	2	2	Director of Education

C (24/08/2021)	2.10	<p>Significant rates of positive Covid-19 testing within an East Renfrewshire community necessitates enhanced local Community testing, particularly for Asymptomatic residents.</p> <p>Residents unable to access prompt PCR testing with subsequent impact on requirements to self-isolation and access to services and education.</p>	<p>The Council has a Lead Officer assigned to this area of working, along with identified Project Leads for avenues of working associated with it.</p> <p>Regular and established contact mechanisms are in place with NHS Greater Glasgow &amp; Clyde, the Scottish Government and appropriate Military Planners to support this area of work in a coordinated manner.</p> <p>Key officers regularly review Covid figures across East Renfrewshire - with a view to identifying which areas may require particular targeting.</p> <p>Escalation processes for areas of concern to the Council Resilience Management Team (CRMT) and Corporate Management Team (CMT) are well established.</p> <p>An Asymptomatic Testing Facility has been established in Barrhead, from 1 March 2021 - this will be in place until at least September 2021.</p> <p>Experience of the May 2021 surge in cases has provided learning and identification of solutions to enhance testing locally - including community group engagement, enhanced communications, additional Mobile Testing Unit placements and testing kit collection.</p>	3	4	12	<p>Level of volunteer staffing or re-deployment of existing staff to be regularly reviewed and considered with escalation to CRMT if insufficient staff numbers identified.</p> <p>Need for additional testing solutions will be considered as appropriate in response to rising numbers of Covid cases or identification of areas of concern.</p>	30/12/2021  30/12/2021	3	3	9	Chief Executive
C (03/06/2021)	2.11	<p>The Covid-19 Pandemic results in additional deaths, which stretch the capacity of existing mortuary storage. This impacts on the NHS requiring the Council to provide additional facilities</p>	<p>Mass Facilities Guidance updated in 2021.</p> <p>Additional Deaths Sub Group established within the Health Board Area and within the Council.</p> <p>Changes have been made to registration requirements to assist reporting.</p>	2	3	6	<p>Continued review &amp; engagement with appropriate agencies through the regular multi agency group meetings.</p> <p>Utilising volunteers and training staff to support key functions where possible.</p>	31/01/2022  31/01/2022	2	2	4	Director of Environment
C (14/08/2021)	2.12	<p>Challenges with the Council supporting the NHS for the Covid-19 Vaccination programme result in delays in East Renfrewshire residents receiving their vaccine.</p>	<p>A designated Emergency Management Team, including Project Managers has been established to lead this work.</p> <p>Dedicated Council support is in place through ICT, HR, Property Management, Health &amp; Safety to maximise support to the NHS &amp; Government in the roll out of vaccines locally.</p> <p>Regular communications and liaison with NHS Greater Glasgow &amp; Clyde</p> <p>Staffing contingency arrangements are regularly explored throughout local Vaccination Centre operation.</p> <p>The need and ability to scale up Vaccination Centre operations is regularly explored.</p> <p>Appropriate financial resources identified to support this work.</p>	2	3	6			2	3	6	Chief Executive

## Outcome 3: East Renfrewshire is a thriving, attractive and sustainable place for residents and businesses.

Risk Status S/C/N (Same, Changed, New)	Risk Number	Risk (Threat / Opportunity to achievement of business objectives)	Risk Control Measures (Mitigations) current in place	Likelihood (Probability)	Impact (Severity)	Risk Score	Proposed Risk Control Measures (Mitigations)	Date for completion	Re-scored Likelihood (Probability)	Re-scored Impact (Severity)	Re-scored Risk Score	Risk Owner
C (21/08/2021)	3.1	Glasgow and City Region City Deal infrastructure projects (including those projects outwith East Renfrewshire) do not proceed on schedule and/or do not produce the anticipated economic benefits resulting in a gap in funding provided by the UK and Scottish Government.	<p>City Deal projects are delivered within the governance, procedures &amp; project management requirements set out in the City Deal Assurance Framework. Regular reporting on City Deal projects is provided for Governance meetings that are held every 2 months. Additionally, there are frequent project &amp; team meetings, with issues raised with the Programme Management Office (PMO).</p> <p>There are rigorous checks of all business cases - initially through checks by the Governance Board, prior to going to the PMO. There is a further check by the PMO prior to expenditure approval and project implementation.</p> <p>Reproofing projects in terms of scope, timescales and cost to ensure the projects remain value for money, can be achieved within current budgets and still provide the required GVA with the Finance Business Partner.</p> <p>The City Deal Governance Group within the Environment Department is chaired by the Director of Environment and meets monthly, enabling monitoring of progress and issues relating to City Deal Projects.</p> <p>A Cabinet report updating on key City Deal elements has been compiled and was discussed at 3 June meeting.</p> <p>All existing &amp; new employees receive regular training to ensure their project management knowledge is up to date. This includes all City Deal project managers being trained in NEC3 contracts and financial standing orders.</p>	2	3	6			2	3	6	Director of Environment
C (17/08/2021)	3.2	Increase in construction inflation costs may negatively impact on the planned capital plan and City Deal GVA (Gross Value Add).	<p>Major capital projects have been reviewed for inflationary impact in preparing the 2020/2021 to 2029/2030 Capital Plan. Reassessment of capital plan to ensure budget can be met.</p> <p>There is prudent budgeting and ongoing monitoring of reserves - including monitoring the effects of Brexit, Covid-19 and construction inflation on costs, availability of labour and changes to safe working practices.</p> <p>Building Cost Information Service (BCIS) is updated annually and the mid construction point is used to inflate projects, and notified to the Finance Service.</p> <p>Regular review of Government budgets and subsequent Council budgets takes place, to consider impacts on major projects.</p>	3	3	9	Consider measures arising from impacts of any 2022/23 Scottish Government and subsequent Council budget on major projects.	31/05/2022	3	2	6	Director of Environment

C (12/08/2021)	3.3	<p>Potential breaches of State Aid compliance leads to lengthy investigations, suspension of works leading to costly delays and financial penalties. This risk is complicated by the potential changes to UK State Aid guidance and procedures as a result of Brexit and the EU-UK Trade Agreement in December 2020.</p>	<p>Close monitoring of capital expenditure/income against budget throughout year.</p> <p>State Aid references is made within appropriate Cabinet/Council reports, where relevant.</p> <p>A member of the Environment Department attends 2 meetings per year at the Scottish State Aid Local Authority Network, to keep up to date with any changes to State Aid compliance.</p> <p>Staff from Environment Department, Legal Services, Finance and Procurement have received training through the Scottish Government's State Aid Unit. Further training can be requested from the Scottish Government State Aid Unit. Council training is carried out every 2 years.</p> <p>There is an explicit inclusion of State Aid in East Renfrewshire Council's Financial Regulations and/or Standing Orders. Further information including examples of what constitutes State Aid is provided in the relevant links on the intranet (Home/Chief Executive's Office/State Aid Guidance)</p> <p>UK Government guidance has been published and is being updated. The current assumption highlighted by CoSLA is that authorities should continue using the EU rules as reference points which the new UK regime is being fully developed and consultation completed. UK Government Guidance is available at: <a href="https://www.gov.uk/government/publications/complying-with-the-uks-international-obligations-on-subsidy-control-guidance-for-public-authorities">https://www.gov.uk/government/publications/complying-with-the-uks-international-obligations-on-subsidy-control-guidance-for-public-authorities</a></p> <p>An annual State Aid return is provided to the Scottish Government each June.</p>	2	3	6	<p>Enhanced Scottish State Aid Local Authority Network communications are taking place in light of the end of the Transition Period, with Environment Department staff engaged.</p> <p>Review the requirement for updated training in light of any changes to the State Aid regime: considering opportunities for more officers to undertake this training. This will also encompass the two yearly knowledge update.</p> <p>There will be regular review of UK Government guidance and position on the changes to State Aid that may result from EU Exit. Engagement will take place through the Scottish State Aid Local Authority Network and with the Scottish Government / COSLA to ensure that any changes the Council is required to make are compliant.</p>	31/01/2022  31/01/2022  31/01/2022	2	2	4	Director of Environment
C (28/01/2021)	3.5	<p>There is a risk of an internal structural collapse at Braidbar Quarry which could result in the ground surface opening up possibly leading to fatalities if restrictions on access are not maintained. Several residential properties are blighted by this site.</p>	<p>Full fencing of the site completed November 2019. Warning signs erected around the perimeter. Regular inspections are undertaken, with fencing repaired when the Council is notified of breaches. The Council documents its repair regime.</p> <p>Digitised record inspection records are retained and regularly updated.</p> <p>No mitigation factors are presently in place for an internal structural collapse other than protection of the public through restricted access.</p>	2	4	8	<p>Remediation of the affected land is the only measure which will completely remove this risk. Achieving this however would be a multi-million pound exercise and would require significant collaboration with land remediation specialists.</p>	Long Term Project	2	2	4	Director of Environment
S (14/04/2019)	3.7	<p>Impact of severe weather (caused by climate change) disrupting the functioning of the Council and its ability to deliver services.</p>	<p>Business Impact Assessments and Business Continuity Plans consider implications of sudden and severe weather events.</p> <p>The Council participates in Climate Ready Clyde (CRC) project to evidence the impacts of climate change on the area and its assets and develop a climate change risk and opportunity assessment, adaptation strategy and action plan.</p> <p>Continue to construct and maintain all buildings and infrastructure to the best possible standard to reduce likelihood of structural failure.</p> <p>Participate in Clyde And Loch Lomond Flood Risk Management Group (CALL)</p>	2	4	8	<p>Develop a Climate Change &amp; Sustainability Strategy</p> <p>Adaptation Strategy being developed at Glasgow City Region level</p> <p>Implement the Climate Change and Sustainability Strategy</p>	To be determined 30/11/2021  To be determined	2	3	6	Director of Environment

## Outcome 4: East Renfrewshire residents are safe and live in supportive communities

Risk Status S/C/N (Same, Changed, New)	Risk Number	Risk (Threat / Opportunity to achievement of business objectives)	Risk Control Measures (Mitigations) current in place	Likelihood (Probability)	Impact (Severity)	Risk Score	Proposed Risk Control Measures (Mitigations)	Date for Completion	Re-scored Likelihood (Probability)	Re-scored Impact (Severity)	Re-scored Risk Score	Risk Owner
C (15/06/2021)	4.1	<b>Inconsistent assessment and application of the public protection agenda (Child Protection, Adult protection and Multi-Agency Public Protection Arrangements- MAPPA) may result in risk of children or vulnerable adults being harmed and lead to non-compliance with legislative standards.</b>	<p>The operation of Child Protection Committee (CPC), Adult Protection Committee (APC) and MAPPA meetings deal with strategic and practice issues.</p> <p>"Safe Together" model implemented.</p> <p>Data report and outcome report for children's services completed (COPP - May 2020).</p> <p>Rolling programme for all front line managers provided with refresher training concerning statutory compliance.</p> <p>Partnership working is at an advanced stage with Police Scotland, NHS, Scottish Prison Service and other statutory partners.</p> <p>Increased communication and intelligence sharing with other statutory bodies implemented during Covid-19.</p> <p>Job descriptions for statutory criminal justice social work posts in East Renfrewshire have been amended and candidates are required to be eligible to achieve NPPV (Non Police Personal Vetting) level 2 vetting status. Engagement taken place with workers not yet vetted to NPPV status.</p> <p>Quarterly external audit of MAPPA cases in place.</p> <p>Multi Agency Risk Assessment Conference (MARAC) fully operational (05.03.19).</p> <p>PVG (Protecting Vulnerable Groups) scheme in place.</p> <p>Service Manager ASP has responsibility for chairing Case Conferences and leading on self-evaluation and audit activity.</p> <p>Risk assessment integral part of the assessment process.</p> <p>Process in place for annual review of quality assurance framework for ASP activity</p> <p>Interim APC Chair in place.</p> <p>Training delivered to managers within adult services on supervision policy, quality assurance framework, management oversight.</p> <p>Council officer and managers forums established.</p> <p>New Head of Recovery and Intensive Services taken on role of professional lead for social work practice within adult services.</p>	2	4	8	<p>Develop new schedule for performance reporting for adult services.</p> <p>Introduce rolling review of PVGs on 3 yearly basis. Consistent with Care Inspectorate regulations</p> <p>Strengthen reporting arrangements around SSSC registrations</p>	<p>Ongoing (Review Dec-21)</p> <p>31/12/2021</p> <p>31/12/2021</p>	1	4	4	Chief Officer HSCP

<p><b>C</b> (15/08/2021)</p>	<p>4.2</p>	<p>Acts of harassment, violence or intimidation, directed at particular religious or minority groups, impact on individuals and communities, resulting in harm and reduced confidence in being able to live safely and without fear within East Renfrewshire.</p>	<p>Local authorities have a duty under the Counter Terrorism and Security Act (2015) to have "due regard to the need to prevent people from being drawn into terrorism". The Council participates in multi-agency 'Prevent' and 'CONTEST' working groups, alongside other local authorities, Police Scotland and the Scottish Government, and has designated the Head of Digital and Community Safety as the Single Point of Contact (SPOC) for Prevent.</p> <p>The Council CRMT and the Civil Contingencies Service (CCS) ensure that appropriate business continuity and civil contingencies procedures are developed and maintained, to co-ordinate an effective response in the event of an incident impacting people, infrastructure or services.</p> <p>Where an individual has been identified as being at risk of being drawn into terrorism, there are well-established procedures for multi-agency case conferences (chaired by the Head of Adult Support and Protection) using the Prevent Multi Agency Panel (PMAP) referral process, with appropriate information sharing between the Council and Police to deliver targeted intervention activities.</p> <p>The establishment of a cross-departmental working group to develop actions to raise awareness amongst Council and Trust staff of the Prevent duty and identifying signs and risk factors of potential radicalisation.</p>	<p>2</p>	<p>4</p>	<p>8</p>	<p>Review and implement changes to the PREVENT Guidance update issued by Scottish Government in January 2021 through the Prevent Operational group.</p>	<p>30/11/2021</p>	<p>1</p>	<p>4</p>	<p>4</p>	<p>Director of Corporate &amp; Community Services</p>
<p><b>S</b> (12/08/2020)</p>	<p>4.4</p>	<p>Scottish Child Abuse Inquiry - Children accommodated by East Renfrewshire Council and legacy areas from 1930 may have been the victims of historical abuse whilst in foster care.</p> <p>Capacity to meet potential increase in demand in relation to access to records and potential claims against the Council as Inquiry work progresses</p>	<p>Adult Protection Committee and Child Protection Committee have been sighted on these issues.</p> <p>Final s21 submission made to the Inquiry in July 2020 in relation to the foster care case study. The Inquiry have noted that they may come back for further information. Key learning from S21 work shared with managers</p> <p>Identified leads in HSCP working alongside legal services to manage the progress of any allegations/claims made.</p>	<p>4</p>	<p>3</p>	<p>12</p>			<p>4</p>	<p>3</p>	<p>12</p>	<p>Chief Officer HSCP</p>

Outcome 5: Older people and people with long term conditions in East Renfrewshire are valued; their voices are heard and they enjoy full and positive lives												
Risk Status S/C/N (Same, Changed, New)	Risk Number	Risk (Threat / Opportunity to achievement of business objectives)	Risk Control Measures (Mitigations) current in place	Likelihood (Probability)	Impact (Severity)	Risk Score	Proposed Risk Control Measures (Mitigations)	Date for completion	Re-scored Likelihood (Probability)	Re-scored Impact (Severity)	Re-scored Risk Score	Risk Owner
C (15/06/2021)	5.1	Increase in older people, particularly very old, due to demographic changes leads to an over demand on certain services and failure to meet legislation, overspend and negative publicity.	<p>Scottish Government providing additional resources for Health and Social Care with emphasis on managing demographic pressures. Council funding for demographic cost pressure continues</p> <p>Outcome Delivery Plan (ODP) and HSCP strategic plans build on foundation of CHCP and wider council prevention and early intervention strategy for older people.</p> <p>Agile working for HSCP employees improves efficiency</p> <p>Annual budget setting takes account of demographic projections.</p> <p>Rollout of Talking Points, as part of Community Led Support Programme diverting people to community resources and building their own assets commenced in May 2019</p> <p>Partnership with various professional agencies and community/public to support hospital admission avoidance and safe hospital discharge for older people.</p>	4	4	16	<p>Develop frailty pathways as part of wider UCC work</p> <p>Reopen and further rollout of Talking Points as part of Community Led Support programme diverting people to community resources and building own assets.</p> <p>Reviewing front door arrangements to ensure fit for purpose in terms of recovery</p> <p>Unscheduled Care Action Group to take forward agreed unscheduled care commissioning programme of activity - Financial Framework to be agreed.</p> <p>Continued Council funding for demographic cost pressures.</p>	<p>31/03/2022</p> <p>Ongoing (review Mar 22)</p> <p>30/09/2021</p> <p>30/09/2021</p> <p>Ongoing (review March 2022)</p>	4	2	8	Chief Officer HSCP
C (15/06/2021)	5.2	<p>Risk of failure of a key care provider, including care home, care at home and other care providers due to financial instability, staff recruitment and selection difficulties or significant care concerns.</p> <p>Consequences could include:</p> <ul style="list-style-type: none"> <li>- disruption to service delivery</li> <li>- requirement to implement contingency plans</li> <li>- impact on individuals and families with potential disruption to care arrangements</li> </ul>	<p>We work with the Care Inspectorate to ensure robust action plans for improvement are in place.</p> <p>Work with Scottish Government, Scotland Excel and Cosla on care home market.</p> <p>Consideration of balance of market share across external market providers.</p> <p>Company Credit Health Checks undertaken.</p> <p>Scotland Excel framework commenced July and should increase provider base to mitigate risk</p> <p>Actions from independent learning review complete – reporting procedure in place and monthly meetings established</p> <p>We work with providers at risk to agree phased and managed approach to closure if required.</p> <p>We are working with providers to ensure market sustainability and explore the service models moving forward.</p> <p>Care Home assurance group established May 2020 (meets twice weekly). Care homes reporting key information which is reviewed by the care home assurance group to allow management of risk and support</p> <p>Two community hubs established to provide range of support to care homes within Greater Glasgow and Clyde e.g. nursing, infection control support</p>	4	3	12	<p>Reshape strategic commissioning plan based on outcome of the work exploring models of service delivery. Annual progress will inform our longer term approach.</p>	31/03/2022	3	3	9	Chief Officer HSCP
C (15/06/2021)	5.3	Significant pressures and lack of service capacity (vacancies and absence) impacts on service delivery and quality standards. Impact on service users and carers.	<p>Increased resource to support robust absence management.</p> <p>Fortnightly updates being provided to Care Inspectorate</p> <p>Single base agreed for Care at Home</p> <p>Embedded full time Pharmacy resource within the service (Jul-20).</p> <p>Increased level of quality assurance in place.</p> <p>Significant recruitment campaign underway</p> <p>Increased OT resource to maximise outcomes and reduce supports required</p> <p>Progressing payment of carried over annual leave to increase staff availability</p>	3	4	12	<p>Roll out medication management training to remaining staff (75% completed)</p> <p>Re-mobilise the service redesign activity.</p> <p>Appoint Senior Manager – currently out to advert</p> <p>Conclude work to realign staff work patters in order to maximise resource</p>	<p>31/03/2022</p> <p>Ongoing (review Mar 22)</p> <p>31/10/2021</p>	2	3	6	Chief Officer HSCP

Our Strategic Outcomes: Customer, Efficiency and People												
Risk Status S/C/N (Same, Changed, New)	Risk Number	Risk (Threat / Opportunity to achievement of business objectives)	Risk Control Measures (Mitigations) current in place	Likelihood (Probability)	Impact (Severity)	Risk Score	Proposed Risk Control Measures (Mitigations)	Date for completion	Re-scored Likelihood (Probability)	Re-scored Impact (Severity)	Re-scored Risk Score	Risk Owner
S (05/03/2021)	6.1	Reduced central government funding leading to failure to support the current level of service provision leading to public discontent and negative effect on the Council's reputation and increased pressure to draw down council reserves on future years' budgets.	<p>Budget Strategy Group</p> <p>Corporate Ownership</p> <p>Treasury Management Strategy</p> <p>Ongoing monitoring of Council reserves</p> <p>3 Year budget arrangements</p> <p>Change to financial planning timetable to allow earlier budget deliberations and a realignment of budget with council outcomes.</p> <p>Close monitoring of expenditure/income against budget throughout the year.</p> <p>Prioritisation of Modern Ambitious Programme and continual review of projects to ensure effective progress and business cases.</p> <p>Budget aligns with conditions set out in Scottish Government settlement letter.</p> <p>Updated settlement figures received from Scottish Government.</p> <p>Long term budget and scenario planning. Outline Financial Plan, reserves and Council Tax level reviewed annually by Council.</p> <p>Education resources reviewed in context of school empowerment and carry forward limit agreed.</p> <p>Additional General Grant Funding confirmed for 2021/22.</p>	3	3	9	<p>Review reserves and consider options for future years' utilisation/reclassification to assist with meeting budget pressures if required.</p> <p>Reintroduction of 3 year national settlements from 2022/23.</p>	<p>31/10/2021</p> <p>31/12/2021</p>	2	3	6	Head of Accountancy
S (05/02/2021)	6.3	Lack of appropriately skilled workforce due to the combination of loss of experience from redundancy / retirement, difficulties recruiting due to temporary contracts and shortage of skills in market place leads to a reduction in service levels damaging council reputation.	<p>Leadership Competencies (which are linked to Quality Conversation) and the Leaders of the Future Development Programme.</p> <p>Head of Service lead in each department on workforce planning with an active corporate workforce planning group.</p> <p>Head of organisational and financial business case when considering redundancies/ early retireals.</p> <p>Workforce planning strategy in place.</p> <p>Succession planning toolkit available for managers.</p> <p>Actively support CoSLA working groups to benchmark best practices in workforce planning.</p> <p>Modern Ambitious Programme (MAP) ongoing with core programmes on Customer Experience; Core Systems and Workforce Productivity, supported by Organisational Development (OD).</p> <p>Strategic programme reporting for MAP and investment reporting complete.</p> <p>Workforce plan updated detailing department actions and demonstrating alignment with financial plan.</p> <p>Focus on developing digital champions with support for O365 training.</p>	2	3	6	<p>Implement the actions from the Workforce Action Plan and start review of overall plan.</p> <p>Review prioritised MAP projects for skills and resourcing requirements, including greater emphasis on national Digital, Data and Technology DDaT Framework.</p>	<p>31/03/2022</p> <p>30/10/2021</p>	2	2	4	Director of Corporate & Community Services

<p>C (05/07/2021)</p>	<p>6.4</p>	<p>The drive to deliver our ambitious change programme has an adverse impact on our employees as they strive to balance a relentless pace and scale of change with day to day responsibilities, leading to slower delivery of benefits and/or lower performance as services go through change.</p>	<p>Modern Ambitious Programme in place since 2015. Each department has its own change programme and governing board to oversee progress, capacity, performance and delivery of benefits. Cross-cutting programmes for Customer Experience, Core Systems; Workforce Productivity, within an underpinning programme re: Data.</p> <p>Use of Modernisation Fund to ensure projects are adequately resourced, including use of additional employees on temporary contracts.</p> <p>Skills development in support of change includes accredited Project Management Courses, agile courses, management training, training to assist with service redesign and new courses on user research, Service Design, following the Scottish Approach to Service Design</p> <p>Capital Bids required to demonstrate alignment to 5 capabilities and key outcomes.</p> <p>Consideration of flexible external assistance and skills when change projects require.</p> <p>Greater use of "agile" project methodology to chunk projects into smaller, more manageable iterations, with lower risk.</p> <p>Review of Council's Values with Organisational Development (OD) Board to support delivery of change.</p>	<p>3</p>	<p>3</p>	<p>9</p>	<p>31/10/2021  31/3/2022  31/10/2021</p>	<p>2</p>	<p>3</p>	<p>6</p>	<p>Director of Corporate &amp; Community Services</p>
<p>S (16/02/2021)</p>	<p>6.6</p>	<p>Failure to effectively manage the Council's information assets may lead to a risk of inadequate data handling, not adequately preventing loss of data and unlawful sharing of data may result in non-compliance with legislation in particular Data Protection Act 2018 (GDPR), Freedom of Information Scotland Act(2002) and Records Management Public Services Act 2011</p> <p>Failure to incorporate information governance elements through a privacy by design approach into procurement, project management, process and technologies</p> <p>Inability to recognise the value of our information assets may result in lost opportunities to use data to inform decision making, transform services, support increased performance, enhance customer service and promote transparency and information quality assurance</p>	<p>Review of processes and procedures to ensure compliance with the General Data Protection Regulations and the Data Protection Act 2018 completed.</p> <p>Records Management Plan updated in line with Audit review and through ongoing revision.</p> <p>Retention schedule under ongoing review and revision.</p> <p>Review of policies and procedures is now complete and work is ongoing to ensure that policy and guidance is update to date and reflective of good practice.</p> <p>New guidance has been created and published in respect of Redaction which will ensure that personal data is not inadvertently published.</p> <p>Data Protection Policy has been revised to reflect the role of a dedicated Data Protection Officer (DPO).</p> <p>Service Privacy Notice Template updated and exercise in place to ensure that these are regularly reviewed.</p> <p>Annual Data Protection reporting mechanism to CMT established</p> <p>DPIA training course has been developed and delivered to nominated employee across the Council. Scheduled dates have been delivered for this year and will be scheduled on the corporate training calendar on future years.</p> <p>New breach reporting procedures have been created and are published.</p> <p>These have been delayed as a result of the regulator Code of Practice on SAR being published at the end of 2021. New guidance for those involved in the process will be available by June 2021.</p> <p>Self-assessment update on the Council's Records Management Plan which has been refreshed and updated was submitted to The Keeper of the Records of Scotland.</p>	<p>2</p>	<p>3</p>	<p>6</p>	<p>31/03/2022  31/03/2022  31/03/2022  31/03/2021</p>	<p>1</p>	<p>3</p>	<p>3</p>	<p>Director of Corporate &amp; Community Services  Director of Corporate &amp; Community Services  Chief Executive  Director of Corporate &amp; Community Services</p>

<p>S (15/02/2021)</p>	<p>6.7</p>	<p><b>Interruption to service or total inability to provide ICT services, resulting in impact to Council business, due to the loss of the Barrhead Data Centre and/or other critical infrastructure components due to fire, vandalism, equipment malfunction (including environmental controls).</b></p>	<p>Ensure that a robust data back-up and protection schedule for data is in place. Perform complete review of all current back-up arrangements to optimise resilience.</p> <p>Ensure that the Council reviews Business Continuity Plans at least annually.</p> <p>Ensure that equipment is regularly maintained and replaced as required.</p> <p>Ensure supplier(s) contracts support recovery activities.</p> <p>Undertake independent review of core infrastructure design and architecture to gain validation and assurance of both security and operational capability</p> <p>Improve monitoring and alerting of hardware and environmental systems to provide a proactive response.</p> <p>Cyber insurance taken out in 2018 to provide an element of cover in the event of such an outage.</p> <p>Secure a co-located Data Centre or equivalent geographically different Disaster Recovery capability at a commercial or partner location to increase resilience and provide necessary service continuity.</p> <p>Loss of data or interruption to service due to cyber attack from internal or external malicious actors, or indiscriminate malicious programmes, deriving from both Council operations and those of its supply chain.</p> <p>ISO27001 range of technology, policy, procedures, standards and training exists across the council which is reviewed regularly to ensure it remains consistent with changes in technology, working practices and emerging threats.</p> <p>The CMT agreed that Information Security training should be mandatory to raise employee awareness of cyber threats and handling information securely. A policy and awareness of this is being developed.</p> <p>Security standards are reviewed and revised using a risk management approach.</p> <p>The Council is a member of several Information / Cyber Security groups to monitor emerging threats and risk and share security alerts.</p> <p>Ensure the security architecture follows layered approach as defined by best practice.</p> <p>Adopt and implement Scottish Government Cyber Resilience Action Plan which will result in Cyber Essentials Plus Accreditation.</p> <p>Information Security Schedule included within all procurement exercises establishing minimum security</p>	<p>4</p>	<p>3</p>	<p>12</p>	<p>Undertake Critical Impact Assessments across all ICT delivered services to define priority for availability/recovery. Target updated to reflect COVID impact to timeline.</p> <p>Plan and perform regular audited disaster recovery tests and rehearsals. Target updated to reflect COVID impact to timeline.</p>	<p>31/03/2022</p> <p>31/03/2022</p>	<p>2</p>	<p>2</p>	<p>4</p>	<p>Director of Corporate &amp; Community Services</p>
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S (15/02/2021)	6.8	<p>Failure to pay invoices, Covid-19 related payments and specific Educational Benefits Payments, within a specified timeframe (Local Government Benchmarking Framework indicator/Government requirements) or failure to pay said types of payments correctly (either through fraud or error), which could lead to cessation of supplies; risks to delivery of critical services; inappropriate payments; loss of funds to the Council; reputational damage to Council; issues with insurers; detrimental business/personal financial impact and possibly, legal action.</p>	<p>Clear segregation of duties across the payment process, including system across controls.</p> <p>Standard Operating Procedures (SOPs) and guides in place for teams, providing instruction other Policy and Procedures which must be adhered to.</p> <p>Full restructure of Accounts Payable Team now implemented, providing enhanced resilience.</p> <p>Range of controls in place which must be completed prior to and as part of the Payment Run. These include over/under £20,000 checks based on both value and sampling commensurate with risk.</p> <p>Use of AP Forensics system to identify potential duplicate payments prior to each payment run.</p> <p>Integra Financial system has a number of inherent controls relative to functionality, authorisation and checks.</p> <p>Monitoring and reporting mechanisms in place to provide for ongoing review of performance, errors, training needs etc.</p> <p>Use of external networks to share information on potential frauds.</p>	3	4	12	<p>Monitoring and controls continue to be reviewed and enhanced across invoice Covid-19 and Educational Benefit payment processing. Late notice from Scottish Government of need for autumn family hardship payment will cause service reprioritisation meaning there will be less focus on purchase to pay improvements and invoice queries. Risk of overreliance on key managerial resource to establish process for various payments in tight timeframe - documenting process to enable business continuity.</p>	31/12/2021	3	3	9	Director of Corporate & Community Services
C (31/08/2021)	6.9	<p>Brexit leads to economic uncertainty and detrimental impact on the Council budget, operations and services.</p>	<p>Economic situation monitored via Directors of Finance network/ Liaison with Scottish Government via COSLA to keep up to date with likely developments on UK/Scottish settlements.</p> <p>Corporate Management Team consider possible implications of Brexit for services and take action as appropriate.</p> <p>The price of goods / services is reviewed by appropriate officers within Departments, with concerns raised at an early stage against significant increases. Business Continuity planning considers alternative suppliers to ensure key service continuity.</p>	4	3	12	<p>Monitor national position on new UK Prosperity Fund to replace European Funding as details emerge.</p>	31/12/2021	3	3	9	Head of Accountancy

<p>C (15/02/2021)</p>	<p>6.12</p>	<p><b>Loss of data or interruption to service due to cyber attack from internal or external malicious actors, or indiscriminate malicious programmes, deriving from both Council operations and those of its supply chain.</b></p>	<p>ISO27001 range of technology, policy, procedures, standards and training exists across the council which is reviewed regularly to ensure it remains consistent with changes in technology, working practices and emerging threats.</p> <p>The CMT agreed that Information Security training should be mandatory to raise employee awareness of cyber threats and handling information securely. A policy and awareness of this is being developed.</p> <p>Security standards are reviewed and revised using a risk management approach.</p> <p>The Council is a member of several Information / Cyber Security groups to monitor emerging threats and risk and share security alerts.</p> <p>Ensure the security architecture follows layered approach as defined by best practice.</p> <p>Adopt and implement Scottish Government Cyber Resilience Action Plan which will result in Cyber Essentials Plus Accreditation.</p> <p>Information Security Schedule included within all procurement exercises establishing minimum security requirements supported by operational Data Sharing and Processing Agreements.</p> <p>Delivered additional capability for granular and specific data restores through the recently installed enterprise backup solution which enables fast and reliable backups and enables a resilient replication schedule which stores the councils data locally before replicating all backed up data to our secondary DC site.</p> <p>Undertake regular rehearsal of Cyber Incident Response process across ICT. First event planned and calendar being developed.</p> <p>Implement additional protection technology to provide proactive threat detection. Use of a partner Security Operations Centre to deliver round the clock detection of malicious activity. Service live as of 01/12/2020</p>	<p>3</p>	<p>3</p>	<p>9</p>	<p>Enforce and report on mandatory information security training ensuring that managers are provided with reports of non-compliance. Package being developed.</p>	<p>30/03/2022</p>	<p>3</p>	<p>2</p>	<p>6</p> <p>Director of Corporate &amp; Community Services</p>
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S (16/02/2021)	6.14	Failure to achieve anticipated benefits and savings from the Finance/HR/Payroll System would lead services short of capacity and risk service delivery.	<p>Strong and robust Core Systems Programme and associated Project governance and risk and issues registers backed by appropriate level of resources.</p> <p>At least monthly meetings of the Core Systems Programme Board where Programme level risks and issues are discussed.</p> <p>Core Systems Programme Team using lessons learned from other public sector organisations who have implemented an integrated core corporate system.</p> <p>Regular engagement with a wide range of stakeholders across the Programme and Projects.</p> <p>Working closely with ICT, the Core Systems Team use enterprise architecture to ensure that the potential impact of each Project release is co-ordinated and accounted for.</p> <p>Identification and recruitment of employees with key skills and expertise to form the appropriate Programme Team and associated Project Teams in place.</p> <p>Business readiness reviews in place prior to "go live" for all workstreams and Departments.</p> <p>Phase 1 Finance system successfully implemented August 2019</p> <p>Phase 1 HR/Payroll system successfully implemented December 2020</p> <p>Identify</p>	3	4	12	<p>Review staffing, structure and temporary funding for Core Systems team. Current team contracts end March 2022. Implement longer term structure.</p> <p>Regular review of ongoing releases with Core Systems Board.</p> <p>Review set-up of base system and implement improvements</p>	31/03/2022 31/03/2022 31/03/2022	2	4	8	Chief Executive
S (15/02/2021)	6.15	Failure to ensure adequate insurance cover is in place which cover includes (i) Cyber, Employer, Engineering, Motor, Property, Public Liability & Travel and (ii) potential Covid-19 (or similar pandemic) impacts where changes to Councils services are required, normal business is disrupted which may result in the Council incurring financial loss (additional expenditure) and reputational damage.	<p>At time of renewal, Insurance Policies are reviewed to ensure the type and level of cover is adequate for the Council. This in conjunction with relevant departments.</p> <p>When reviewing content of the Strategic Risk Register, departments are now advised to consider potential insurance implications of risks and take advice.</p> <p>Quarterly meeting held with Insurance Providers to review Insurance arrangements (split between Renewals and Broker). This includes pricing and cover.</p> <p>Quarterly communication issued to department contacts to remind any changes which may impact upon Insurance Cover arrangements must be notified to Revenues.</p> <p>Revenues Operations Manager and Insurance Officer review of both claims experience and wider environment which may impact upon level and type of cover</p> <p>A review the Strategic Risk Register to ensure that adequate consideration has been given to insurance implications of existing risks has been undertaken.</p>	2	4	8	Insurers are to be further engaged, with specific focus upon Covid -19 related impacts upon East Renfshire Council services and requisite necessary insurance arrangements, also taking cognisance of Industry wider Public sector practices	30/09/2022	2	3	6	Director of Corporate and Community Services
C (13/08/2021)	6.16	As a result of the EU-UK Trade & Cooperation Agreement impacts, there is significant disruption to Council operations and the services we provide, including front line and support services.	<p>Cross Departmental Working Group establish to ensure co-ordinated approach to all aspects of Brexit work. This meets regularly to review the situation and ensure appropriate action is undertaken.</p> <p>The Council Resilience Management Team (CRMT) actively involved in Brexit discussions and kept updated of key concerns with oversight of Brexit Risk Register.</p> <p>The Council has oversight of National Coordination Centre reporting, as well as appropriate multi-agency liaison which support work to identify and minimise potential disruptions.</p> <p>Service specific mitigation in place where identified as appropriate.</p> <p>The Brexit Coordinator is in post to lead Brexit activity across the Council - including chairing the Brexit Working Group.</p> <p>Additional activity and engagement has taken place to increase awareness of the EU Settlement Scheme prior to it's June 2021 closure and to highlight steps for late applications.</p> <p>Engagement with COSLA on longer term EU Exit risk identification and mitigation took place on 27 May 2021.</p> <p>Regular reporting takes place as appropriate to ensure</p>	3	3	9	<p>Continue to refresh and implement agreed meeting and reporting cycles - further reporting to Audit &amp; Scrutiny prior to September 2021.</p> <p>Work in collaboration with COSLA and across the Brexit Working Group to ensure that longer term EU Exit Impacts and Risks are identified and mitigated where possible.</p>	30/09/2021 31/12/2021	3	2	6	Director of Corporate & Community Services

S (20/05/2021)	6.17	<b>The UK significantly diverges from existing EU legal and regulatory provisions, leading to significant disruption to Council operations and services provided. This may include changes enacted through the Internal Market Act.</b>	Environmental Health collective engagement with other Local Authorities, COSLA and the Scottish Government - to ensure that Export Health Certificates and associated concerns are considered and addressed.  Specific services maintain up to date policies and procedures; reflective of their duties and obligations.	3	3	9	Continued monitoring of any developments, including the changing legal landscape, with a view to identifying any significant known changes. This will enable relevant departments to consider training and updating of procedures where required.	31/12/2021	3	3	9	Director of Corporate & Community Services
C (01/09/2021)	6.18	<b>The re-emergence, escalation or further waves of Covid-19 (or any other emerging pandemic) result in increased controls and restrictions being implemented within East Renfrewshire. This may impact on provision of services through: staff availability, supply chain issues, increased service demand, financial and service planning upheaval.</b>	Council Resilience Management Team oversight of Business Continuity & contingency planning and would lead on the tactical response to any pandemic. This will include monitoring Government & Health Guidance, ensuring up to date and consistent staff & public messaging - which will include Managers Guidance.  Bespoke Council Resilience Management Team Sub Groups have been established during the response for Covid-19 and can be utilised for further waves / pandemics. The need for dedicated Sub Groups will be continually monitored, to reflect the situation.  Up to date Contingency Planning arrangements: including Pandemic Guidelines for the Council and HSCP; Business Continuity and Incident Response Procedures.  Established links to NHS Public Health and appropriate Multi Agency partners (included through Local and Regional Resilience Partnerships).  Lobbying Scottish & UK Government for funding / flexibilities to address the additional financial pressures relating to Covid-19.	4	4	16	Identify and review any lessons learned to as a result of May, June & July 2021 surge in cases, identifying best practice for future increases in cases - this may include identifying what has worked well in other areas and streamlining any response measures used in East Renfrewshire.	31/10/2021	4	3	12	Chief Executive
S (15/02/2021)	6.19	<b>Following implementation of the new Council Tax and Benefits system, residual risks and issues remain which require to be worked through over a further period including (i) critical activities must be undertaken including annual billing, year-end activity and Housing Benefit subsidy (ii) limited recovery (both system and Covid) has taken place which may result in reduction of expected income levels to the council and (iii) consolidation of Education Benefits functionality on the new system (iv) Citizens Access customer portal still to be implemented (noting Phase 2 to be delivered) and v) recovery of service backlogs, particularly in Benefits service; vi) impact of service backlogs on national performance indicators which will affect rankings and may cause reputational damage.</b>	"Next level" Project / Operational meetings also held amongst appropriate stakeholders to review, resolve or escalate identified issues  Reporting and communications in place, including Change Board and wider ERC Departments upon the Project and Operational impacts  Training and support continues to be provided across the teams, with processes in place for individuals and teams to highlight issues for resolution.  Contract and Service Level Agreement in place with external provider, which specifically includes support during the annual billing process	3	4	12	Regular monitoring and prioritisation of workload to balance post-project tasks alongside more routine operational business. This will make best use of capacity, prioritise resources, ensure delivery of key outcomes and benefits and enable residual risks or pressure points to be escalated to a relevant governance group for decision. Additional resource applied to recover service backlogs, particularly in Benefits service which is a key priority. Liaison with DWP on service performance and close monitoring of performance indicators.	31/12/2021	3	3	9	Director of Corporate & Community Services

C (31/08/2021)	6.20	Supporting the mass vaccination, testing programmes and other key Covid-19 response work streams within East Renfrewshire leads to other key work being delayed or postponed resulting in longer timescales for projects or work not being undertaken and outcomes for residents being reduced.	<p>The Council has determined that support to the Vaccination Programme is the Corporate priority.</p> <p>Both the Mass Vaccination and Asymptomatic testing programmes have a dedicated Lead Officer, supported by Project Leads in dedicated areas (e.g. HR, Property, Procurement). The CRMT and CMT structure is well established to deal with reporting and early escalation of issues, where the need arises and monitors levels of recovery.</p> <p>All Departments maintain Business Continuity Plans, which should identify acceptable levels of staffing/resource to maintain critical services.</p> <p>Regularly review of membership of each work stream, ensuring that it is up to date and reflective of the prevailing circumstances.</p> <p>Regular engagement with partners - particularly NHS Greater Glasgow &amp; Clyde.</p> <p>Regular briefings / updates are provided to the Corporate Management Team (CMT) and Elected Members on the progress of the Mass Vaccination Centres.</p> <p>Key messaging is appropriately shared with the community.</p> <p>Agreement is in place with the NHS on the staffing of Testing programmes across East Renfrewshire, providing longer term stability.</p> <p>Joint working has taken place between HR, East Renfrewshire Culture &amp; Leisure Trust and Voluntary Action East Renfrewshire to identify, train and establish volunteer resourcing to support longer term staffing of Vaccination Centres.</p> <p>Vaccination centres to support seasonal flu and ongoing Covid-19 immunisations will take place at Barrhead Health &amp; Social Care Centre (weekends) and Carmichael Hall.</p> <p>CRMT is regularly capturing Service backlog information - which will regularly be reported to CMT and Members as</p>	4	3	12	<p>Continued engagement with NHS Greater Glasgow &amp; Clyde - particularly to understand vaccination centre requirements beyond 2021.</p> <p>The CRMT will carry out a review of at risk Critical Functions, considering strategies to protect these services ahead of winter 2021/22.</p>	31/12/2021  31/10/2021	4	3	12	Chief Executive
C (31/08/2021)	6.22	Our major works capital programmes face significant pressures as a result of raw material costs, supplier costs, supply chain or contractor difficulties. This will have a detrimental impact on the costs and/or timescales related to the delivery of projects	<p>The Capital Asset Management Group regularly meets, allowing projects to be tracked - with concerns reported and appropriate interventions considered.</p> <p>Members approval would be sought through the budget monitoring reports of any minor changes to the approved plan and that a separate report would be submitted to Cabinet for approval should there be any substantial changes.</p>	3	3	9	<p>Value engineering of current and future projects to remain within budget.</p> <p>Virement from other projects.</p> <p>Rescheduling of projects into future financial years.</p>	31/03/2022  Long Term Consideration Long Term Consideration	3	3	9	Director of Environment
N (02/09/2021)	6.23	High workloads with additional work as a result of the Covid-19 pandemic coupled with business as usual may lead to employees experiencing increased stress and poor wellbeing and also may impact on project delivery resulting in delayed deadlines which could damage the Council's reputation.	<p>Counselling support accessible via manager or self referral is available for all of our officers.</p> <p>An array of corporate wellbeing advice is provided including signposting to different types of support.</p> <p>Promotion of temporary flexible working options and taking annual leave to prevent fatigue.</p> <p>Governance in place via CRMT and project boards for escalation of resource and timescale issues. Appropriate communications developed if wider messaging required.</p> <p>Regular Council reports to update on impact of Covid within the organisation.</p>	3	4	12	<p>Review approach to mental health and understand by benchmarking if there are other supports that could be provided.</p>	31/03/2022	2	4	8	Director of Corporate and Community Services
N (14/9/2021)	6.24	The COVID-19 Pandemic reduces community activity and diverts staff resources away from being able to identify, plan and deliver Participatory Budgeting (PB) opportunities resulting in the Council failing to meet its goal of 1% of spend being via PB.	<p>Participatory Budgeting training being reintroduced to refresh staff awareness and understanding.</p> <p>Regular updates to Corporate Management Team on progress</p>	4	3	12	<p>Cross Departmental working group being established to support progress.</p> <p>Shift focus to 2022/23 opportunities over remainder of 2021/22 to enable sufficient lead-in planning and delivery time in 2022/23.</p>	31/12/2021  31/03/2022	2	3	6	Director of Corporate and Community Services

Margaret McCrossan  
Head of Accountancy (Chief Financial Officer)  
East Renfrewshire Council  
Eastwood Park  
Rouken Glen Road  
Glasgow  
G46 6UG

6 September 2021

Dear Margaret

### East Renfrewshire Council - Review of internal controls in financial systems 2020/21

1. Audit Scotland's Code of Audit Practice requires us to assess the systems of internal control put in place by management. In carrying out this work, we seek to gain assurance that East Renfrewshire Council:
  - has systems for recording and processing transactions which provide a sound basis for the preparation of financial statements and the effective management of its assets and interests
  - has systems of internal control which provide an adequate means of preventing or detecting material misstatement, error, fraud or corruption
  - complies with established policies, procedures, laws and regulation.
2. Our interim audit work was completed later than planned due to the additional work required around initial systems reviews of the new NPS benefit and council tax system and iTrent HR/payroll system and the testing of key controls. We have elected to provide the shorter version of our interim reporting options, a management letter, concluding on the work completed to date.

### Overall conclusion

3. On the basis of audit work undertaken, we concluded that appropriate and effective internal controls were in place for those key financial systems reviewed by us.

### System coverage

4. The following table summarises the key systems that we have tested in our interim audit for financial year 2020/21.

Key System	Audit coverage
Payroll	√

Key System	Audit coverage
General Ledger	√
Trade Payables	√
Trade Receivables	√
Cash and Banking	√
Treasury Management	√
Council Tax	√
Carefirst	√
Housing Rents	√

## Key findings

5. Our audit testing did not identify any significant control weaknesses. We did identify some less significant issues which have been noted in Appendix 1. These have been discussed with management so that appropriate actions could be taken.
6. The council introduced new systems during the year. The new payroll/HR system iTrent replaced resourcelink in November 2020. The Orbis benefits/council tax system was replaced by the NPS system in December 2020. Our testing was undertaken across the systems in place at the start of the year and also the new systems introduced during the year to ensure appropriate coverage of the controls in operation across the full financial year.
7. We recognise the challenges around system implementation and note that during this period council employees continued to work remotely. Additional workload has arisen during the year for the benefits/council tax teams around the increased level of council tax reduction and self isolation grants. Within Appendix 1 we have noted several areas for improvement around the new systems. In response to these findings, the audit team have undertaken additional controls and substantive testing to gain the required assurances for the financial statements audit.
8. We reviewed work internal audit undertook for cash income and banking, creditors payments and debtors control and on the balance transfers from the old to the new council tax system. We re-performed some tests to gain assurances on the adequacy of the work. We found internal audit work to be well documented and supported by appropriate evidence. Therefore, we were able to use their work to avoid unnecessary duplication of effort.

## Risk identification

9. The issues identified in preparing this management letter are only those which have come to our attention during the course of our normal work and are not necessarily, therefore, all the risk areas that may exist. It remains the responsibility of management to determine the extent of the internal control system appropriate to East Renfrewshire Council. We would stress, however, that an effective system of internal control is an essential part of the efficient management of any organisation.

## Acknowledgement

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10. The contents of this letter have been discussed with relevant officers to confirm factual accuracy. The co-operation and assistance we received during our audit from the East Renfrewshire Council is gratefully acknowledged.

Yours sincerely



John Cornett

Audit Director

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# Appendix 1

## Key findings and action plan 2020/21

Issue identified	Management response	Responsible officer / target date
<p><b>Superuser System access</b></p> <p>Superuser access provides full system access and functionality and therefore to retain effective system control such access is usually only granted to a small number of system users for administrative purposes. From our review of the superuser access of the finance ledger, payroll/HR system and Council tax/benefits system we noted:</p> <ul style="list-style-type: none"> <li>• The finance ledger has 33 superusers with only 4 of these being council employees and the rest being system consultants.</li> <li>• Despite system functionality being available for all systems, reports showing superuser activity are not routinely created and reviewed to monitor activity.</li> </ul> <p>A review of the finance ledger and bank detail changes activity during 2020/21 has been undertaken and confirmation obtained that no postings or changes have been made by superusers.</p> <p>There is an increased risk of fraud occurring due to staff having inappropriate/unnecessary access to key financial systems. Action should be taken to reduce the number of people with Superuser access and arrangements should be implemented to regularly review activity logs and ensure changes made by Superusers are appropriate.</p>	<p>The number of superusers has increased on all systems following advice from our data protection team that individual consultants should be added for transparency rather than one generic consultancy superuser set up for each system. The number of consultancy staff requiring access to these hosted systems is determined by the consultant organisations and not the Council. A list of all systems users is already reviewed annually.</p> <p>Consideration will be given to running/ reviewing quarterly reports on superuser activity for each system although this will be a major administrative burden as these must be run separately for each individual superuser.</p>	<p>Head of Accountancy/ Head of Human Resources/ Head of Communities, Revenues &amp; Change</p> <p>December 2021</p>

Issue identified	Management response	Responsible officer / target date
<p><b>System access</b></p> <p>It is good practice to review system access and permissions on a regular basis. During 2020/21 a full review of system access did not take place on the housing rent, carefirst or resourcelink payroll system.</p>	<p>This will be undertaken by December 2021 for housing rent. The Housing Services Manager will lead for housing</p> <p>The CareFirst users were audited in December 2020 and the next audit is scheduled for December 2021. During each year users are updated based on starter and leaver information.</p>	<p>Housing Rents – Head of Environment (Housing &amp; Property)</p> <p>December 2021</p>
<p>Additionally, we noted that journal entries should be restricted to accountancy staff only. However, all staff with administrative access can process journals.</p>	<p>There has been a transition from Resource link to iTrent in the last year and access and permissions were reviewed and set-up as part of this transfer.</p> <p>A process will now be set-up to ensure that there is an ongoing review of system access.</p>	<p>Resourcelink Payroll System – Head of HR</p> <p>December 2021</p>
<p>There is an increased risk of fraud occurring due to staff having inappropriate access to key financial systems.</p>	<p>With the exception of the creditors &amp; debtors system leads all employees with approval for journal processing are Accountancy staff. This includes three staff members who are temporarily seconded to the Core Systems team but who are still required to contribute to accountancy work. No journals are processed by the creditors and debtors leads, however ledger figures are closely monitored by Accountancy and journals can be easily reversed if required.</p>	<p>Journals – Head of Accountancy</p>
<p><b>Housing Benefit reconciliation</b></p> <p>The housing benefit paid to ERC tenants has not been reconciled to the housing rent system since the introduction of the new housing benefit system.</p> <p>We have received a control spreadsheet showing each</p>	<p>Reconciliation of Housing Benefit system to the Housing Rent system has now been completed for FY 2020/21 and only 1 immaterial issue was identified. Going forward this reconciliation and compliance checks will be completed timeously and compliance</p>	<p>Head of Environment (Housing &amp; Property) / Head of Communities, Revenues &amp; Change</p> <p>December 2021</p>

Issue identified	Management response	Responsible officer / target date
<p>weeks rent rebate accepted onto the housing rents system from 14 December 2020. Reports from the housing rents system have been provided to verify the weekly payments for housing rents made in the latter part of 2020/21.</p> <p>Whilst we have been able to take assurance from this process arrangements should be established to implement a formal reconciliation process between the housing rent and housing benefit system to be established to ensure that values within the financial systems are accurate.</p>	<p>checks will be carried out on all Revenues, Benefits, Accounts Payable/Receivable and Business Support reconciliations.</p>	
<b>Payroll Reconciliation</b>		
<p>The payroll to ledger reconciliations for month 8 and week 32 were not prepared prior to the new payroll system going live.</p> <p>The reconciliations were prepared in July 2021 and we have assurance that no anomalies arose in the final payruns on the old system. However, there is a risk of financial misstatements not being identified promptly if reconciliations are not prepared and reviewed in a timely manner.</p>	<p>Old system was fully reconciled by the Core Systems Development Manager &amp; Chief Auditor, but this was delayed due to focus on the implementation of the new iTrent payroll system. The new system in place since late 2020 involves a detailed costing file being posted to the ledger, rather than a summary file as in the past. The control check is now therefore that the journal balances to zero, removing the need for a detailed reconciliation.</p>	<p>Head of Accountancy November 2020</p>
<b>Reconciliations</b>		
<p>The financial statements are supported by information within the finance ledger and other key financial systems. We reviewed reconciliations across all financial systems and noted a lack of evidence of review by senior managers and the relevant finance business partner.</p>	<p>Reconciliations are being maintained, however they are not always being evidenced as having been reviewed by an appropriate senior manager. Where the reconciliations are carried out by staff out with Accountancy, the appropriate Finance Business Partner should ask senior management in the relevant department twice yearly to confirm that their reviews are up to date. Appropriate staff will again be</p>	<p>General - Head of Accountancy September 2021</p>

Issue identified	Management response	Responsible officer / target date
<p>Additionally, the daily reconciliation of income from ICON and posted to the council tax system has not been subject to sign off since the implementation of the new system in December 2020.</p>	<p>reminded to evidence such reviews.</p> <p>The daily reconciliation of income from ICON has been reviewed and a process in place going forward. Compliance checks will be carried out on all reconciliations.</p>	<p>Council Tax - Head of Communities, Revenues &amp; Change</p> <p>December 2021</p>
<p>Further, we noted that the monthly treasury management reconciliations were prepared regularly but not subject to approval until the financial year end.</p> <p>There is a risk that the finance ledger does not accurately reflect the full financial data from the feeders and the financial statements are mis-stated.</p>	<p>Monthly Treasury management reconciliations are currently completed and signed off by a senior member of staff</p>	<p>Treasury – Head of Accountancy</p> <p>August 2021</p>
<b>Employee verification</b>		
<p>No employee verification exercise was completed during 2020/21.</p> <p>We substantively tested employees joining and leaving the organisation and transferring to the new payroll system.</p> <p>We noted one overpayment relating to the continued payment of responsibility allowances after the employee had moved role. The overpayment is being recovered.</p>	<p>There is now better visibility for managers to view employee data through manager self service on iTrent. We are going to undertake this exercise in a different way and ask managers to check data held in the system including vacancies and notify HR of any changes.</p>	<p>Head of HR</p> <p>December 2021</p>
<p>We did however note lapses in the procedural controls around staff leaving the organisation. Our sample identified leavers forms not consistently being completed by managers. Delays in system access being removed and IT equipment being returned.</p>	<p>HR have a mandatory electronic leavers form process in place, once completed this is viewed on a leavers dashboard and leavers are removed from the HR/Payroll system. HR send a 4 weekly email reminder to staff about completing the leavers form.</p> <p>The IT equipment form is a separate process, HR will liaise with IT regarding how they can ensure this form is completed.</p>	<p>Head of HR</p> <p>December 2021</p>

Issue identified	Management response	Responsible officer / target date
<p>For new employees selected for review we identified instances of insufficient evidence to demonstrate contract acceptance and the provision of appropriate proof of identify documentation.</p> <p>Whilst we have identified weaknesses in the processes for employees joining and leaving employment with the council, we have been able to obtain sufficient assurance around the material accuracy and completeness of the payroll values being included within the financial statements.</p>	<p>Contract acceptance has already been addressed. A process has since been put in place whereby a report is received on a monthly basis showing who has or hasn't accepted the contract electronically, these individuals are then followed up to ensure this is completed.</p> <p>The proof of identification process is being addressed as part of the right to work checks process. A form will be completed to confirm copies of identification have been received.</p>	<p>Head of HR</p>

### Council tax – suspense accounts

Whilst council tax reference numbers have remained the same, the NPS system added an additional digit as a check digit. The NPS system is not recognising these numbers and council tax payments are going to suspense accounts as opposed to being automatically posted against the customers account. A substantial amount of time and resource is currently being spent reviewing and clearing the suspense accounts.

The degree of manual intervention increases the risk of errors being made and from an efficiency point of view resources could be utilised more effectively to improve the control environment within council tax.

This issue was apparent when the new Revenues and Benefits system was implemented, and was rectified shortly thereafter. The NPS system does not recognise the 10-digit number and posts council tax receipts to customers accounts. There remains an issue with some payments going to suspense and this will be resolved with the next system upgrade due in September 2021.

Head of Communities, Revenues & Change  
December 2021

### Council tax - Billing

The council tax team are only dealing with bills from 2020 and 2021 due to data issues with the files. The previous Orbis system ran billing covering all years, whereas the NPS system runs billing year on year.

The billing process continues to be reviewed and this issue will be resolved through joint working with the NPS supplier. The NPS system reflects the customer position, however the

Head of Communities, Revenues & Change  
December 2021

Issue identified	Management response	Responsible officer / target date
<p>No billing runs have been completed for 2019 or earlier since moving to NPS. There is a risk that backdated discounts and reliefs may not have been applied in the final four months of the financial year.</p>	<p>billing communication to the customer is outstanding.</p>	
<p><b>Council tax - Second officer checks</b></p> <p>Discounts and exemptions applied daily were subject to second officer checks on the Orbis system for the first seven months of the year. However, these checks were not in place between December 2020 and March 2021. There is a risk that errors are not identified and rectified promptly.</p>	<p>These checks are in place and will continue throughout FY 2021/22.</p>	<p>Head of Communities, Revenues &amp; Change August 2021</p>
<p><b>Benefits – Processing backlog</b></p> <p>At the time of completing our audit work, there was a 5-month backlog in processing daily DWP/HMRC reports detailing changes to claimants' circumstances for benefits.</p> <p>Council officers have not taken any follow up action on benefits overpayments whilst the backlog remains as the processing of subsequent changes may alter the position.</p> <p>The processing of changes notified should continue and an exercise be undertaken to provide assurance around the impact of these changes. There is a risk that out-of-date benefit payments are being made.</p>	<p>The Benefits backlog is being worked through by the Benefits Team with support from the supplier, NPS.</p> <p>Recovery of overpayment debt continues and formal recovery processes will resume in due course.</p> <p>Analysis of the subsidy data confirmed that benefit payments were in line with expectations. Clearing the backlog on Housing Benefit changes are being prioritised during FY2021/22.</p>	<p>Head of Communities, Revenues &amp; Change March 2022</p>
<p><b>Benefits – Quality and control checks</b></p> <p>Quality control checks within Housing Benefits have been suspended following the introduction of the new system. These checks include a sample review of cases processed by members of the benefits team.</p>	<p>These controls are in place and will continue throughout FY 2021/22 and evidence will be retained.</p>	<p>Head of Communities, Revenues &amp; Change</p>

Issue identified	Management response	Responsible officer / target date
<p>A further control is applied to individual benefits claims over £1,500. Two of the payment runs we requested since the introduction of the new system have not been provided. From review of the remaining reports three instances of individual payments over £1,500 have been identified. For each of these payments no evidence is available to demonstrate the control checks taking place.</p> <p>The low instance of £1,500 benefit payments provides assurance that these payments are not material values.</p> <p>Arrangements should be implemented to ensure that quality and control checks are actioned and evidenced. There is a risk that errors are not identified and rectified promptly.</p>		August 2021
<p><b>Benefits nightly mass calculation report</b></p> <p>Officers identified the nightly mass calculation report as a key control within the new system. Due to an error this report was not run between 25 February and 12 March. However, this had no impact on benefit payments made because, by fortuitous coincidence, the weekly payments were not issued due to an error processing the February report.</p> <p>For the other reports prepared we identified a lack of evidence of review for all reports.</p> <p>Arrangements should be established to ensure review processes are consistently applied. There is a risk that errors are not identified and rectified promptly.</p>	<p>This control is in place and will continue throughout FY 2021/22 and evidence will be retained.</p>	<p>Head of Communities, Revenues &amp; Change</p> <p>August 2021</p>
<p><b>Benefits Entitlement Tracker</b></p> <p>Northgate provided an entitlement tracker to the council</p>	<p>The entitlement tracker review will be carried out and prioritised</p>	<p>Head of Communities,</p>

Issue identified	Management response	Responsible officer / target date
<p>which compares the benefit awarded on Orbis with the benefit awarded on NPS. Officers have completed the review on council tax reduction, but the review of housing benefit awards is still underway.</p> <p>Until this review is complete any errors in the benefit awarded and recorded within the NPS system will not be identified and resolved. Work should continue to complete this comparison work.</p>	<p>once the Benefits backlog is cleared.</p>	<p>Revenues &amp; Change March 2022</p>

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Source: Audit Scotland

**EAST RENFREWSHIRE COUNCIL****AUDIT AND SCRUTINY COMMITTEE****23 September 2021****Report by Chief Auditor****INTERNAL AUDIT ANNUAL REPORT 2020/21****PURPOSE OF REPORT**

1. To submit to Members an annual report on the activities of internal audit during 2020/21 and to provide an independent audit opinion on the adequacy and effectiveness of the Council's governance, risk management and internal control systems based on work undertaken in 2020/21.

**BACKGROUND**

2. The internal audit service is an autonomous unit within the Chief Executive's Office. The service objectively examines, evaluates and reports on the adequacy of internal control as a contribution to the proper economic, efficient and effective use of the council's resources. Independence is achieved through the organisational status of internal audit and the objectivity of internal auditors. The council's financial regulations require that an annual report containing an assurance statement and summarising internal audit's activities during the year is submitted to the Audit and Scrutiny Committee.

**ANNUAL REPORT 2020/21**

3. The original 2020/21 strategic audit plan was approved by the Audit and Scrutiny Committee in March 2020. Due to changing circumstances caused by Covid lockdowns, the plan was revised twice during the year in August 2020 and February 2021. The revisions resulted in a significant reduction in the number of audits that could be carried out however priority was given to the audits which would give most assurance that internal controls continued to operate satisfactorily. The attached annual report (Appendix 1) summarises the audit work carried out during the year. The internal audit annual statement of assurance is contained within appendix A of the report and concludes that reasonable assurance can be placed upon the adequacy and effectiveness of the council's governance, risk management and internal control systems in the year to 31 March 2021 except for one area still under investigation by Police Scotland.

**RECOMMENDATION**

4. The Committee is asked to note the annual statement of assurance on the adequacy of governance, risk management and internal control systems and submit it to the Council.

5. The Committee is asked to note the contents of internal audit's annual report 2020/21.

Further information is available from Michelle Blair, Chief Auditor, telephone 0141 577 3067.

M Blair, Chief Auditor  
13 September 2021

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## APPENDIX 1

## INTERNAL AUDIT ANNUAL REPORT 2020/21

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Chief Auditor  
13 September 2021

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## INTERNAL AUDIT ANNUAL REPORT 2020/21

### 1. INTRODUCTION

- 1.1 The responsibilities and duties of Internal Audit are summarised in the Council's Financial Regulations which state:

*'The primary role of Internal Audit is to provide assurance to the Council on the adequacy of its control environment. Internal Audit will carry out independent examinations of financial and related systems of the Council to ensure the interests of the Council are protected.'*

- 1.2 Internal Audit's purpose, authority and responsibilities are set out in more detail in the Audit Charter.
- 1.3 Internal Audit activity during the year was based on the planned work contained in the Annual Audit Plan initially approved by the Audit and Scrutiny Committee in March 2020 and subsequently revised in August 2020 and February 2021 due to changing circumstances during Covid lockdown periods. The revisions resulted in a significant reduction in the number of audits that could be conducted, however the audits which would contribute most to the preparation of the annual assurance statement were prioritised. The Annual Plan was initially derived from the 5 year rolling Strategic Audit Plan which is compiled following a risk based internal audit needs assessment and following consultation with members of the Corporate Management Team, External Audit and elected members.
- 1.4 There are five established posts within the audit service (4.7FTE) of which four employees (3.7 FTE) will hold a relevant professional qualification. There was one vacant post at the year end.
- 1.5 The service operates in compliance with the Public Sector Internal Audit Standards (PSIAS) which came into effect on 1 April 2013.
- 1.6 The assistance afforded by council staff to Audit during the course of work carried out in 2020/21 is gratefully acknowledged and senior management and elected members are thanked for the due regard given to the work of internal audit.

### 2. INTERNAL CONTROL FRAMEWORK

- 2.1 In order to ensure the proper conduct of its business, the Council has a responsibility to develop and implement systems of internal control. The presence of an effective internal audit function contributes towards, but is not a substitute for, effective controls and it remains primarily the responsibility of line management to ensure that internal controls are in place and are operating effectively. A sound control system will help safeguard assets, ensure records are reliable, promote operational efficiency and ensure adherence to Council policy and procedures. Such systems of internal control can provide only reasonable and not absolute assurance against loss.
- 2.2 As part of its Standing Orders and in order for the business of the council to be dealt with in an efficient manner, the council has in place both a Scheme of Administration and Scheme of Delegated Functions. The former indicates the business to be dealt with by the various bodies of the council, whilst the latter gives details of the authority delegated to officers by the council. In addition to this, a comprehensive set of approved Financial Regulations (updated in June 2019) are in place, which ensure that the financial administration of the council is dealt with in a proper manner. The council's Financial Regulations incorporate the requirement that an Annual Audit Report showing the activity of the Internal Audit service and progress achieved

against the plan shall be presented to the Audit and Scrutiny Committee each year. Contained within this report shall be an assurance statement to the Council on the adequacy of controls. Whilst audit work is also carried out on behalf of the Integration Joint Board and the East Renfrewshire Culture and Leisure Trust, fundamental responsibility is to the management of the Council should there be any potential conflict.

- 2.3 The Audit and Scrutiny Committee's terms of reference require it to evaluate the internal control environment and provide an annual statement to the Council. To assist with this evaluation, Internal Audit is required to provide the Audit and Scrutiny Committee with an annual statement on the adequacy and effectiveness of internal control.

### 3. ACHIEVEMENT OF ANNUAL AUDIT PLAN

- 3.1 Internal audit activity during the year was significantly reduced due to Covid lockdown restrictions. As previously mentioned, the original approved plan was revised twice during the year. All audits in the final revised plan were undertaken however reports for two audits have yet to be issued (city deal and contract covid19). The results of internal audit's progress against the annual plan has been reported to Audit and Scrutiny Committee quarterly and is summarised in Appendix D.

The original 2020/21 plan provided 733 (720 2019/20) direct audit days (i.e. excluding 254 days for planning, reporting, administration, training, consultancy work, seminars, secondments and meetings) spread across various audit activities and council departments. The actual number of audit days achieved was only 360. In addition to this, internal audit employees assisted other services during the lockdown period but this is not included as audit days. Details of audit work carried out analysed by type of audit is shown in table 1 below.

**Table 1 – Audit Work by Type of Audit**

Type of Audit	Original Planned Days 2020/21	Revised Planned Days 2020/21	Actual Days 2020/21	Variance in days (Revised to actual)
Systems and Regularity	439	185	196	11
Contract	40	20	34	14
Computer	42	32	34	2
General and Fraud Contingency	97	77	56	(21)
Performance Indicators	10	10	19	9
Follow up of previous year	50	25	18	(7)
Grant Certification	15	0	0	0
Trust	20	0	0	0
IJB	20	0	3	3
<b>Total</b>	<b>733</b>	<b>349</b>	<b>360</b>	<b>11</b>

- 3.2 Despite a significant reduction of planned audits due to revisions, internal audit issued 14 reports and memos relating to 2020/21 audit work which contained in excess of 80 recommendations in total. Details of all reports issued were included in the quarterly progress reports during the year. Six of the reports were issued after the year end and two further reports have yet to be issued. Satisfactory responses

have now been received for all audit reports relating to 2020/21 which were issued apart from one where the due date for responses has not yet passed.

3.3 There were two reports where management did not accept all of the recommendations contained in the reports. In total, four recommendations were not fully or only partially accepted but reasonable explanations were provided to support the response and therefore all were considered satisfactory. The reports and details of recommendations not fully accepted were:

- MB1140NS Corporate and Community Services Follow up (3) – 2 medium risk and one low risk
- MB1143FM Creditor Payments (1) – high risk

3.4 Internal audit's approach always attempts to be constructive and this appears to have been welcomed by departments. Details of the creditor payment report and responses will be provided to the Audit and Scrutiny Committee in the next quarterly progress report. All departmental responses relating to the follow up audit have been circulated to audit and scrutiny committee members in full. One of these four recommendations was classified as high risk, two as medium and one as low risk. Details of the high risk recommendation which was not accepted was within the creditor payments report and is detailed below.

3.5 The high risk recommendation was that management should ensure that processes are in place to enable them to demonstrate that all purchases of £50,000 and above have been certified by procurement in advance to comply with the Council's contract standing orders. In response, the Chief Procurement Officer has stated that they are unable to accept this recommendation as there is currently no online way to ensure advance certification from procurement in instances where the original order starts out under £50,000 but lines are then added which cause the order to exceed £50,000. This is due to the new Integra system being unable to provide a report that would facilitate this. In the period audited (1 April 2020 to 1 March 2021), 28 instances of purchases exceeding £49,999 were identified which had not been authorised as required by procurement. This situation is not ideal and management are effectively accepting the associated risks of not being able to implement the recommendation.

3.6 An excellent working relationship exists between internal audit and Audit Scotland, the council's appointed external auditors. Information on audit planning and the progress of audit work is regularly exchanged on an informal basis which helps avoid duplication of effort and maximises audit resources. Audit Scotland review the work of internal audit annually to consider whether reliance can be placed on internal audit's work and it is pleasing to be able to report that Audit Scotland continue to be able to place reliance on internal audit's work as the standard of work meets their requirements.

#### **4. SUMMARY OF AUDIT ACTIVITIES 2020/21**

4.1 Internal Audit carried out a range of activities throughout the year, however systems and regularity based reviews continue to represent two of the main elements of planned activity. Systems reviews focus on identifying, assessing and testing the adequacy and effectiveness of controls in place to ensure the underlying objectives of the system are met whereas regularity focuses more on compliance testing. The key systems and regularity audits carried out were as follows:

- Debtors control
- Council Tax
- Creditor Payments
- Housing Benefits
- Financial Ledger and Budgetary Control
- Cash Income and Banking
- Application audit of Integra
- Contract Audit – Covid19

4.2 Overall, the audit findings suggested that whilst some weaknesses were identified and some elements of control were only partially in place, when taken with other findings they did not significantly impair the overall systems of internal control in the areas reviewed.

4.3 Some other types of audit were also carried out such as regularity and performance indicators. Following each audit, a report detailing appropriate recommendations to address weaknesses in systems and procedures was issued. In general, audit results suggested that although errors and weaknesses were often noted they were not considered to be generally indicative of absent or inadequate controls and that broadly, the level of compliance was satisfactory.

4.4 **Follow-up audits:** An ongoing programme of follow-up audits is normally carried out to ensure that recommendations previously made by Internal Audit and accepted by management have been implemented. Only two follow up audits were carried out during the year covering Chief Executives Office and Corporate and Community Services. No responses are outstanding in relation to follow-up audit reports issued during the year. Full copies of both of these reports and the associated departmental responses have been circulated to Audit and Scrutiny Committee members.

4.5 **General contingency:** Six specific requests for assistance/consultancy or guidance on queries/anomalies were received during the year, none of which resulted in actual financial loss to the council. Contingency time was also used to assist the core systems and other teams in relation to new systems being implemented.

4.6 **Fraud contingency:** Internal Audit also has responsibility for investigating as appropriate all alleged frauds and irregularities which have been brought to audit's attention in accordance with the Council's Anti-Fraud and Bribery Strategy. The number of frauds and irregularities and the level of resources required to investigate them are always difficult to estimate. Two potentially fraudulent matters brought to Audit's attention were investigated during the year using budgeted fraud contingency time. The first case involved providing information to Police Scotland and did not involve financial loss to the Council. The second case resulted in an investigation where the matter was brought to a conclusion and recommendations were made to the relevant director on how to improve controls. This case involved significant potential cost or loss to the Council but due to this issue having been passed to Police Scotland and still being under investigation, no further information can be provided at this time.

4.7 Frauds and irregularities included in Audit Scotland's quarterly Fraud Digests were also considered in relation to practices within the Council, to proactively try and identify potential weaknesses and ensure that appropriate measures have been taken or are in place to prevent these happening within East Renfrewshire.

## 5. COMPLIANCE WITH PUBLIC SECTOR INTERNAL AUDIT STANDARDS (PSIAS)

5.1 In 2017/18, an external assessment of PSIAS was carried out and submitted to the Audit and Scrutiny Committee in June 2018. The results of that review confirmed

that the Internal Audit function has sound documentation standards and reporting procedures in place and complies with the main requirements of PSIAS.

- 5.2 An internal self-assessment of compliance with PSIAS was subsequently carried out and the results presented to the Audit and Scrutiny Committee in June 2019. The self-assessment concluded that the internal audit service were fully compliant with 95% of the standards and partially compliant with a further 4%. This is broadly in line with the findings of the external assessment. The self-assessment was reviewed in July 2020 and August 2021 which confirmed the levels of compliance previously reported.
- 5.3 A revised Quality Assurance and Improvement Plan (QAIP) was prepared as part of the most recent self-assessment review and is included in Appendix C. One action remains outstanding and will be implemented during 2021/21 and relates to maintaining internal audit independence over areas being audited.
- 5.4 One of the requirements of the PSIAS is that the internal audit service must be free from interference in determining the scope of internal auditing, performing work and communicating results. I can confirm that during 2020/21, the internal audit service has operated without any such interference.

## 6. INTERNAL AUDIT PERFORMANCE INDICATORS

- 6.1 In January 2008, the Audit Committee approved revised key performance indicators to be used to measure Internal Audit's performance. Some of these indicators have been reported to the Audit and Scrutiny Committee on a quarterly basis, whereas it is only appropriate to report others on an annual basis.
- 6.2 A summary of all the indicators is given in Appendix B with the targets and actual achievement for the full year. Five of the targets were not met;
- 2.1 which measures actual direct audit days compared to planned days,
  - 2.2 which measures actual direct audit days as a percentage of total days available
  - 4.1 which measures percentage of planned audits that are completed
  - 5.2 which measures the time to complete an audit and
  - 5.3 which measures the time to issue a report.

A number of factors significantly impacted Internal Audit's ability to meet its performance targets including:

- accessibility issues to both buildings and officers within services being audited impacting on the ability to conduct audits in a timeous manner.
- reduction in number of audits in the plan
- slow responses from departments for some audits to allow reports to be cleared.
- reduced internal audit staff resources due to secondment and long term illness.
- adaptation of audit practices to enable working remotely during lockdown
- several key systems being implemented during lockdown or just prior to it.

## 7. ANNUAL INTERNAL AUDIT OPINION

- 7.1 There is a formal requirement for the Chief Auditor to prepare an annual report which contains an assurance statement on the adequacy of governance, risk management and internal control systems. Such systems need to be monitored so that management and Members may be sure that they continue to be effective. Monitoring of controls is done at a number of levels, for example, assessment by line management, internal audit and external audit review and subsequent reporting to

management of identified weaknesses and recommendations, and monitoring by the Audit and Scrutiny Committee. If monitoring of control is to be effective, then senior management must foster an environment where internal control is the responsibility of all staff.

- 7.2 The Internal Audit Annual Statement of Assurance is included in Appendix A. The evaluation of the control environment is informed by a number of sources as detailed in the appendix.
- 7.3 In reviewing these different sources of evidence, consideration has to be given as to whether any key controls are absent or ineffective and when taken together with other findings, would lead to the conclusion that the overall system of control has been significantly impaired as a result.
- 7.4 Based on the information available, the formal annual statement of assurance did not lead me to conclude that the Council's overall systems of governance, risk management and internal control were significantly or materially impaired during 2020/21 except for the area still under investigation by Police Scotland.

## **8. CONCLUSION**

- 8.1 The 2020/21 audit year was challenging for Internal Audit as the audit plan was substantially reduced, there were reduced staffing levels due to an internal secondment and long term illness, and covid restrictions impacted on the ability to carry out audits. Despite this, sufficient audits were able to be completed to allow an opinion to be given in the annual statement of assurance. External audit continue to place reliance on the work of the service. The level of performance achieved against the indicator targets set given the restrictions that were in place were largely outwith the control of the service.

## APPENDIX A

**INTERNAL AUDIT ANNUAL STATEMENT OF ASSURANCE FOR 2020/21**

As Chief Auditor of East Renfrewshire Council, and in line with the Public Sector Internal Audit Standards (PSIAS), I am pleased to present my annual statement on the overall adequacy and effectiveness of the governance, risk management and control systems of the Council for the year ended 31 March 2021.

**Respective Responsibilities of Management and Internal Audit in relation to Governance, Risk Management and Internal Control**

It is the responsibility of the Council's senior management to establish appropriate and sound systems of governance, risk management and internal control and to monitor the continuing effectiveness of these systems. It is the responsibility of the Chief Auditor to provide an annual overall assessment of the robustness of governance, risk management and internal control.

**The Council's Framework of Governance, Risk Management and Internal Controls**

The main objectives of the Council's framework of governance, risk management and internal control are:

- To ensure adherence to management policies and directives in order to achieve the organisation's objectives;
- To safeguard assets;
- To ensure the relevance, reliability and integrity of information, so ensuring as far as possible the completeness and accuracy of records; and
- To ensure compliance with statutory requirements.

Any system of control can only ever provide reasonable and not absolute assurance that control weaknesses or irregularities do not exist or that there is no risk of material errors, losses, fraud, or breaches of laws or regulations. Accordingly, the Council is continually seeking to improve the effectiveness of its systems of governance, risk management and internal control.

**The work of Internal Audit**

Internal Audit is an independent appraisal function established by the Council for the review of the internal control system as a service to the organisation. It objectively examines, evaluates and reports on the adequacy of internal control in all service areas as a contribution to the proper, economic, efficient and effective use of the Council's resources.

During 2020/21, the internal audit service operated in accordance with the Public Sector Internal Audit Standards (PSIAS). In particular, the service operated free from interference in determining the scope of internal audit, performing work and communicating results. A self-assessment was carried out and submitted to the Audit and Scrutiny Committee. This review concluded that the internal audit service continues to operate in compliance with the Public Sector Internal Audit Standards. A quality assurance improvement plan has been developed to further enhance compliance and is included within the appendices. External audit have also considered the work of internal audit and did not raise any issues.

The service undertakes an annual programme of work approved by the Audit Committee based on a five year strategic plan. The strategic plan is based on a formal risk based audit

needs assessment which is revised on an ongoing basis to reflect evolving risks and changes within the Council.

All internal audit reports identifying system weaknesses and/or non-compliance with expected controls are brought to the attention of management and include appropriate recommendations. It is management's responsibility to ensure that proper consideration is given to internal audit reports and that an appropriate action plan is provided in response to audit recommendations. Internal Audit is required to ensure that appropriate arrangements are made to determine whether action has been taken on internal audit recommendations or that management has understood and assumed the risk of not taking action. Significant matters arising from internal audit work are reported to the Chief Executive and the Council's Audit and Scrutiny Committee. Follow up work is carried out by Internal Audit to ensure that recommendations previously accepted by management have been implemented. Copies of these reports are circulated to members of the Audit and Scrutiny Committee.

### **Basis of Opinion**

My evaluation of the control environment is informed by a number of sources:

- The audit work undertaken by Internal Audit during the year to 31 March 2021 and material findings since the year end
- The audit work undertaken by Internal Audit in previous years and follow up work to assess implementation of agreed actions
- The assessment of risk completed during the preparation of the strategic audit plan
- Assessments of the general control environment within individual departments as completed by each director
- Reports issued by the Council's external auditors and other review and inspection agencies
- Knowledge of the Council's governance, risk management and performance monitoring arrangements
- Any other items brought to the attention of internal audit staff by whatever means which may warrant further investigation.

### **Opinion**

Owing to Covid19 and the resultant enforced remote working from March 2020 onwards, completing audits from the 2020/21 audit plan became particularly challenging for the audit team and the plan had to be revised twice during the year. All revised planned 2020/21 audits have been completed with the exception of two audits for which the work has been completed but the final report has yet to be issued. It is therefore my opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the Council's framework of governance, risk management and internal control for the year ended 31 March 2021 except for the area still under investigation by Police Scotland.

Michelle Blair FCA  
Chief Auditor

13 September 2021

## Internal Audit Performance Indicators 2020/21

Indicator	Definitions (where required)	Target (where applicable)	Actual 2020/21	Actual 2019/20	Actual 2018/19
<b>1. Cost</b>					
1.1 Cost of Internal Audit per productive day.	Productive days are those spent on direct audit activities.	-	£647	£435	£322
<b>2. Audit Coverage</b>					
2.1 Actual direct audit days as a % of planned direct audit days per the plan.	Planned direct audit days as detailed in the strategic audit plan.	100%	49%	84%	97%
2.2 Actual direct audit days as a percentage of total days available.	Days available exclude public holidays, annual leave and sickness absence.	75%	50%	75%	77%
2.3 Number of requests for assistance/ queries raised by departments outwith planned audit work.	This will generally include most items met from general and fraud contingency. This is contextual information only.	-	8	12	9
2.4 Percentage of planned contingency time used.	Actual contingency time used as a percentage of total planned contingency time. This is mainly for contextual information.	<100%	58%	48%	39%
<b>3. Quality</b>					
3.1 Number of questionnaires issued during the year. (Note: questionnaire sent electronically so this now records the number of responses)			27	0	18
3.2 Percentage of customer questionnaires with overall rating of satisfactory or better.		90%	93%	N/A	100%
3.3 Percentage of established audit posts (FTE) at year end filled by staff with relevant professional qualification.		45%	57%	57%	57%
<b>4. Achievement of Plan</b>	Total number of audits defined as number per strategic annual plan. Number achieved defined as number of audits from plan which were started during the year.				
4.1 No of audits achieved as a percentage of all audits planned during the year.		90%	44%	86%	95%
<b>5. Issue of Reports</b>					
5.1 Number of audit reports issued		-	14	33	40
5.2 Average time in weeks from start of fieldwork to issue of report.	Start of fieldwork defined as when auditor starts gathering information or preparing file. Initial phone call to set up the audit would not be counted as start of fieldwork.	12 weeks	26.2 weeks	14.9 weeks	13.7 weeks
5.3 Average time taken to issue report (working days).	Speed of issue of report is measured from date file is handed to Chief Auditor for review to date of issue of report. GENERAL Average weeks calculated as working days divided by 5. Working days exclude weekends, public holidays, annual leave, training and sickness absence.	10 working days	22.8 working days	15.0 working days	11.1 working days

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## QUALITY ASSURANCE IMPROVEMENT PLAN (QAIP) AS AT AUGUST 2021

Ref	Source (SA – Self Assessment EA – External Assessment)	Finding	Proposed action/recommendation	Progress	Target Date
1	SA 2019	<b>Standard 2430</b> Use of “Conducted in Conformance with the PSIAS” only if the results of the QAIP support such a statement	Include a statement in all audit reports that the audit has been conducted in conformance with PSIAS.	<b>Implemented</b> Included in all audit reports issued after 1 April 2020 and some prior to this.	N/A
2	SA 2020	<b>Standard 2410 Criteria for Communicating</b> – if assurance is to be provided to other partnership organisations, it should be demonstrated that fundamental responsibility is to the management of the Council.	A statement to reflect this will be included in the Annual Report.	<b>Implemented</b> Comment was first included in the 2019/20 Annual Report	N/A
3	SA 2021	<b>Standard 1000 Purpose Authority and Responsibility</b> Internal audit assisted other services with operational and/or non-audit duties during 2020/21, namely processing of Covid grants.	The Chief Auditor should ensure that auditors involved in processing Covid grants are not involved in auditing this area.	An auditor has already been assigned to carry out the planned audit of covid grants and it is confirmed that they were not involved in the processing of grants previously.	31 March 2022

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**EAST RENFREWSHIRE COUNCIL**  
**Internal Audit Section**  
**ACHIEVEMENT OF ANNUAL AUDIT PLAN FOR 2020/21**

Department	Title	Audit Number	Original No. of days	Revised days Aug 20	Revised days Feb 21	Status	
Chief Executives	Financial Ledger and budgetary control	1	20	20	20	In progress	
Corporate & Community	Payroll	2	25	-	-	DEFER 1	
	Maximising Attendance	3	20	-	-	DEFER 1	
	Overtime	4	22	22	-	DEFER 2	
	Cash income and banking	5	22	22	22	Complete	
	Creditor Payments	6	10	10	10	Complete	
	Debtors control	7	10	10	10	Complete	
	Housing Benefit/ Universal Credit	8	30	30	30	Complete	
	Clothing Grants/free school meals	9	12	12	-	DEFER 2	
	Council tax – billing and collection	10	24	24	24	Complete	
	NDR	11	7	-	-	DEFER 1	
	Travelling and subsistence	12	12	-	-	DEFER 1	
	Education	Pupil Equity Fund	13	12	-	-	DEFER 1
Environmental Controls – Education		14	10	10	-	DEFER 2	
Schools Cluster		15	30	30	-	DEFER 2	
Educational payments		16	8	8	8	Complete	
Environment	Asset Management	17	20	-	-	DEFER 1	
	Grant Certification	18	15	-	-	DEFER 1	
	Gas Servicing	19	15	15	-	DEFER 2	
	City Deal	20	15	10	10	In progress	
	Burial Income	21	8	8	8	Complete	
	Health and Safety	22	15	-	-	DEFER 1	
	Climate Change Report	23	5	5	5	Complete	
	Energy and Fuel	24	15	-	-	DEFER 1	
Housing	Housing Allocations and homeless accomm	25	27	-	-	DEFER 1	
	New Council Houses	26	20	20	-	DEFER 2	
HSCP	Care First Finance System	27	15	-	-	DEFER 1	
	IJB	28	20	20	-	DEFER 2	
Trust	Culture and Leisure Limited Trust	29	20	20	-	DEFER 2	
Various	Contract 1 Covid 19	30	20	20	20	In progress	
	Contract 2	31	20	-	-	DEFER 1	
	Application Audit Integra	32	32	32	32	Complete	
	Fraud Contingency	33	67	47	47	Complete	
	General Contingency	34	30	30	30	Complete	
	LG Benchmarking Framework	sickness	35	5	5	5	Complete
		creditors	35	5	5	5	Complete
	Follow up	36	50	50	25	In progress	
Previous year audits <b>Note1</b>	37	20	8	8	Complete		
Audits carried forward from 2019/20	Stores	38				In progress but suspended	
	Housing voids	39					
	Carers Legislation (complete)	40		30	30		
	Payment to Care Providers	41					
	HSCP follow up	42					
<b>Total</b>			<b>733</b>	<b>523</b>	<b>349</b>		

Note 1 previous year audits were completed with the exception of the five which have been carried forward.

DEFER 1 relates to audits which were deleted/deferred and approved by Committee in August 2020.

DEFER 2 relates to audits which were deleted/deferred and approved by Committee in February 2021

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