

Business Operations and Partnerships Department

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Date: 22 March 2024

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TO: Councillor Andrew Morrison (Chair), Tony Buchanan (Vice-Chair), Provost Mary Montague and Councillors Paul Edlin, Annette Ireland, David Macdonald and Gordon Wallace.

AUDIT AND SCRUTINY COMMITTEE

A meeting of the Audit and Scrutiny Committee will be held in the Council Chamber, Council Headquarters, Eastwood Park, Giffnock, on **Thursday, 28 March 2024 at 2.00pm.**

The agenda of business is as listed below.

Yours faithfully

Louise Pringle

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DIRECTOR OF BUSINESS OPERATIONS & PARTNERSHIPS

AGENDA

1. **Report apologies for absence.**
2. **Declarations of interest.**
3. **Chair's Report.**
4. **Interim Treasury Management Report 2023/24 – Quarter 4 – Report by Head of Accountancy (Chief Financial Officer)(copy attached, pages 3 – 20).**
5. **Strategic Risk Register and Risk Management Progress – Biannual Report – Report by Chief Executive (copy attached, pages 21 - 50).**
6. **East Renfrewshire Council – Provisional Annual Audit Plan for Year Ended 31 March 2024 – Report by External Auditor (copy herewith, pages 51 - 96).**

7. **Internal Audit Strategic Plan 2024/25 – 2028/29 – Report by Chief Auditor (copy attached, pages 97 - 106).**

For information on how to access the virtual meeting please email:-
[**linda.hutchison@eastrenfrewshire.gov.uk**](mailto:linda.hutchison@eastrenfrewshire.gov.uk)

A recording of the meeting will also be available following the meeting on the Council's YouTube Channel <https://www.youtube.com/user/eastrenfrewshire/videos>

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EAST RENFREWSHIRE COUNCILAUDIT & SCRUTINY COMMITTEE28 March 2024Report by Head of Accountancy (Chief Financial Officer)INTERIM (QUARTER 4) TREASURY MANAGEMENT REPORT FOR 2023/24**PURPOSE OF REPORT**

1. To advise the Audit & Scrutiny Committee on the Treasury Management activities for the period ending 29 February 2024.

RECOMMENDATION

2. It is recommended that the Committee: -
 - a) note the Interim Treasury Management Report for Quarter 4 2023/24; and
 - b) recommend to the Council that the attached organisations for investment of surplus funds be approved.

BACKGROUND

3. In line with the CIPFA Code of Practice on Treasury Management, the Audit & Scrutiny Committee is responsible for ensuring effective inspection of treasury management activities and this report is submitted in accordance with this requirement.

SUMMARY

4. Overall the report demonstrates a well-managed treasury function within the Council. The average interest rate on long-term borrowing has remained the same from that reported in January. The Council continues to adopt a prudent approach to treasury management and in particular the percentage of loans held as at 29 February 2024 that had variable interest rates was 7.19% which is well below the Council's approved upper limit of 15%. The resulting stability in borrowing assists the Council in responding to the current national economic pressures.

RECOMMENDATION

5. It is recommended that the Committee: -
 - a) note the Interim Treasury Management Report for Quarter 4 2023/24; and
 - b) recommend to the Council that the attached organisations for investment of surplus funds be approved.

REPORT AUTHOR

Head of Accountancy (Chief Financial Officer): Margaret McCrossan

Chief Accountant: Barbara Clark

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Report Date: 4 March 2024

INTERIM TREASURY MANAGEMENT REPORT QUARTER 4 2023/24

Table 1

1. Actual External Debt

	Borrowing 31/12/23 £M	Average Interest %	Borrowing 29/02/24 £M	Average Interest %	Change in Qtr £M
<u>Long Term Borrowing</u>					
Public Works Loan Board	112.85	3.30	112.48	3.29	(0.37)
Local Authority Bonds	14.40	4.60	14.40	4.60	0.00
PFI / PPP Finance Leases	73.50	7.18	73.50	7.18	0.00
Total Long Term	200.75	4.81	200.38	4.81	(0.37)
<u>Short Term Investments</u>					
Temporary Investments	(50.65)	5.42	(19.61)	5.33	31.04

NOTES

- (i) For the purposes of this report long-term borrowing means loans taken on a long-term basis. This differs from the Annual Accounts, which have to categorise long-term loans with less than a year until repayment as short-term loans. Loans above totalling £0.365 million come into this category.
- (ii) The Treasury Strategy approved by the Council on 1st March 2023, ratified external borrowing of £58m from the Public Works Loan Board to be undertaken. However at present no new borrowing has been undertaken due to a recommendation by the Head of Accountancy to defer long term borrowing, where possible, until the current high interest rates come down. During the last quarter Long Term Borrowing of £0.365m was repaid.
- (iii) The average interest rate on long-term borrowing has not changed from that reported previously.
- (iv) The Council's net external borrowing position has increased in total by £30.67 million during the quarter due to both revenue and capital cash flows.
- (v) The Council's activity in the temporary investments market is shown along with the corresponding interest rate movements in Appendices 2 – 5. In response to difficulties in the financial markets and as part of a risk managed process designed to protect the principal of the sums invested, during the course of the year the maximum period of investment was restricted to 6 months.
- (vi) At 29 February 2024, 7.19% of the total debt outstanding consisted of loans which had a variable rate of interest. For the Council to gain a high level of stability in overall borrowing costs, the Council's Treasury Policy Statement requires the exposure to variable rate loans to be less than 15% of the total debt outstanding.

- (vii) Appendix 6 shows the Bank of England MPC base rate covering the period April 2022 to the date of this report.

2. PWLB

The primary source of medium/long term borrowing is from the UK Government through the Public Works Loan Board (PWLB). The PWLB provides loans to local authorities at rates, which are in general more attractive than loans available from other sources.

3. DEBT MATURITY PROFILE

The Council's debt maturity profile at 29 February 2024 is shown both below and in Graph format at Appendix 7.

It is a requirement of the Council's Treasury Policy Statement that the maximum amount of long-term debt maturing in any one year should be no more than 15% of the Council's long-term debt outstanding, at the time of borrowing.

The Council's Debt Maturity Profile as at 29 February 2024 was within the agreed limits.

Long Term Debt Maturity Profile as at 29 February 2024

	PWLB	Local Authority Bond	Total	
	£M	£M	£M	%
23/24	0.00	0.00	0.00	0.00
24/25	0.00	0.00	0.00	0.00
25/26	0.00	0.00	0.00	0.00
26/27	5.01	0.00	5.01	3.95
27/28	2.01	0.00	2.01	1.58
28/29	0.00	0.00	0.00	0.00
29/30	0.00	0.00	0.00	0.00
30/31	0.00	0.00	0.00	0.00
31/32	0.00	0.00	0.00	0.00
32/33	0.00	0.00	0.00	0.00
After 2033/34	105.46	14.40	119.86	94.47
Total	112.48	14.40	126.88	100.00

4. PRUDENTIAL INDICATORS

In line with the agreed monitoring arrangements for the Prudential Indicators, listed below there is a table showing all the prudential indicators comparing the approved indicator, as reported to the Council on 1 March 2023 along with the projected outturn figures recorded at 30 June 2023, 30 September 2023, 31 December 2023 and 29 February 2024, demonstrating that the Council is operating well within the limits set.

Prudential Indicator	Approved indicator £'000s	Projected Outturn @ 30/06/23 £'000s	Projected Outturn @ 30/09/23 £'000s	Projected Outturn @ 31/12/23 £'000s	Projected Outturn @ 29/02/24 £'000s	COMMENT
Capital Expenditure	81,167	66,541	59,176	57,480	50,801	Movement from the approved indicator and the last quarter is due to the revised planning of capital projects within both the Housing and General Fund Capital Programmes.
Capital Financing Requirement (CFR)	304,873	273,138	266,180	265,921	259,128	Movement from the approved indicator and the last quarter is due to a reduction in net capital expenditure in both previous and current years.
Operational Boundary for External Debt	309,855	278,120	271,162	270,903	264,110	Movement from the approved indicator and the last quarter is due to a reduction in permitted borrowing from that approved due to a reduction in capital spend in both previous and current years.
Authorised Limit For External Debt	345,308	308,813	300,812	300,514	292,702	In addition to the variance explanation for the Operational Boundary for External Debt above, the Authorised limit for External Debt also includes a further 15% allowance to cover any unexpected temporary movements.
Gross Debt	253,770	228,270	205,770	205,770	195,770	Movement is due to the re-profiling of capital expenditure to future years and to deferral of borrowing, if possible, until rates come down.

Gross Borrowing to CFR (Under)/Over	(51,103)	(44,868)	(60,410)	(60,151)	(63,358)	Movement is due to a reduced net borrowing requirement as a result of a reduction in capital expenditure in both previous and current years, along with a deferral of borrowing, if possible, until rates come down.
Financing to Net Revenue Stream Non – HRA HRA	6.7% 34.4%	6.7% 32.4%	6.7% 32.8%	6.7% 32.8%	6.2% 33.9%	The General Fund variation from the last quarter relates to additional funding received during the year from the Scottish Government, resulting in a decreased percentage. The HRA variation from the last quarter is in-line with a slight reduction in financing costs, along with reduced rental income.
HRA - Ratio of Debt to Revenue	337.0%	305.8%	294.0%	294.0%	298.3%	The variation from the last quarter is due to a combination of reduced debt (CFR) and reduced rental income.
HRA – Debt Per Dwelling £	16,450	15,682	15,079	15,079	14,792	The variation from the last quarter is due to a combination of reduced debt (CFR) and an increase in the number of dwellings.
Code of Practice For Treasury Management	<p>The Council has adopted the CIPFA Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes</p> <p>All of the approved activities within the Council Treasury Management Policy Statement have been complied with.</p>					

The movement between the Capital Financing Requirement and the Gross Debt indicates the amount of internal borrowing required. The indicator above “Gross Borrowing to CFR” and the table below show that the capital borrowing need (the Capital Financing Requirement), has not been fully funded by external loan debt as the cash supporting the Council’s reserves, balances

and cash flow has been used as a temporary measure. This strategy remains both prudent and cost effective as borrowing costs are currently relatively high and the Head of Accountancy has requested that borrowing, where possible, is not undertaken until interest rates come down from their current level.

	Approved Indicator £'000s	Projected Outturn @ 30/06/23 £'000s	Projected Outturn @ 30/09/23 £'000s	Projected Outturn @ 31/12/23 £'000s	Projected Outturn @ 29/02/24 £'000s
Capital Financing Requirement	304,873	273,138	266,180	265,921	259,128
Gross Debt	253,770	228,270	205,770	205,770	195,770
Internal Borrowing Required	51,103	44,868	60,410	60,151	63,358

5. DEBT PERFORMANCE INDICATOR

The Treasury Strategy sets out the following two debt performance indicators

- i) Average "pool rate" should be at or below the Scottish average:
 - East Renfrewshire Council 2022/23 was 3.34%
 - Average All Scottish Local Authorities 2022/23 was 3.486%.
- ii) Average borrowing rate movement year on year:
 - Average borrowing rate in 2021/22 was 4.99%
 - Average borrowing rate in 2022/23 was 4.81%. Although this a decrease of 0.18%, the variance is likely to increase as new loans are taken due to the high interest rates currently available. The target set in the Treasury Strategy to maintain or reduce rates year on year may therefore be difficult to achieve.

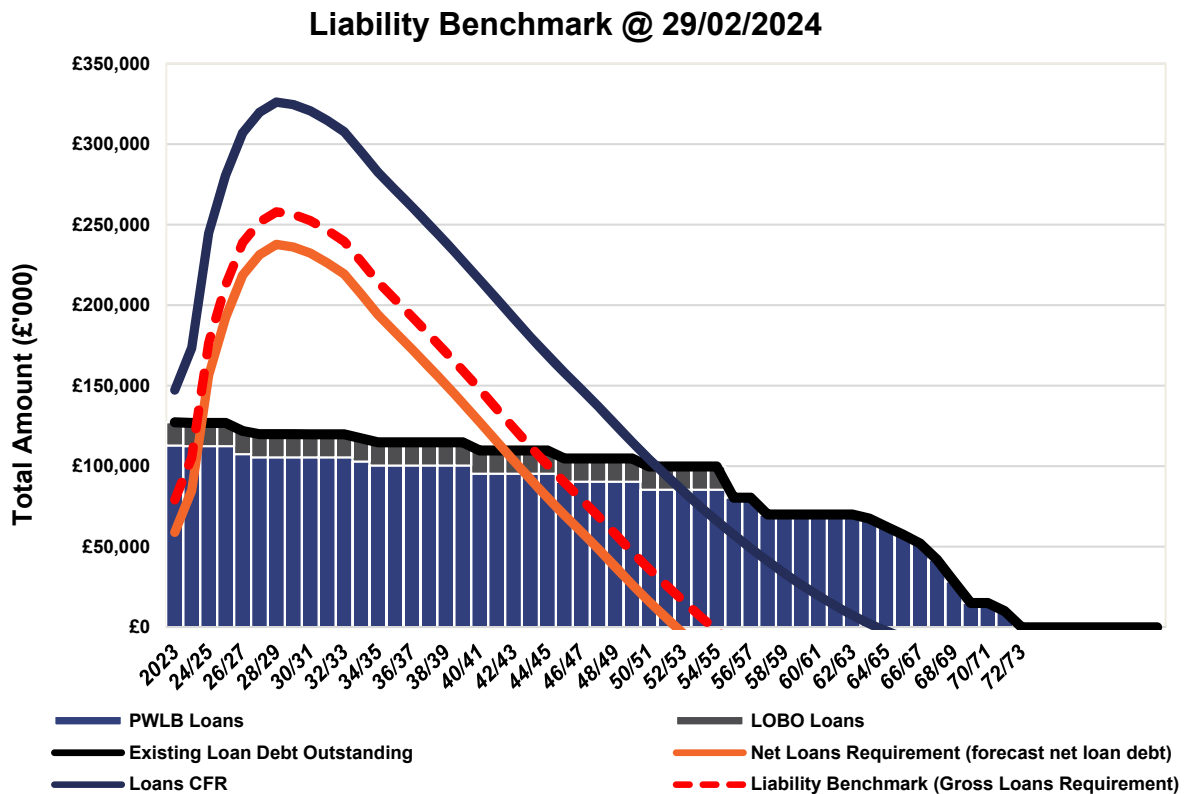
6. Liability Benchmark

A new prudential indicator for 2023/24 is the Liability Benchmark (LB). The Council is required to estimate and measure the LB for the forthcoming financial year and the following two financial years, as a minimum. It is a projection of the amount of loan debt outstanding that the Council needs to fund its existing debt liabilities, planned prudential borrowing and other cashflows.

There are four components to the LB: -

1. **Existing loan debt outstanding:** the Authority's existing loans that are still outstanding in future years.

2. **Loans CFR:** this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned Loans Fund principal repayments.
3. **Net loans requirement:** this will show the Authority's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned Loans Fund principal repayments and any other major cash flows forecast.
4. **Liability benchmark (or gross loans requirement):** this equals net loans requirement plus short-term liquidity allowance.



7. APPROVED ORGANISATIONS FOR INVESTMENT

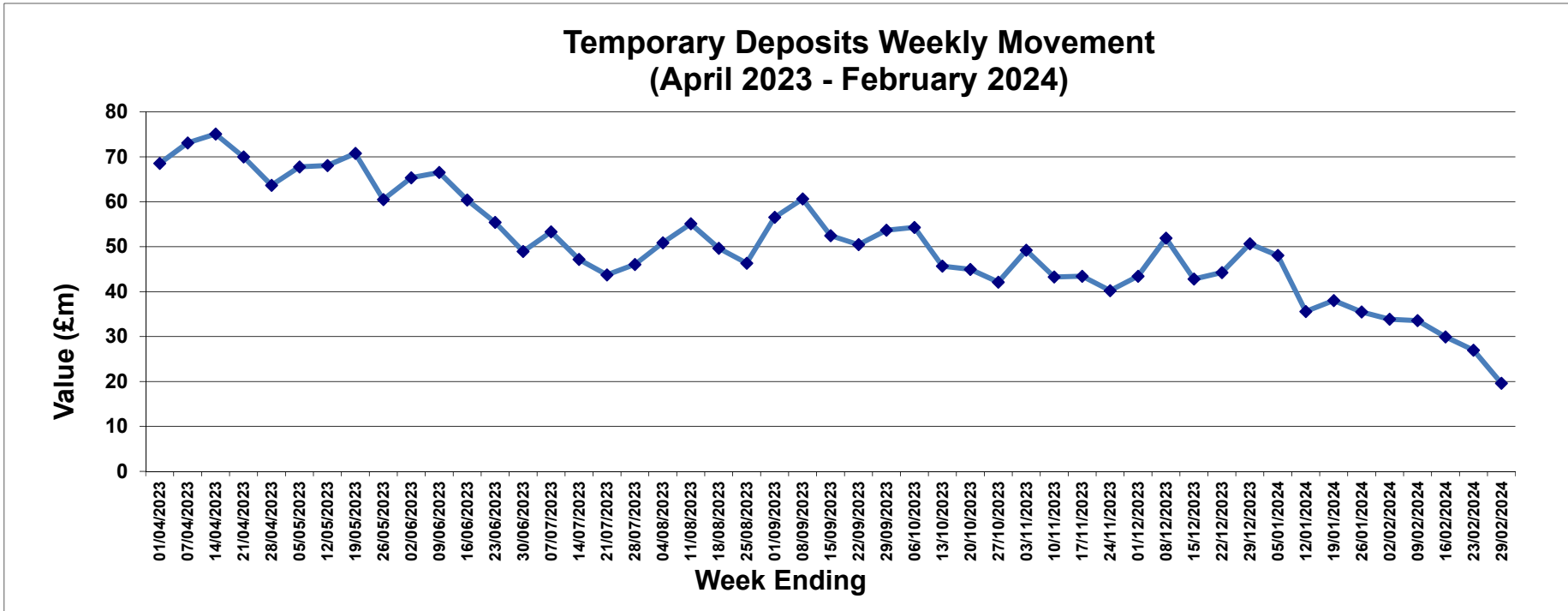
In line with normal practice the status of all Banks and Building Societies has been reviewed in order to amend the current list of approved organisations for investment (see appendix 8). No changes have been made to the list since last reported on 18 January 2024. All lending is in line with the permitted methods of investment which were approved by Council on 1 March 2023 as part of the Treasury Management Strategy report.

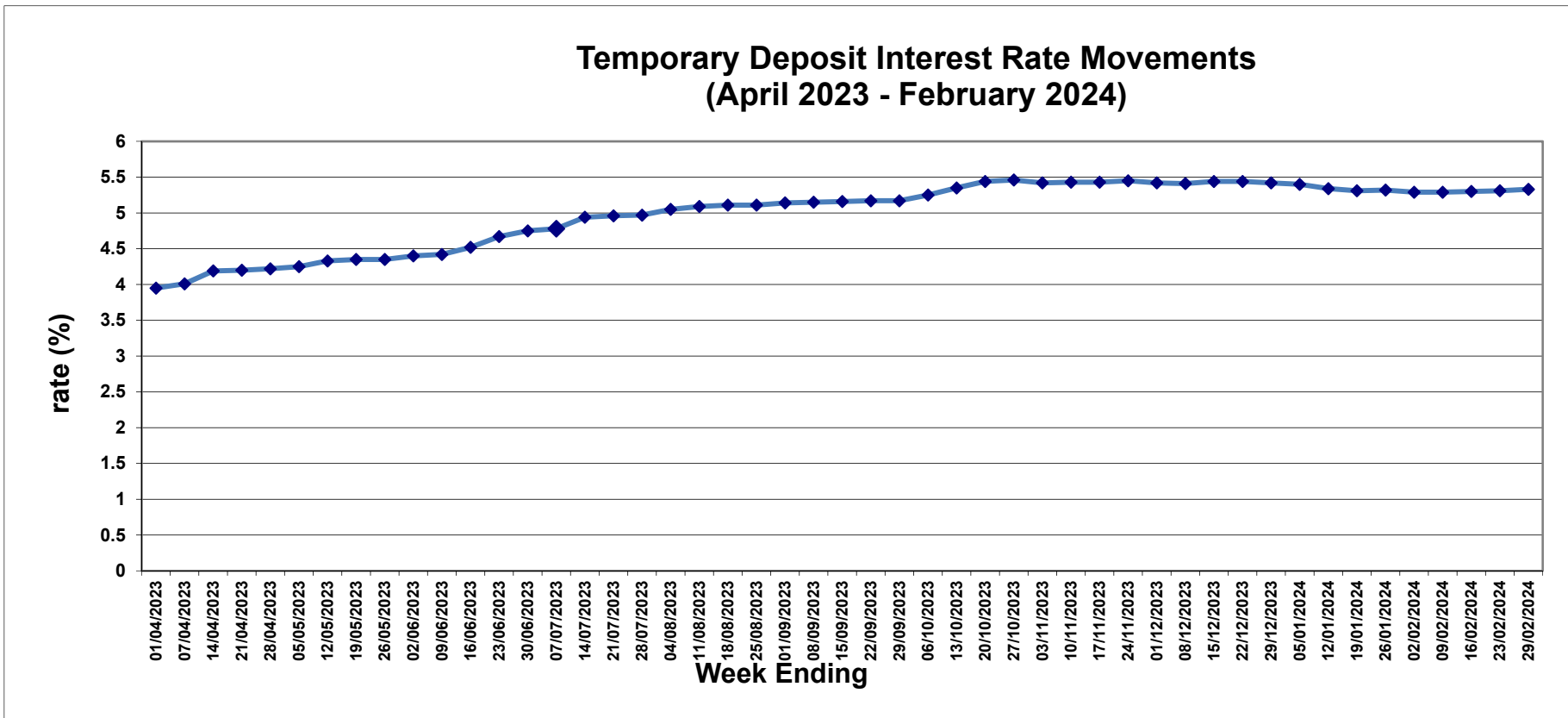
As a result of the banking crisis and in line with prudent financial management, investment has been restricted to UK organisations with high credit ratings. Also, the maximum period of investment was restricted to 6 months, in line with advice from our Treasury Advisers, Link Asset Services. These measures have been taken as part of a risk managed process designed to protect the principal of the sums invested.

Credit ratings of organisations on the counter-party list are subject to continuous monitoring and review to ensure that subject to available professional advice, approved organisations remain sound for investment purposes.

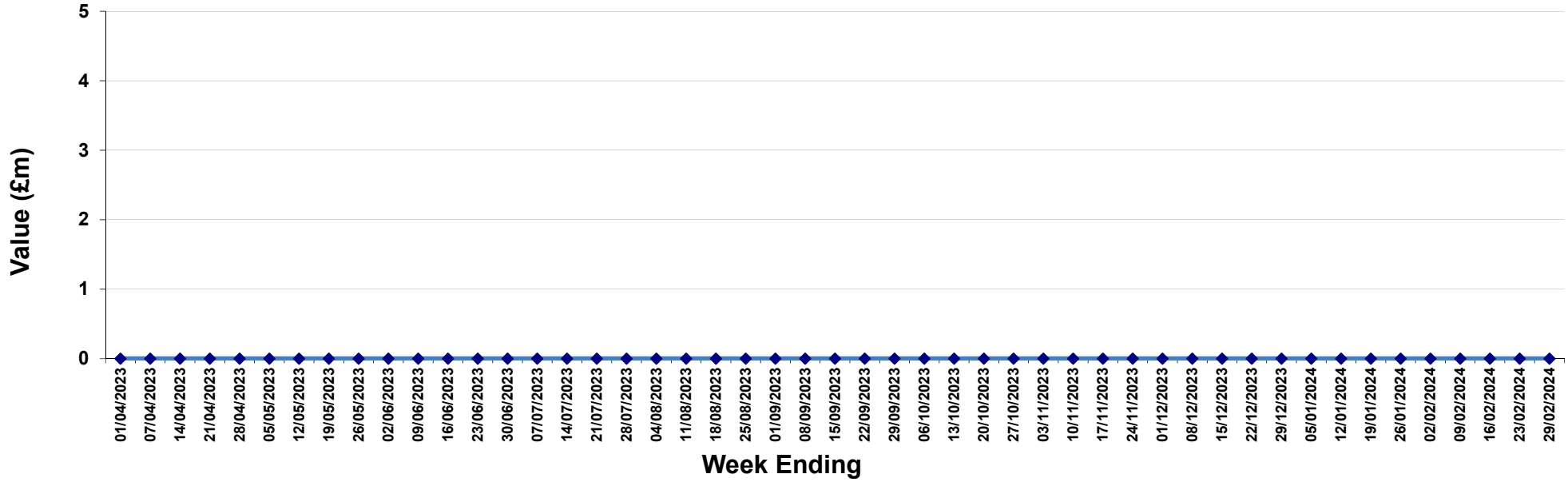
8. TREASURY MANAGEMENT RISK

Within the Operational Risk Register for Accountancy Services there is a risk listed that highlights the difficulty in obtaining sufficient institutions, that meet the Council's criteria, to invest surplus funds with. To minimise this risk the Council has six Money Market Funds which provide highly diversified investments.

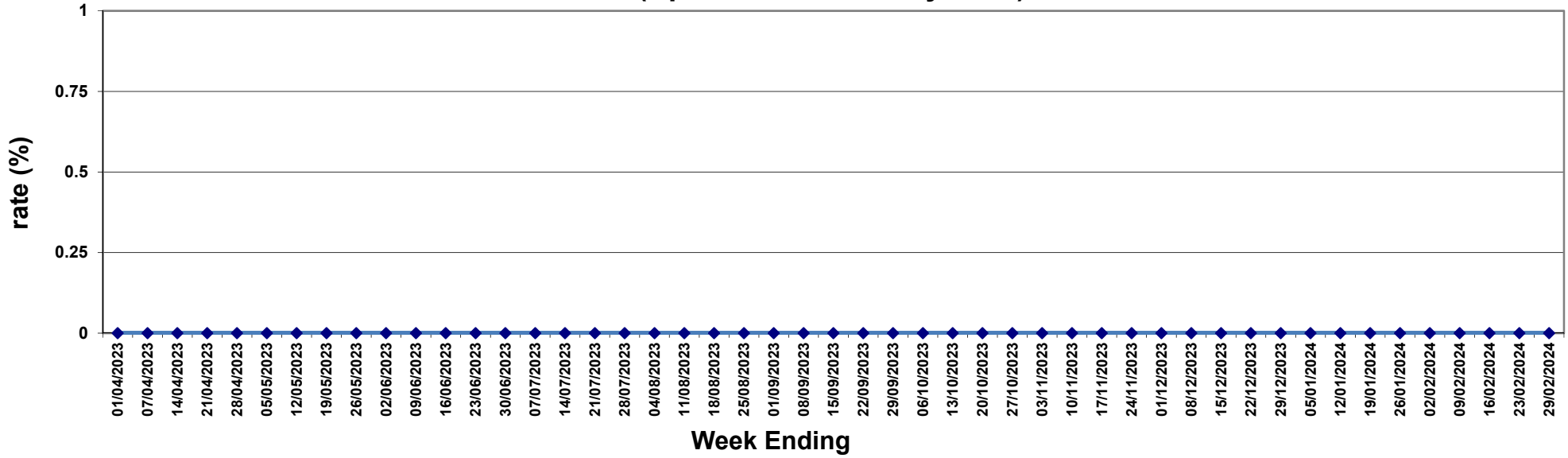




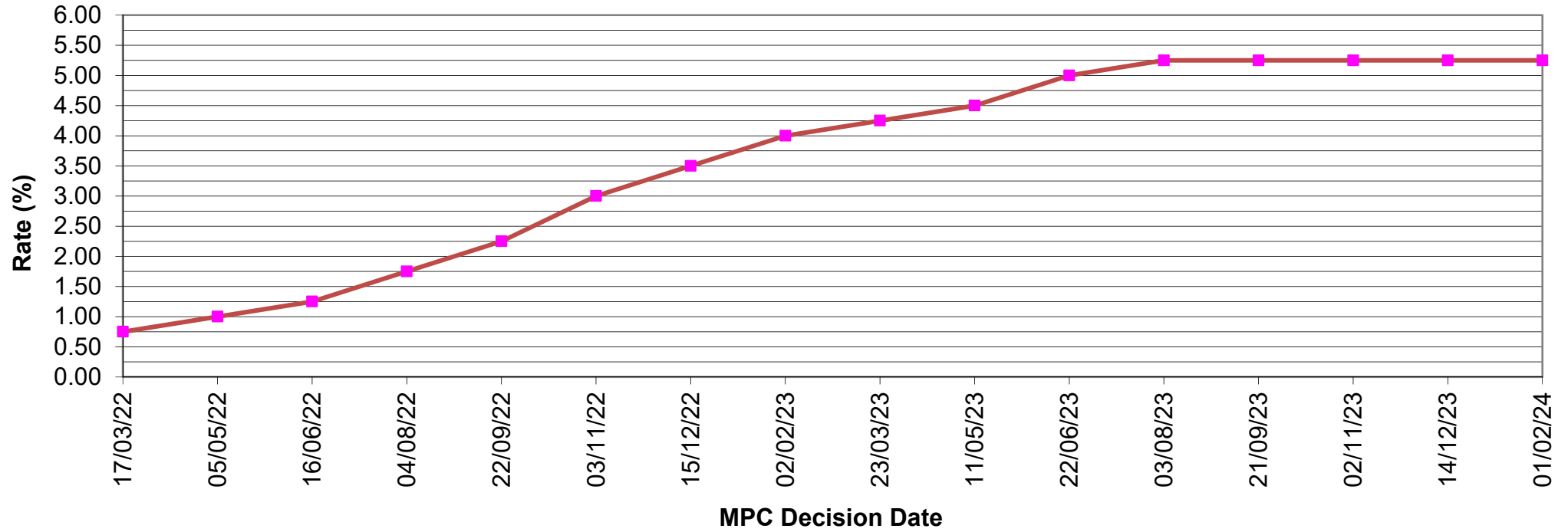
Temporary Borrowing Weekly Movement (April 2023 - February 2024)



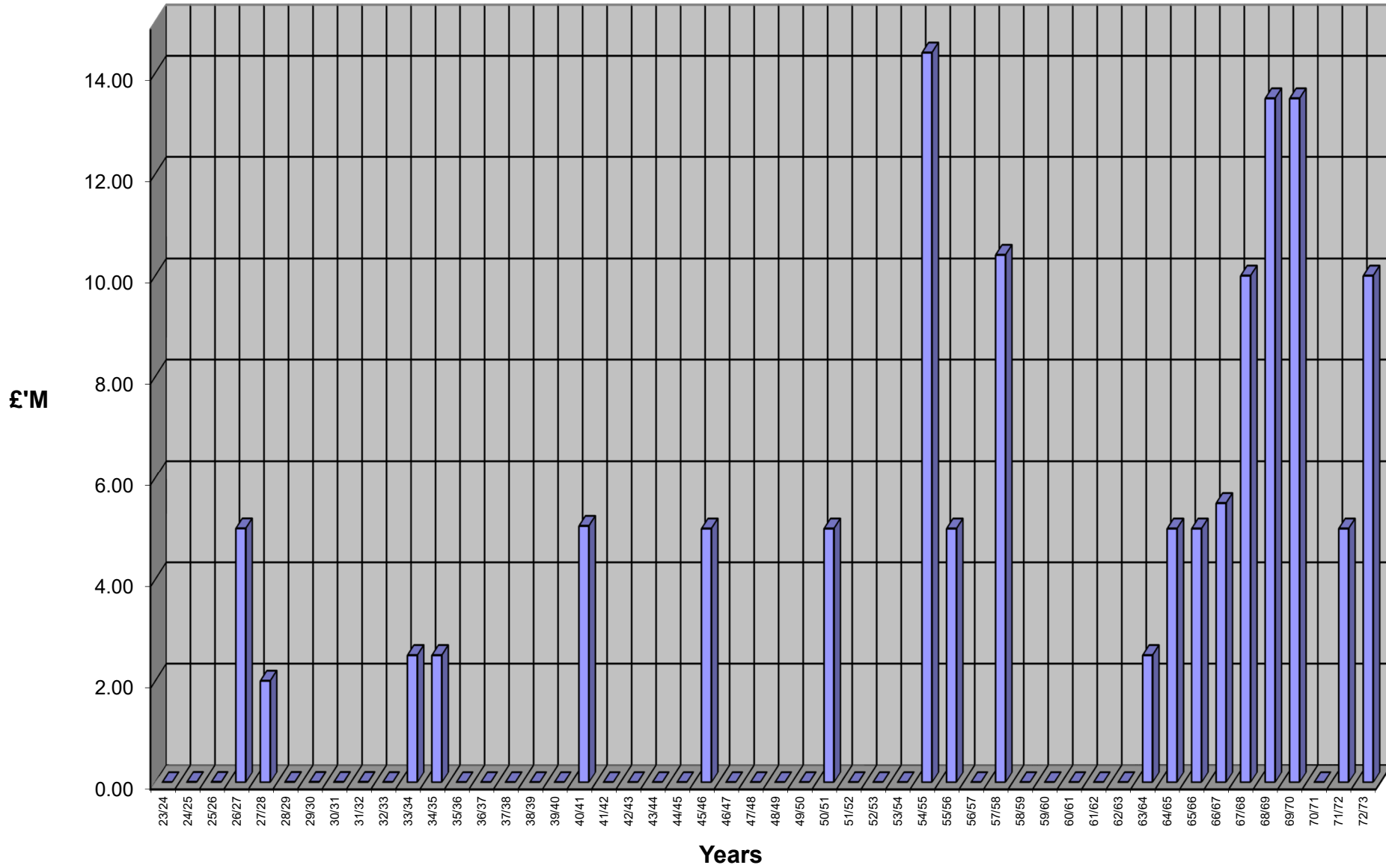
Temporary Borrowing Interest Rate Movements (April 2023 - February 2024)



Bank of England Base Rate Movements (April 2022 to February 2024)



Long Term Debt Maturity Profile as at 29/02/2024



EAST RENFREWSHIRE COUNCIL

ORGANISATIONS APPROVED FOR THE INVESTMENT OF SURPLUS FUNDS
Limits

Banking Group	Individual Counterparty	Deposit	Transaction
Bank of England	Debt Management Office	£30m	£10m
	UK Treasury Bills	£5m	£5m
Barclays Banking Group	Barclays Bank plc	£5m	£5m
Goldman Sachs International Bank		£10m	£10m
Lloyds Banking Group:	Bank of Scotland plc	£10m	£10m
	Lloyds Bank Corporate Mkt (NRF)		
Royal Bank of Scotland Group:	Royal Bank of Scotland plc	£5m	£5m
	National Westminster Bank		
Santander Group	Santander UK plc	£10m	£10m
Standard Chartered Bank		£10m	£10m
Clydesdale Bank		£5m	£5m
Building Societies			
Nationwide		£10m	£10m
Local Authorities			
All Local Authorities including Police & Fire		£5m	£5m
Money Market Funds and Ultra-Short Dated Bond funds			
Maximum limit of £10m per fund		£60m	£10m

Credit Ratings

	Fitch		Moody's		S&P	
	LT	ST	LT	ST	LT	ST
Minimum Criteria (unless Government backed) (please note credit ratings are not the sole method of selecting counterparty)	A-	F1	A3	P-1/P-2	A	A-1/A-2

Limit

Investment of surplus funds is permitted in each of the above organisations, limits can only be exceeded or another organisation approved with written permission of the Chief Financial Officer.

Deposit Periods

The maximum period for any deposit is based on the Link Asset Services suggested Duration matrix with a maximum of 6 months. These limits can only be exceeded with the written permission of the Chief Financial Officer.

Hub scheme deposit periods are dependent on the lifetime of the associated scheme.

EAST RENFREWSHIRE COUNCIL
AUDIT AND SCRUTINY COMMITTEE

28 March 2024

Report by Chief Executive

REVIEW OF THE STRATEGIC RISK REGISTER AND RISK MANAGEMENT PROGRESS

PURPOSE OF REPORT

1. This report provides the bi-annual update of the Council's Strategic Risk Register and outlines the review conducted to rationalise the risks within.

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. It will be updated and amended by the Corporate Management Team (CMT) as appropriate.

BACKGROUND

3. East Renfrewshire Council's approach to risk management is set out in the [Risk Management Strategy 2023 – 2025](#), supported by the [Risk Management Framework](#). The Council maintains a corporate Strategic Risk Register (Appendix 2), which sets out the key strategic risks considered and details the actions identified to manage these risks.

4. The Strategic Risk Register was considered by the Audit and Scrutiny Committee on 26 September 2023. Since then, the CMT have led a significant review, considering the volume of risks and the relationship between Council risk registers.

5. Following the CMT review, there are now 15 risks within the Strategic Risk Register, compared to 36 in the previous report. The Strategic Risk Register will continue to be reviewed and updated as appropriate to reflect the current "live" situation. The Strategic Risk Register included in Appendix 2 is dated 12 March 2024.

6. A summary of the changes to the Strategic Risk Register, following the CMT review is outlined in Appendix 1. This will provide a rationale of changes made to the risks outlined in the 26 September 2023 report to the Committee.

7. Where risk numbers are not sequential, this is as a result of a risk having been removed. Following the January CMT review, a number of risks previously on the Strategic Risk Register have been placed in appropriate Departmental or Project Risk Registers. As part of the regular CMT review of the Strategic Risk Register, Directors and the Chief Executive will discuss emerging and priority risks and changes required to the document. There remains an expectation that Departments and key projects will maintain appropriate risk registers that capture day-to-day or project specific risks – these documents will support the regular CMT consideration of the Strategic Risk Register.

REVIEW OF THE STRATEGIC RISK REGISTER

8. To support the CMT review, there was consideration of other Local Authorities' approaches. Typically, Councils maintain a dozen high level or high scoring risks on their Strategic Risk Register. These are publicly available and scrutinised by Elected Members.

9. As part of the Strategic Risk Register review, it was recognised that the following core principles should continue to apply:

- The Strategic Risk Register is a "live" document which is reviewed by the CMT and risk owners on a regular basis, and reported as appropriate;
- Relevant risks have been identified and included;
- The significance of each risk is appropriate to its current nature;
- While many risks require close monitoring and scrutiny, there are also long-term risks for the Council to be reflected on our wider risk registers over several years.

10. The CMT review considered the need for continued strong links between the Strategic Risk Register and other Risk Registers across the Council. Departments, Services and / or individual projects maintain appropriate risk registers. Additionally, there is Risk Registers maintained through the Integration Joint Board (IJB), Service Business Planning and within Asset Management Plans.

11. The CMT review considered that a number of the previous items on the Strategic Risk Register had remained static for some time, and some had little to no proposed controls or lower scoring. The intent of the updated Strategic Risk Register is to aid fuller scrutiny and recognises the public facing nature of the document by assisting readers to identify what the Council considers the most significant risk areas.

12. Following the review, where risks are no longer on the Strategic Risk Register, but remain live – these are expected to be held on an appropriate Departmental, Service or Project Risk Register. As part of their routine review of the Strategic Risk Register, the CMT will consider if it is appropriate for risks to be escalated to it. This regular CMT consideration will ensure that the Strategic Risk Register holds the most pertinent, high level risks to the Council at any time.

13. In refining the Strategic Risk Register, the CMT applied the following considerations:

- Medium Risks with a risk score below 8 were considered better reflected on a Departmental / Service / Project Risk Register.
- Risks with a score of 8 or higher should initially remain on the Strategic Risk Register; until any proposed mitigations are complete, lowering the scoring.
- Risks that have been unchanged or are considered unlikely to change within 12 months are considered in depth, with a clear justification required to retain the risk on the Strategic Risk Register.
- Where a risk is replicated on another public facing risk register (for example within Integration Joint Board papers), it should only be held on one source. This will reduce duplication and ensure stronger version control.

14. Following the above, the Strategic Risk Register will become the vehicle for the greatest risks the Council faces as an organisation, and the ones that we are actively seeking to mitigate.

15. As part of the continued review of the Strategic Risk Register, consideration will be given to ensure that:

- The risk description accurately and succinctly sets out the risk;

- Current mitigations are still in place and support mitigation of the risk (and are not a previous wording of the same broad risk);
- Proposed mitigations to “treat” the risk are specific, with a realistic timescale identified.

OVERVIEW OF STRATEGIC RISK REGISTER

16. Within the updated Strategic Risk Register, there are 15 risks identified. Of which six are recognised as Medium Risks with a risk scoring of six or above. Eight are recognised as High Risks with a risk scoring of 12 or above. Risks are mapped as following in the Strategic Risk Register:

Likelihood	4		6.29	5.1; 6.7									
	3			2.2; 6.22; 6.26	2.3; 2.4; 2.13; 3.9; 6.1; 6.12; 6.30								
	2			6.6	3.5								
	1												
		1	2	3	4								
Impact													
		<table border="1"> <tr> <th>Risk Score</th> <th>Overall Rating</th> </tr> <tr> <td>11 to 16</td> <td style="background-color: #FF0000;">High – Red</td> </tr> <tr> <td>5 to 10</td> <td style="background-color: #FFD700;">Medium – Orange</td> </tr> <tr> <td>1 to 4</td> <td style="background-color: #90EE90;">Low – Green</td> </tr> </table>				Risk Score	Overall Rating	11 to 16	High – Red	5 to 10	Medium – Orange	1 to 4	Low – Green
Risk Score	Overall Rating												
11 to 16	High – Red												
5 to 10	Medium – Orange												
1 to 4	Low – Green												

17. As part of the regular review of the Strategic Risk Register, there will be consideration of the wording of risks and their controls, to ensure that they are succinct and easy to understand. As part of this process, there will also be consideration that the mitigations to “treat” the risk remain appropriate and have realistic timescales.

18. There has been the addition of a new risk in the period since the CMT review in January 2024; which is Risk 6.30 and outlined below. This has been added to recognise the uncertainty of a date of UK General Election and potential short time-frame for the relevant working if one is called at the minimum notice period of six weeks.

“A UK General Election is due to be called by 25 January 2025; however there is no date as yet, with only a six week notice requirement. A short notice Election would require an intense need for significant resources across the Council.”

RISK APPETITE

19. “Risk appetite” describes the attitude towards the amount of risk the Council is prepared to accept in trying to achieve outcomes. East Renfrewshire Council’s appetite to risk, as set out in the Risk Management Strategy 2023-2025, is illustrated below.

20. Following discussion at the previous Committee, Cabinet considered raising the level for “reputational risk” from “1” to “2”. This was approved at the 14 December 2023 Cabinet, with updates made as below to the Council’s Risk Management Strategy 2023-2025.

	Unacceptable to take risk						Higher willingness to take risks			
	1	2	3	4	5	6	7	8	9	10
Reputation										
Compliance										
Financial										
People and Culture										
Operational Services										
Major Change Activities										
Environmental and Social Responsibility										

RISK PROGRESS

21. The CMT continues to discuss and review the Strategic Risk Register regularly, to ensure that risks and their control measures are reflective of the current situation. Updates will be made to the Strategic Risk Register as a result of these considerations. Additionally, as part of these discussions, horizon scanning will also consider emerging risks or concerns and the threats or opportunities these may present.

22. Scoping will also take place of options for Risk Management Training opportunities for appropriate Council Staff. This will be reported back and progressed through the CMT.

FINANCE AND EFFICIENCY

23. The regular review of the Strategic Risk Register offers significant support in ensuring the Council meets objectives detailed in Fairer East Ren, Digital Transformation Programmes and the Outcome Delivery Plan.

CONSULTATION

24. The Corporate Management Team and all Corporate Risk Representatives were invited to provide updates to the Strategic Risk Register. Additionally, other Risk Registers across the Council are expected to be regularly reviewed and scrutinised with a view to escalating appropriately significant risks to the Strategic Risk Register through the CMT.

CONCLUSION

25. Following significant review of the Strategic Risk Register by the Corporate Management Team rationalisation has taken place to ensure that the document is representative of the most significant and / or actively managed risks for East Renfrewshire Council.

26. Consequently, there are now 15 risks contained on the Strategic Risk Register; all of which score “Medium” or “High”. While a number of risks have been removed from the

document previously considered by the Committee; these remain under consideration on either Department, Service or Project Risk Registers.

27. Regular consideration will be given by the CMT to the risks within the Strategic Risk Register, as well as the controls to ensure that the document is reflective of the current situation. At these discussions, opportunity for escalations from existing other Council Risk Registers will be considered. The regular review will allow for consideration of emerging risks or concerns and the opportunities or threats they present to the Council.

28. Additionally, a review of the training offered to Council Staff on Risk Management will be provided to the CMT. The intent behind this is to identify available training to support staff in having sufficient knowledge and skills to carry out their roles under the Council's Risk Management Framework and Risk Management Strategy.

RECOMMENDATIONS

29. 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. It will be updated and amended by the Corporate Management Team (CMT) as appropriate.

REPORT AUTHOR

Steven Quinn, Chief Executive

Anthony Jenkins, Resilience Coordinator
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March 2024

BACKGROUND PAPERS

Appendix 1 Summary of January 2024 Strategic Risk Register Review
Appendix 2 East Renfrewshire Council Strategic Risk Register_V6.6_Updated 12.03.2024

APPENDIX 1 – SUMMARY OF JANUARY 2024 STRATEGIC RISK REGISTER REVIEW

- i) The following tables summarise the changes that have taken place within the Strategic Risk Register as a result of the January 2024 Corporate Management Team Review.
- ii) This review considered the relationship between Risk Registers across the Council. It sought to ensure that the Strategic Risk Register remains representative of the most substantive and actively managed risks faced by East Renfrewshire Council.

Risks Retained on the Strategic Risk Register

Risks Retained on the SRR	
Risk no.	Justification
6.6	While the risk outlined is lower scoring (overall risk score of 6) than other items retained, a number of prominent controls are utilised or proposed to manage the risk.
3.5	The risk outlined is currently high scoring with an overall risk score of 8 (likelihood: 2; impact: 4).
6.29	The risk outlined is currently high scoring with an overall risk score of 8 (likelihood: 4; impact: 2).
2.2; 6.22; 6.26	The risks outlined are currently high scoring with an overall risk score of 9 (likelihood: 3; impact: 3).
2.3; 2.4; 2.13; 3.9; 6.1; 6.12	The risks outlined are currently high scoring with an overall risk score of 12 (likelihood: 3; impact: 4).
5.1; 6.7	The risks outlined are currently high scoring with an overall risk score of 12 (likelihood: 4; impact: 3).

- iii) It should be noted that while the above risks have been retained, there is a recognised need to regularly update these risks or their controls. Where there are risks that are particularly un-changeable or long-term in their nature, consideration will be given on whether they should be recorded in another manner.

Risks Moved to Alternate Risk Registers

- iv) The following risks have been relocated to either Department, Service or Project Risk Registers; as appropriate.

Risks Relocated from the Strategic Risk Register to an Alternate Risk Register	
Risk no.	Justification
1.1; 1.2; 1.3; 1.5; 2.6; 2.12; 3.1; 3.2; 3.8; 4.2; 5.3; 6.3; 6.4; 6.14; 6.24; 6.28	To be managed through Department / Service Risk Register – Risks were sufficiently low scoring or had long-term proposed controls.
3.7; 6.18; 6.27	To be managed through Council Resilience Management Team Risk Register – Risks are sufficiently long-term / consistently applicable and will be mitigated through Civil Contingencies activity across the Council.
4.1; 4.4; 5.2	These risks are already reported through the Integration Joint Board; accordingly they were removed from the Strategic Risk Register to avoid duplication of reporting.

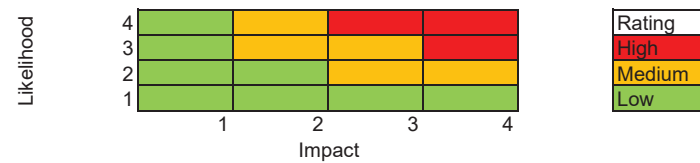
Classification	Official Sensitive
Name	East Renfrewshire Council Strategic Risk Register
Version	V6.6 (12/03/2024)
Date	12/03/2024
Updated by:	Anthony Jenkins: Resilience Coordinator

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



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 (12/03/2024)	2.2	Increase in the number of children and adults with additional support requirements leading to a rise in demand which impacts on our ability to provide 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>New transitions strategy implemented and full team recruited</p> <p>Supporting People Framework (eligibility criteria) developed and approved by IJB 29.03.2023. Eligibility threshold increased to Substantial/ Critical. Nov 2023</p>	3	3	9	Ongoing review of social care eligibility thresholds under the Supporting People Framework Action Plan; reflecting available resources (currently the Supporting People Framework is updated to substantial and critical needs at this time).	Ongoing Activity	3	2	6	Chief Officer HSCP
S (13/03/2023)	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 available and demand for school places.</p> <p>Application of school admission and placing request policies to ensure effective use of school estate.</p> <p>Pupil Product Ratios (PPRs) for ELC, primary, secondary and ASN (Additional Support Needs) sectors are regularly refreshed and analysed to take into consideration changing trends of inward migration. The Council will continue to review school roll projections annually and Pupil Product Ratios (PPRs) at least every 2 years.</p> <p>Adoption of LDP2, adopting strategy of consolidation and regeneration, subsequently reducing potential impact of pressure on school places from additional new developments.</p> <p>On an ongoing basis, Education and Environment Depts continue to review the release of housing via the Housing Land Audit aligned with the pupil product ratios associated with new build homes in East Renfrewshire, to determine projected educational establishment rolls and the consequential infrastructure requirements to meet demand. This will continue and be extended with work towards LDP3.</p> <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>Wider consideration of the condition of school estate to ensure establishments remain operational through the development and application of appropriate maintenance plans.</p>	3	4	12	<p>When required, 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>In line with relevant timescales</p> <p>In line with relevant timescales</p>	2	4	8	Director of Education

C (26/02/2024)	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 & 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>Continued monitoring of programme and progress of new culture and leisure projects, reviewed regularly and updated to reflect requirements of facilities to avoid failure in immediate term.</p> <p>Informed major issues report and made case for building new leisure plans as part of LDP2/3.</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>Service Level Agreement (SLA) in place between ERC & ERCL.</p> <p>ERCL represented on ERC corporate asset management group.</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>ERCL to take advantage of any opportunities offered by development of Local Development Plan (LDP) 3 taking account of due process such as planning and consultation in partnership with East Renfrewshire Council and in line with relevant timescales.</p>	Ongoing annual activity. In line with timescales set out in Capital Plan	3	3	9	Director of Education/Head of Accountancy
C (04/03/2024)	2.13	<p>Full or partial operational loss or restrictions on the use of school/nursery buildings due to fabric/operational/ maintenance issues, leading to significant disruption to learning and teaching and a wider impact on children and young people.</p> <p>Inability to meet statutory duties around the provision of education/ELC.</p> <p>Inability to provide safe working/teaching environments in line with health and safety requirements.</p>	<p>Maintenance planning arrangements in place, with appropriate oversight of any essential repairs.</p> <p>Programme of planned maintenance to boilers and roofs outlined in Capital Plan.</p> <p>Emergency heating arrangements in place within school/nursery Business Continuity Plans (BCPs), including remote monitoring of temperatures to ensure ongoing Health and Safety compliance</p> <p>Availability of remote learning for short periods of disruption.</p> <p>Introduction of protocol for new fire response procedures and updated Fire Risk Assessments of buildings.</p> <p>Careful selection from framework of agreed contractors who will ensure appropriate preventative expectations are met on ERC sites</p> <p>Updated BCP template for all schools and nurseries - reflecting black start procedures.</p>	3	4	12	<p>Submission of future CPAs to support continued maintenance of school and ELC estate including, replacement of flat roofs and boilers and electrical wiring.</p> <p>Seek to address schools with lowest rated estate through future capital bids and/or other available funding streams.</p> <p>Review of policy and procedure with regards to 'loose parts' in and around school playgrounds due to issues arising from improper/malicious use.</p>	31/01/2025 31/01/2025 30/06/2024	2	4	8	Director of Education

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

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 (28/01/2021)	3.5	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.	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. Digitised record inspection records are retained and regularly updated. No mitigation factors are presently in place for an internal structural collapse other than protection of the public through restricted access.	2	4	8	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.	Long Term Project	2	2	4	Director of Environment
C (26/02/2024)	3.9	Lack of affordable temporary and permanent accommodation to meet the statutory homeless duties and wider housing need.	Review of housing need and demand information used to inform housing supply targets. Affordable housing policy embedded in planning process. Allocation quotas for homeless households. Section 5 agreements with local housing associations. Increased supply of temporary accommodation across council, housing association and private sector properties.	3	4	12	Internal review of internal housing policies and procedures to move towards a greater prevention. A review with all partners to ensure a corporate review of homelessness. A review of homeless pathways from presentation, to temporary to permanent accommodation to ensure they are fit for purpose. An ongoing review of the HRA business plan to maximise new supply if possible.	31/03/2025 31/03/2025 31/03/2025 31/12/2024	2	4	8	Director of Environment

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 (12/03/2024)	5.1	Increase in frail 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>Outcome Delivery Plan (ODP) and HSCP strategic plans build on foundation of wider council prevention and early intervention strategy for older people.</p> <p>Unscheduled Care Delivery Plan approved by IJB in March 22.</p> <p>Annual budget setting takes account of demographic pressures, however any increase in demand need to be funded within existing resources.</p> <p>New front door model manages level of demand launched Summer 22 making significant positive impact on waiting list for assessment</p> <p>Talking Points diverting people to community resources and building own assets.</p> <p>Supporting people framework implemented April 23. Eligibility threshold increased to Substantial/critical - Nov 2023</p> <p>Project to support Care at Home redesign now live Monitoring includes analysis of waiting lists, reviews, completed, savings achieved, admissions and incidents.</p>	4	3	12	<p>Ongoing review of social care eligibility thresholds under the Supporting People Framework Action Plan; reflecting available resources (currently the Supporting People Framework is updated to substantial and critical needs at this time).</p> <p>Strengthen management oversight of resource allocation and equipment requests</p>	<p>Ongoing Reviews</p> <p>31 May 2024</p>	3	3	9	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
C (05/03/2024)	6.1	Reduced central government funding and challenging grant conditions 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.	Budget Strategy Group Corporate Ownership Treasury Management Strategy Ongoing monitoring of Council reserves 3 Year budget arrangements Change to financial planning timetable to allow earlier budget deliberations and a realignment of budget with council outcomes. Close monitoring of expenditure/income against budget throughout the year. Close monitoring of teacher numbers given specific grant conditions and bid for newly qualified teachers maximised by Education Department to contribute to the requirement to maintain teacher numbers at 2023 census level. Prioritisation of Digital Transformation Programme and continual review of projects to ensure effective progress and business cases. Budget aligns with conditions set out in Scottish Government settlement letter. Updated settlement figures received from Scottish Government. Long term budget and scenario planning. Outline Financial Plan, reserves and Council Tax level reviewed annually by Council. Education resources reviewed in context of school empowerment and carry forward limit agreed.	3	4	12	Review reserves and consider options for future years' utilisation/reclassification to assist with meeting budget pressures if required. Reintroduction of 3 year national settlements from 2025/26. Avoid all non-essential spend if required. Continue to utilise new Service Concession flexibility. Establishment of Education Assurance Board	31/10/2024 31/12/2024 31/03/2024 31/03/2024 Subject to national timescales	3	3	9	Head of Accountancy
		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 (including GDPR), Freedom of Information Scotland Act (2002) and Records Management Public Services Act 2011	Review of processes and procedures to ensure compliance with the General Data Protection Regulations and the Data Protection Act 2018 completed. Records Management Plan updated in line with Audit review and through ongoing revision. Retention schedule under ongoing review and revision. 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. Guidance has been created and published in respect of Redaction to reduce the risk that personal data is inadvertently published. Data Protection Policy has been revised to reflect the role of a dedicated Data Protection Officer (DPO). Service Privacy Notice Template updated and exercise in place to ensure that these are regularly reviewed. Annual Data Protection reporting mechanism to CMT established alongside engagement with Departmental Management/Leadership Teams. DPIA training course has been developed and delivered to				Roll out additional technical controls, as appropriate, to enhance the security and management of sensitive data, including: sensitivity classification/encryption, sharing and data access controls, linking data access to Active Directory. Assessment of requirements for storage of hard-copy records to be considered.	31/12/2024 31/12/2024				Director of Business Operations & Partnerships Chief Executive

<p>C (05/03/2024)</p>	<p>6.6</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>nominated employee across the Council and are scheduled on the corporate training calendar on an annual basis.</p> <p>Breach reporting procedures have been created, published and are kept under review.</p> <p>Revised guidance for Subject Access Requests (SAR) and a new process are in place and meet all Code of Practice requirements.</p> <p>Self-assessment update on the Council's Records Management Plan was submitted to The Keeper of the Records of Scotland and was fully approved.</p> <p>Document sharing defaults have been set to named people to help ensure that only appropriate individuals have access to sensitive information.</p> <p>A cross departmental group responsible for coordinating implementing information governance duties and policies has been established to embed a positive information governance culture through targeted activities, technical controls, training and communications that supports a pragmatic and risk based approach to ensuring the confidentiality, integrity and availability of information assets whilst focusing on citizen and employee safety, business transparency, and legislative compliance.</p>	<p>2</p>	<p>3</p>	<p>6</p>		<p>1</p>	<p>3</p>	<p>3</p>	
<p>S (02/08/2023)</p>	<p>6.7</p>	<p>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).</p>	<p>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>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>Co-located Data Centre secured to increase resilience and provide necessary service continuity.</p> <p>Information Security training is mandatory to raise employee awareness of cyber threats and handling information securely. Policy and communications now in place.</p> <p>Critical Impact Assessments across all ICT delivered services to define priority for availability/recovery completed.</p>	<p>4</p>	<p>3</p>	<p>12</p>	<p>Plan and perform regular audited disaster recovery tests and rehearsals. Target updated from 31/05/23 to 30/04/24 to enable final documentation update and tests to be completed. Desktop exercise has been completed and successful switchovers have been achieved during major ICT incidents. However, planned documented tests have yet to take place due to staff availability and ongoing work priorities.</p> <p>Develop an approach to adding out-of-hours monitoring and response for critical infrastructure to the ICT Service.</p>	<p>30/04/2024</p> <p>01/06/2024</p>	<p>2</p>	<p>2</p>	<p>4</p> <p>Director of Business Operations & Partnerships</p>

<p>C (26/02/2024)</p>	<p>6.12</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 and undertaken annually to raise employee awareness of cyber threats and handling information securely. Policy and communications now in place.</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 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>Programme of Phishing tests in place for all staff. Results reported to CMT and additional refresher training for those that click on the test phishing email.</p>	<p>3</p>	<p>4</p>	<p>12</p>	<p>Due to heightened tensions as a result of the conflict in Ukraine, the Information Security Officer will liaise with Scottish Local Authority Information Security Group, CISP and other national bodies to ensure the Council defences are updated timeously on receipt of specific threat intelligence. Target date extended further from 31/12/23 to 31/03/25 due continuing conflict.</p> <p>Communications continue among all parties. ERC responds quickly to any threat intelligence provided. ERC has also signed up as the first Scottish Local Authority to take direct intelligence feeds into our firewall appliances.</p>	<p>31/03/2025</p> <p>Ongoing Activity</p>	<p>3</p>	<p>3</p>	<p>9</p>	<p>Director of Business Operations & Partnerships</p>
<p>C (27/02/2024)</p>	<p>6.22</p>	<p>Our major works capital programmes (including City Deal projects) face unanticipated challenges as a result of external factors, during the lifespan of projects. These challenges have a detrimental impact on the planned capital plan and Gross Value Add of any project. Challenges may be caused by external factors such as inflation.</p>	<p>The Capital Asset Management Group (CAMG) performs robust appraisal of all new capital bids.</p> <p>The CAMG 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> <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>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>Regular review of Government budgets and subsequent Council budgets takes place, to consider impacts on major projects.</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> <p>Roads keep an adequate stock of cold lay material for urgent/emergency repairs & are placing bitumen orders at as early a juncture as possible.</p> <p>Re-profiling of 10 Year Capital Plan has taken place for 2023/24 with a view to identifying significant variations that should significant variations occur or are likely to occur in a single financial year.</p> <p>Review/reprioritisation of 10 year Capital Plan has taken place for the 2023/24 financial year.</p>	<p>3</p>	<p>3</p>	<p>9</p>	<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> <p>Re-profiling of 10 Year Capital Plan to take place for the 2025/26 financial year, with a view to identifying any significant variations that have or may well occur.</p> <p>Review/reprioritisation of 10 year Capital Plan to reflect the above for the 2025/26 financial year.</p> <p>Complete the Get to Zero Action Plan to assess the potential costs and timeline for climate action. Date amended to reflect Cabinet consideration of the plan taking place in February 2024..</p> <p>Pursue 3rd party funding (including Scottish Government) for climate change action to supplement investment via Council's own capital/revenue budgets.</p>	<p>Ongoing Considerations</p> <p>31/03/2025</p> <p>31/03/2025</p> <p>31/03/2025</p> <p>Ongoing Consideration</p>	<p>2</p>	<p>3</p>	<p>6</p>	<p>Director of Environment & Head of Accountancy</p>

C (01/02/2024)	6.26	Resettlement of displaced persons from any area (for example Ukraine and Afghanistan) and unaccompanied asylum seeking children overwhelm the availability of resources in East Renfrewshire, impacting upon already stretched availability for housing, facilities (eg school provision, GP access, etc.), Young Persons Services, Council Services and the Third Sector.	Regular engagement on Resettlement with COSLA, the Asylum Partnership Board and with the UK and Scottish Governments - this will include highlighting the issues and challenges faced. An East Renfrewshire Resettlement group has been established and can be escalated where there is urgent support or information sharing needs. Available Scottish Government funding has been utilised to enhance available resources - including the recruitment of a further Client Advisor, recruitment of an ESOL tutor.	3	3	9	Explore avenues of Scottish Government capital support to enhance the availability of accommodation solutions. As UK & Scottish Government funding models and opportunities are available, explore further ways to improve and enhance on services; reflecting ongoing resettlement work and funding available from UK & Scottish Government for Ukrainian resettlement.	Ongoing / Long Term Consideration Ongoing Consideration	3	3	9	Chief Executive, Director of Environment & Chief Officer HSCP
C (12/03/2024)	6.29	Due to increased demand for health and social care services and associated capacity challenges, the Integration Joint Board (IJB) may require to approach the Council to seek additional funding to support service delivery	Ongoing reporting to IJB on management plans as part of the revenue monitoring reporting process. Savings, Recovery and Renewal Programme in place to monitor all change activity and capture savings. Financial Recovery & Budget Setting update provided to IJB in January 2024. Use of earmarked reserves. Projected HSCP overspend included within Council's general fund	4	2	8	Development & regular review of management plans by HSCP Heads of Service to contain projected overspend and identify additional savings. Development of dashboard for reporting progress on the supporting people framework and invest to save proposals to support capacity to deliver this.	Ongoing Action 31/05/2024	3	2	6	Head of Accountancy & HSCP Chief Officer
N (06/02/2024)	6.30	A UK General Election is due to be called by 25 January 2025; however there is no date as yet, with only a six week notice requirement. A short notice Election would require an intense need for significant resources across the Council.	Experience from previous elections among key staff. Procedures from previous elections can be adapted to the circumstances. Standalone risk register is maintained by the Core Election Team for key standalone risks and is updated weekly. Communication has went out in the Intranet seeking volunteer staff. Significant national guidance and training is available through the Electoral Commission.	4	3	12	Training will be provided for all staff for key roles. Further communication will be issued for staff - including externally for some key roles (e.g. POs). Potential review of Electoral Commission guidance on distancing and maximum staff capacities (as last procedures were during Covid Restrictions).	Dates to be relevant to when Election is called	4	2	8	Chief Executive

Strategic Risk Register - Change Log						
Version	Date	Risk Number	Broad details of change/updates made	Explanation and justification (if required) for amendments	Responsible Person (Name & Role)	Further comments
V0.1 - 0.8	10/02/2021	3.3	Risk description updated: 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.	To reflect changes due to Brexit	Andy Corry	Email of 27/01/2021 from Anthony Jenkins
	10/02/2021	6.16	Risk description updated: A Brexit with no further agreement between the UK and EU leads to significant disruption to Council operations and the services we provide, including front line and support services. A Brexit with no further agreement between the UK and EU leads to significant disruption to Council operations and the services we provide, including front line and support services.	To reflect changes due to Brexit	Andy Corry	Email of 27/01/2021 from Anthony Jenkins
	10/02/2021	6.17	<u>Risk description updated</u> 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 Bill Act .	To reflect changes due to Brexit	Andy Corry	Email of 27/01/2021 from Anthony Jenkins
	12/02/2021	6.18	Risk description updated: The re-emergence, escalation or further waves of Covid-19 (or any other emerging pandemic) result in an increased requirement for testing among employees and residents, as well as the potential for controls and restrictions to be being implemented within East Renfrewshire. This may impact on provision of services through: employee availability; supply chain issues; increased demands for services; financial and service planning upheaval.	Update to reflect current position due to Covid-19.	Andy Corry	Email on 12/02/2021 from Anthony Jenkins
	15/02/2021	6.21	New Risk Added: Failure to ensure proper plans, resources and sufficient suitable staff are in place to conduct the Scottish Parliamentary Election on Thursday 6th May 2021 result in missed deadlines, a potential breach of legislation, a lack of coordination, no consistent voter experience and an inability to conduct the Poll or a delay in announcing the election result.	Additional risk to reflect Scottish Parliamentary Election to be held in May 2021.	Chief Executive	Request from Chief Executive.
0.9		6.17	Risk score updated: Likelihood reduced from 4 to 3. Overall score remains red.	Updated to reflect Brexit situation.	Murray Husband	Email on 16/02/2021 from Anthony Jenkins
		6.4	All dates for proposed risk control mitigations changed to 31/10/2021		Louise Pringle	Email on 16/02/2021 from Louise Pringle
		6.6	Risk mitigation information updated. Risk likelihood reduced from 3 to 2 but overall risk remains "medium".		Jamie Reid	Email on 16/02/2021 from Jamie Reid
		6.14	Risk description updated: Failure to implement a new Finance/HR/Payroll System within planned timescales leading to the anticipated benefits and savings not being delivered for the Council to achieve anticipated benefits and savings from the Finance/HR/Payroll System would lead services short of capacity and risk service delivery.	Updated to reflect implementation of new Finance/HR/Payroll System position.	Sharon Dick	Email on 16/02/2021 from Sharon Dick
		6.8	Risk description updated: Failure to pay invoices, Covid 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 control mitigations updated.	Revised to reflect Covid related impacts. Incorporates all Covid risks impacts.	Louise Pringle	Email from Robert McArthur on 16/02/2021
		6.15	Risk description updated: 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 (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.	Revised to reflect Covid related impacts. Incorporates all Covid risks impacts.	Louise Pringle	Email from Robert McArthur on 16/02/2021
		4.2	Risk description updated: The establishment of a cross-departmental working group to develop actions to raise awareness amongst Council and Trust+G23ation. 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.			
		6.7	Risk mitigations updated and new proposed risk control measure added.		Murray Husband	Email from Murray Husband on 16/02/2021
		6.12	Risk mitigations updated to reflect current situation		Murray Husband	Email from Murray Husband on 16/02/2021

		1.1	Risk description updated: Failure to deliver 1,140 hours of free early learning and childcare (ELC) beyond August 2020. 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. Current risk control measures and proposed risk control measures updated. Risk Score reduced from 3 x 4 = 12 to 2 x 4 = 8	Revised to reflect current position.	Graeme Hay	Email from Graeme Hay on 17/02/2021
		2.4	Risk score updated: 2 x 4 = 8 revised to 3 x 4 = 12	Revised to reflect current position.	Graeme Hay	Email from Graeme Hay on 17/02/2021
		2.7	New Risk Added: 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			
		2.8	New Risk added: Covid-19 pandemic changes ERCL customers' behaviours and expectations and affects demand, combined with reduced capacity from continued social distancing and SG guidance/legislation results in loss of attendance, revenue, damage to reputation and increased management fee.			
		2.9	New Risk added: 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.			
		2.10	New risk added: Significant rates of positive Covid-19 testing within an East Renfrewshire community necessitates enhanced local Community testing, particularly for Asymptomatic residents.			
		2.11	New Risk added: 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			
		2.12	New Risk added: Challenges with the Council supporting the NHS for the Covid-19 Vaccination programme result in delays in East Renfrewshire residents receiving their vaccine.			
V1.0	20/02/2021		Version for CMT discussion	CMT discussion on 23/02/2021	Gill Darbyshire	
V1.1	22/02/2021	4.2	Proposed mitigation and date updated.		Murray Husband	Email on 22/02/2021 from Murray Husband
	22/02/2021	1.4	Additional proposed mitigation added and dates added for others.		Graeme Hay	Email on 22/02/2021 from Graeme Hay
	22/02/2021	2.60	August 2021 added for proposed mitigation control		Graeme Hay	Email on 22/02/2021 from Graeme Hay
V1.2	23/02/2021	All	Discussion at CMT			
	24/02/2021	1.01	Proposed and current mitigation and date updated.	CMT discussion on 23/02/2021	Graeme Hay	
	24/02/2021	1.02	Proposed and current mitigation and date updated.	CMT discussion on 23/02/2021	Graeme Hay	
	24/02/2021	1.03	Proposed and current mitigation and date updated.	CMT discussion on 23/02/2021	Graeme Hay	
	24/02/2021	1.04	Proposed and current mitigation and date updated.	CMT discussion on 23/02/2021	Graeme Hay	
	24/02/2021	2.03	Proposed and current mitigation and date updated.	CMT discussion on 23/02/2022	Graeme Hay	
	24/02/2021	2.06	Proposed and current mitigation and date updated.	CMT discussion on 23/02/2023	Graeme Hay	
	24/02/2021	2.07	Proposed and current mitigation and date updated.	CMT discussion on 23/02/2024	Graeme Hay	
	24/02/2021	2.09	Proposed and current mitigation and date updated.	CMT discussion on 23/02/2025	Graeme Hay	
V1.3	25/02/2021		Spell checker & format changes across entire document.		Gill Darbyshire	
	03/03/2021	5.2	current mitigation updated to include commissioning work, care home assurance work and establishment of community hubs. majority of actions from independent review now complete	to reflect current work and progress on action plan from independent learning review	Pamela Gomes	
	04/03/2023	5.3	Amended due dates as service pressures within care at home in relation to vaccination and roll out of regular testing have delayed progress against these actions			
V1.4	03/03/2021		Updated Version for Audit & Scrutiny Committee Blue Papers			
	05/03/2021	6.1	Updating proposed mitigations and dates.		Margaret McCrossan	Email from Margaret McCrossan on 05/03/2021
		6.9	Risk rescored from high to medium. Update proposed mitigation and date.		Margaret McCrossan	Email from Margaret McCrossan on 05/03/2021
V1.5	10/03/2021	2.1	Risk score reduced from 12 to 8 and mitigations updated.		Chief Executive	Email from Chief Executive on 10/03/2021
V1.6	11/03/2021		Updated version for Audit & Scrutiny Committee White Papers			
		2.2	Moved "Council continues to contribute to funding to demographic cost pressures" to in place as this is ongoing			
		2.2	Removed "HSCP/Education to meet to look at strengthening transition arrangements" as decision taken not to progress with principles into practice trial. Added "Conclude work currently being undertaken by Children's and Adult Services reviewing the Transitions Pathway to enable a smoother transition for young people transitioning to adult services"			
		4.1	Removed review of quality assurance framework for ASP and 'engagement with social workers not yet vetted to NPPV status. as these actions have been completed	action complete		

		4.1	Added "Process in place for annual review of quality assurance framework for ASP activity" and "Training delivered to managers within adult services on supervision policy, quality assurance framework, management oversight." to measures in place			
		4.4	Removed "Manager's briefing session taking place on 24/11/20 re key learning from the s21 work" as this has taken place. No further mitigation due to historical nature	completed		
		4.4	updated wording of risk as S21 submission complete			Previously stated "Capacity to meet the demands of the S21 notice and the possibly increased demand of access to records and potential claims against the Council as Inquiry work progresses."
		5.1	Moved "Continue Council funding for demographic cost pressures" to mitigation in place as this is ongoing			
		5.1	Updated dates against actions as these have not been concluded due to pandemic pressures			
V1.7	11/03/2021		Changes made to confirm previous updates due to ICT issue with Teams not updating.		Gill Darbyshire	
	16/03/2021	6.9	Risk score after mitigation changed to 2 x 3 (previously 3 x 4) in line with risk score being reduced previously.	Error noted in Audit Committee papers	Gill Darbyshire	
V1.8	23/03/2021	6.10	Risk score reduced from 12 (high) to 6 (medium) and proposed mitigation updated to reflect current situation.		Sharon Dick	Email from Sharon Dick on 23/03/2021
V1.9	24/03/2021		New version for Cabinet blue papers		Gill Darbyshire	
V2.0	31/03/2021		New version for Cabinet white papers			
V2.1	20/04/2021	6.10	Removed Risk. "Impact of Living Wage on the council salary scales with continuing pressure on the lower grades of the scale. Not maintaining differentials between grades." Reason: Removed from SRR as fully implemented from 31/3/2021.	Confirmation from Sharon Dick (via Teams Chat) that this risk should be removed.	Sharon Dick	
V2.1	26/04/2021	6.15	Minor change (removed reference under measures to review of Premium payment process - now complete.	Removed to be consistent with Operational Risk register	Robert McArthur	
	20/05/2021	6.16	Update of Controls, Proposed Controls and scoring for the risk associated with impacts to Council services as a result of EU Exit - overall risk now a high amber, rather than red as a result of engagement with COSLA on longer term risks / mitigation & work to increase awareness of the EU Settlement Scheme.	Scoring has been lowered to reflect that changes due to Brexit appear to be tied into wider economic concerns, rather than more instant disruptions to service.	Anthony Jenkins - Brexit Coordinator	
		6.17	Update of Proposed controls, primarily the date for these controls to be met.	Recognises that the UK Government and Scottish Government have not made significant legislative changes following EU Exit of late.	Anthony Jenkins - Brexit Coordinator	
		6.18	Update of Proposed Controls and the date for these to be met.	Recognises the May 2021 surge in cases experienced in East Renfrewshire and the need to identify any best practice emerging from this response.	Anthony Jenkins - Brexit Coordinator	
		6.20	Update of the Controls and Proposed Controls (including date).	Recognises updates to both the Vaccination & Testing Programmes with a view to longer term solutions for staffing being in place.	Anthony Jenkins - Brexit Coordinator	
V2.2	20/05/2021	6.10	Proposed mitigation 6.1 "Potential for additional funding to come from finalisation of Scottish and UK Government 2021/22 budgets in March 2021." moved to current mitigations.	Request from Margaret McCrossan (via chat)	Margaret McCrossan	Chat message on 19/05/2021
		6.21	Removed Risk - "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. Reason: Election completed and successfully delivered.		Lorraine McMillan	Updated by Gill Darbyshire on 21/05/2021
		3.10	Update of Controls & Proposed controls, to reflect regular City Deal Governance Group engagement and the June 2021 Cabinet Report.		Anthony Jenkins - Brexit Coordinator	
		2.11	Update of controls and proposed controls.		Anthony Jenkins - Brexit Coordinator	
V2.3	28/06/2021		Spelling checked and updated			
V2.4	05/07/2021	6.4	Update on Records Management Plan moved from "proposed mitigations" to "in place".		Gill Darbyshire	Updated by Gill Darbyshire on 05/07/2021
	06/07/2021	6.18	Update of proposed control date & wording to reflect ongoing high number of cases carried on through June and July 2021.		Anthony Jenkins - Brexit Coordinator	
	13/08/2021	6.18	Update of Controls, reflecting regular reporting of EU Exit issues as appropriate and risk level reduced from 4 x 4 to 4 x 3 (12).		Anthony Jenkins - Brexit Coordinator	
	17/08/2021	3.1, 3.2 & 3.3	Update of Controls, moving any complete proposed controls to existing controls columns. In the case of 3.1 - scoring has been updated in light of the moving of proposed controls into existing controls.		Anthony Jenkins - Brexit Coordinator	
	18/08/2021	4.2, 6.6, 6.12	Update of mitigation actions and completion dates to reflect current position			
	23/08/2021	6.22	Addition of new risk (6.22) to reflect the ongoing challenges faced in relation to the price and availability of goods - particularly in how it impacts on construction & capital projects.	Impacts arising from Covid and EU Exit, among other issues have seen significant price increases for raw materials and in relation to construction - coupled with limited availability.	Anthony Jenkins - Brexit Coordinator	
V2.5	18/08/2021					
	24/08/2021	1.2	Update of controls and proposed mitigation dates revised.			
		1.3	Risk description updated: Removed - As a consequence of COVID-19, there is an increase in the number of requests from parents and carers for children to defer their entry to school leads to insufficient places being available and increased costs to ensure provision can be made. Replaced with: 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.			

		2.6	Risk description updated: Original Replaced with: 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			
		2.7	Risk removed: 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.			
		2.8	Risk Description updated: Original - 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 SG guidance/legislation results in loss of attendance, revenue, damage to reputation and increased management fee. Replaced with: 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, SG guidance/legislation and use of buildings as vaccination centres results in loss of attendance, revenue, damage to reputation and increased management fee. Risk control measures updated.			
		2.10	Risk description updated: Replaced with: 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.			
V2.6	26/08/2021					
V2.7	31/08/2021	6.22	Update of risk wording to "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"	Update of wording to better clarify the risk and its impacts.	Anthony Jenkins - Resilience Coordinator	
		6.20	Update of Likelihood Scoring to 4 (from 3) to reflect the high levels of COVID in East Renfrewshire during August 2021 and the backlog to services caused by COVID-19. Update	Reflection of the backlogs faced by services and the high prevalence of Covid-19 in terms of positive tests.	Anthony Jenkins - Resilience Coordinator	
		6.9	Update of likelihood scoring, increasing the overall risk score.	Reflection of the challenges faced in terms of increased costs to goods and materials, but also the uncertainty of funding avenues that will be available.	Anthony Jenkins - Resilience Coordinator	
		6.18	Update of Impact scoring, increasing the overall risk score.	Reflection of the challenges being faced in staffing services in light of increased absences, as well as the need to cover Critical Covid activity (e.g. Isolation Support Calls) with existing resources.	Anthony Jenkins - Resilience Coordinator	
		3.1	Update of Risk Controls & Proposed Controls	Reflecting that the Proposed Controls have been introduced.	Anthony Jenkins - Resilience Coordinator	
		2.24	New Risk Added : 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.	To reflect current working situation given Covid and other pressures.		Risk developed in conjunction with Sharon Dick
	15/06/2021	4.1	Date for new adult performance reporting schedule remains ongoing - this will be reviewed again Dec-21			
	15/06/2021	5.1	Added "Review of front door arrangements to ensure fit for purpose in terms of recovery"			
	15/06/2021	5.1	Development of frailty pathway as part of wider UCC work - date for completion extended to Mar 22			
	15/06/2021	5.2	Actions from learning review implemented - moved to current			
	15/06/2021	5.3	Single base agreed for Care at Home - moved to current			
		2.2	Removed older mitigations in place i.e. inclusive support, childrens services and fit for the future redesigns			
	08/09/2021	6.12	Date updated			
		6.7	Generator activity updated			
V2.9	14/11/2021	2.24	New Risk added: 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.	Added to reflect current situation.	Jamie Reid	Added by J Reid directly
	14/9/21	5.2	Amended risk description to include reference to staff recruitment and selection	providers currently experiencing staffing difficulties due to pandemic		
	14/09/2021	2.2	Concluded work to review transitions and new strategy developed. Added implementation of strategy to proposed column			
	14/09/2021	5.3	Amended risk description - removed reference to enforcement activity now that service has been re-inspected and graded as 'good'. Removed mitigation which was in relation to CI recommendations which have all been met. Added mitigation in response to current service pressures as a result of pandemic and increased demand			
V3.0	15/09/2021					
	14/12/2021	2.10, 2.12, 6.18, 6.20	Update of Covid-19 related risks to reflect current developments, particularly in relation to the Omicron variant and the resultant high case level arising from it.		Anthony Jenkins - Resilience Coordinator	

	14/12/2021	6.9, 6.16, 6.17	Update of EU Exit related risks, reflecting the ongoing uncertainty.		Anthony Jenkins - Resilience Coordinator
	15/12/2021	6.25	Reflection of experience in light of the Omicron variant - where isolation requirements were strengthened and changed nationally, potentially impacting on the available workforce.		Anthony Jenkins - Resilience Coordinator
v3.1	13/01/2022	2.7- 2.9- 1.2-	SQA risk added back to SRR in light of SG comments re assessment Additional mitigation inserted for Omicron Update to proposed control mitigations for risk due to Covid related delays		Graeme Hay Graeme Hay Graeme Hay
	25/01/2022	6.16 & 6.17	Combination of risks into a single entity.		Anthony Jenkins - Resilience Coordinator
	04/03/2022	2.10 & 2.12	Removal of Risk 2.12 - combining it with Risk 2.10 to have a single risk in relation to vaccinations and testing - seeking to reflect the Scottish Government's planned removal of restrictions on 21 March.		Anthony Jenkins - Resilience Coordinator
	04/03/2022	3.3, 6.18, 6.20 & 6.25	Refresh and update of information.	Seeking to reflect updated information, including the planned removal of Covid Restrictions by the Scottish Government on 21 March 2022.	Anthony Jenkins - Resilience Coordinator
v3.2	17/03/2022	6.8	No changes to Risk description and existing controls. Revised mitigating action plans including new completion date	Reflects action taken to help mitigate key person dependency. Also to reflect ongoing changing environment relative to different payment types arising (Government/Covid)	Robert McArthur, Compliance Officer
v3.2	17/03/2022	6.19	Removal of risk relating to "new Council Tax and Benefits System"	This risk was introduced following a range of challenges arising from the introduction of the "new" CT & Benefits System. System now	Robert McArthur, Compliance Officer
	17/03/2022	2.11	Removal of risk relating to Covid-19 additional deaths and mortuary requirements.	The risk requiring additional mortuary storage from Covid-19 specifically has been lessened. However, a general risk in relation to	Anthony Jenkins - Resilience Coordinator
	21/03/2022	6.16	Rework of risk to reflect the wider gambit of political / current events that could impact on Council activity.	The risk has evolved to reflect the situation in Ukraine, as well as including residual EU Exit elements.	Anthony Jenkins - Resilience Coordinator
	22/03/2022	6.7, 6.12	Update of target dates due to delays incurred and new task for out of hours, plus last Remediation completed and new task added to reflect tensions in Ukraine. Removed duplication of mitigatin actions between both 6.7 and 6.12	Due to ongoing work associated with the email outage at the start of the year, these tasks have been delayed, Reports are now available to managers through iTrent for all completed courses. New task added as a result of the increased threat from tensions around the Ukraine conflict.	Murray Husband, Head of Digital
	22/03/2022	1.1, 1.2, 1.3	Update of mitigations to reflect ongoing changes to ELC processes in place across the department	Additional mitigations and updates added in due to policy changes to ELC provision.	Graeme Hay
	22/03/2022	2.6,	Update to include impact of absence figures in school	Impact of Covid has seen attendance rates amongst some pupil groups fall - ongoing work across the department to support improvement.	Graeme Hay
	22/03/2022	2.9,	Updated risk to include potential challenges around CDO recruitment in ELC sector		Graeme Hay
	22/03/2022	2.12	New Risk:		
V3.3	22/03/2022				
		5.3	Removed Fortnightly updates being provided to Care Inspectorate. Reviewed dates for proposed mitigation	Updates no longer required. No successful candidates from previous recruitment - interviews taking place end March. Expect to remobile service redesign and conclude work on shift patterns end April.	
		5.3	Added onboarding of new staff and improvements in data availability and reporting		
		5.1	Changed "Council funding for demographic cost pressure continues" to "Annual budget setting takes account of demographic projections.". Added board-wide Unscheduled Care delivery Plan which has now been approved. Score reduced to 9	Following significant investment from Scottish Government in terms of winter funding we have strengthened our response in care at home, interim care and multidisciplinary team working. This in turn has reduced the current score from 12 (high) to 9 (medium).	
		5.2	Date for strategic commissioning plan extended to Sep-22	Due to pressures we have been unable to progress the development of our strategic commissioning plan and have extended the deadline for this. Now that we have finalised our HSCP Strategic Plan 2022-25 we will work towards the development of the commissioning plan alongside our market facilitation plan.	
		4.4.	Noted that The Inquiry will begin to take evidence from Jun-22 onwards – it is unclear at this point whether ER will be cited to court. Reduced score	The current risk score has been reduced from 12 (high) to 9 (medium) as the risk appears to be lower than previously reported due to the size and scale of East Renfrewshire in terms of identified individuals. No further mitigations are proposed due to the historic nature of this risk.	
		4.1	Removed some of the older detail and condensed current mitigation. Extended due date for professional registration reporting. Safe Together to be rolled out across Council	Unnecessary detail. Due to pressures we have had to delay our work around reporting on professional registrations however a short life working group has been established to progress this over the next few months.	
		2.2	Updated proposed mitigation	Transition strategy to presented for sign off prior to implementation	
V3.5	29/03/2022	6.22	Change to risk Description: "Our major works capital programmes face significant pressures as a result of raw material costs, supplier costs, supply chain or contractor difficulties as a result of Covid, Brexit and the war in Ukraine. This will have a detrimental impact on the costs and/or timescales related to the delivery of projects"	CMT discussion on SRR ahead of Audit & Scrutiny Committee.	CMT - updated by G Darbyshire
		2.80	Updated Trust risk	to reflect changes to national guidance with regards to Covid	Graeme Hay
		6.22	Risk increased from 3 x 3 (9) to 4 x 3 (12) to reflect the current position and costs being identified.	CMT discussion on SRR ahead of Audit & Scrutiny Committee.	CMT - updated by G Darbyshire
	16/05/2022	6.16	Change to risk description and update of Risk Control Measures. This is to provide softer language on EU Exit, as well as reflecting on broader political & economic factors currently being experienced.		Anthony Jenkins - Resilience Coordinator

		6.18	Change to risk Description: "The re-emergence, escalation or waves of any emerging human health disease (including the Covid-19 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. "	Updated to be more reflective of wider human health concerns, rather than focussed entirely on Covid-19	Anthony Jenkins - Resilience Coordinator	
	09/06/2022	6.12	Slight change to wording under current measures to reflect changes in Cyber Essentials certification	Change from CE+ to CE		
	22/06/2022	5.2	Added further mitigation - "Increased monitoring by Commissioning and Contracts service" to be reviewed in September			
	22/06/2022	5.3	Removed "(vacancies and absence)" from risk description as its all capacity . Current score reduced from 12 to 8. Manager and onboarding of new staff removed from proposed mitigation. extended remaining deadlines to Aug	no longer have increased risk around CI grades. new manager and staff in post		
V 4.1	25/08/2022	6.26	Addition of new risk to reflect the increased working on Resettlement taking place across the Council and area.	Reflection of the increased workload for the Council and partners arising from the volume of displaced persons seeking accommodation in Scotland / the UK	Anthony Jenkins - Resilience Coordinator.	
	08/09/2022	6.15	Removal of risk relating to Insurance arrangements	Risk was previously introduced to the SRR due to potential changes to insurance arrangements arising from different "services" provided by ERC during Covid. Now being managed on BAU basis		
	08/09/2022	6.16	Removal of risk relating to EU Exit	Risk was primarily EU Exit related and it is felt this can be revisited as part of horizon.	Anthony Jenkins (Resilience Coordinator)	
	31/08/2022	4.1	Extended deadline for review of professional registrations to 31/12/22	Working group continues to meet		
	31/08/2022	5.2	Increased contract monitoring remains in place - reviewed Sep-22	Reviewed Sep-22 - no change		
	31/08/2022	5.1	Review of front door complete and talking points embedded in community led support programme therefore moved to 'in place'. Talking Points approach to be reviewed as part of winter planning - oct 22	new model launched Summer and making significant positive impact on waiting list for assessment		
	31/08/2022	2.2	delayed presentation of transitions strategy to childrens services partnership group until Dec 22			
	12/09/2022	4.10	Removed proposed mitigation to introduce 3yearly rolling review of PVG as this is no longer required by Care Inspectorate	CI stated: you no longer need to routinely review PVG Scheme membership every three years. However, where an existing employee is moving into a new role, you should risk assess this and consider whether there is a specific need to get a PVG update		
	13/09/2022	1.1-	Updated control measures and proposed measures	In line with changing context and SG policy	Graeme Hay	
		1.2-	Updated risk and control measures	Reflecting updated SG position	Graeme Hay	
		1.3-	Updated risk in line with changing SG policy		Graeme Hay	
		1.4-	Changed the Covid risk	Reflecting introduction of deferral policy nationally from August 2023	Graeme Hay	
		2.6-	Updated mitigations	Greater focus on legacy issues rather than ongoing response	Graeme Hay	
		2.70	Removed risk	Reflecting new policy across the dept	Graeme Hay	
		2.8-	Removed risk		Graeme Hay	
		2.9-	Updated risk		Graeme Hay	
		2.12	New risk		Graeme Hay	
		2.10	Removed Risk	New issue emerging within the dept - see Joe McCaig for detail		
		2.11	Removed Risk			
V4.5	20/09/2022	6.1	Additional proposed risk mitigations added. No change to risk score.	Added to reflect budget.	Margaret McCrossan	Email on 19/09/2022 from Margaret McCrossan
V4.6	27/09/2022	6.3	Proposed mitigations updated to reflect current situation.		Louise Pringle	Email on 27/09/2022 from Louise Pringle
V4.7	12/10/2022	3.9	Additional risk (3.9) included - "Lack of affordable temporary & permanent accommodation to meet the statutory homeless duties and wider housing need."	Added to reflect the pressures being faced on available & suiting accommodation.	Anthony Jenkins - Resilience Coordinator	
	13/10/2022	6.7	One activity completed, two remaining targets extended		Murray Husband	
		6.12	Activity target extended	Continuing conflict in Ukraine	Murray Husband	
		5.30	Removed reference to "Payment of carried over annual leave made to increase staff availability" as no longer applicable. Added "Implementation of a new scheduling and monitoring system solution to maximise efficient resource usage"			
	25.10.2022	6.80	Risk action removed "Ongoing challenge to resource processing of Self-Isolation Support Grant in particular where spikes arise in Covid levels. This is being mitigated through support from other teams within ERC and external support". Due at end of October 2022.	SISG's volumes have reduced significantly and expected to be "closed" from end of October 2022. Waiting Government confirmation, however currently very low numbers	Robert McArthur Compliance Officer	
V4.9 (25.10.2022)	28/10/2022	6.22	Risk description updated: ...This, together with rising interest rates , will have a detrimental impact..... "Review/reprioritisation of 10 year Capital Plan" added to proposed mitigations and risk likelihood increased to 4 (therefore overall residual risk at 12).	To reflect current financial situation and rising interest rates.	Margaret McCrossan	Email of 28/10/2022 from Margaret McCrossan following CMT discussion
V5.0 (20.12.2022)	20/12/2022	6.27	Addition of new risk: "Significant and prolonged disruption to the Electricity Network impacts on normal service delivery and heightens vulnerabilities within our communities. Prominent risks include National Electricity Transmission System (NETS) Failure or planned Rota Load Disconnection."	New Risk added to take account of CMT Reporting on 13 December and heightened consciousness of Power Resilience.	Anthony Jenkins - Resilience Coordinator	
V5.2 (13.03.2022)	13/02/2023	3.3	Risk description and control wording updated to reflect the UK Subsidy Control Regime (taking over from State Aid): Potential breaches of UK Subsidy Control compliance leads to lengthy investigations, suspension of works leading to costly delays and financial penalties. This risk is complicated by the newly introduced UK Subsidy Control (previously State Aid) regime; with updated guidance and procedures.	To reflect changes arising from the change from State Aid to Subsidy Control within the UK	Anthony Jenkins - Resilience Coordinator	
	16/02/2023	6.28	Added new risk to cover Ofcom analogue telephony switch off.	This risk is time bound between now and 2025, with Council service delivery at risk.	Murray Husband	
	22/02/2023	6.20	Update of Proposed Controls.	To reflect that the current position for the vaccination programme is that an update is awaited from the JVC; which will then in turn impact the requirement for facilities & impacts upon Council, HSCP and Culture & Leisure Trust	Anthony Jenkins - Resilience Coordinator	

	28/02/2023	3.7 & 3.8	Update of Proposed Controls, reflecting the Get To Zero Action Plan & consequent actions that will arise from this	Updated proposed controls to more accurately reflect the impacts and potential learning from the Get To Zero Action Plan, which is under development in 2023	Anthony Jenkins - Resilience Coordinator	
V5.3	08/03/2023	6.7	Update to target date of testing target date	Further revision of document and final tests required before sign off	Murray Husband, Head of Digital and Community Safety	
		6.12	Update to target date due to continuing Ukraine conflict	Mitigation action is ongoing while increased threat from Ukraine conflict remains	Cathie Fraser, Information Security Officer	
		4.2	Update to target date to reflect additional self assessment task from Scottish Government	Self Assessment requires to be completed before work plan is finalised	Murray Husband, Head of Digital and Community Safety	
	13/03/2023	6.22	Update of Risk Description to make clearer the risk - as well as broadening the potential external factors to include Get to Zero. Re-scoring has been updated to reflect the changes to controls and proposed controls; reflecting the work that has been carried out in relation to the Capital Programme		Anthony Jenkins - Resilience Coordinator	
	13/03/2023	6.27	Review of risk controls; updating to reflect approval of the Power Resilience Plan through the Council Resilience Management Team during March 2023. Proposed controls to be considered as part of the winter 2023/24 preparations at the Council Resilience Management Team.		Anthony Jenkins - Resilience Coordinator	
	13/03/2023	1.1-	Review of risk and control measures	Updated to reflect current risk and context	Graeme Hay	
	13/03/2023	1.2-	Review of risk and control measures	Updated to reflect current situation in light of reviewed sustainable rate	Graeme Hay	
	13/03/2023	1.3-	Review of risk and control measures	Updated to highlight changes to deferral process as a result of SG legislation	Graeme Hay	
	13/03/2023	2.4-	Increase in risk score	Increase in risk as a result of decisions around the future of Eastwood Park Leisure Centre, previously marked as in 'imminent risk of failure'.	Graeme Hay	
	13/03/2023	2.6-	Reviewed risk and control measures	Updated risk description and control measures to reflect current practice and measures in place	Graeme Hay	
	13/03/2023	2.3-	Updated risk mitigations	Updated to reflect current context	Graeme Hay	
	14/03/2023	6.10	Updated Risk Description: Reduced central government funding and new grant conditions 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.	Request from Education to reflect Grant Conditions - change proposed by M McCrossan and agreed with G Hay. (Email to G Darbyshire on 14/03/2023)	Head of Accountancy	
V5.4	15/03/2023	5.20	Monitoring remains in place. Strategic Commissioning Plan extended to June - draft plan being shared at PAC in March			
	15/03/2023	5.10	Care at home project went live Dec'22. Budget savings will have significant impact on ability to meet demand therefore we need to develop a prioritisation framework to ensure we continue to meet statutory demand			
	15/03/2023	2.20	Transitions service full recruited and strategy implemented			
	15/03/2023	5.3	Total mobile scheduling system now in place. Full implementation continues as this is dependent on staff returning from absence. Care at home project went live Dec'22 and proposed model being developed			
	21/03/2023	6.3	Updates to current mitigations.	Email from Sharon Dick requesting change.	Sharon Dick	Email of 21/03/2023 from Sharon Dick to Gill Darbyshire
	21/03/2023	6.14	Proposed mitigation date revised from 31/03/2023 to 31/03/2024	Email from Sharon Dick requesting change.	Sharon Dick	Email of 21/03/2023 from Sharon Dick to Gill Darbyshire
	21/03/2023	6.8	Risk mitigations updated to reflect current position and risk score revised to 2 x 3 = 6 (from 2 x 4 = 8) as final proposed mitigation has been implemented.	Email from Louise Pringle requesting change.	Louise Pringle	Email of 21/03/2023 from Louise Pringle to Gill Darbyshire
	21/03/2023	6.7	Wording changed in mitigation actions to show policy and awareness now in place			
	21/03/2023	6.12	Wording changed in mitigation actions to show policy and awareness now in place, Risk score revised to 3x3 and 3x3 respectively due to further risks reported to CMT around phishing. Additional phishing mitigation action added.	Feedback from CMT	Murray Husband	
V5.6	21/03/2023	4.1	Short-life working group looking at registrations now concluded - recommendations to be implemented by June 2023			
	21/03/2023	2.2	Risk description updated to more accurately reflect that any increase impacts not only on demand but the ability to provide service. Transitions service now in place which has reduced score to 9. further mitigation will be provided through supporting people framework			
	22/03/2023	6.4	Risk description updated: 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. Our ambitious change programme may be affected by prioritisation of resource due to budgets and service reductions. This may have an adverse impact on the pace and scale of change and our ability to deliver change, digital transformation and enable future efficiencies. This may lead to slower delivery of benefits and affect the development of our core ICT systems	Following discussion at CMT request to change from Director of BOP	Louise Pringle	Teams Chat request for change from L Pringle on 21/03/2023
	22/03/2023	6.4	Proposed mitigation updated			
	26/05/2023	5.1	Supporting People Framework developed and approved to moved to 'in place' and updated proposed to reflect time/work to full implementation			
	26/05/2023	2.2	Supporting People Framework developed and approved to moved to 'in place' and updated proposed to reflect time/work to full implementation			
	26/05/2023	5.3	Proposed service model which was to be presented to DMT for approval has been delayed until end May, therefore due date amended to 31/5/23			
	10/07/2023	3.3	Update of proposed controls to reflect that the Council is still awaiting confirmation on Subsidy Control training dates.		Anthony Jenkins - Resilience Coordinator	
	11/07/2023	6.18	Update of controls and proposed controls to enhance these.		Anthony Jenkins - Resilience Coordinator	
	11/07/2023	3.9	Update of proposed controls to reflect collaborative work and updated reporting schedules for Housing.		Anthony Jenkins - Resilience Coordinator	

	12/07/2023	6.26	Update of proposed controls to better reflect the need for joined up, nationally led approaches that offer sustainable accommodation for resettled communities.		Anthony Jenkins - Resilience Coordinator	
	25/07/2023	3.7 & 6.22	Update of proposed controls to reflect that the likely Cabinet consideration of the Get To Zero plan will be in November 2023.		Anthony Jenkins - Resilience Coordinator	
	01/08/2023	3.2 & 6.22	Deletion of risk 3.2, combining it with 6.22 to have an overall Capital Programme risk, encompassing City Deal and other capital projects.	To put similar risks & controls into a combined single entity.	Anthony Jenkins - Resilience Coordinator	
V6.0	02/08/2023	6.8	Risk removed	To be monitored as Operational Risk	Louise Pringle	
	07/08/2023	6.4	Change of Risk Owner from Chief Executive to Director of BOP	Request by Director of BOP	Louise Pringle	
		2.2	Removed reference to monitoring of covid support as funding no longer provided. Updated working around SPF implementation			
		4.1	Added proposed mitigation and removed reference to SSSC registrations as should sit here	h		
		4.4	Changed wording of current mitigation - replaced 'court' with 'inquiry'			
		5.1	Reworded current mitigation and removed reference to SG resources and reporting. Added Care at Home redesign project which is now live			
		6.29	New risk added - "Due to increased demand for health and social care services and associated capacity challenges, the IJB may require to approach the Council to seek additional funding to support service delivery"			
		5.20	Risk description updated to include 'contractual status'. The commissioning plan has been agreed so this has moved from proposed to in place and a new action added regarding implementation of the plan	Strategic Commissioning Plan approved by IJB on August - the HSCP leadership team will progress implementation which will include the redesign of care services locally. This will affect the increased score due to the increasing demand and complexity, particularly within our older population and the resultant increased in		
		5.10	Current score increased to 12. Added mitigation in relation to equipment process	Increased score due to the increasing demand and complexity, particularly within our older population and the resultant increased in		
		5.30	Removed reference to pharmacy support as this was from 2020, and noted that recruitment for winter underway. Proposed model agreed so moved from proposed to in place and added that programme board established for oversight. Work to realign work patterns is underway but extended to September and added action to conclude service redesign by April 24	Redesign work has been recommenced with oversight from a programme board chaired by the Chief Officer.		
		5.30	Score reduced - this was reduced in June on the IJB SRR	Service more stable therefore reduced score to 8 as the likelihood of service disruption has reduced.		
	11/09/2023	6.18	Move of proposed control re Public Health Protection Plan to Existing Controls	Reflecting that the NHS document was considered at Cabinet in August 2023.	Anthony Jenkins - Resilience Coordinator	
	11/09/2023	6.27	Update of dates on some proposed controls	To reflect ongoing discussions through Civil Contingencies forums on appropriate information to share and learning from 2023 UK Wide Exercise	Anthony Jenkins - Resilience Coordinator	
	13/09/2023	1.1-	Update to recognise upcoming challenges in relation to achieving outcome 1. Widened to include ELC provision and not just the delivery of the 1140 programme	Reflects upcoming challenges in relation to ELC provision	Graeme Hay - Education Snr Manager	
	13/09/2023	1.2-	Risk description updated to reflect context	Includes increasing pressures on Education budget due to increases in partnership funding for ELC provision	Graeme Hay - Education Snr Manager	
	13/09/2023	1.4-	New risk included on OOSC provision	Introduced gives recent announcements from the First Minister in the Scottish Government's Programme for Government in relation to out of school care provision	Graeme Hay - Education Snr Manager	
	13/09/2023	2.6-	Updated risk description	Widened to broaden scope beyond Covid	Graeme Hay - Education Snr Manager	
	13/09/2023	6.3-	Updated mitigations to include teaching staffing challenges	Mitigations now include actions previously included in removed risk	Graeme Hay - Education Snr Manager	
	08/11/2023	4.1	Changed proposed mitigation as recommendations now rec'd from Joint Inspection report	4 minor recommendations from the Joint inspection of Adult Support and Protection (ASP) have been incorporated into our ASP Improvement Plan. Therefore the proposed mitigating action has been updated to reflect the implementation of the wider improvement plan. It is anticipated that all actions within the plan will be implemented by March 2025.		
	08/11/2023	5.2	Proposed mitigation updated - increased monitoring continues. removed "Review outcome of Care Inspectorate improvement notice and tailor HSCP support accordingly (Establishment E)"	Enhanced monitoring of Establishment E, involving a multi-disciplinary team ended on 8th November and we have reverted to regular monitoring through the commissioning and contracts team.		
	08/11/2023	5.2	Added "Use of intermediate care beds to allow discharge from hospital Enhanced management oversight of hospital discharge" to mitigation in place and changed date to conclude work pattern realignment to end Nov	All new care at home frontline posts are being advertised with the new work patterns and the majority of existing staff have also migrated to the new pattern.		
V6.5	08/01/2024	1.1, 2.6, 2.12, 3.1, 3.3, 3.7, 3.8, 4.1, 4.2, 4.4, 5.2, 5.3, 6.3, 6.4, 6.14, 6.18, 6.24, 6.27, 6.28	Risks removed and captured on Department / Service / Project Risk Register (as appropriate) - following CMT Review on 8 January 2024.	SRR Review - CMT Decision		CMT Discussion 05/01/2024
V6.6	01/02/2024	6.26	Amendment of risk description and controls. Risk description amended to be better encompassing of resettlement work and the potential for it to be broader than Ukrainian and Afghanistani cohorts. Risk control updated to include reference to the Asylum Partnership Board and the Council's involvement with this.	Update to better reflect the risk faced and controls carried out.	Resilience Coordinator - A Jenkins	Engagement on 31 January with Change & Governance Manager and Resettlement Programme Manager
	06/02/2024	6.30	Addition of new risk: "A UK General Election is due to be called by 25 January 2025; however there is no date as yet, with only a six week notice requirement. A short notice Election would require place an intense need for significant resources across the Council."	To reflect current uncertainty on the date of the next UK General Election & the potential for only six weeks notice.	Resilience Coordinator - A Jenkins	Engagement on 6 February with Democratic Services Manager
	26/02/2024	6.1	Reference to national requirement to maintain teacher numbers as per grant conditions. Inclusion of Education Assurance Board as proposed risk control measure - this will be subject to establishment by the Scottish Government and timescales remain unknown at present.	National grant conditions.	Graeme Hay	
	26/02/2024	2.3	Proposed control measure moved to current	Capital plan approved in budget process.	Graeme Hay	
	26/02/2024	6.22	Update of Proposed Controls.	Noting that 2024/25 Capital Plan / Approaches will be considered through 28 February Council budget & proposed controls will now impact 2025/26 financing.	Resilience Coordinator - A Jenkins	

26/02/2024	6.12	Update of Proposed Control dates	Recognition that the Russia - Ukraine conflict remains ongoing and that cyber attacks remain a risk as a result of this.	Resilience Coordinator - A Jenkins	
26/02/2024	3.9	Update of Proposed Control dates	Recognition that proposed controls are still in progress.	Resilience Coordinator - A Jenkins	
26/02/2024	2.4	Update of Proposed Control dates		Resilience Coordinator - A Jenkins	
04/03/2024	2.13	Update of proposed control measures	Recognition that the Capital Plan for the Trust is annually updated / considered and recording this as an ongoing / annual control. Reflecting agreement of works through Council capital plan - agreed through budget at end of February	Graeme Hay - Education Senior Manager	Alerted to A Jenkins - Teams 4th March
05/03/2024	6.1	Update of proposed control measures & dates	Update to note that 24/25 budget has passed and reflect the need for 25/26 financial planning.	Resilience Coordinator - A Jenkins	Advised by B Clark on 5 March
05/03/2024	2.3	Update of control measures and proposed control measures	Update to reflect changes to Capital plan etc	Graeme Hay - Education Senior Manager	
07/03/2024	2.40	Update of control measures	Update to reflect capital plan	Graeme Hay - Education Senior Manager	Consulted with Anthony McCreavy
12/03/2024	6.29	Added proposed mitigation Development of dashboard for reporting progress on the supporting people framework and invest to save proposals to support capacity to deliver this		Lesley Bairden, HSCP	
12/03/2024	5.1	Update of Risk wording from "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." To: "Increase in frail 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." Updated current & proposed control measures to include text in bold below: Supporting people framework implemented April 23. Eligibility threshold increased to Substantial/critical - Nov 2023 Project to support Care at Home redesign now live. Monitoring includes analysis of waiting lists, REVIEWS COMPLETED, SAVINGS ACHIEVED , admissions and incidents. Strengthen management oversight of RESOURCE ALLOCATION AND equipment requests		Lee McLaughlin, HSCP	
12/03/2024	2.2	Added Eligibility threshold increased to substantial/critical - Nov 2023 to proposed mitigation column and changed proposed mitigation to reflect wording in 5.1 as relates to same work		Lee McLaughlin, HSCP	

Strategic Risk Register - Removed Risk Log							
Version	Date	Risk Number	Risk Description	Explanation & justification for removal of risk	Authorisation to remove risk (details/name etc)	Responsible Person (Name & Role)	Further comments
V9.0	24.09.2020	2.50	Potential successful judicial review into lawfulness of charging for instrumental music leads to additional budget pressures due to loss of income as well as increased service demand.	Will be monitored through the Education Department Risk Register.	Graeme Hay	Director of Education	
	07/05/2021	6.21	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.	Election result delayed.	Gill Darbyshire	Chief Executive	
V2.6	26.08.2021	2.7	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.	To be monitored on an ongoing basis through the Education Department's risk register. Risk has been superseded - will continue to review in light of any national requirement for future years.	Graeme Hay	Director of Education	2.7 added back into SRR on 13/01/2022
V.3.1	25.01.2022	6.17	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.	Combined with risk 6.16 with a view to having a single EU Exit risk for goods, services and regulatory changes arising from the UK & EU's relationship.	Anthony Jenkins	Resilience Coordinator	
	04.03.2022	2.12	Challenges with the Council supporting the NHS for the Covid-19 Vaccination programme result in delays in East Renfrewshire residents receiving their vaccine.	Combined with risk 2.10 with a view to having a single risk on testing and vaccination programmes.	Anthony Jenkins	Resilience Coordinator	
V3.2	16.03.2022	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.	This risk was introduced following a range of challenges arising from the introduction of the "new" CT & Benefits System. System now been in place for a period of time with a wide range of mitigating activities undertaken and being managed at operational level. Some risks remain i.e. ongoing work on Citizens Access, Debt Recovery and impact upon performance indicators. Removed from SRR at this point in time with any "new different" risk introduced post review of Operational Risk Register.	Robert McArthur	Compliance Officer	Approval through Louise Pringle, Head of Business Operations and Partnerships
	17.03.2022	2.11	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.	The risk requiring additional mortuary storage from Covid-19 specifically has been lessened. However, a general risk in relation to additional deaths requiring body storage solutions will be contained in the Environment Department Risk Register.	Anthony Jenkins	Resilience Coordinator	
V3.3		6.9	Brexit leads to economic uncertainty and detrimental impact on the Council budget, operations and services	This risk has been combined with 6.22 to reflect the broad gambit of causes to economically uncertain consequences.	Anthony Jenkins	Resilience Coordinator	
		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>	Louise Pringle		

		6.16	<p>As a result of current events that impact the UK politically & economically - there is a disruption to Council operations and the services we provide, including frontline and support services.</p> <p>Global trade has witnessed significant pressures, impacting on the supply chain; cost and availability of both goods and services.</p> <p>Energy prices have risen to record levels within the UK, and show signs of continuing to rise - impacting the amount the Council and our communities will pay.</p> <p>A further example is the conflict in Ukraine, which may lead to significant volumes of displaced individuals residing in East Renfrewshire, requiring support and potentially facing complex needs. Additionally, the conflict in Ukraine may lead to disruptions in key supply areas - with Russia and Ukraine making up significant amounts of global exports in wheat and gas, for example.</p>	Risk had primarily been EU Exit related - while recognised that there may still be Brexit related consequences, the impact is likely to be sufficiently low given the time since the UK leaving the EU and as such is not a current risk. This can be revisited as part of the scanning process.	Anthony Jenkins	Resilience Coordinator	
V4.7		2.8	<p>Covid-19 pandemic leads to customer anxiety, affects demand, attendances and revenues, impedes full recovery and results in an increased management fee. Combined with a requirement for rescheduling and reprogramming throughout the year affecting venue availability and high rates of staff absence, the national trend of loss of staff to the sector following lockdown and an inability to recruit, all continue to impact the ability to provide high quality service across all venues.</p>	Risk of covid has reduced			
V4.7		2.7	<p>Continued disruption in schools and potential changes in SQA certification processes in 2021/22 detrimentally impacts upon exam results of young people in the 2021/22 exam diet with a subsequent negative impact on the Council's reputation.</p>	Issue has passed			
V4.7		2.10	<p>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. Challenges to the programmes may delay our citizens in receiving test results or their vaccinations.</p>	This is now combined with Risk 6.20 to a single vaccination risk entity.	Anthony Jenkins	Resilience Coordinator	
V4.7		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>	This is no longer a Covid specific risk and will be captured appropriately within the relevant Departmental Risk Register.	Anthony Jenkins	Resilience Coordinator	
V4.7		6.25	<p>COVID-19 developments lead to more stringent isolation requirements. This impacts on the number of staff available - which may limit the delivery of key COVID-19 workstreams (Vaccination Centres, Testing, Isolation Support, etc.) and potentially limits our ability to offer key services / service as normal. As well as the risk to normal Council & Trust business at present more stringent isolation requirements may arise through variants of concern, worry about NHS impacts, symptoms caused, etc.</p>	The isolation requirements from the Scottish Government have been relaxed for a significant period; as such this risk is no longer as prominent or likely as it had previously been. This can be revisited if more stringent isolation requirements are introduced.	Anthony Jenkins	Resilience Coordinator	
		1.4	<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.</p> <p>Higher rates of staff absence due to impact of Covid-19 cases and the need for self isolation.</p> <p>Ongoing impact of school closures on attainment of young people.</p>	<p>Covid no longer being monitored in the same way across Education, been mainstreamed in to day to day absence management</p>	Graeme Hay		

		2.8	Covid-19 pandemic leads to customer anxiety, affects demand, attendances and revenues, impedes full recovery and results in an increased management fee. Combined with a requirement for rescheduling and reprogramming throughout the year affecting venue availability and high rates of staff absence, the national trend of loss of staff to the sector following lockdown and an inability to recruit, all continue to impact the ability to provide high quality service across all venues.	Covid no longer has the same impact on day to day operations	Graeme Hay		
		6.20	Supporting the mass vaccination 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.	Covid no longer has the same impact on day to day operations			
		6.23	High workloads with additional work as a result of the Covid-19 pandemic coupled with business as usual may impact on employee absence and poor wellbeing and also may impact on project delivery resulting in delayed deadlines which could damage the Council's reputation.	Covid no longer has the same impact on day to day operations			
	01/08/2023	3.2	Increase in construction inflation costs may negatively impact on the planned capital plan and City Deal GVA (Gross Value Add).	Risk has been combined with 6.22 to create a single Capital Programmes based risk, reflective of City Deal and other capital projects - rather than having two similar sounding risks.	Anthony Jenkins	Resilience Coordinator	
V6.0	02.08.2023	6.8	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.	Agreement from Alison Ballingall and Louise Pringle that this should be removed from SRR and managed as an Operational Risk.	Louise Pringle	Louise Pringle	
V6.5	13/09/2023	2.90	Inability to recruit appropriately skilled teacher workforce at all levels, leading to a reduction in service levels and an inability to provide adequate teaching across schools. Inability to recruit head teachers and other senior leaders, leading to an inability to provide education leadership. Lack of appropriately qualified CDOs results in decrease in quality across ELC provision.	Merged in with the wider staffing risk included in strategic outcomes.	Agreement from ELT	Graeme Hay	
V6.6	08/01/2024	1.1; 1.2; 1.3; 1.5; 2.6; 2.12; 3.1; 3.2; 3.8; 4.2; 5.3; 6.3; 6.4; 6.14; 6.24; 6.28	Various	Risks all removed & placed on Departmental / Service / Project Risk Register in light of lower scoring or long-term controls; as part of CMT Review.	CMT - January 2024 Meeting	Gill Darbyshire	
		3.7; 6.18; 6.27	Various	Risks all removed & placed on Council Resilience Management Team Risk Register; in light of lower scoring or long-term controls; as part of CMT Review.	CMT - January 2024 Meeting	Gill Darbyshire	
		4.1; 4.4; 5.2	Various	Risks all retained on Integration Joint Board (IJB) Risk Register only, preventing duplication; as part of CMT Review.	CMT - January 2024 Meeting	Gill Darbyshire	

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East Renfrewshire Council

[Provisional] Annual Audit Plan
Year Ended 31 March 2024

27 March 2024



Building a better
working world

This plan

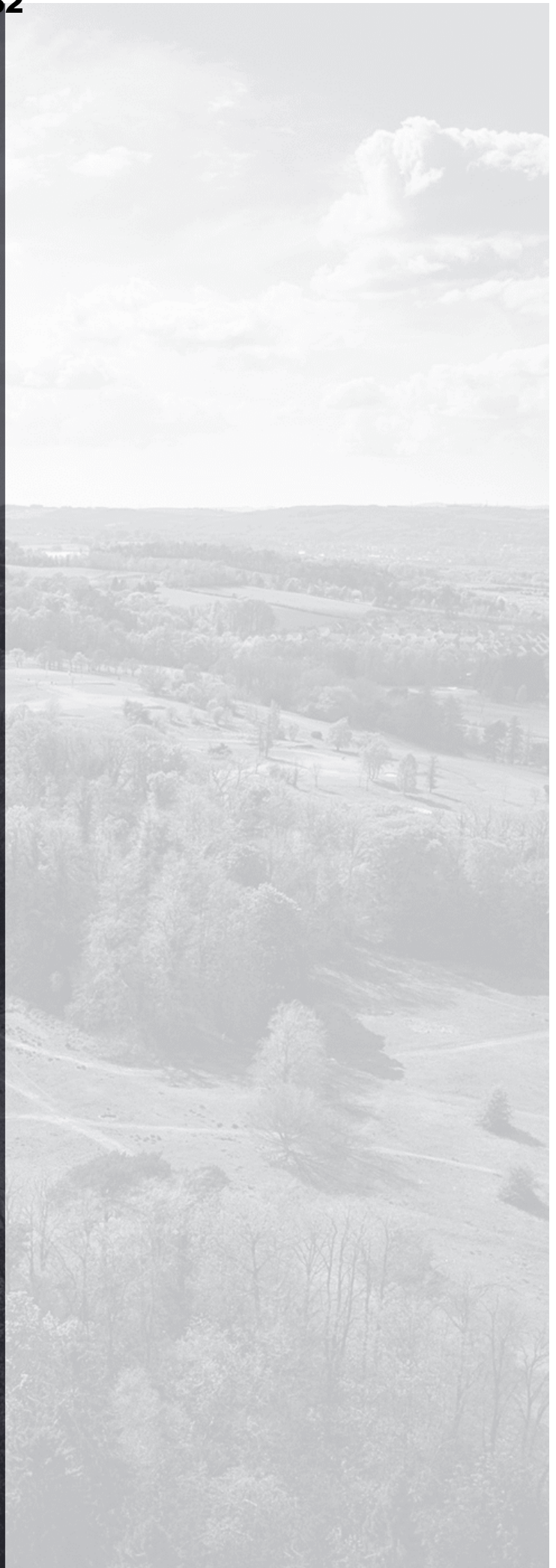
This plan has been prepared in accordance with Terms of Appointment Letter, through which Audit Scotland and the Accounts Commission have appointed us as external auditor to East Renfrewshire Council for financial years 2022/23 to 2026/27.

This report is for the benefit of the Council and is made available to Audit Scotland and the Accounts Commission (together "the Recipients"). This report has not been designed to be of benefit to anyone except the Recipients. In preparing this report we have not taken into account the interests, needs or circumstances of anyone apart from the Recipients, even though we may have been aware that others might read this report.

Any party other than the Recipients that obtains access to this report or a copy (under the Freedom of Information Act 2000, the Freedom of Information (Scotland) Act 2002, through a Recipient's Publication Scheme or otherwise) and chooses to rely on this report (or any part of it) does so at its own risk. To the fullest extent permitted by law, Ernst & Young LLP does not assume any responsibility and will not accept any liability in respect of this report to any party other than the Recipients.

Accessibility

Our report will be available on Audit Scotland's website and we have therefore taken steps to comply with the Public Sector Bodies Accessibility Regulations 2018.



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2. Sector developments	Provides a summary of recent accounting and audit developments that are relevant to the Council	09
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4. Best Value and Wider Scope Audit	<p>Our risk assessment and audit approach for reviewing the Council's compliance with the wider public audit scope areas:</p> <ul style="list-style-type: none"> ▶ Arrangements to secure sound financial management; ▶ The regard shown to financial sustainability; ▶ Clarity of plans to implement the vision, strategy and priorities of the Council, and the effectiveness of governance arrangements for delivery; and ▶ The use of resources to improve outcomes. <p>Annual Best Value audit work is integrated with wider scope annual audit work.</p>	15
Appendices	<p>Undertake statutory duties, and comply with professional engagement and ethical standards:</p> <p>Appendix A: Code of Audit Practice: responsibilities</p> <p>Appendix B: Auditor Independence</p> <p>Appendix C: Required communications with the Audit and Scrutiny Committee</p> <p>Appendix D: Timing of communications and deliverables</p> <p>Appendix E: Audit fees</p> <p>Appendix F: Prior year recommendations</p> <p>Appendix G: Additional audit information</p>	21

1. Executive summary

Purpose of our plan

The Accounts Commission for Scotland appointed EY as the external auditor of East Renfrewshire Council (“the Council”) for the five year period to 2026/27.

This Annual Audit Plan, prepared for the benefit of senior management and the Audit and Scrutiny Committee, sets out our proposed audit approach for the audit of the financial year ended 31 March 2024. In preparing this plan, we have continued to develop our understanding of the Council through:

- ▶ Regular discussions with management,
- ▶ Review of key documentation, including Council and committee reports; and
- ▶ Our understanding of the environment in which the Council is currently operating.

Our audit quality ambition is to consistently deliver high-quality audits that serve the public interest. A key objective of our audit reporting is to add value by supporting the improvement of the use of public money. We aim to achieve this through sharing our insights from our audit work, including observations around where the Council employs best practice and where processes can be improved. As we note in Appendix F, we will follow up each recommendation throughout our appointment to ensure implementation.

We use data insights where possible to form our audit recommendations to support the Council in improving its practices around

financial management and control, and in aspects of the wider scope dimensions of audit. These are highlighted throughout our reporting together with our judgements and conclusions regarding arrangements.

After consideration by the Council’s Audit and Scrutiny Committee, the finalised plan will be provided to Audit Scotland and published on their website.

Scope and Responsibilities

We undertake our audit in accordance with the Code of Audit Practice (the Code), issued by Audit Scotland in June 2021; International Standards on Auditing (UK); relevant legislation; and other guidance issued by Audit Scotland. The Code sets out the responsibilities of both the Council and the auditor, more details of which are provided in Appendix A.

Independence

We confirm that we have undertaken client and engagement acceptance procedures, including our assessment of our continuing independence to act as your external auditor. Further information is available in Appendix B.

Our key contacts:

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Financial Statements audit

We are responsible for conducting an audit of the Council's financial statements. We provide an opinion as to:

- ▶ whether they give a true and fair view, in accordance with applicable law and the 2023/24 Code of Accounting Practice, of the income and expenditure of the Council for the year ended 31 March 2024 and;
- ▶ have been properly prepared in accordance with IFRSs, as interpreted and adapted by the 2023/24 Code; and
- ▶ whether they have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

We also review and report on the consistency of other information prepared and published along with the financial statements.

We are required to plan our audit to determine with reasonable confidence whether the financial statements are free from material misstatement. The assessment of what is material is a matter of professional judgement over both the

amount and the nature of the misstatement. Our key considerations and materiality values are set out in Exhibit 1, below.

Wider Scope and Best Value

As public sector auditors, our responsibilities extend beyond the audit of the financial statements. The Code of Audit Practice (2021) requires auditors to consider the arrangements put in place by the Council to meet their Best Value obligations as part of our proportionate and risk-based wider-scope audit work. This requires consideration of:

- ▶ The Council's arrangements to secure sound financial management;
- ▶ The regard shown to financial sustainability;
- ▶ clarity of plans to implement the vision, strategy and priorities of the Council, and the effectiveness of governance arrangements for delivery; and
- ▶ The use of resources to improve outcomes.

Best Value considerations will be integrated with our wider scope annual audit work. We will report on how the Council demonstrates that it has Best Value arrangements in place to secure continuous improvement.

Exhibit 1: Materiality Assessment in 2023/24

Planning Materiality

Overall materiality for the financial statements based on the Council's gross expenditure less IJB contributions

£7.3
million

Performance Materiality

We have provisionally assessed performance materiality at 50% of overall materiality for the financial statements.

£3.6
million

Reporting Threshold

Level of error that we will report to the Audit and Scrutiny Committee. This is set at 5% of planning materiality.

£0.36
million

Exhibit 2: Summary of significant risks identified for the audit in 2023/24

Three significant risks impacting the audit of financial statement have been identified in Section 3:

<p>1. Risk of fraud in revenue and expenditure (fraud risk)</p>	<p>Under ISA (UK) 240 there is a presumed risk that revenue may be misstated due to improper revenue recognition. In the public sector, this requirement is modified by Practice Note 10 issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition.</p> <p>We have rebutted the risk of improper recognition of income in respect of core grant funding from the Scottish Government, as well as in respect of council tax and non-domestic rate income. With regards to expenditure we have rebutted the risk of improper recognition of payroll, depreciation, and financing and investment expenditure.</p>
<p>2. Misstatement due to fraud or error (fraud risk)</p>	<p>As identified in ISA (UK) 240, management is in a unique position to perpetrate fraud due to the ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that would otherwise appear to be operating effectively.</p>
<p>3. Valuation of property, plant and equipment</p>	<p>The fair value of property, plant and equipment (PPE) represent significant balances in the Council's financial statements. Management is required to make material judgemental inputs and apply estimation techniques to calculate the year-end balances recorded in the balance sheet.</p> <p>In 2022/23, we identified four adjustments with a net impact of £49.9 million relating to property, plant and equipment, and two prior year adjustments totalling £50.3 million.</p>

Exhibit 3: Summary of inherent risks identified for the audit in 2023/24

Three inherent risks impacting the audit of financial statement have been identified in Section 3:

<p>1. Valuation of Pension Assets and Liabilities</p>	<p>The Council's net pension liability, measured as the sum of the long term payments due to members as they retire against the Council's share of the Strathclyde Pension Fund investments, is a material balance in the Council financial statements.</p> <p>Accounting for this scheme involves significant estimation and judgement, including financial and demographic assumptions. The Council engages an actuary to undertake the calculations on their behalf.</p> <p>ISAs (UK) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.</p> <p>The next triennial valuation of Strathclyde Pension Fund is expected to be published in full by 31 March 2024. We anticipate that the scheme will remain in a surplus position. CIPFA has recently provided guidance (Bulletin 15) on recognising a net defined benefit asset in accordance with IFRC 14 when the pension fund reports a surplus.</p>
<p>2. Valuation of PFI/PPP Liabilities</p>	<p>The value of PFI/PPP liabilities represent significant balances in the Council's financial statements with the Council holding 5 contracts, with a value of £73.5 million in 2022/23. Accounting for these contracts includes a number of complexities, including ensuring the financial models reflect any contract amendments and inflationary uplifts.</p>
<p>3. Implementation of IFRS 16</p>	<p>CIPFA have confirmed there will be no further delay of the introduction of the leases standard IFRS 16. Assets being used by the authority under operating leases are likely to be capitalised along with an associated lease liability.</p> <p>The standard must be adopted by 1 April 2024 at the latest.</p>

Exhibit 4: Summary of areas of audit focus in relation to the Best Value and Wider Scope audit

Two areas of audit focus have been identified that impact Best Value and wider scope audit in Section 4:

<p>Financial Sustainability: Development of sustainable and achievable medium term financial plans</p>	<p>The Council's updated Outline Revenue Financial Plan for 2024-2030 sets out an expected budget gap over the six year period, ranging from £26.6 to £45.2 million. This range includes a gap of £12 million in 2024/25, and reflects the Council's assumptions for Council Tax. The Plan relies on the achievement of recurring savings. The Council's current expectation is that the service concession reserve (the balance held within the General Fund to support the transition in relation to further budget reductions) will be fully used by 2025/26. The ability to deliver savings of this scale will require increasingly challenging prioritisation.</p> <p>The nature of the funding settlement from the Scottish Government has meant that the Council was unable to set a multi-year budget this year. The planned return to three year budgets in future years will support sustainable financial planning.</p>
<p>Best Value Thematic Review: Workforce Innovation</p>	<p>The Accounts Commission has asked us to consider how the Council is responding to the current workforce challenges:</p> <ol style="list-style-type: none"> 1. How effectively are the council's workforce plans integrated with strategic plans and priorities? 2. How effectively digital technology has been used to support workforce productivity and improve service quality and outcomes? 3. How effectively the Council used hybrid/remote working and other innovative working practice to achieve service and staff benefits? 4. What innovative practice is the Council using to develop its future workforce capacity and skills needs and manage staff reductions in line with its priorities? 5. What progress has the Council made with sharing roles or functions across its services and/or with other councils and partners? 6. How effectively is the Council measuring the impact of its workforce planning approach?

| 2. Sector developments

Introduction

In accordance with the principles of the Code, our audit work considers key developments in the sector. We obtain an understanding of the strategic environment in which the Council operates to inform our audit approach.

| Local Government Finances 2022/23

In January 2024, the Accounts Commission published its annual report on Local Government finances in Scotland ([Financial Bulletin 2022/23](#)). The report notes that despite councils receiving more funding and income in cash terms, due to high inflation, total revenue funding from all sources fell by 2.8%.

An increasing amount of council funding is either formally ringfenced or provided on the expectation that it will be spent on specific services and national policy objectives.

Audit Scotland calculated ringfenced money to represent 26% of total revenue funding in 2022/23. A large amount of this was to fund Local Government pay deals and to support elements of educational and social care provision. While this supports the delivery of key Scottish Government policies, it removes local discretion and

flexibility over how these funds can be used by councils to meet their own objectives. In order to combat this, there are commitments in the Verity House Agreement (New Deal with Local Government, outlined on the following page) to avoid defaulting to ring-fencing funding unless there is a clear and mutual understanding of the rationale for the funding being established in such a way.

The source of funding with the largest increase was non-domestic rates, however it is noted that this remains below pre-pandemic levels. Scottish Government core revenue funding increased by 7.4% in cash terms and 0.7% in real terms between 2021/2022 and 2022/23, however this was predominantly driven by the increase in non-domestic rates in the year with the general revenue grant and specific revenue grants both decreasing in real terms by 4.2% and 8.5% respectively.

Looking ahead, the Accounts Commission notes that the councils' budget gaps had increased significantly in 2023/24 in comparison to 2022/23. The most common bridging actions are noted to be recurring savings, however many proposals have faced public opposition, leading to increased difficulty delivering a balanced budget.

Scottish budget

Local government is the second largest area of Scottish Government spending. Audit Scotland calculates¹ that in 2013/14 local government (capital and revenue) accounted for 30% of the total spend but by 2022/23, it had fallen to 23%. Over this period, local government spend has been relatively static in real terms while total Scottish Government spend increased by 37%.

In December 2023, the Scottish Government published the Scottish Budget. The budget addressed plans only for 2024/25, in contrast to the commitment in the Verity House Agreement, to provide multi-year spending plans.

The budget included announcements that the Scottish government will:

- ▶ Provide funding of £147 million to fund the announced Council Tax freeze, noting that this is equivalent to a 5% increase;
- ▶ Baseline a number of previously specific grants in to the general revenue grant, including the early learning and childcare expansion and the Living Wage funding.

Other specific funding for the local government sector includes funding for social care and childcare workers in commissioned services to be paid at least £12 per hour from April 2024.

¹ **Source:** [Financial Bulletin 2022/23, Paragraph 21.](#)

The Verity House Agreement

In June 2023, the Verity House Agreement, was agreed between the Scottish Government and COSLA.

The partnerships outlines a number of commitments which will impact the sector, including the following:

- ▶ From June 2023, a default position of no ring-fencing or direction of funding unless there is mutual understanding of the reasons.
- ▶ Commitment to undertake a joint review of specific grants by October 2023 to understand what can be baselined in to the General Revenue Grant or General Capital Grant to create more flexibility for Councils in how they spend their funding.
- ▶ Commitment to agree a new fiscal framework by September 2023 which will oversee the allocation of funding across the sector and provide each Council with increased autonomy over their budget-setting process.

The Accounts Commission welcomed this development within the Financial Bulletin 2022/23, noting that they had previously highlighted the importance of longer-term certainty in funding for councils, and the ongoing need for effective and robust financial management. However, they note within the report that work in these areas remains ongoing, and at mid-December 2023 these milestones had not been met.

3. Financial statements: Our approach and assessment of significant risks

Introduction

The publication of the annual financial statements allow the Council to demonstrate accountability for, and its performance in the use of its resources. They are prepared in accordance with proper accounting practice, which is represented by the 2023/24 Code of Practice on Local Authority Accounting in the United Kingdom (“the Code”).

Our responsibilities

We are responsible for conducting an audit of the Council’s financial statements. We provide an opinion as to:

- ▶ whether they give a true and fair view in accordance with applicable law and the 2023/24 Code of the state of affairs of the Council as at 31 March 2024 and of its income and expenditure for the year then ended;
- ▶ have been properly prepared in accordance with IFRSs, as interpreted and adapted by the 2023/24 Code; and
- ▶ whether they have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

We also review and report on the consistency of the other information prepared and published by the Council along with its financial statements.

Other Statutory Information

The management commentary and narrative reporting within the financial statements continues to be an area of increased scrutiny as a result of rising stakeholder expectations. This includes climate related and emissions reporting, where we expect additional guidance from Audit Scotland for 2024/25 onwards.

Audit approach

We will continue to follow a substantive approach to the audit as we have concluded this is the most efficient way to obtain the level of audit assurance required to conclude that the financial statements are not materially misstated.

During our planning procedures, we determine which accounts, disclosures and relevant assertions could contain risks of material misstatement. Our audit involves:

- ▶ Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud, error or design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council’s internal control.

| **Audit Approach continued**

- ▶ Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Concluding on the appropriateness of management's use of the going concern basis of accounting. Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtaining sufficient appropriate audit evidence to express an opinion on the financial statements.
- ▶ Reading other information contained in the financial statements to form assessment, including that the annual report is fair, balanced and understandable.
- ▶ Ensuring that reporting to the Audit and Scrutiny Committee appropriately addresses matters communicated by us and whether it is materially consistent with our understanding and the financial statements.
- ▶ We rigorously maintain auditor independence (refer to Appendix B).

| **Materiality**

For planning purposes, materiality for 2023/24 has been set at £7.3 million (2022/23: £6.8 million). This represents 2% of the Council's gross expenditure on provision of services less IJB grant income

and expenditure (Exhibit 3). Materiality will be reassessed throughout the audit process and will be communicated to the Audit and Scrutiny Committee within our annual audit report.

Our 2023/24 assessment concluded that gross operating expenditure remains the most appropriate basis for determining planning materiality for the Council.

Our evaluation requires professional judgement and so takes into account qualitative as well as quantitative considerations.

| **Specific materialities**

We consider all accounts and disclosures within the financial statements individually to ensure an appropriate materiality is used. In determining their materiality, we consider both the qualitative and quantitative factors that could drive materiality for the users of the financial statements. Accordingly we determine it is appropriate to use lower levels of materiality for some areas of the financial statements, including:

- ▶ **Remuneration report** - given the sensitivity around the disclosure of senior staff remuneration we apply a lower materiality threshold to our audit consideration around the remuneration report and related disclosures.
- ▶ **Related party transactions** - which are considered material when they are material to either party in the transaction. We do not apply a specific materiality but consider each transaction individually.

We have provided supplemental information about audit materiality in Appendix F.

Exhibit 3: Our assessment of materiality in 2023/24

Element	Explanation	Value
Planning materiality	<p>The amount over which we anticipate misstatements would influence the economic decisions of a user of the financial statements.</p> <p>This represents 2% of the Council's Gross Expenditure less IJB contributions. In 2022/23 this was set at £6.8 million.</p>	£7.3 million
Performance materiality	<p>Materiality at an individual account balance, which is set to reduce the risk that the aggregate of uncorrected and undetected misstatements exceeds Planning Materiality to an acceptably low level.</p> <p>We have provisionally set this at 50% of planning materiality, in line with 2022/23 (£3.4 million) but we will continue to update our assessment throughout the audit.</p>	£3.6 million
Reporting level	<p>The amount below which misstatements whether individually or accumulated with other misstatements, would not have a material effect on the financial statements.</p> <p>This is set at 5% of planning materiality.</p>	£0.36 million

Group Audit

The Council prepares its annual report and financial statements on a group basis. The Group consists of the following organisations

- ▶ Common Good and Charitable Trusts
- ▶ Strathclyde Partnership for Transport
- ▶ Strathclyde Concessionary Travel Scheme
- ▶ Renfrewshire Valuation Joint Board
- ▶ East Renfrewshire Culture & Leisure Trust
- ▶ East Renfrewshire Integration Board

We have considered the arrangements in respect of each of the Council's group undertakings at the planning stage and will review throughout the audit.

The East Renfrewshire Integration Joint Board (IJB) is identified as a joint venture and consolidated in accordance with the requirements of the Code. We have been

appointed as auditor to East Renfrewshire Integration Joint Board and will report separately on our audit of that entity.

The only significant component by size is the Council, which accounts for 99% of consolidated gross expenditure. There have been no specific risks identified that may indicate a component is significant by risk, as the IJB does not affect the transactions as such, only the nominal funding agreement in and out of the IJB.

Audit Scotland has recently published a briefing in relation to Charitable Trusts across local government. They note that only twelve Councils in Scotland (including East Renfrewshire) administered more than five Section 106 charities in 2022/23, and advise that steps are taken to wind up and merge charitable trusts, or appoint an external trustee to remove the audit requirement. We will continue to assess management's progress against these recommendations.

Our response to significant risks

Introduction

Auditing standards require us to make communications to those charged with governance throughout the audit. At East Renfrewshire Council, we have agreed that these communications will be to the Audit and Scrutiny Committee. The financial statements and our annual audit report will also be reported to the Council.

One of the key purposes of our annual audit plan is to communicate our assessment of the risk of material misstatement in the financial statements.

We are required to plan our audit to determine with reasonable confidence whether the financial statements are free from material misstatement. The assessment of what is material is a matter of professional judgement over both the amount and the nature of the misstatement

We set out in the following sections the significant risks (including fraud risks denoted by *) that we have identified for the current year audit, along with the rationale and expected audit approach. In 2023/24 we have identified three significant risks:

- ▶ Risk of fraud in expenditure recognition, including through management override

of control*

- ▶ Misstatement due to fraud or error*
- ▶ Valuation of property, plant and equipment.

The risks identified may change to reflect any significant findings or subsequent issues we identify during the audit. We will provide an update to the Audit and Scrutiny Committee if our assessment changes significantly during the audit process.

Under the Code of Audit Practice, we are required to report on key audit matters as part of our annual reporting. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified.

These matters will include those which had the greatest effect on:

- ▶ the overall audit strategy;
- ▶ the allocation of resources in the audit; and
- ▶ directing the efforts of the engagement team.

1. Risk of fraud in revenue and expenditure recognition*

Financial statement impact

The relevant 2022/23 account balance in the audited financial statements was:

- ▶ Net cost of services - Other grant income: £221 million
- ▶ Other expenditure: £159 million
- ▶ Fees and charges: £56 million
- ▶ Related Debtor balances: £25 million
- ▶ Related Creditors balances: £64 million

What is the risk?

Under ISA 240 there is a presumed risk that income may be misstated due to improper recognition of income. In the public sector, this requirement is modified by Practice Note 10, issued by the Financial Reporting Council, which means we also consider the risk that material misstatements may occur by the manipulation of expenditure recognition.

We consider there to be a specific risk around income and expenditure recognition through:

- ▶ Incorrect income and expenditure cut-off recognition to alter the Council's financial position around the financial year end.
- ▶ Incorrect recognition applied to grants income with performance conditions.
- ▶ Incorrect allocation of expenditure between capital and revenue.

In line with auditing standards, we rebut the risk around income and expenditure where appropriate depending on the nature of the account.

Accordingly, we have rebutted the risk of improper recognition of income in respect of core grant funding from the Scottish Government, as well as in the respect of council tax and non-domestic rate income. With regards to expenditure we have rebutted the risk of improper recognition of payroll, depreciation and financing and investment expenditure.

What work will we perform?

We will take a fully substantive approach to the testing the related accounts. We will:

- ▶ Inquire of management and those charged with governance about risks of fraud and the controls to address those risks.
- ▶ Review and challenge management on any accounting estimates for evidence of bias.
- ▶ Review and test additional income and expenditure cut-off at the period end date.
- ▶ Test an extended sample of grant income to ensure it satisfies recognition criteria tests.
- ▶ Conduct additional substantive testing of related income and expenditure transactions where we have identified a significant risk.
- ▶ Assess and challenge manual adjustments/ journal entries by management around the year end for evidence of management bias and evaluation of business rationale and supporting evidence.
- ▶ Develop a testing strategy to test material revenue and expenditure streams, including testing revenue and capital expenditure to ensure it has been correctly classified.

2. Misstatement due to fraud or error*

| What is the risk?

The financial statements as a whole are not free of material misstatements whether caused by fraud or error.

As identified in ISA (UK) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We identify and respond to this fraud risk on every audit engagement.

| What work will we perform?

We will:

- ▶ Inquire of management about risks of fraud and the controls to address those risks;
- ▶ Understand the oversight given by those charged with governance of management's processes over fraud;
- ▶ Consider the effectiveness of management's controls designed to address the risk of fraud; and
- ▶ Consider the basis of any transfers between reserves.

We will perform mandatory procedures regardless of specifically identified fraud risks, including:

- ▶ Substantively testing income and expenditure transactions as appropriate and material;
- ▶ Testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements;
- ▶ Assess accounting estimates for evidence of management bias; and
- ▶ Evaluate the business rationale for significant unusual transactions.

We will use our data analytics capabilities to assist with our work.

3. Valuation of Property, Plant and Equipment

Financial statement impact

The relevant 2022/23 account balance in the audited financial statements was:

- ▶ Property, Plant and Equipment: £934.6 million.
- ▶ Relating to land and buildings, including council dwellings: £825.3 million
- ▶ Additions totalled: £41 million

What is the risk?

The fair value of property, plant and equipment (PPE) represent significant balances in the Council's financial statements. Management is required to make material judgemental inputs and apply estimation techniques to calculate year-end balances recorded in the balance sheet.

We understand that in 2023/24, the Council's internal valuers will continue to revalue all classes of assets. In 2022/23, we identified a number of adjustments in the valuations, including those that impacted the prior year. The net impact of the adjustments was £49.9 million in 2022/23.

The statutory override in place for infrastructure assets was scheduled to end at 31 March 2024 however the Scottish Government has now consulted on extending the override to 31 March 2025. The extension continues to carry an expectation that Councils will continue to address information deficits to ensure timely adoption of future Code requirements once a more permanent solution is delivered.

What work will we perform?

We will:

- ▶ Review and appraise the work performed by the Council's valuer, including the adequacy of the scope of the work performed, their professional capabilities and the results of their work;
- ▶ Sample test key asset information used by the valuers in performing their valuation (e.g. floor plans to support price per square metre);
- ▶ Involve EY internal specialists to challenge the work performed by the Council's valuers, focusing on more material assets which have been subject to audit differences in the past;
- ▶ Assess any changes to useful economic lives against the most recent valuer assessments;
- ▶ Test accounting entries have been correctly processed in the financial statements;
- ▶ Sample test transfers from assets under construction and confirm for a sample that remain within assets under construction that development is still in progress;
- ▶ Gain an understanding of the level and nature of capital spend in year and perform testing on fixed asset additions ensuring an appropriate split between revenue and capital expenditure; and
- ▶ Review operating expenditure for evidence of capital additions omissions.

For infrastructure assets we will:

- ▶ test a sample of infrastructure assets to determine their existence as at 31 March 2024;
- ▶ review the depreciation policy for infrastructure assets and ensure it remains appropriate and in line with CIPFA guidance; and
- ▶ Assess whether infrastructure additions for 2023/24 have been recorded in sufficient detail to enable verification of the underlying physical asset.

Inherent risks

We have identified other areas of the audit, that have not been classified as significant risks, but are still important when considering the risks of material misstatement to the financial statements and disclosures and therefore may be key audit matters that we will

Valuation of Pension Assets and Liabilities Work we will perform:

The Council's net pension asset, measured as the sum of the long term payments due to members as they retire against the Council's share of the Strathclyde Pension Fund investments, is a material balance in the Council financial statements. At 31 March 2023 the net asset totalled £114 million (2022: £50 million liability).

Accounting for this scheme involves significant estimation and judgement, including financial and demographic assumptions. The Council engages an actuary to undertake the calculations on their behalf.

ISAs (UK) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

The next triennial valuation of Strathclyde Pension Fund is expected to be published in full by 31 March 2024. We anticipate that the scheme will remain in a surplus position. CIPFA has recently provided guidance (Bulletin 15) on recognising a net defined benefit asset in accordance with IFRS 14 when the pension fund reports a surplus. Where an asset ceiling is applied, the bulletin highlights relevant requirements in the accounting code which require disclosure of:

- ▶ an explanation as to why the pension surplus reported under IAS 19 is not fully realisable and what 'realisable' means in this context; and
- ▶ the basis used to determine the amount of the economic benefit available.

- ▶ Liaise with the auditor of Strathclyde Pension Fund to obtain assurances over the information supplied to the actuary and confirm joint assurances in respect of employer and employee contributions.
- ▶ Engage our actuarial specialists to assess the work of the actuary (Hyman Robertson).
- ▶ Assessing the work of PWC, appointed to consider actuarial assumptions used at the year end for all local government sector bodies.
- ▶ Review and test the accounting entries and disclosures made within the Council's financial statements in relation to IAS19.
- ▶ Require an updated IAS19 report in July to ensure that there have been no material movement in the value of pension fund assets between the initial IAS19 report, and the signing of the financial statements.
- ▶ Consider the valuation and disclosure of unfunded liabilities, for which there are no plan assets to meet the pension liabilities.
- ▶ As part of our audit procedures, we will request that the Council obtain an asset ceiling report from its actuaries. Our actuarial specialists will review the asset ceiling report to satisfy themselves that it is materially correct.

Inherent risks continued

| Valuation of PFI/PPP Liabilities

The value of PFI/PPP liabilities represents significant balances in the Council's financial statements with the Council holding 5 different contracts. Accounting for these contracts includes a number of complexities ensuring the financial models reflect any contract amendments and inflationary uplifts. At 31 March 2023 the PFI/PPP liability balance per the financial statements was £73.5 million. (2022: £79 million).

Due to the complexity of accounting for PFI/PPP contracts and the high value of the transactions, there is a risk that the Council's financial statements do not show the correct accounting entries, reflect the correct accounting model and that related commitments are not correctly disclosed.

Work we will perform:

We will:

- ▶ Review the contractual agreements for each PFI/PPP asset and confirm any contract amendments have been appropriately reflected within the liability valuation;
- ▶ Ensure that accounting models have been appropriately and accurately updated to reflect inflationary uplifts and actual unitary charge payments;
- ▶ Test accounting entries have been correctly processed in the financial statements;
- ▶ Review financial statement disclosures to ensure commitments are appropriately disclosed.

| Implementation of IFRS 16

The implementation of IFRS 16 has been delayed on a number of occasions in local government financial statements for various reasons. Most recently, CIPFA/LASAAC conducted an emergency consultation on the Code in March 2022. This resulted in a further deferral to the implementation of IFRS 16 until 1 April 2024 at the latest.

IFRS 16 eliminates the operating / finance lease distinction for leases and imposes a single model geared towards the recognition of all but low-value or short term leases. These will now be recognised on the Balance Sheet as a 'right of use' asset and lease liability reflecting the obligation to make lease payments.

The Council intends to adopt IFRS 16 from 1 April 2024, and have engaged with specialists to support the recognition. We have discussed audit requirements with management. There are no significant changes to the accounting requirements where the entity is acting as a lessor but disclosure requirements around risk exposure are required.

As part of our work we will consider the Council's approach to capturing additional information about leases, both new and existing, especially regarding future minimum lease payments and cost information.

| Use of specialists

When auditing key judgements, such as the valuation of property, plant and equipment or defined benefit pension scheme assets and liabilities, we are often required to rely on the input and advice provided by specialists who have qualifications and expertise not possessed by the core audit team. In accordance with Auditing Standards, we will evaluate each specialist's professional competence and objectivity, considering their qualifications, experience and available resources, together with the independence of the individuals performing the work.

We also consider the work performed by the specialist in light of our knowledge of the Council's business and processes and our assessment of audit risk in the particular area. For example, we would typically perform the following procedures:

- ▶ Analyse source data and make inquiries as to the procedures used by the specialist to establish whether the source data is relevant and reliable.
- ▶ Assess the reasonableness of the assumptions and methods used.
- ▶ Consider the appropriateness of the timing of when the specialist carried out the work.
- ▶ Assess whether the substance of the specialist's findings are properly reflected in the financial statements.

Going Concern

| Audit requirements

In accordance with the CIPFA Code of Practice on Local Government Accounting, the Council prepares its financial statements on a going concern basis unless informed by the Scottish Government of the intention for dissolution without transfer of services or function to another entity.

International Auditing Standard 570 Going Concern, as applied by Practice Note 10: Audit of financial statements of public sector bodies in the United Kingdom, requires auditors to undertake sufficient and appropriate audit procedures to consider whether there is a material uncertainty on going concern that requires reporting by management within the financial statements, and within the auditor's report.

Under ISA (UK) 570, we are required to undertake challenge of management's assessment of going concern, including testing of the adequacy of the supporting evidence we obtained. In light of substantial financial pressures facing the Council, including the cost of living crisis, inflationary pressures, and other demand pressures, we place increased focus on management's assertion regarding the going concern basis of preparation in the financial statements, and particularly the need to report on the impact of financial pressures on the Council and its financial sustainability.

Our work on going concern requires us to:

- ▶ challenge management's identification of events or conditions impacting going

concern, more specific requirements to test management's resulting assessment of going concern, an evaluation of the supporting evidence obtained which includes consideration of the risk of management bias;

- ▶ challenge management's assessment of going concern, thoroughly test the adequacy of the supporting evidence we obtain and evaluate the risk of management bias. Our challenge will be made based on our knowledge of the Council obtained throughout our audit;
- ▶ Consider and challenge management expectations in relation to the ability to respond to future budget gaps, and/or the maintenance of general reserves;
- ▶ conduct a stand back requirement to consider all of the evidence obtained, whether corroborative or contradictory, when we draw our conclusions on going concern; and
- ▶ necessary consideration regarding the appropriateness of financial statement disclosures around going concern.

4. Best Value and Wider Scope Audit

Introduction

In June 2021, Audit Scotland and the Accounts Commission published a revised Code of Audit Practice. This establishes the expectations for public sector auditors in Scotland for the term of the current appointment.

Risk assessment and approach

The Code sets out the four dimensions that comprise the wider scope audit for public sector in Scotland:

- ▶ Financial management;
- ▶ Financial sustainability;
- ▶ Vision, Leadership and Governance; and
- ▶ The use of resources to improve outcomes.

The Code of Audit Practice requires that, in addition to financial statement significant risks, auditors are required to identify significant risks within the wider scope dimensions as part of our planning risk assessment. We consider these risks, identified as “areas of wider scope audit focus”, to be areas where we expect to direct most of our audit effort, based on:

- ▶ our risk assessment at the planning stage, including consideration of Audit Scotland’s Code of Audit Practice Supplementary Guidance (February 2022);
- ▶ Our knowledge of the Council from prior year audits, including Best Value work; and

- ▶ the identification of any national areas of risk within Audit Scotland’s annual planning guidance.

Any changes in this assessment will be communicated to the Audit and Scrutiny Committee.

Our wider scope audit work, including follow up of prior year findings, and the judgements and conclusions reached in these areas, contribute to the overall assessment of and assurance over the achievement of Best Value.

Best Value

Under the Code, the Accounts Commission require auditors to assess and report on the Council’s performance in meeting its Best Value and community planning duties.

While our risk assessment will be used to determine the requirement for any additional audit work covering the seven Best Value characteristics, there is an expectation that equalities will be advanced through the audit process, and that we will therefore carry out work on the Fairness and Equality characteristic at least once during the audit appointment. We anticipate conducting this work in 2024/25.

In addition, on an annual basis, we are required to prepare a separate report on thematic topics prescribed by the Accounts Commission. For 2023/24, the Accounts Commission has directed auditors to report on workforce innovation.

Financial Sustainability



Financial sustainability looks forward to the medium and longer term to consider whether the body is planning effectively to continue to deliver its services or the way in which they should be delivered.

In our 2022/23 annual audit report, we noted the application of financial flexibilities allowed the Council to create a specific reserve to transition and manage future budget reductions (£14.8 million), and resulting in an increase in usable reserves of £5.6 million.

At 31 March 2023, the Council's total General Fund reserves were £52 million, including the unearmarked General Reserve of £6.7 million. This represented around 2.3% of annual budgeted net revenue expenditure. The Council recently approved an updated Reserves Policy, which made no change to the target level of unearmarked reserves (4%) but recognised that this level cannot always be met. Unless there are exceptional circumstances, the Council would not expect the reserve to fall below a level of 2%.

The Council considered the updated Outline Revenue Financial Plan for 2024-2030 at its budget setting meeting in February 2024. The Plan notes the demographic pressures facing East Renfrewshire Council as a result of the population growth particularly of older people aged 65+ (where the population is expected to grow by 35.7% by 2043). The number of school age children is also expected to rise by more than 7%.

The Financial Plan sets out an expected budget gap over the six year period, ranging from £26.6 to £45.2 million, including £12 million in 2024/25, after assumptions for Council Tax funding and increases.

The Council set a one year budget in February 2024. Indicative three year financial plans have been set as part of the annual operational planning in the Outcome Delivery Plan, which includes commentary on expectations about capital spend.

The Council was able to set a balanced budget by drawing upon:

- ▶ The use of usable reserve balances, including the financial flexibilities reserve (£5.8 million);
- ▶ Recurring savings (including charges for services) of £2.3 million; and
- ▶ Funding from the Scottish Government for not increasing Council Tax (£3.1 million).

Further savings of £0.8 million will be identified during the financial year, in line with the Council's normal practice.

During 2023/24, the Council has provided additional funding support to the East Renfrewshire Integration Joint Board. This includes non-recurring covid (£0.7 million) and additional funding for one off costs (£1.3 million) as part of investment support to deliver future savings.

The Integration Joint Board has subsequently approved a voluntary severance programme for staff employed by the Council which will take effect from 1 April 2024.

| Our response

We have identified a wider scope area of audit focus in Exhibit 4 in respect of financial sustainability. Our assessment of

the Council's financial sustainability arrangements, will focus on:

- ▶ A follow up review of the Council's updated Medium Term Financial planning, with a focus on the implications for reserves balances (Appendix F);
- ▶ The delivery of savings in line with plans within the budget.

| Exhibit 4: Financial sustainability area of focus

Development of sustainable and achievable medium term financial plans

The Council's updated Outline Revenue Financial Plan for 2024-2030 sets out an expected budget gap over the six year period, ranging from £26.6 to £45.2 million. This range includes a gap of £12 million in 2024/25, and reflects the Council's assumptions for Council Tax. The Plan relies on the achievement of recurring savings. The Council's current expectation is that the service concession reserve (the balance held within the General Fund to support the transition in relation to further budget reductions) will be fully used by 2025/26. The ability to deliver savings of this scale will require increasingly challenging prioritisation.

The nature of the funding settlement from the Scottish Government has meant that the Council was unable to set a multi-year budget this year. The planned return to three year budgets in future years will support sustainable financial planning.

Financial Management



Financial management means having sound budgetary processes. Audited bodies require the ability to understand the financial environment and whether internal controls are operating effectively. Auditors consider whether the body has effective arrangements to secure sound financial management. This includes the strength of the financial management culture, accountability and arrangements to prevent and detect fraud, error and other irregularities, bribery and corruption.

Our 2022/23 Annual Audit Report did not identify any significant internal control weaknesses which could affect the Council's ability to record, process, summarise and report financial and other relevant data to result in a material misstatement in the financial statements. However, the Council drew attention to two areas of non-compliance with the contract standing orders within the Housing Service in 2022/23.

We concluded that budget monitoring arrangements were effective throughout the financial year and that, as in previous years, the annual outturn was significantly better than the forecast throughout the year (refer to our recommendation in Appendix F). The most recent estimated outturn (January 2024) highlights a further operational underspend in 2023/24, estimated at £2.9 million.

The Council's Head of Accountancy (Section 95 officer) has recently announced plans to retire in September 2024. The Head of Accountancy has been a long-standing member of staff and therefore holds considerable organisational knowledge and corporate memory. We noted in 2022/23 that a strong finance function is essential to navigate the period of the Outline Revenue Financial Plan, and to meet the requirements of the CIPFA Financial Management Code. It is therefore

important that the Council establishes appropriate transition arrangements (refer to previous comments at Appendix F).

In February 2024, we submitted our assessment of the Council's arrangements for responding to the National Fraud Initiative. We concluded that the Council's arrangements are appropriate and note that Audit Scotland's co-ordinator considers East Renfrewshire Council to be one of the better performing Council's in Scotland in terms of the follow up and response to matches.

Our response

We have not identified any significant risks in relation to financial management. Our assessment of the Council's arrangements, will focus on:

- ▶ The assessment of arrangements to ensure systems of internal control are operating effectively, including follow up of previous internal audit findings;
- ▶ Ongoing consideration of the Council's financial team capacity;
- ▶ Budget monitoring arrangements; and
- ▶ The risk assessment and achievement of savings against plans (linked to our work on financial sustainability).

Vision, Leadership and Governance



The effectiveness of scrutiny and governance arrangements, leadership and decision making, and transparent reporting of financial and performance information.

The Council approved a revised Vision for the Future in June 2023, and expects to have a refreshed three year Strategic Plan in place by Autumn 2024.

We concluded that governance arrangements worked well throughout 2022/23 and that the Annual Governance Statement was in line with our understanding of the Council. At the time of the conclusion of the 2022/23 audit, an internal audit report in relation to non-compliance with the contract standing orders for the building of social housing had not been concluded, but that known breaches had been appropriately reported within the Annual Governance Statement.

The Audit and Scrutiny Committee has regularly noted concerns about the capacity of the Council's Internal Audit Team. The Chief Internal Auditor's most recent progress update highlighted that a number of reviews would be required to be deferred into 2024/25 due to vacancies within the team. We do, however, note that a recent recruitment exercise has been successful.

In 2022/23, we noted that CIPFA had updated its guidance on good practice for local authority audit committees. While our own review concluded that the Audit and Scrutiny Committee generally meets the requirements within the guidance, there

has been no formal self-assessment arrangements against the CIPFA guidance which may identify improvements.

Our response

Our assessment of the Council's arrangements in 2023/24 will focus on:

- ▶ Follow up of the breaches of contract standing orders within the Housing Service to allow us to conclude on whether any area of additional audit focus is required;
- ▶ Consideration of the disclosures within the Governance Statement, including any findings from the annual review of the effectiveness of the system of internal control;
- ▶ Review of the coverage of internal audit arrangements during 2023/24, including any significant findings identified and the work done to address issues identified; and
- ▶ Consideration of the Audit and Scrutiny Committee's self-assessment arrangements.

Use of Resources



The Council's approach to demonstrating economy, efficiency, and effectiveness through the use of resources and reporting outcomes.

A comprehensive Performance Framework is in place to report on performance against the Council's Strategic Outcomes. The annually-refreshed Outcome Delivery Plan provides a direct link to the priorities within the Community Plan.

The Council considers a strategic performance report against each of the Strategic Outcomes agrees within the Outcome Delivery Plan. This includes an assessment of performance against targets, along with trend information and a description from the service including, where necessary, reasons for slippage against targets. The Council's performance in 2022/23 was in line or exceeded national averages for 75% of outcomes.

As part of our work on the 2022/23 Best Value Thematic report on Strategic Leadership, we noted that the Council has plans in place to re-establish organisation-wide arrangements for the self evaluation of services.

We note that the Council has set aside specific earmarked reserves to support the delivery of key strategic priorities, including the Digital Transformation Strategy and Get to Zero Strategy.

These priorities will continue to be significantly impacted by funding pressures. We note in particular, the need to secure additional funding to support the Get to Zero ambitions. This will be a continued area of focus for the audit.

Our response

No significant risks have been identified at this stage in relation to the Use of Resource. Our assessment of the Council's arrangements in 2023/24 will focus on:

- ▶ Performance outcomes reported in the 2023/24 Annual Performance Report;
- ▶ Arrangements for the self-evaluation of services;
- ▶ Progress towards the Council's Get to Zero ambitions; and
- ▶ The effectiveness of performance scrutiny arrangements.

We will also review the Council's arrangements for considering national reports, including evaluating the findings and implementing recommendations, such as Local Government overview reports from the Accounts Commission.

Best Value

The Accounts Commission requires the Controller of Audit (COA) to report to the Accounts Commission on each council at least once over the five-year audit appointment on the council's performance on its Best Value duty. This enables the Accounts Commission to make findings for improvement where appropriate.

A programme of Controller of Audit reports will be in place to cover all 32 councils, starting in October 2023 and concluding by August 2027.

Under the revised Code of Audit Practice, Best Value assurance reporting is fully integrated with local audit arrangements.

Over the course of our five year appointment, we will consider each of the Best Value themes (including leadership, partnerships, working with communities, sustainability and fairness and equality) as part of our annual work. In addition, on an annual basis, the Accounts Commission will identify areas of risk where it requires thematic audit work to be carried out in councils. As we outline in Exhibit 5, below, in 2023/24, the thematic work will consider workforce innovation.

Our response

Our assessment of the Council's arrangements in 2023/24 will focus on:

- ▶ Reporting our findings against the Accounts Commission's thematic audit requirements.
- ▶ Follow up of prior year recommendations; and
- ▶ Use of our wider scope audit findings to continue to inform our Best Value risk assessment.

Exhibit 5: Best Value Area of Audit Focus

Workforce Innovation - how Councils are responding to workforce challenges

The Accounts Commission has asked us to consider how the Council is responding to the current workforce challenges:

1. How effectively are the council's workforce plans integrated with strategic plans and priorities?
2. How effectively digital technology has been used to support workforce productivity and improve service quality and outcomes?
3. How effectively the Council used hybrid/remote working and other innovative working practice to achieve service and staff benefits?
4. What innovative practice is the Council using to develop its future workforce capacity and skills needs and manage staff reductions in line with its priorities?
5. What progress has the Council made with sharing roles or functions across its services and/or with other councils and partners?
6. How effectively is the Council measuring the impact of its workforce planning approach?

Appendices

A

Code of audit practice:
Responsibilities

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A

Code of audit practice: Responsibilities

Audited Body Responsibilities

Audited bodies have the primary responsibility for ensuring the proper financial stewardship of public funds, compliance with relevant legislation and establishing effective arrangements for governance, propriety and regularity that enable them to successfully deliver their objectives. The features of proper financial stewardship include the following:

| Corporate governance

Each body, through its chief executive or accountable officer, is responsible for establishing arrangements to ensure the proper conduct of its affairs including the legality of activities and transactions, and for monitoring the adequacy and effectiveness of these arrangements. Audited bodies should involve those charged with governance (including audit committees or equivalent) in monitoring these arrangements.

| Financial statements and related reports

Audited bodies must prepare annual accounts comprising financial statements and other related reports. They have responsibility for:

- ▶ preparing financial statements which give a true and fair view of their financial position and their expenditure and income, in accordance with the applicable financial reporting framework and relevant legislation;
- ▶ maintaining accounting records and working papers that have been prepared to an acceptable professional standard and that support their accounts and related reports disclosures;
- ▶ ensuring the regularity of transactions, by putting in place systems of internal control to ensure that they are in

accordance with the appropriate authority

- ▶ preparing and publishing, along with their financial statements, related reports such as an annual governance statement, management commentary (or equivalent) and a remuneration report in accordance with prescribed requirements
- ▶ ensuring that the management commentary (or equivalent) is fair, balanced and understandable.

It is the responsibility of management of an audited body, with the oversight of those charged with governance, to communicate relevant information to users about the entity and its financial performance, including providing adequate disclosures in accordance with the applicable financial reporting framework. The relevant information should be communicated clearly and concisely.

Audited bodies are responsible for developing and implementing effective systems of internal control as well as financial, operational and compliance controls. These systems should support the achievement of their objectives and safeguard and secure value for money from the public funds at their disposal. They are also responsible for establishing effective and appropriate internal audit and risk-management functions.

| Standards of conduct for prevention and detection of fraud and error

Audited bodies are responsible for establishing arrangements for the prevention and detection of fraud, error and irregularities, bribery and corruption and to ensure that their affairs are managed in accordance with proper standards of conduct by putting proper arrangements in place.

A Code of audit practice: Responsibilities continued

| Maintaining a sound financial position

Audited bodies are responsible for putting in place proper arrangements to ensure that their financial position is soundly based having regard to:

- ▶ such financial monitoring and reporting arrangements as may be specified;
- ▶ compliance with any statutory financial requirements and achievement of financial targets;
- ▶ balances and reserves, including strategies about levels and their future use;
- ▶ how they plan to deal with uncertainty in the medium and longer term; and
- ▶ the impact of planned future policies and foreseeable developments on their financial position.

| Responsibilities for Best Value, community planning and performance

Local government bodies have a duty to make arrangements to secure Best Value. Best Value is defined as continuous improvement in the performance of the body's functions. In securing Best Value, the local government body is required to maintain an appropriate balance among:

- ▶ the quality of its performance of its functions
- ▶ the cost to the body of that performance
- ▶ the cost to persons of any service provided by it for them on a wholly or partly rechargeable basis.

In maintaining that balance, the local government body shall have regard to:

- ▶ efficiency
- ▶ effectiveness

▶ economy

▶ the need to meet the equal opportunity requirements.

The local government body shall discharge its duties under this section in a way which contributes to the achievement of sustainable development.

In measuring the improvement of the performance of a local government body's functions for the purposes of this section, regard shall be had to the extent to which the outcomes of that performance have improved.

The Scottish Government's Statutory Guidance on Best Value (2020) requires

bodies to demonstrate that they are delivering Best Value in respect of seven themes:

1. Vision and leadership
2. Governance and accountability
3. Effective use of resources
4. Partnerships and collaborative working
5. Working with communities
6. Sustainability
7. Fairness and equality.

The Community Empowerment (Scotland) Act 2015 is designed to help empower community bodies through the ownership or control of land and buildings, and by strengthening their voices in decisions about public services.

Specified audited bodies are required to prepare and publish performance information in accordance with Directions issued by the Accounts Commission.

A Code of audit practice: Responsibilities continued

| Internal audit

Public sector bodies are required to establish an internal audit function as a support to management in maintaining effective systems of control and performance. With the exception of less complex public bodies the internal audit programme of work is expected to comply with the Public Sector Internal Audit Standards and, other than local government, requirements set out in the Scottish Public Finance Manual.

Internal audit and external audit have differing roles and responsibilities. External auditors may seek to rely on the work of internal audit as appropriate.

Appointed Auditors' Responsibilities

Appointed auditors' statutory duties for local government bodies are contained within Part VII of the Local Government (Scotland) Act 1973, as amended.

These are to:

- ▶ audit the accounts and place a certificate (i.e. an independent auditor's report) on the accounts stating that the audit has been conducted in accordance with Part VII of the Act
- ▶ satisfy themselves, by examination of the accounts and otherwise, that:
 - ▶ the accounts have been prepared in accordance with all applicable statutory requirements
 - ▶ proper accounting practices have been observed in the preparation of the accounts
- ▶ the body has made proper arrangements for securing Best Value and is complying with its community planning duties
- ▶ hear any objection to the financial statements lodged by an interested person.

Appointed auditors should also be familiar with the statutory reporting responsibilities in section 102 of the Local Government (Scotland) Act 1973, including those relating to the audit of the accounts of a local government body.

B Independence Report

Introduction

The FRC Ethical Standard and ISA (UK) 260 'Communication of audit matters with those charged with governance', requires us to communicate with you on a timely basis on all significant facts and matters that bear upon our integrity, objectivity and independence. The Ethical Standard, as revised in December 2019, requires that we communicate formally both at the planning stage and at the conclusion of the audit, as well as during the course of the audit if appropriate. The aim is to ensure full and fair disclosure by us to those charged with your governance on matters in which you have an interest.

During the course of the audit, we are required to communicate with you whenever any significant judgements are made about threats to objectivity and independence and the appropriateness of safeguards put in place, for example, when accepting an engagement to provide non-audit services.

We ensure that the total amount of fees that EY charged to you for the provision of services during the period, analysed in appropriate categories, are disclosed.

Required Communications

Planning Stage

- ▶ The principal threats, if any, to objectivity and independence identified by EY including consideration of all relationships between you, your directors and us;
- ▶ The safeguards adopted and the reasons why they are considered to be effective, including any Engagement Quality review;
- ▶ The overall assessment of threats and safeguards;
- ▶ Information about the general policies and process within EY to maintain objectivity

and independence.

Final Stage

- ▶ To allow you to assess the integrity, objectivity and independence of the firm and each covered person, we are required to provide a written disclosure of relationships (including the provision of non-audit services) that may bear on our integrity, objectivity and independence. This is required to have regard to relationships with the entity, its directors and senior management, and its connected parties and the threats to integrity or objectivity, including those that could compromise independence that these create. We are also required to disclose any safeguards that we have put in place and why they address such threats, together with any other information necessary to enable our objectivity and independence to be assessed;
- ▶ Details of non-audit/additional services provided and the fees charged in relation thereto;
- ▶ Written confirmation that the firm and each covered person is independent and, if applicable, that any non-EY firms used in the group audit or external experts used have confirmed their independence to us;
- ▶ Details of all breaches of the IESBA Code of Ethics, the FRC Ethical Standard and professional standards, and of any safeguards applied and actions taken by EY to address any threats to independence;
- ▶ Details of any inconsistencies between FRC Ethical Standard and your policy for the supply of non-audit services by EY and any apparent breach of that policy; and
- ▶ An opportunity to discuss auditor independence issues.

We confirm that we have undertaken client and engagement continuance procedures, including our assessment of our continuing independence to act as your external auditor.

C Required communications

		Our Reporting to you
Required communications	What is reported?	When and where
Terms of engagement	Confirmation by the Audit and Scrutiny Committee of acceptance of terms of engagement as written in the engagement letter signed by both parties.	Audit Scotland Terms of Appointment letter - audit to be undertaken in accordance with the Code of Audit Practice
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter	This audit planning report
Planning and audit approach	<p>Communication of the planned scope and timing of the audit, any limitations and the significant risks identified.</p> <p>When communicating key audit matters this includes the most significant risks of material misstatement (whether or not due to fraud) including those that have the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.</p>	This audit planning report
Significant findings from the audit	<ul style="list-style-type: none"> ▶ Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures ▶ Significant difficulties, if any, encountered during the audit ▶ Significant matters, if any, arising from the audit that were discussed with management ▶ Written representations that we are seeking ▶ Expected modifications to the audit report ▶ Other matters if any, significant to the oversight of the financial reporting process ▶ Findings and issues regarding the opening balance on initial audits 	Audit results report - September 2024

C Required communications

		Our Reporting to you
Required communications	What is reported?	When and where
Going concern	<p>Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including:</p> <ul style="list-style-type: none"> ▶ Whether the events or conditions constitute a material uncertainty; ▶ Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements; and, ▶ The adequacy of related disclosures in the financial statements. 	Audit results report - September 2024
Misstatements	<ul style="list-style-type: none"> ▶ Uncorrected misstatements and their effect on our audit opinion, unless prohibited by law or regulation; ▶ The effect of uncorrected misstatements related to prior periods; ▶ A request that any uncorrected misstatement be corrected; ▶ Corrected misstatements that are significant; and, ▶ Material misstatements corrected by management. 	Audit results report - September 2024
Fraud	<ul style="list-style-type: none"> ▶ Enquiries of the audit committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity; ▶ Any fraud that we have identified or information we have obtained that indicates that a fraud may exist; and, ▶ A discussion of any other matters related to fraud. 	Audit results report - September 2024
Internal controls	Significant deficiencies in internal controls identified during the audit.	Audit results report - September 2024

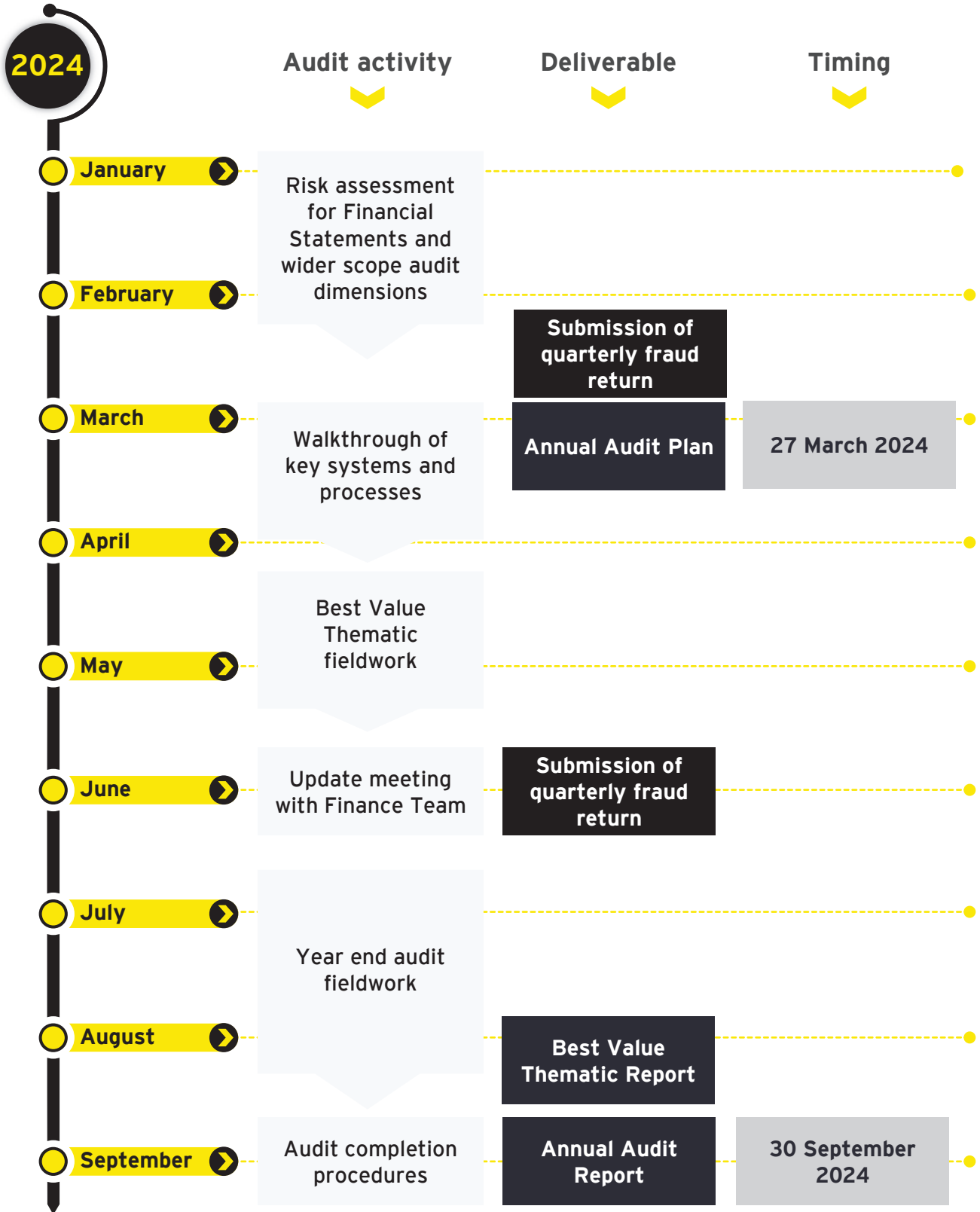
C Required communications

		Our Reporting to you
Required communications	What is reported?	When and where
Related parties	<ul style="list-style-type: none"> ▶ Significant matters arising during the audit in connection with the entity's related parties including, when applicable: ▶ Non-disclosure by management; ▶ Inappropriate authorisation and approval of transactions; ▶ Disagreement over disclosures; ▶ Non-compliance with laws and regulations; and, ▶ Difficulty in identifying the party that ultimately controls the entity. 	Audit results report - September 2024
Independence	<p>Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, objectivity and independence</p> <p>Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as:</p> <ul style="list-style-type: none"> ▶ The principal threats ▶ Safeguards adopted and their effectiveness ▶ An overall assessment of threats and safeguards; and, ▶ Information about the general policies and process within the firm to maintain objectivity and independence. 	This audit planning report and audit results report (September 2024)
External confirmations	<ul style="list-style-type: none"> ▶ Management's refusal for us to request confirmations. ▶ Inability to obtain relevant and reliable audit evidence from other procedures. 	Audit results report - September 2024
Representations	Written representations we are requesting from management and/or those charged with governance.	Audit results report - September 2024

C Required communications

		Our Reporting to you
Required communications	What is reported?	When and where
Consideration of laws and regulations	<ul style="list-style-type: none"> ▶ Audit findings regarding non-compliance where the non-compliance is material and believed to be intentional. This communication is subject to compliance with legislation on tipping off. ▶ Enquiry of the Audit and Scrutiny Committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the Audit and Scrutiny Committee may be aware of. 	Audit results report - September 2024
Material inconsistencies and misstatements	Material inconsistencies or misstatements of fact identified in other information which management has refused to revise.	Audit results report - September 2024
Auditors report	Any circumstances identified that affect the form and content of our auditor's report.	Audit results report - September 2024
Best Value and Wider Scope judgements and conclusions	Our reporting will include a clear narrative that explains what we found and the auditor's judgement in respect of the effectiveness and appropriateness of the arrangements that audited bodies have in place regarding the wider-scope audit.	Audit results report - September 2024
Key audit matters	The requirement for auditors to communicate key audit matters, which apply to listed companies and entities which have adopted the UK Corporate Governance Code in the private sector, applies to annual audit reports prepared under the Code.	Audit results report - September 2024

D Timeline of communication and deliverables



E Audit Fees

2023/24 Fees

The Council's audit fee is determined in line with Audit Scotland's fee setting arrangements. Audit Scotland will notify auditors about the expected fees each year following submission of Audit Scotland's budget to the Scottish Commission for Public Audit, normally in December. The remuneration rate used to calculate fees is increased annually based on Audit Scotland's scale uplift.

	2023/24	2022/23
Component of fee:		
Auditor remuneration - expected fee	TBD	£218,830
Additional audit procedures (note 1)		£48,367
Audit of Section 106 Trusts		£8,704
Audit Scotland fixed charges:		
Performance audit and best value		£55,800
Pooled costs		£8,300
Sectoral price cap		(£11,230)
Total fee	£TBD	£328,771

The expected fee, set by Audit Scotland, is based on a risk assessment of publicly available information from the 2021 tender exercise. It assumes that the Council has well-functioning controls, an effective internal audit service, and an average risk profile for its sector across a range of areas for consideration, including financial, operational and governance risks.

Throughout the course of their work, auditors may identify new, developing or otherwise enhanced areas of risk that are required to be addressed to deliver an audit to the quality standards expected, and in line with the requirements of the Code of Practice.

We will agree a timetable and expectations for the audit with management. Should additional audit requirements arise, we will raise these with management through the course of the audit and agree variations as appropriate, and report the final position to the Audit and Scrutiny Committee within our Annual Audit Report.

Note 1

During the yearend audit for 2022/23, areas of additional work were required to complete the audit, including additional work on pension asset ceiling calculations, the Council's use of financial flexibilities, infrastructure assets and asset valuation work, reflecting the valuation of the full asset base and the subsequent time required to unpick the prior year adjustments identified through that process. These were communicated as part of our annual audit report in September 2023.

We have shared an initial assessment with management of areas of additional work in 2023/24 and will share an estimate in advance of our yearend audit work. We will agree a final fee with management and report this as part of our annual audit reporting.

F Prior year audit recommendations

As part of our annual audit procedures we will follow up the specific recommendations made within our 2022/23 Annual Audit Report. The nine recommendations from prior year are outlined below, along with the response from management.

No.	Findings and / or risk	Recommendation / grading	Management response / Implementation timeframe
1.	<p>Valuation Programme</p> <p>Key working papers that we would expect to be presented and considered by management as part of a robust valuation process were not available at the start of the audit. We subsequently experiences delays in obtaining the valuation certificates and supporting evidence for the assets subject to testing.</p>	<p>Management should review its valuation arrangements to ensure that clear instructions are issued to the valuation experts, including detailed audit information requirements.</p> <p style="text-align: right;"><i>Grade 1</i></p>	<p>Response: Accountancy management will issue revised instructions to valuation staff, more clearly setting out audit requirements, so that appropriate information is available at the start of future audit.</p> <p>Responsible officer: Head of Accountancy</p> <p>Implementation date: 31 October 2023</p>
2.	<p>Valuation of Property, Plant and Equipment</p> <p>Our testing identified a number of errors within valuations, including the valuation of amenity land throughout the asset base at a developed rate, which in our judgement contravenes the CIPFA Accounting Code of Practice.</p>	<p>The Council should ensure that the basis of valuations is in line with the Code of Accountancy Practice.</p> <p style="text-align: right;"><i>Grade 2</i></p>	<p>Response: Valuers will operate In line with the Code of Accountancy Practice.</p> <p>Responsible officer: Head of Environment (Strategic Services)</p> <p>Implementation date: 31 March 2024</p>
3	<p>Common Good Assets</p> <p>In May 2023, LASAAC issued guidance in relation to the recording and monitoring of common good assets.</p>	<p>The Council should consider its arrangements for recording common good assets against the updates LASAAC guidance.</p> <p style="text-align: right;"><i>Grade 2</i></p>	<p>Response: Arrangements to be reviewed to ensure compliance with updated LASAAC guidance.</p> <p>Responsible officer: Head of Accountancy/ Chief Office - Legal & Procurement</p> <p>Implementation date: 31 March 2024</p>

F Prior year audit recommendations continued

No.	Findings and / or risk	Recommendation / grading	Management response / Implementation timeframe
4.	<p>Medium Term Financial Planning</p> <p>Plans to prepare multi-year budgeting plans following the May/June 2022 Scottish Spending Review were not progressed due to the unprecedented financial pressures and uncertainties facing Scottish Local Government.</p>	<p>The Council needs to develop a realistic and costed medium term financial plan that supports the delivery of strategic objective.</p> <p style="text-align: right;"><i>Grade 1</i></p>	<p>Response: The Council's current medium term financial plan will be updated to ensure that it reflects appropriate costs and delivery timescales for strategic objectives for 2024/25 and beyond.</p> <p>Responsible officer: Head of Accountancy</p> <p>Implementation date: February 2024</p>
5.	<p>Reserves Strategy</p> <p>We note that the Reserves Policy has not been updated since February 2021, and may not, therefore, fully reflect the level of risk and uncertainty facing the Council in the short to medium term.</p>	<p>The Council should review the Reserves policy to ensure it fully reflects its current risks and priorities.</p> <p style="text-align: right;"><i>Grade 2</i></p>	<p>Response: Valuers will operate in line with the Code of Accountancy Practice.</p> <p>Responsible officer: Head of Accountancy</p> <p>Implementation date: February 2024</p>
6	<p>Budget Monitoring</p> <p>In our view there is scope to improve the accuracy of forecasting during the year to support decision-making and scrutiny.</p>	<p>The Council should review budget monitoring processes to increase the accuracy of forecasts throughout the year.</p> <p style="text-align: right;"><i>Grade 2</i></p>	<p>Response: Recent outturn variance trends will be reviewed with a view to improving forecasting accuracy.</p> <p>Responsible officer: Head of Accountancy</p> <p>Implementation date: March 2024</p>

F Prior year audit recommendations continued

No.	Findings and / or risk	Recommendation / grading	Management response / Implementation timeframe
7.	<p>Finance Team Workforce Planning</p> <p>The Council should ensure that the Accountancy Team is sufficiently resourced to reduce key person dependency and meet ongoing training requirements.</p>	<p>The Council should have a workforce plan for the Finance Team which includes any training requirements and succession planning arrangements.</p> <p style="text-align: right;"><i>Grade 2</i></p>	<p>Response: The Accountancy Workforce Plan is contained within its Service Plan and is updated annually. The most recent restructure of the service, in December 2022, sought to broaden key staff's experience and knowledge and thereby reduce risk of single points of failure. Staff development comprises both on-the-job experience, shadowing and training.</p> <p>Responsible officer: Head of Accountancy</p> <p>Implementation date: May 2024</p>
8.	<p>Internal Audit Resourcing</p> <p>Throughout the year, we noted an acute resource constraint within the Council's internal audit team. The Chief Auditor has referred to vacancies within the team and the impact on delivery of the internal audit plan both in 2021/22 and 2022/23. The plan for 2023/24 notes that delivery assumes that the two current vacancies would be filled in the first quarter of the year. This has not been possible and we thereby consider that delivery of the plan in full is at risk.</p>	<p>There is an urgent need to respond to the current level of vacancies within the Council's internal audit team.</p> <p style="text-align: right;"><i>Grade 2</i></p>	<p>Response: The internal audit vacancies have recently been readvertised. Should this be unsuccessful, other options will be considered.</p> <p>Responsible officer: Chief Executive</p> <p>Implementation date: December 2023</p>

F Prior year audit recommendations continued

No.	Findings and / or risk	Recommendation / grading	Management response / Implementation timeframe
9.	<p>Audit Committee Good Practice Guidance</p> <p>In October 2022, CIPFA updated its guidance on good practice for local authority audit committees. There has not yet been a formal self-assessment arrangements against the CIPFA guidance which may identify improvements.</p>	<p>The Audit and Scrutiny Committee should review its arrangements against updated good practice guidance.</p> <p style="text-align: right;"><i>Grade 2</i></p>	<p>Response: The Audit & Scrutiny Committee is scheduled to carry out its next self assessment during 2024/25 and will ensure that this takes cognisance of the latest good practice guidance.</p> <p>Responsible officer: Head of HR and Corporate Services</p> <p>Implementation date: March 2025</p>

G Additional audit information

Introduction

In addition to the key areas of audit focus outlined within the plan, we have to perform other procedures as required by auditing, ethical and independence standards and other regulations. We outline the procedures below that we will undertake during the course of our audit.

Our responsibilities under auditing standards

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
 - ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
 - ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - ▶ Conclude on the appropriateness of the going concern basis of accounting.
 - ▶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - ▶ Read other information contained in the financial statements, the Audit and Scrutiny Committee reporting
- appropriately addresses matters communicated by us to the Committee and reporting whether it is materially inconsistent with our understanding and the financial statements; and
- ▶ Maintaining auditor independence.
- ### Purpose and evaluation of materiality
- ▶ For the purposes of determining whether the accounts are free from material error, we define materiality as the magnitude of an omission or misstatement that, individually or in the aggregate, in light of the surrounding circumstances, could reasonably be expected to influence the economic decisions of the users of the financial statements. Our evaluation of it requires professional judgement and necessarily takes into account qualitative as well as quantitative considerations implicit in the definition. We would be happy to discuss with you your expectations regarding our detection of misstatements in the financial statements.
 - ▶ Materiality determines the locations at which we conduct audit procedures and the level of work performed on individual account balances and financial statement disclosures.
 - ▶ The amount we consider material at the end of the audit may differ from our initial determination. At this stage it is not feasible to anticipate all of the circumstances that may ultimately influence our judgement about materiality. At the end of the audit we will form our final opinion by reference to all matters that could be significant to users of the accounts, including the total effect of the audit misstatements we identify, and our evaluation of materiality at that date.

G

Additional audit information continued

Audit Quality Framework / Annual Audit Quality Report

- ▶ Audit Scotland are responsible for applying the Audit Quality Framework across all audits. This covers the quality of audit work undertaken by Audit Scotland staff and appointed firms. The team responsible are independent of audit delivery and provide assurance on audit quality to the Auditor General and the Accounts Commission.
- ▶ We support reporting on audit quality by providing additional information including the results of internal quality reviews undertaken on our public sector audits. The most recent audit quality report can be found at: <https://www.audit-scotland.gov.uk/publications/quality-of-public-audit-in-scotland-annual-report-202223>
- ▶ EY has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained. Details can be found in our annual Transparency Report: https://www.ey.com/en_uk/about-us/transparency-report

This report

This report has been prepared in accordance with Terms of Appointment Letter from Audit Scotland through which the Auditor General has appointed us as external auditor of East Renfrewshire Council for financial years 2022/23 to 2026/27.

This report is for the benefit of the Council and is made available to the Accounts Commission and Audit Scotland (together the Recipients). This report has not been designed to be of benefit to anyone except

the Recipients. In preparing this report we have not taken into account the interests, needs or circumstances of anyone apart from the Recipients, even though we may have been aware that others might read this report.

Any party other than the Recipients that obtains access to this report or a copy (under the Freedom of Information Act 2000, the Freedom of Information (Scotland) Act 2002, through a Recipient's Publication Scheme or otherwise) and chooses to rely on this report (or any part of it) does so at its own risk. To the fullest extent permitted by law, Ernst & Young LLP does not assume any responsibility and will not accept any liability in respect of this report to any party other than the Recipients.

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If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with Stephen Reid who is our partner responsible for services under appointment by Audit Scotland, telephone 0131 777 2839, email sreid2@uk.ey.com. If you prefer an alternative route, please contact Hywel Ball, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you.

Should you remain dissatisfied with any aspect of our service, or with how your complaint has been handled, you can refer the matter to Audit Scotland, 4th Floor, 102 West Port, Edinburgh, EH3 9DN. Alternatively you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.

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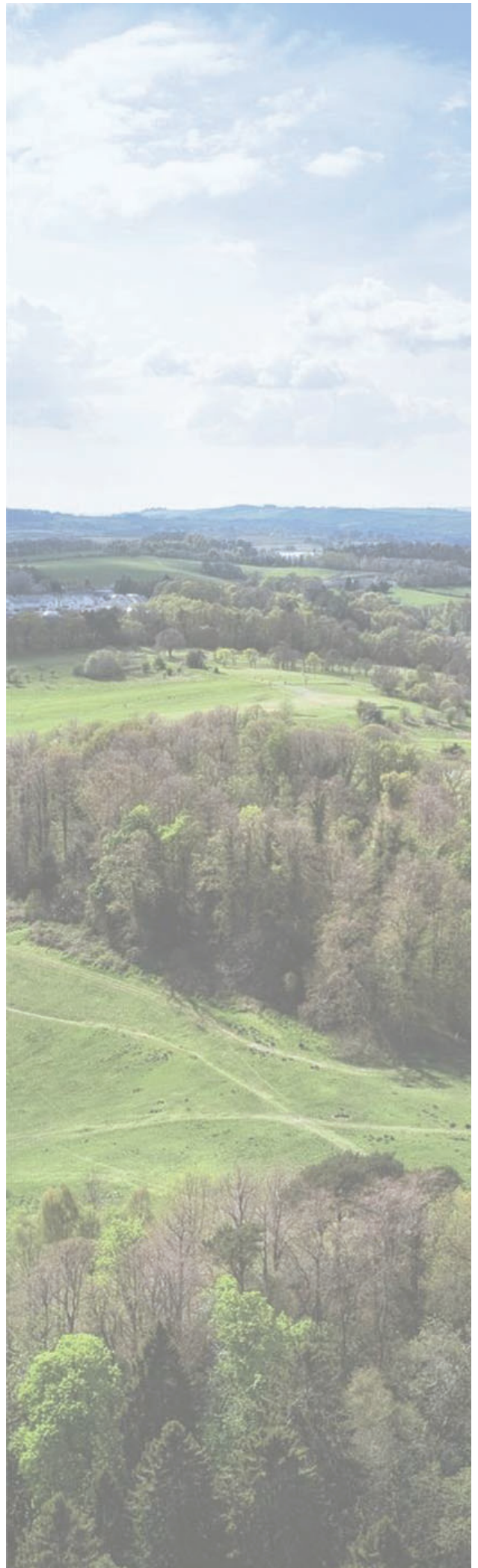
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EAST RENFREWSHIRE COUNCILAUDIT & SCRUTINY COMMITTEE28 March 2024Report by Chief AuditorINTERNAL AUDIT STRATEGIC PLAN 2024/25 TO 2028/29**PURPOSE OF REPORT**

1 The Public Sector Internal Audit Standards 2017 require the Audit Service to establish risk based plans to determine the priorities of the Internal Audit Team. This report presents Internal Audit's 5 year strategic plan for 2024/25 to 2028/29 to members for approval. The strategic plan includes the detailed annual plan for 2024/25 plus the indicative number of days to be spent in the following four years based on the risk assessed audit universe which lists all potential audits.

BACKGROUND

2. As stated in the Internal Audit Charter, the Internal Audit service is an independent assurance and appraisal unit within the Chief Executive's Office. It performs independent examinations of accounting, financial and other operations of the Council to provide an annual assessment on the controls in place to the Audit and Scrutiny Committee. This is achieved by undertaking an annual programme of audits based on the annual plan approved by the Audit and Scrutiny Committee. Independence is achieved through the organisational status of Internal Audit and the objectivity of internal auditors. The Chief Auditor reports directly to the Chief Executive and presents directly to the Audit & Scrutiny Committee.

3. Through independently reviewing the Council's key systems and controls, Internal Audit helps to ensure that the corporate aim of providing outcomes for residents and communities is achieved. Internal Audit contributes to the realisation of the Council vision to be a modern ambitious council with the ultimate aim of making people's lives better.

4. Internal Audit is required to give an annual assurance statement on the adequacy of internal controls. The evaluation of the control environment is informed by a number of sources:

- The results of the work carried out by the Internal Audit service
- The results of the work carried out by the Council's external auditor
- The assessment of risk completed during the preparation of the annual plan
- Reports issued by other agencies such as Education Scotland, Care Inspectorate etc
- Knowledge of the Council's governance, risk management and performance monitoring arrangements.

5. In reviewing these different sources of evidence, consideration will 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.

6. The Internal Audit service operates in accordance with the revised Public Sector Internal Audit Standards (PSIAS) and within the context of the Internal Audit Charter. Internal Audit work is governed by the policies, procedures, rules and regulations established by the Council such as the Contract Standing Orders, Financial Regulations and the Anti-Fraud and Bribery Strategy.

STRATEGIC AUDIT PLAN 2024/25 TO 2028/29

7. The work performed by Internal Audit is based on a rolling 5 year strategic plan (see attached appendix 1) which is revised annually to take into account changes in circumstances.
8. In preparing the plan, members of the corporate management team and elected members were consulted to ensure that current and developing risks were appropriately considered and included in the strategic audit plan. The corporate strategic risk register was also reviewed to ensure that key identified areas of risk such as contract management and budgetary control were included in the audit universe as appropriate.
9. In accordance with the revised Public Sector Internal Auditing Standards (PSIAS) which require a risk based approach to be taken when preparing the plan, audits have been prioritised based on risk assessments, the service's collective experience of the risks involved, resources available and knowledge gained over the past 5 years. It is also important that annual audit coverage is sufficient to allow Internal Audit to conclude on the adequacy of internal controls. Contingency time is available to allow any further risk related work to be carried out should this be required for new or changing risks identified during the year. It should be noted that the risk ratings noted on the audit universe are supported by a more detailed assessment of risk in supporting working papers used to prepare the plan and this considers control risk, materiality risk and sensitivity risk for each area.
10. A number of key financial systems have been identified, including payroll, financial ledger and budgetary control, cash income and banking, accounts receivable (debtors), council tax, accounts payable (creditors), rent accounting, and housing and council tax benefit/universal credit. The aim is that all identified systems in the audit universe will be audited at least once in the 5 year cycle however the key financial systems will usually be audited more frequently than this depending on the perceived risks. The timing of systems audits will also be adjusted to avoid duplication of effort with external audit where possible.
11. The consultation process and risk assessment used to prepare the plan sometimes results in new audits being added to the audit universe or being rescheduled for review in a different year (for example contract and supplier management).
12. Similarly, some audits have now been deleted from the audit universe as they are no longer applicable or have low risk assessments or been merged with other audits (for example grant certification, members expenses, NDR, parks and other outdoor income, LG Benchmarking Framework).
13. The Internal Audit service supports the Council's commitments outlined in the Outcome Delivery Plan by monitoring the systems that underpin the delivery of these commitments. Employees who work for Internal Audit adhere to the corporate values.
14. A total of 20 audit days have been included in the annual plan for providing an internal audit service to East Renfrewshire Culture and Leisure Trust (ERCLT). The scope of audits to be carried out using these days will be agreed with the management of ERCLT and members of its Finance, Audit and Risk Committee. Resulting audit reports will be issued directly to the Chief Executive of ERCLT.

AUDIT RESOURCES ASSESSMENT

15. The Internal Audit section has an establishment of five members of staff (4.7 FTE) including the Chief Auditor. There is one vacant post at the time of preparing this plan but an assumption has been made that this will be filled in the first quarter of 2024/25 when calculating the number of audit days available.

16. The number of days available in 2024/25 has been estimated and compared to the number of days required and is based on 4.7 full time equivalent (FTE) staff. Assumptions are made to calculate total working days available and this is then split between direct and indirect audit days as shown in appendix 2. On the basis of the audit universe which lists all potential audits, an estimated 3,596 days are required to complete all planned audits at the required frequency within the 5 year period. An estimated 3,589 staff days are available for direct audit work over this same period, leaving an estimated shortfall of only 7 days over the 5 year period which is considered manageable. Audit resources are assessed as being sufficient to provide an evidence based opinion.

17. In line with good practice, the internal audit plan will be reviewed on a regular basis throughout the year and may be adjusted in response to changes in audit resources or the Council's business, risks, systems and controls. Any such required changes to the plan will be drawn to the Committee's attention as part of the quarterly reporting mechanism already in place.

RECOMMENDATION

18. The committee is asked to approve Internal Audit's Strategic Plan for 2024/25 to 2028/29.

Further information is available from Michelle Blair, Chief Auditor
13 March 2024

EAST RENFREWSHIRE COUNCIL

Internal Audit Section

STRATEGIC AUDIT PLAN

2024/25 to 2028/29

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Annual Audit Plan 2024/25
Summary of Strategic Plan
Audit Days Available
Audit Universe

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Internal Audit Section

ANNUAL AUDIT PLAN 2024/25

Department	Title	Audit Number	No. of Days
Chief Executives Office			
Business Operations and Partnerships	Accounts Payable	1	12
	Accounts Receivable	2	12
	Cash Income and Banking	3	22
	Council Tax – Reductions and Liabilities	4	24
	Housing Benefit/UC – Assessment	5	30
	Overtime	6	25
Education	Cashless Catering and Parentpay	7	30
	Early Learning and Childcare Payments	8	25
	Schools Cluster – St Ninians	9	40
Environment	City Deal	10	15
	Commercial Rents	11	20
	Energy and Fuel	12	25
	Highways Maintenance	13	20
	Project Management of Capital Projects	14	25
Housing	Housing Allocations	15	28
HSCP	Bonnyton House	16	10
	St Andrews House	17	12
	Payments to Care Providers	18	25
Computer Audit	Environmental Controls - General	19	10
Other Bodies	IJB	20	15
	ERCLT	21	20
Various	Contract and Supply Management	22	25
	Fraud Contingency	23	50
	General Contingency	24	40
	Follow Up	25	50
	Previous Year Audits	26	31
			641

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EAST RENFREWSHIRE COUNCIL

Internal Audit Section
SUMMARY OF STRATEGIC PLAN

<u>Type of Audit</u>	<u>2024/25</u>	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>	<u>Total</u>
Systems/Regularity Audit	406	634	455	440	341	2,276
Contract Audit	50	45	45	70	45	255
Computer Audit	10	60	57	27	36	190
Fraud Contingency	50	50	50	50	50	250
General Contingency	40	40	40	40	40	200
Previous Year Follow Up	50	50	50	50	50	250
IJB	15	15	15	15	15	75
ERCLT	20	20	20	20	20	100
Total	641	914	732	712	597	3,596

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EAST RENFREWSHIRE COUNCIL

Internal Audit Section

AUDIT DAYS AVAILABLE

ESTIMATED ANNUAL DAYS AVAILABLE		2024	2025	2026	2027	2028	TOTAL
		Days					
Number of days in full year	Note 1	1,206	1,226	1,226	1,231	1,222	6,111
Less:							
Public Holidays		46	46	46	46	46	230
Annual Leave		152	152	152	152	152	760
Purchase of Annual Leave		4	6	6	6	6	28
Sickness Absence		15	15	15	15	15	75
Induction		60					60
Authorised Absence		10	5	10	10	5	40
Working days available		919	1,002	997	1,002	998	4,918
Indirect Audit Work :-							
Administration		50	50	50	50	50	250
Planning		15	15	15	15	15	75
Courses/training		30	25	25	25	25	130
Seminars & Audit Meetings		36	36	36	36	36	180
Audit Committee/team meets		44	44	44	44	44	220
PSIAS	Note 2	15	3	3	3	10	34
HGIOS/AGS		3	3	3	3	3	15
PRD		15	15	15	15	15	75
Consultancy		20	20	20	20	20	100
Total for Indirect Audit Work		228	211	211	211	218	1079
Estimated time available for direct audit work		691	791	786	791	780	3,839
Reporting		50	50	50	50	50	250
Audit Work		641	741	736	741	730	3,589
		691	791	786	791	780	3,839
Total direct as % of available days		75%	79%	79%	79%	78%	78%

Note 1 Internal audit has 4.7FTE established posts including Chief Auditor.

Note 2 Additional days for PSIAS in years where external assessments are involved.

EAST RENFREWSHIRE COUNCIL

Internal Audit Section

AUDIT UNIVERSE

Title	Dept	2024	2025	2026	2027	2028	Total	Freq (yrs) 1=annual	Gen Risk
Accounts Payable (Creditors) (systems audit to include invoicing and interfaces)	BOP	12	12	25	12	12	73	1	M
Accounts Receivable (debtors)	BOP	12	25	12	12	25	86	1	M
Barrhead Payment Centre	BOP				15		15	5	L
Cash Income and Banking	BOP	22			22		44	3	M
Clothing Grants / Free Meals	BOP			12			12	5	L
Community Safety Unit	BOP			20			20	5	L
Complaints Monitoring	BOP		15				15	5	L
Council Tax - Reductions/liability	BOP	24			24		48	3	M
Council Tax - Billing & Coll.	BOP			24			24	3	M
Council Tax - Recovery and Enforcement	BOP		20			20	40	3	M
GDPR	BOP			15			15	5	L
Housing Benefits/UC - admin post opening payments	BOP		20			20	40	3	M
Housing Benefits/UC - assessment	BOP	30			30		60	3	H
Housing Benefits/UC - overpayments and fraud	BOP			20			20	3	M
Income Maximisation, money advice, welfare rights	BOP		30				30	5	L
Insurance Arrangements	BOP		10				10	5	L
IT asset management	BOP					20	20	5	L
Maximising Attendance	BOP			20			20	5	L
Overtime	BOP	25					25	5	L
Payroll - All payruns	BOP		30		30		60	2	H
Scottish Welfare Fund	BOP				15		15	5	L
Travelling & Subsistence	BOP			12			12	5	L
Corporate Procurement Cards	Ch Exec Office		15				15	5	L
Financial Ledger and budgetary control	Ch Exec Office			25			25	3	M
Licensing Income	Ch Exec Office		20				20	5	L
Ordering & Certification	Ch Exec Office		25			25	50	3	M
Record Management Plan	Ch Exec Office			15			15	5	L
Treasury Management	Ch Exec Office				20		20	5	L
VAT (including vat free)	Ch Exec Office				12		12	5	L
Building Cleaning	Educ		15				15	5	L
Cashless catering and Parentpay	Educ	30					30	5	L
Early Learning and Childcare payments	Educ	25			25		50	3	M

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EAST RENFREWSHIRE COUNCIL

Internal Audit Section

Title	Dept	2024	2025	2026	2027	2028	Total	Freq (yrs) 1=annual	Gen Risk
ELC Add On (previously wraparound)	Educ		20				20	5	L
Schools - Educational Payments	Educ			10			10	5	L
Schools - Transport (incl SEN)	Educ		25				25	5	L
schools cluster 1 St Lukes	Educ				40		40	7	X
schools cluster 2 Mearns Castle	Educ			40			40	7	X
schools cluster 3 Eastwood	Educ						0	7	X
schools cluster 4 Woodfarm	Educ					40	40	7	X
schools cluster 5 Williamwood	Educ						0	7	X
schools cluster 6 St Ninians	Educ	40					40	7	X
schools cluster 7 Barrhead High	Educ		40				40	7	X
Asset Management	Env			20			20	5	L
Burial Income	Env		10				10	5	L
City Deal	Env	15	15	15	15	15	75	1	X
Climate Change Report	Env		5		5		10	2	X
Commercial rents (ind units/shops)	Env	20					20	5	L
Energy and Fuel (incl utility payments)	Env	25					25	5	L
Grounds Maintenance	Env			15			15	5	L
Health & Safety	Env			15			15	5	L
Highways Maintenance	Env	20			20		40	3	M
PPP projects	Env			20			20	5	L
Project management of capital projects	Env	25			25		50	3	M
Stores	Env				20		20	5	L
Subsidy Control (previously State Aid)	Env			12			12	5	L
Sustainability (incl procurement)	Env		20				20	5	L
Trade Refuse Income and special uplifts, Garden Waste Scheme	Env		20				20	5	L
Vehicle Services	Env		18				18	5	L
Gas Servicing	Housing			15			15	5	L
Housing - Rent Accounting	Housing			20			20	3	M
Housing - voids, garage allocations etc.	Housing		20				20	5	L
Housing Allocations and homeless person accomm	Housing	28			28		56	3	M
Housing Repairs	Housing		25			25	50	3	M
New Council Houses	Housing		30			30	60	3	M
Barrhead Resource Centre	HSCP				10		10	5	L
Bonnyton House	HSCP	10					10	5	L
Care First Finance System application audit	HSCP		30			30	60	3	M
Carers Legislation	HSCP		16				16	5	L
Client Monies	HSCP		30		30		60	2	H
Home Care Services	HSCP		25			25	50	3	M
HSCP Direct Payments	HSCP			15			15	3	M
HSCP emergency payments (Sect 22 & 12)	HSCP					12	12	5	L

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EAST RENFREWSHIRE COUNCIL

Internal Audit Section

Title	Dept	2024	2025	2026	2027	2028	Total	Freq (yrs) 1=annual	Gen Risk
HSCP Health Care Centres and area offices (St Andrews House)	HSCP	12					12	5	L
IJB	HSCP	15	15	15	15	15	75	1	X
Kinship, Fostering and Adoption	HSCP			16			16	5	L
Payments to Care providers	HSCP	25			25		50	3	M
Thornliebank Resource Centre	HSCP					12	12	5	L
ERCLT	Trust	20	20	20	20	20	100	1	X
Computer	Various	10	60	57	27	36	190	1	X
Contract and supply management	Various	25					25	5	L
Contract TBC	Various	0	45	45	45	45	180	1	X
Follow up	Various	50	50	50	50	50	250	1	X
Fraud Contingency	Various	50	50	50	50	50	250	1	X
General Contingency	Various	40	40	40	40	40	200	1	X
LG Benchmarking Framework	Various	0	0	0	0	0	0	1	X
Petty Cash	Various			12			12	5	L
Previous year audits	Various	31	30	30	30	30	151	1	X
Risk Management & Corporate Governance	Various		18				18	5	L
Total days needed per universe		641	914	732	712	597	3596		
Available days (automated from audit needs)		641	741	736	741	730	3589		
Audit Needs Assessment	Shortfall/ (over)	0	173	-4	-29	-133	7		

Risk

H – High – audited on 2 year cycle

M – Medium – audited on 3 year cycle

L – Low – audited on 5 year cycle

X – Frequency determined by factors other than risk eg external requirement