

EAST RENFREWSHIRE COUNCILAUDIT AND SCRUTINY COMMITTEE19 January 2023Report by ClerkAUDIT AND SCRUTINY COMMITTEE 2022/23 WORK PLAN UPDATE

1. To provide an update on the implementation of the 2022/23 Audit and Scrutiny Committee Work Plan and related issues.

RECOMMENDATIONS

2. It is recommended that the committee:-
 - (a) considers performance against the committee's 2022/23 Annual Work Plan thus far; and
 - (b) notes that a further report on performance against the plan will be submitted to a future meeting.

AUDIT AND SCRUTINY WORK PLAN

3. In June 2019, as recommended by the committee, the Council approved a *Guide to Scrutiny and Review* which was distributed to all committees and Members of the Council for their use. An updated version of the guide was noted by the committee in June 2022, it having been reviewed just to ensure it and links within it remained fully up to date.

4. To help the Audit and Scrutiny Committee schedule and prioritise its work over the course of each year, the guide refers to the preparation of an annual Work Plan. This is to help provide transparency, openness and evidence of the Council's ongoing commitment to demonstrating Best Value and continuous improvement in the interests of local residents, customers and service users in accordance with the strategic priorities and outcomes of the Community Plan; Vision for the Future (Corporate Plan); and the Outcome Delivery Plan. As appropriate, such Work Plans include reference to any specific areas of investigation when identified and agreed by the committee and related timescales to progress these.

5. In April 2022 the committee noted performance against the 2021/22 Work Plan. Subsequently, in June 2022, the committee approved its 2022/23 Annual Work Plan to the extent it had been developed by that stage, noting that the Plan was effectively a 'live' document, that its development would continue such as to take account of decisions made by the committee itself on progressing issues, and that progress on delivering it would be reviewed in due course. As for previous Work Plans, the 2022/23 Plan included reference to recurring reports considered every year, such as on treasury management, Internal Audit work and risk management.

PROGRESS MADE ON 2022/23 WORK PLAN

6. An updated version of the 2022/23 Work Plan and related notes, referring to progress thus far on various issues, is attached (see Appendix 1).

7. It was highlighted in June that the 2022/23 Work Plan took account of national and local external audit reports which had been or were to be published during that financial year, to the extent the position on that was known at that point, to allow comments on the local position on issues to be sought from officers for consideration under the committee's specialisation arrangements. The 2022/23 Work Plan has been updated further as the position regarding external audit work, related reports and the timescale for their publication has been clarified.

8. Reference continues to be included to potential review areas identified thus far, on which there were plans to pursue some work but on which it has not been agreed to progress any further work thus far.

9. The committee is invited to consider performance thus far against the 2022/23 Work Plan, which now includes reference to some issues that have been added to it since it was first approved in June 2022.

CONCLUSION

10. In the interests of transparency, openness and to provide evidence of the Council's ongoing commitment to demonstrating Best Value and continuous improvement, this report reflects the range of work progressed by the committee thus far during 2022/23. The 2022/23 Work Plan, and previous such Plans, have provided the committee with greater oversight regarding the scheduling of its work and consideration of issues. The 2022/23 Work Plan continues to be considered a live document and will be refreshed as required.

RECOMMENDATIONS

11. It is recommended that the committee:-

- (a) considers performance against the committee's 2021/22 Annual Work Plan thus far; and
- (b) notes that a further report on performance against the plan will be submitted to a future meeting.

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Background Papers

Proposed Guide to Scrutiny and Review - Report by Chief Executive (*Jun 2019*);
Potential Areas for Scrutiny & Review Investigations - Report by Chief Executive (*Aug 2019*)
Various reports on Audit & Scrutiny Committee Work Plans – Reports by Clerk (*Sept 2019*;
Jun 2020; *Jan & April 2021*; and *Jan, Apr & Jun 2022*)

Audit and Scrutiny CommitteeUpdate on Implementation of 2022/23 Work Plan

Planned Report Date	Report Subject	Report by	Date Considered by Audit & Scrutiny Committee
7 April 2022	Chair's Report	Chair	7/4/22
	East Renfrewshire Council - Annual Audit Plan 2021/22	External Auditor	7/4/22
	Strategic Risk Register and Risk Management Progress - Biannual Report	Chief Executive	7/4/22
	Work Progressed by Committee since 2017; Performance Against 2021/22 Work Plan; and Self-Evaluation (See Note 1 Below)	Clerk to Committee	7/4/22
23 June 2022	Chair's Report	Chair	23/6/22
	Unaudited Annual Accounts 2021/22	Head of Accountancy (Chief Financial Officer)	23/6/22
	Code of Corporate Governance	Director of Business Operations and Partnerships	23/6/22
	Consultancy Expenditure and Related Log (See Note 2 below)	Clerk to Committee in liaison with Chief Procurement Officer	23/6/22
	Internal Audit Plan 2021/22 - Implementation Progress – January to March 2022	Chief Auditor	23/6/22
	Internal Audit Strategic Plan 2022/23 – 2026/27	Chief Auditor	23/6/22

Planned Report Date	Report Subject	Report by	Date Considered by Audit & Scrutiny Committee
23 June 2022 (Continued)	National External Audit Report - Local Government Financial Overview 2020/21	Clerk to Committee in liaison with Head of Accountancy (Chief Financial Officer)	23/6/22
	Integration Joint Board Performance and Audit Committee - Invitation to Co-opt Member of Audit Scrutiny Committee	Clerk to Committee	23/6/22 & 11/8/22 (In June, Item continued to August meeting)
	Audit and Scrutiny Committee Work Plan, Outcome of Self-Evaluation and Related Issues (See Note 1 Below)		23/6/22
11 August 2022	Chair's Report	Chair	11/8/22
	Clarification Received on Queries Raised at Previous Meetings	Clerk to Committee	11/8/22
	Committee's Specialisation Arrangements for Dealing with Internal and External Audit Reports and Inspection Reports		11/8/22
	Annual Treasury Management Report 2021/22	Head of Accountancy (Chief Financial Officer)	11/8/22
	Internal Audit Annual Report 2021/22	Chief Auditor	11/8/22
	Internal Audit Plan 2022/23 - Implementation Progress - April to June 2022		11/8/22
29 September 2022	Chair's Report	Chair	29/9/22
	Clarification Received on Queries Raised at Previous Meetings	Clerk to Committee	29/9/22

Planned Report Date	Report Subject	Report by	Date Considered by Audit & Scrutiny Committee
29 September 2022 <i>(Continued)</i>	Strategic Risk Register and Risk Management Progress – Biannual Report	Chief Executive	29/9/22
	Managing the Risk of Fraud and Corruption - East Renfrewshire Council Fraud Response Statement 2021/22 (Including Audit Scotland Fraud and Irregularity Report 2021/22)		29/9/22
	National Fraud Initiative – Update	Director of Business Operations and Partnerships	29/9/22
	Managing Absence – 2021/22 Annual Report		29/9/22
	Summary of Early Retirement/ Redundancy Costs to 31 March 2022		10/11/22
	National External Audit Report - Local Government Overview 2022	Clerk to Committee in liaison with Director of Business Operations and Partnerships	29/9/22
	Local External Audit Report – East Renfrewshire Council Management Report 2021/22 – Review of Internal Controls in Financial Systems	External Auditor	29/9/22
26 October 2022	2021/22 Annual Accounts and Draft Annual Audit Report for East Renfrewshire Council	Head of Accountancy (Chief Financial Officer) and External Auditor	26/10/22
	2021/22 Annual Accounts for Council's Charitable Trusts and External Audit International Standard on Auditing 260 Report		26/10/22

Planned Report Date	Report Subject	Report by	Date Considered by Audit & Scrutiny Committee
10 November 2022	Chair's Report	Chair	10/11/22
	Clarification Received on Queries Raised at Previous Meetings	Clerk to Committee in liaison with Chair	10/11/22 <i>(Covered in Chair's Report)</i>
	Interim Treasury Management Report 2022/23	Head of Accountancy (Chief Financial Officer)	10/11/22
	Internal Audit Plan 2022/23 – Implementation Progress – July to September 2022	Chief Auditor	10/11/22
	National External Audit Report – Scotland's Financial Response to Covid-19 (See Note 4 below)	Clerk to Committee in liaison with Corporate Management Team	10/11/22
	Update on Audit and Scrutiny Committee Work Plan 2022/23	Clerk to Committee	19/1/23
19 January 2023	Chair's Report	Chair	19/1/23
	Clarification Received on Queries Raised at Previous Meetings	Clerk to Committee	<i>Not required</i>
	Women's Health Related Matters – Presentation	HR Manager	<i>Now scheduled 23/2/23</i>
	Revised Risk Management Strategy 2023-2025 and Risk Management Framework 2023-2025	Chief Executive	19/1/23
	National External Audit Reports – Addressing Climate Change in Scotland and Scotland's Councils' Approach to Addressing Climate Change (See Note 5 below)	Clerk to Committee in liaison with Head of Environment (Strategic Services)	<i>Now scheduled 23/2/23</i>

Planned Report Date	Report Subject	Report by	Date Considered by Audit & Scrutiny Committee
23 February 2023	Chair's Report	Chair	
	Clarification Received on Queries Raised at Previous Meetings (<i>If required</i>)	Clerk to Committee	
	Internal Audit Plan 2022/23 – Implementation Progress October to December 2022	Chief Auditor	
	Public Sector Internal Audit Standards (PSIAS) Assessment		
	Treasury Management Strategy 2023/24	Head of Accountancy (Chief Financial Officer)	
30 March 2023	Chair's Report	Chair	
	Clarification Received on Queries Raised at Previous Meetings (<i>If required</i>)	Clerk to Committee	
	Strategic Risk Register and Risk Management Progress – Biannual Report	Chief Executive	
	National External Audit Report – Tackling Child Poverty	Clerk to Committee in liaison with Director of Business Operations and Partnerships and Chief Officer HSCP	
	East Renfrewshire Council – External Annual Audit Plan 2022/23	External Auditor	
	Internal Audit Strategic Plan 2023/24 – 2027/28	Chief Auditor	

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NOTES ON WORK PLAN

Note 1 (Audit and Scrutiny Committee Self-Evaluation and Summary of Work Undertaken Since 2017)

In April 2021 the committee agreed, as has been the case in the past, that prior to the local government Elections in 2022 a short, focussed report be prepared overviewing the work undertaken by the committee during the Administration; and that a further self-evaluation exercise be completed. On schedule, a report on both issues was submitted to and approved by the previous committee in April 2022 following which a related report was submitted to the new committee on 23 June 2022.

As reported previously, self-evaluations are considered useful, such as for analysing performance, enhancing the committee's own practices, and identifying how the committee can support the work of the internal audit service for example, but the committee's view remains that progressing these as frequently as annually is neither a necessary nor efficient use of its limited time and resources. In June 2022, when endorsing the recommendations made following the most recent self-evaluation (which are continuing to be implemented), the committee supported a mid-Administration and end of Administration evaluation in future.

Note 2 (Consultancy Expenditure and Related Log)

In January 2019 the committee agreed, at the end of the 2019/20 financial year, to review the content of the log the Council had established on the appointment of consultants and related issues. The committee noted a report on this issue in June 2020, and agreed that further reports on consultancy expenditure, as referred to in the log created for this, should be submitted annually after the end of each financial year. The next such report is scheduled to be submitted in June 2023.

Note 3 (Withdrawal from European Union)

In February 2019 the committee considered feedback on a National External Audit Report on *Withdrawal from the European Union (EU) - Key Audit Issues for the Public Sector*. A report on the Council's *Treasury Management Strategy for 2019/20*, and the implications which Brexit might have for interest rates, Council borrowing, return on investments etc., had also been considered. Audit Scotland had also indicated that the scope, timing and any performance audit work relating to a further report it proposed to prepare on the *Withdrawal from the EU* would depend on developments.

In August 2019 the committee agreed to carry out a review regarding Brexit and the related financial implications as a medium priority issue, subject to further consideration of the timing of its commencement, having regard to the future outcome of the UK Government's discussions with the EU. It was also agreed then that, in the first instance following the appointment of the Council's Brexit Coordinator, arrangements should be made for the post holder to meet the committee to allow its members to take evidence/gather information on Brexit issues. The post was to help coordinate and monitor progress on all aspects of Brexit, including internal preparedness and external liaison with appropriate bodies (including the Scottish Government and Police Scotland), and involved reporting to Elected Members, the Corporate Management Team (CMT) and other Council officials.

A report on the UK's withdrawal from the EU was to have been submitted in April 2020. However, in liaison with the Chair and taking account of the impact of the COVID-19 emergency and related issues, a report was considered on 13 August 2020 instead. Since then, at the request of the committee, the Brexit Coordinator (now the Resilience Coordinator) has provided further updates in November 2020, March and September 2021, and February 2022. Subsequent to various meetings, at the request of the committee, he has provided

clarification on a range of issues which has been circulated, including on the EU Settlement Scheme, funding issues and State Aid.

When the most recent report was submitted in February 2022, the committee agreed that the Resilience Coordinator should provide further information to the Clerk for circulation to Members on telephone charges, the length of time the temporary Fuel Poverty Worker had been appointed for, and to what extent the Shared Prosperity Fund would replace EU structural funding. That was circulated on receipt. Otherwise the report and related comments made were noted.

Note 4 (Audit Scotland COVID-19 Guide for Audit and Risk Committees; and Scotland's Financial Response to Covid-19)

In September 2020, the committee agreed that a report on issues raised in the *COVID-19 Guide for Audit and Risk Committees*, published by Audit Scotland in August 2020, be prepared for its meeting in November 2020. The Guide posed questions to assist auditors and public bodies effectively scrutinise and provide challenge in key areas requiring additional focus at present, categorising these under the headings of internal control and assurance; financial management and reporting; governance; and risk management.

When feedback and comments on these issues were submitted in November 2020, the committee agreed that a further update be provided around March or April 2021, and that the Clerk should liaise with members of the committee to ascertain the specific issues on which feedback and further assurances were to be sought by exception. It was noted that the Performance and Audit Committee of the Integration Joint Board (IJB) had also been considering issues raised within the Guide.

On 18 March 2021, the Chair reported he had sought and received confirmation that the feedback dated November 2020 on changes to internal controls required due to COVID-19 remained current. Taking account of this and other information the committee already had access to, including reports on risk and Internal Audit's work, it was noted that no other issues had been identified by members of the committee that they wished followed up at that stage; noted that it remained an option to seek further updates on specific issues at any point; and agreed that it might be useful to review the position later in 2021, perhaps in late summer, to pick up any issues that may be raised from the year end Accounts process or transition to the "new normal" working arrangements which it was hoped would start to be introduced by then.

Thus far no issues have been identified by members of the committee that they wish followed up further, taking account of other information available to them, such as reports submitted to the Council on COVID-19 issues. On 25 November 2021 the then Chair highlighted, and it was noted, that it remains an option to seek further updates on specific issues at any point through either the Chair or Clerk.

On a related issue, in November 2022, following the publication by Audit Scotland of a report on *Scotland's Financial Response to COVID-19*, a report prepared by the Clerk in liaison with the Corporate Management Team and other senior officers who had provided comments on various aspects of the report was noted.

Note 5 (Cabinet Responses to Audit and Scrutiny Committee Investigations on Income Generation and Commercialisation; and Climate Change (Reference Included to National External Audit Reports on Addressing Climate Change in Scotland & Scotland's Councils' Approach to Addressing Climate Change)

Following submission of the report on the committee's investigation on *Income Generation and Commercialisation* to the Cabinet on 5 December 2019, and a slight delay due to the impact of COVID-19, a response to the report was approved by the Cabinet on 24 September

2020. It reflected that all 12 of the committee's recommendations had been agreed and that, despite the challenges of dealing with COVID-19 related issues, work had been started in many of the areas with future work planned in due course.

The final report on the committee's investigation on *Climate Change* was completed early in 2020 but, also due to COVID-19, its submission to the Cabinet was delayed to 13 August. The committee had made 24 recommendations, a key one being that the Council's strategy on climate change be renewed. As the recommendations had been known for some time, the Cabinet considered a report, in response, by the Director of Environment at the same meeting outlining a proposed approach for the development of a Climate Change Strategy and Action Plan, particularly in view of the recommendations made by the committee.

In November 2020, having noted the responses approved by the Cabinet to both investigations, including the extent to which the recommendations had been accepted, the committee agreed that reports be submitted on progress on implementation of the recommendations accepted by the Cabinet as part of the committee's 2021/22 Work Plan.

As scheduled, the updates were considered by the committee on 20 January 2022. Regarding the *Income Generation and Commercialisation* investigation, the committee agreed then that further clarification be sought, for circulation by the Clerk, on issues raised at the meeting regarding Recommendations 1, 2, 3, 4, 6, 7, 10 and 11 of the report, and otherwise noted the report and related comments made. Regarding the *Climate Change* investigation, the committee agreed that the Head of Environment (Strategic Services) seek and provide further clarification to the Clerk for circulation to members of the committee on issues raised at the meeting on public transport and the environmental measures to be installed in the new Eastwood Leisure Complex and what its carbon dioxide emissions would be compared to the current facility. That information was circulated to the committee prior to the Elections. Otherwise, the report and related comments made were noted.

Should the committee wish to do so, it could request further updates on progress in future.

On a further issue relating to Climate Change, following the publication in 2022 of National External Audit Reports on *Addressing Climate Change in Scotland* and *Scotland's Councils' Approach to Addressing Climate Change*, a report on these issues is scheduled to be submitted to the committee in early 2023.

Note 6 (Council Website/Communications with the Public)

In August 2019 the committee agreed to review the issue of the Council Website/Communications with the Public once the Council's new website, which was at that time in the latter stages of development, had been operational for a given period of time. The matter was considered to be a low priority for review.

It was also agreed, prior to considering further when such a review may be appropriate, that in the interim a demonstration of the new website be organised for Elected Members to provide an opportunity for questions to be asked about it and its capabilities. The situation regarding COVID-19 resulted in the launch of the new website being postponed until 7 July 2020, with further improvements having been made to it since then.

In consultation with the then Chair, taking into consideration when a range of issues were scheduled to be considered by the committee, it was agreed that a presentation on the website should be made at its meeting on 21 January 2021. Arrangements were made to enable other Members of the Council to view it if they wished. The committee noted the presentation and that any further comments or feedback on the website could be sent to the Communications Manager for consideration. Discussions on progressing any more detailed work were outstanding at April 2022.

Note 7 (Graffiti Removal and Fly-tipping)

In August 2019 the committee agreed to review (1) graffiti removal; and (2) fly-tipping as medium priority issues. In the first instance it was agreed to undertake site visit(s) in the latter half of 2019/20 to gather information on the latest procedures and equipment being used for this by the Environment Department. However, subsequently, it was suggested that seeking briefings on these issues could be sufficient, at least at that stage.

Taking account of issues relating to COVID-19 and to allow the Environment Department to prioritise matters relating to the pandemic, briefings were not requested from the Head of Environment (Operations) until the end of July 2020. They were circulated on receipt in September 2020, at which time Members were invited to advise the Clerk if they wished to pursue any issues at that stage. No such issues were identified. Discussions on any more detailed work to be progressed were outstanding as of April 2022.

Note 8 (Schools Admission Policy and Education Appeals System)

As agreed in August 2019, the former Director of Education was advised then of the committee's concerns on the potential implications of the proposal under consideration by the Scottish Government to transfer administration of the Education Appeals System from local authority control to the Scottish Tribunals System. This was to allow her to consider the views expressed when formulating responses to any related consultation. She was also advised of concerns expressed at the meeting on the current criteria for approving school placing requests, specifically the impact the approach had had on some East Renfrewshire resident families in terms of siblings not necessarily being able to access the same school when catchment areas are altered.

At the same meeting, the committee agreed that the Education Appeals System was a low priority issue for review, but that the appeals process would continue to be monitored over the next two academic years to ascertain the impact of implementing any changes made to the national education appeals system, and that the committee would consider in 2021/22 any modifications to the appeals process that may be required to improve the focus on customers, including if there was considered to be a need for any representations to be made at a national level. It was noted that this issue would be revisited in due course, such as when the committee's 2021/22 Work Plan was considered.

In the interim it was agreed, as part of the committee's 2019/20 Work Plan, that a presentation be made to the committee on the admission policy and the appeals system. That presentation was made and noted in November 2019. Discussions on any more detailed work to be progressed were outstanding as of April 2022.

Note 9 (Early Years Provision Policy)

In August 2019 the committee agreed that the new Early Years Provision policy was a low priority for review and that it, including the financial implications of it, could be considered for review in the 2022/23 financial year, following completion of the current roll-out of the provision. Discussions on any more detailed work to be progressed were outstanding as of April 2022.