

MINUTE
of
AUDIT & SCRUTINY COMMITTEE

Minute of Meeting held at 2.00pm in the Council Chamber, Council Headquarters, Giffnock on 20 June 2019.

Present:

Councillor Stewart Miller (Chair)
Councillor Barbara Grant (Vice Chair)
Provost Jim Fletcher

Councillor Charlie Gilbert
Councillor Annette Ireland

Councillor Miller in the Chair

Attending:

Margaret McCrossan, Head of Accountancy (Chief Financial Officer); Michelle Blair, Chief Auditor; Andrew Corry, Head of Operations; Barbara Clark, Chief Accountant; John Buchanan, Operations Manager; Stephen Fraser, Corporate Policy Assistant; Linda Hutchison, Clerk to the Committee; Charlie Leleux, Scrutiny and Evaluation Officer; and Jennifer Graham, Committee Services Officer.

Also Attending:

John Cornett and Morven Fraser, Audit Scotland.

Apology:

Councillor Jim Swift.

DECLARATIONS OF INTEREST

912. There were no declarations of interest intimated.

CHAIR'S REPORT

913. The Chair reported that, following on from discussions at the committee in March on the External Audit Plan and in line with suggested good practice, he had met with Elaine Barrowman and Morven Fraser of External Audit on 20 May. He clarified that this was not to discuss any particular issues but rather, as in 2018, it had provided a useful opportunity for both the external auditors and him to discuss various issues regarding external audit work and that of the committee on a less formal basis than would be the case at one of the committee's formal meetings.

The committee noted the position.

CODE OF CORPORATE GOVERNANCE

914. Under reference to the Minute of the meeting of 21 June 2018 (Page 453, Item 482 refers), when the Code of Corporate Governance updates and actions for 2018/19 had been approved, the committee considered a report by the Deputy Chief Executive on progress against improvement actions since then and seeking approval of a revised code for 2019/20.

The report reiterated the Council's responsibilities for the conduct of its business, defined what the Code of Corporate Governance was, and explained that the proposed updates took account of guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA) and Society of Local Authority Chief Executives (SOLACE). The report referred to key requirements with which the Council had to comply and summarised progress on 2018/19 actions, highlighting that five of the six improvement activities listed in the 2018/19 Code had been completed. It was clarified that work on the new Anti-Fraud, Bribery and Theft Strategy had been completed in line with the CIPFA "Code of Practice on Managing the Risk of Fraud and Corruption" and that an annual report on fraud would be submitted for approval in 2020 to ensure full compliance.

The updated Code of Corporate Governance for 2019/20, setting out arrangements which fulfilled the seven governance principles outlined in national guidance, was included as an appendix to the report. Self-assessment against nationally prescribed criteria had found the Council to be fully compliant across all principles. This was with the exception of being partially compliant under the principle of behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law, specifically the sub-principle of ensuring corruption and misuse of power are dealt with effectively; and also the principle of managing risks and performance through robust internal control and strong financial management, specifically the sub-principle on ensuring effective counter-fraud and anti-corruption arrangements. Regarding these, work on the new Anti-Fraud, Bribery and Theft Strategy was underway to ensure full compliance by mid-2020.

Having itemised actions to be taken in 2019/20 to further improve compliance with the Code and commented on the Annual Governance Statement to be published in the 2018/19 Annual Report and Accounts, the report concluded that the Council was governed by sound and effective internal management controls and continued to demonstrate compliance with the requirements of the CIPFA/SOLACE framework *Delivering Good Governance in Local Government*. Progress on planned actions for 2018/19 had been posted on the Council's website, as would the 2019/20 Code, subject to it being approved by the committee.

The Corporate Policy Assistant highlighted key issues within the report during which he commented on requirements with which the Council had to comply, the extent of the compliance against nationally prescribed criteria, and the actions to be taken to further improve compliance with the Code in 2019/20. The Head of Accountancy added that the new Anti-Fraud, Bribery and Theft Strategy referred to in the report had just been considered by the Corporate Management Team which evidenced that work on this was progressing.

The committee:-

- (a) noted progress on the 2018/19 Code of Corporate Governance improvement actions; and
- (b) approved the Code of Corporate Governance updates and actions for 2019/20.

UNAUDITED ANNUAL ACCOUNTS 2018/19

915. Under reference to the Minute of the meeting of 14 March 2019 (Page 782, Item 834 refers), when the 2018/19 Annual Audit Plan and timetable for the publication of related documents had been noted, the committee considered a report by the Head of Accountancy (Chief Financial Officer) on the unaudited Annual Accounts for 2018/19 which had been submitted for audit to Audit Scotland and which were attached for consideration in line with the Local Authority Accounts (Scotland) Regulations 2014.

It was reported that the financial position of the Council remained satisfactory. As the Council had operated comfortably within budget, there had been no need to draw down £1,355k from reserves as planned. It was clarified that transfers totalling £2,734k had been made from the General Fund balance to the Non-Earmarked Reserve, Modernisation Fund, Equalisation Reserve, Feasibility Fund, Capital Reserve, and Repairs and Renewal Fund. The Council's Non-Earmarked General Fund as at 31 March 2019 had been increased by £384k to £10,517k, representing 4.3% of the annual budgeted net revenue expenditure. Although this was slightly above the Council's most prudent target of 4%, the balance would reduce significantly as the Council had budgeted to use £4,312k of this reserve during 2019/20.

Reference was made to the proposed establishment of a Feasibility Fund to permit early preparation and investigations for potential capital projects to be undertaken, and enable a faster start to be made on major new capital schemes as work to identify design and ground condition issues could be taken forward in advance of formal approval of the Capital Plan.

It was confirmed that £41,187k of capital expenditure had been invested. There had also been an operating surplus of £89k on the Housing Revenue Account which had increased the accumulated surplus balance to carry forward to £1,718k.

The Head of Accountancy commented on the volume of work involved in preparing the Accounts in advance of the due date, thanking officers in the Accountancy Section, across departments, and particularly the Chief Accountant, for their contribution to this achievement, especially as some officers were currently seconded to the Core Systems Project Team.

Whilst referring to key aspects of the report, the Chief Accountant also commented on the submission of the unaudited Accounts at this stage of the year which it was hoped was helpful. She highlighted the position on reserves, including the use of £8.5m from the Capital Reserve and the introduction of the new Feasibility Fund. Having quantified the level of funds borrowed to help fund the Capital Programme, she drew attention to a prior year adjustment to correct the valuations of the Council's housing stock which had arisen from a misunderstanding between Housing and Property and Technical Services regarding the calculation of the Social Discount Factor and resulted in these being overstated. This did not impact on Council rent or Council Tax levels and, in future, working papers were to be passed to Accountancy Services for checking to prevent a recurrence.

Finally, commenting on notes to the Group Accounts, she clarified that it was the East Renfrewshire Culture and Leisure Trust's unaudited Accounts for the year to 31 March 2019 that were available from the Chief Executive of the Trust rather than the audited Accounts as has been stated, that any other required changes would be identified during the auditing process, and that a report on the Audited Accounts would be submitted to the committee in September.

Having heard Councillor Miller and other Elected Members thank all of the officers involved in preparing the Accounts and submitting them to this meeting, making reference to the section of the Accounts on consultation and communication with the authority's workforce,

Councillor Grant referred to the challenge of gathering candid survey feedback from officers on issues. In response, the Head of Accountancy referred to the new i-Matter initiative in its first year of implementation, related timescales and the production of team action plans which would not only be useful in themselves, but would also help address concerns expressed that actions taken in response to staff views were not necessarily clear.

Whilst commenting on the value of adding funds to reserves and congratulating officers for achieving this which contributed to the Council's future financial stability, Provost Fletcher also referred to the value of expenditure on good public services and pressures that could be experienced by officers to achieve savings. He added that there could be times when there might be a need to consider further investment in services which had faced cuts if such pressures became too severe.

The committee agreed to note the content of the unaudited Annual Accounts for 2018/19 and that a report on the final Accounts and related documents would be submitted to the committee in September.

ARBORICULTURAL FRAMEWORK

916. The committee considered a report by the Director of Environment on matters arising from the Council's Arboricultural Framework Agreement between 1 March and 20 October 2017, and subsequent actions taken in response.

The report explained why framework agreements were awarded for some products or services, commenting on related benefits and best practice where multiple suppliers were used to rank suppliers and ensure transparency in which supplier was chosen for each piece of work. Having made reference to careful consideration and stringent procurement processes applied to awarding ranked frameworks and related issues, it was specified that the first ranked contractor always had to be contacted when a piece of work was to be undertaken. Only if that supplier could not meet requirements, was the second or third ranked contractor contacted.

A recognised framework to support procurement of arboricultural works by the Council had been established to ensure best value and transparency. The ranked order of three contractors as at 1 March 2017 was specified. Following publication of an internal audit report on risk management and corporate governance, in October 2017 senior management in the Environment Department had reviewed the contract to ensure protocols were being followed, through which concerns became apparent about the allocation of works orders. The Director of Environment had reported this urgently to the Chief Auditor who had referred to this briefly at the committee's meeting in January 2018.

Reference was made to investigations conducted first by internal audit, secondly in accordance with the Council's disciplinary procedures, and action taken by the Head of Operations immediately to suspend all further tree works pending them being assessed and confirmed compliant with procurement procedures. The internal audit work had identified that an estimated £50k of excess cost had been incurred by incorrectly awarding work to the second ranked contractor. The disciplinary investigation had found that 95% of work orders totalling £275k had been allocated to that contractor, with both investigations therefore confirming a lack of compliance with procedures resulting in best value not being achieved and additional costs being incurred.

Reference was also made to a request from the first ranked contractor to investigate the awarding of orders to the second ranked contractor and a related claim submitted by the company's solicitors which was ultimately settled at £102k but not covered by the Council's

insurers. The cost had been absorbed within the 2018/19 Neighbourhood Services budget and did not affect the 2019/20 Parks budget, in addition to which an estimated £50k of excess costs had been incurred due to malpractice.

It was clarified that the delay reporting this matter to the committee was linked to the ongoing disciplinary case, the financial claim against the Council and Employment Tribunal proceedings. Related information was provided on the final outcome of the disciplinary action taken against the individual responsible and the Employment Tribunal. As a result of the breach internal processes and procedures had been reviewed to mitigate any risk of recurrence, enhanced checks and protocols had been established, and all of the Internal Audit recommendations made had been accepted as reflected in the Action Plan appended to the report.

Whilst commenting on what had happened and highlighting key aspects of the report and action taken, the Operations and Operations Manager expressed dismay and apologised that the issue had arisen and regarding the associated financial impact, expressing confidence that implementation of the recommendations made which had been accepted would reduce the risk of this happening again.

Whilst speaking in support of the action taken and expressing disappointment regarding the employee's actions, Provost Fletcher commented that the report was silent on the employee's motivation and asked if the matter had been referred to the Police in case criminal activity had taken place. The Chief Auditor confirmed she had contacted the Police at an early stage on 1 November 2017 who had been involved at various stages of proceedings, but that she did not know if they were taking further action.

In response to Councillor Grant and Councillor Ireland, the Operations Manager referred to the redesign of the service and the involvement of more people in it now which helped reduced the risk of such an issue reoccurring. Councillor Grant added that as well as the financial cost to the Council, its reputation had been damaged. Councillor Ireland welcomed how seriously the matter had been taken, expressing regret that there had been a cost to the Council. Checks now done both before and after each piece of arboricultural work was undertaken were commented on.

The committee noted the report and subsequent actions taken on behalf of the Council.

EAST RENFREWSHIRE COUNCIL MANAGEMENT REPORT 2018/19

917. The committee considered a report on the publication by the Council's External Auditor of a local report entitled *East Renfrewshire Council Management Report 2018/19* which under the committee's specialisation arrangements fell within the remit of Councillors Miller and Grant for review.

The report summarised key issues identified during the interim audit work carried out. This work included testing of key controls within financial systems to gain assurance over the processes and systems used in preparing the Annual Accounts, the results of which would be considered by the External Auditor during the audit of the 2018/19 Accounts. Having outlined the External Auditor's responsibilities, the report clarified that testing during 2018/19 covered key controls in a number of areas including bank reconciliations; payroll validation and exception reporting; authorisation of journals; change of supplier bank details; and IT access controls. Controls were also tested on budget monitoring and control; feeder system reconciliations; and controls for preventing and detecting fraud in areas such as taxation receipts, welfare benefits, grants and other claims. Other issues commented on included the

outcome of the assessment of the Council's Internal Audit function, the use made by External Audit of Internal Audit work to avoid duplication of resource and effort, and observations concerning the operation of the Audit and Scrutiny Committee.

No significant control weaknesses had been identified, which would enable the External Auditor to take planned assurance for the audit of the 2018/19 Annual Accounts. However, as itemised and summarised in Exhibit 1 of the report, several areas had been identified where controls could be strengthened further. It was commented that progress had been made on actions agreed in the External Auditor's 2017/18 Management Report, but that there were a number of areas raised within that report where progress had been limited.

Whilst reviewing and summarising the key findings and related action to be taken, Mr Cornett confirmed that the report represented the outcome of the external auditor's interim audit work for the year and that no significant control weaknesses had been identified. Having highlighted that the key findings and related action plan covered some issues where progress had been limited, he acknowledged the new target dates for action to progress these in Exhibit 1 and clarified that related progress would be reviewed. He referred to the assurance placed on Internal Audit's work and commented on the importance of the committee's work being progressed in an apolitical manner, encouraging it to do so. He also encouraged the committee to monitor the implementation of the actions within the Management report.

Councillor Grant supported the comments made on the importance of the committee adopting an apolitical approach which she had raised previously. In reply to Councillor Ireland, the Head of Accountancy confirmed that action had already been taken to address the issue raised within the report on staff leavers, referring to reminders which HR now sent to departments on a 4-weekly basis to help ensure appropriate action was taken, the leavers checklist which officers were being reminded to complete, and action taken if unavoidably payroll had not been notified timeously about employees leaving the authority. Mr Cornett referred to the importance of minimising such occurrences and of managers implementing the action agreed on this.

The committee agreed to note the report.

NATIONAL EXTERNAL AUDIT REPORT – LOCAL GOVERNMENT IN SCOTLAND – CHALLENGES AND PERFORMANCE 2019

918. The committee considered a report by the Clerk on the publication by Audit Scotland of a report entitled *Local Government in Scotland – Challenges and Performance 2019* which under the committee's specialisation arrangements had been sent to Councillor Miller and Councillor Grant for review. The Head of Communities, Revenues and Change had provided comments on it and a copy of her feedback was attached to the report.

The report explained that the comments provided were high level ones on the Council's position regarding the Accounts Commission report, that report being an annual one overviews the conclusions of a range of Audit Scotland reports from the past year and providing a comprehensive review of challenges and performance issues facing local government in Scotland. Having referred to the value of the report and how it linked well to the Council's requirements under Best Value, it was highlighted that the issues raised within it were ones the Council recognised and was working to address.

Having itemised various recommendations within the report and the challenges of responding to one so wide-ranging, the report emphasised that the content and messages within it were all relevant locally and had been covered with Members in a variety of ways, including through the submission of reports to the Cabinet and the Audit and Scrutiny

Committee, a range of which were itemised in the Appendix to the report. A summary of the Council's 'Strategy on a Page' and a draft PEST analysis documenting political, economic, social and technological themes that would affect the Council in future were also provided.

It was concluded that the Council fully recognised the challenges documented in the Accounts Commission's report, was not complacent and was working to address these in various ways. It was argued that coverage of key issues throughout the year as part of day-to-day business provided strong evidence and assurance that the Council was well positioned across a wide range of issues highlighted, and suggested that the committee could consider the report and issues and themes therein as part of its annual work programme to guide areas where it would find value in a more detailed response to enable further discussion and scrutiny.

The committee, having heard the Clerk confirm that it was always an option for the committee to request that officers attend any of its meetings to discuss any external audit report published and related feedback in more depth, noted the report and comments made.

NATIONAL EXTERNAL AUDIT REPORT – HEALTH AND SOCIAL CARE INTEGRATION – UPDATE ON PROGRESS

919. The committee considered a report by the Clerk on the publication by Audit Scotland of a report entitled *Health and Social Care Integration – Update on Progress* which under the committee's specialisation arrangements had been sent to Provost Fletcher and Councillor Gilbert for review. The Chief Officer, East Renfrewshire Integration Joint Board (IJB) had provided comments on it and a copy of her feedback was attached to the report.

The report provided details of the proposed actions in response to the External Audit report and the Ministerial Strategic Group report *Review of Progress with Integration of Health and Social Care Final Report*, details of which were appended to the report. Having commented on related issues, including how the work had been progressed and the conclusions within the Audit Scotland report, the report explained that the Scottish Government and COSLA had developed a self-evaluation tool to support IJBs and partners assess their position in relation to the review proposals and Audit Scotland recommendations. Partners had been asked to rate themselves against 22 of the 25 proposals, identify evidence to support their conclusions, and develop proposed improvement actions in respect of each proposal.

It was clarified that the draft self-evaluation had been developed by the IJB Chief Officer following discussion with the IJB Chair, Vice-Chair, Third Sector and Carer representatives and Chief Financial Officer prior to being shared at the IJB meeting on 1 May 2019. IJB members had endorsed the draft self-evaluation, subject to additional comments and agreed that it be remitted to the Chief Officer to reach a consensus view on the evaluation ratings and any improvement actions with the Chief Executives of NHSGGC and the Council prior to its submission to the Integration Review Leadership Group, the final draft having been submitted on 14 May 2019.

It was concluded that the review of progress with integration of health and social care made a number of helpful proposals about actions that could be taken at both a national and local level to tackle the challenges and ensuring the success of integration. The actions required for East Renfrewshire to address the recommendations and proposals resulting from the Audit Scotland report and the Ministerial Strategic Group report were provided as set out in Appendix to the report.

The committee, having heard the Clerk in respect of the report, noted the report.

REVIEW OF INTERNAL AUDIT CHARTER

920. Under reference to the Minute of the meeting of 18 August 2016 (Page 2009, Item 2147 refers), when the revised Internal Audit Charter had been approved, the committee considered a report by the Chief Auditor seeking approval of further revisions to it.

It was clarified that the Charter should be reviewed periodically to ensure it remained fit for purpose. Following a recent review, it had been considered appropriate to make some minor changes to the content to refer to the most current documents; current wording within financial regulations; and the responsibilities of the Corporate Management Team.

The committee agreed to approve the revised Internal Audit Charter.

PUBLIC SECTOR INTERNAL AUDIT STANDARDS INTERNAL SELF-ASSESSMENT

921. The committee considered a report by the Chief Auditor regarding progress in relation to compliance with the Public Sector Internal Audit Standards (PSIAS).

The report explained that PSIAS came into force in 2013 and included a requirement that the Head of Internal Audit would develop and maintain a quality assurance and improvement programme (QAIP) to allow assessment against the PSIAS. In addition to regular self-assessment, there was a requirement for an external assessment to be carried out at least once every 5 years by an independent assessor. It was further reported that compliance was mandatory for internal auditors in the public sector, with any areas of non-conformance requiring to be reported to the Audit and Scrutiny Committee.

The report commented further on the QAIP, options appraisal for external assessment, the self-assessment which had most recently been carried out in May 2019, and related results. The self-assessment had indicated that the internal audit team were 95% fully compliant with the relevant standards and partially compliant with a further 4% on the basis of which it had been concluded therefore that it operated in general compliance with the PSIAS. This result was also reflected in the external assessment which concluded that the internal audit service was fully compliant in 11 out of 13 sections and generally compliant in the remaining 2.

Whilst commenting further on the report, regarding options appraisal for external assessment, the Chief Auditor referred to the reciprocal arrangements set up by the Scottish Local Authority Chief Internal Auditors Group (SLACIAG) for councils which wished to participate in providing PSIAS compliant external assessments for each other and related benefits, confirming that East Renfrewshire had pursued this option for the first external assessment in 2018. It was proposed that this option be pursued again for the next 5 year cycle in the interests of Best Value and confirmed that the QAIP appended to the report included actions from both the most recent self-assessment and external assessment.

The committee:-

- (a) noted the outcome of the revised self-assessment; and
- (b) approved continued participation in the reciprocal SLACIAG independent self-assessment validation process (Option 1).

INTERNAL AUDIT PLAN 2018/19 - IMPLEMENTATION PROGRESS REPORT – JANUARY – MARCH 2019

922. The committee considered a report by the Chief Auditor regarding progress made on the implementation of the 2018/19 Internal Audit Plan from 1 January to 31 March 2019. It was confirmed that during the quarter fourteen audit reports relating to planned 2018/19 audit work had been issued, that the management response for one of the audit reports issued had yet to be received the due date for which had not yet passed and that, otherwise, all responses received had been satisfactory. Reference was also made to the quarterly performance indicators (PIs) for the section, a new request for assistance dealt with using contingency time, and a matter using contingency time brought to the committee's attention at the previous meeting which had been concluded and related findings.

The Chief Auditor explained why a report was being submitted to the committee regarding Quarter 4 which was linked to the detail now provided on audit findings in such reports, the outcome of the HSCP Self Directed Support Charges audit, and the impact of delayed feedback from departments on the section's PIs. In response to Councillor Ireland, she confirmed that an audit relating to the Leisure Trust had been delayed due to staff shortages but had been included in the 2019/20 Internal Audit Plan approved by the committee at its previous meeting.

The committee, following discussion, agreed:-

- (a) not to seek any of the reports issued in the quarter at this stage; and
- (b) otherwise, to note the report and related comments made.

INTERNAL AUDIT ANNUAL REPORT 2018/19

923. The committee considered a report by the Chief Auditor regarding the annual report on the activities of internal audit during 2018/19, and providing an independent annual opinion on the adequacy and effectiveness of the Council's governance, risk management and internal controls based on work undertaken in 2018/19.

Whilst commenting on the successful implementation of the Plan, the Chief Auditor reported that all planned audits had been carried out, with the exception of one which had been deferred to 2019/20 on which she clarified the position, and that satisfactory responses had been received to all audits except one where the response date had not yet passed. Having commented on nine internal audit reports regarding which some recommendations had not been fully accepted and the related associated risks and reasons provided by management which had been accepted, she summarised the position on various potential fraud and contingency related issues. She also referred to issues that had impacted on PIs, clarified that the section operated in compliance with PSIAS, and confirmed that there was an excellent working relationship between her section and External Audit.

Regarding the annual statement on the adequacy and effectiveness of the Council's governance, risk management and internal controls, she confirmed that, based on the information available and work carried out, her opinion was that reasonable assurance could be placed upon the adequacy and effectiveness of these controls in the year to 31 March 2019. Reference was also made to internal audit performance indicators.

In response to Councillor Grant, the Chief Auditor confirmed that Police Scotland had been involved in 3 issues that had been explored using fraud contingency time which involved a

cost or loss to the Council. The Police had visited the premises involved and spoken to staff. However, she did not believe that the investigations had resulted in prosecution and considered the recovery of items unlikely.

Councillor Grant having referred to an issue referred to within the report on the use of the leavers checklist which had been commented on earlier in the meeting, the committee agreed:-

- (a) to approve the statement on the adequacy and effectiveness of the Council's governance, risk management and internal control systems and submit it to the Council; and
- (b) otherwise, to note the internal audit annual report 2018/19.

PROPOSED GUIDE TO SCRUTINY AND REVIEW

924. The committee considered a report by the Chief Executive providing enhanced guidance on scrutiny, review and evaluation arrangements, within the overall context of Best Value, in East Renfrewshire Council. The report explained that an Audit of Best Value in East Renfrewshire Council had taken place in 2017, making reference to a recommendation made that Elected Members should take a more transparent and active role in scrutiny. Progress had already been made on a range of scrutiny issues, including the delivery of a new programme of essential scrutiny skills training and the appointment of a Scrutiny and Evaluation Officer to further support the work of the committee.

To complement this, a *Guide to Scrutiny and Review* had been prepared, in the context of Best Value, a copy of which was appended to the report. This was intended primarily for members of the committee to help them identify specific issues they wished to review and progress related work, such as by providing advice on good practice, selection and rejection criteria for reviews and questioning techniques. However, it would also be available to all Elected Members and committees of the Council. The *Guide* also referred to the development of a work plan for the committee, listed some potential policy and strategy areas for scrutiny based on policy areas within and outwith the Council, provided guidance on progressing detailed reviews, and confirmed the wider audit and scrutiny role of the committee.

Arising from related discussions, the committee also considered a further report, a copy of which was tabled, on issues discussed on a preliminary and informal basis with members thus far, interest expressed in looking at income generation and commercialisation as the committee's next piece of detailed work and related issues. Proposed objectives to be pursued were outlined, as was the type of related work that could be progressed and an indicative timetable for the review.

Having summarised the main purposes of the report, the Scrutiny and Evaluation Officer emphasised that the *Guide* was a good practice manual for the selection and undertaking of reviews. Amongst other things, he highlighted that it placed a strong focus on scrutiny whilst recognising other aspects of the committee's remit also; and covered why scrutiny was important and how it should be carried out and on an apolitical basis. Whilst referring to items within the work plan, he explained that the plan was intended to be a useful working document that would be updated periodically and which specified a range of planned cyclical reports, other work such as on national External Audit reports and progress reports on scrutiny and review investigations.

Having heard Councillor Miller refer to the discussions that had taken place thus far on these issues, supported by Councillor Ireland and on behalf of the committee, he expressed appreciation for the work done on the document which was considered useful.

Referring to informal meetings with members of the committee held recently, the Scrutiny and Evaluation Officer confirmed that, during discussion on potential review areas, particular interest had been expressed in income generation and commercialisation. Having referred to the Council's financial position, spending pressures and related issues, he commented on proposed objectives for the review, explaining that related work progressed could include interviews with officers and site visits within East Renfrewshire and to other local authorities as appropriate. A proposed timetable for the review was provided and it was confirmed that liaison would take place with members of the committee as work progressed, with much detailed work taking place between formal meetings.

Looking forward, the Scrutiny and Evaluation Officer explained that work on the potential scope of other potential reviews would be undertaken between now and the next meeting.

In response to Councillor Grant who commented that quite a lot of the review on income generation and commercialisation could focus on the environment department and more generally expressed interest in being involved in related meetings, the Scrutiny and Evaluation Officer confirmed that members of the committee would be invited to be involved in these. Mr Cornett reported that he had been involved in work on this issue with some English local authorities and that he would be happy to discuss related issues including lessons learned and what worked well or had not.

Whilst expressing support for the proposed review, Provost Fletcher commented on a music event to be held in Rouken Glen Park which had not been approved by Elected Members, commenting that Members and officers might not always share the same view on what might work well and that a one size fits all local authorities approach was not necessarily appropriate. The Clerk clarified that any recommendations arising from the review that the committee wished to make would require to be submitted to the Cabinet for consideration.

The committee agreed:-

- (a) to recommend to the Council that the draft *Guide to Scrutiny and Review* be approved, making it available to all committees and Members of the Council for their use;
- (b) to approve the 2019/20 annual work plan to the extent it had been developed thus far;
- (c) to note that a further update of the work plan would be submitted to the next meeting;
- (d) that a detailed review be progressed on income generation and commercialisation in relation to which the following objectives would be pursued:-
 - (i) gathering background information on current practices within other local authorities in Scotland and England, including lessons learned;
 - (ii) reviewing benchmarking information available, to identify service charges in other local authority areas not currently in place in East Renfrewshire;

- (iii) considering ethical, risk, reputation management and legal issues associated with selling advertising space;
 - (iv) exploring potential to pursue commercialisation opportunities in East Renfrewshire including identifying any potential restrictions and barriers; and
 - (v) reviewing audit reports available on the area of review;
- (e) that the indicative timetable for the review be approved as proposed; and
- (f) that work on the potential scope of other reviews suggested be undertaken between now and the next meeting.

COMMITTEE'S SPECIALISATION ARRANGEMENTS FOR DEALING WITH INTERNAL AND EXTERNAL AUDIT REPORTS AND INSPECTION REPORTS

925. Under reference to the Minute of the meeting of 22 November 2018 (Page 631, Item 616 refers), when it had been agreed that the Clerk would circulate and seek the views of members of the committee on an analysis done on the number and type of internal and external audit reports, as well as inspection reports, each Member had dealt with since 2017 under the committee's current specialisations arrangements and any preferences they might have on their remits in future with a view to any proposed changes being formally submitted to a future meeting for consideration, the committee considered a report by the Clerk proposing changes to the committee's specialisation arrangements for dealing with such reports.

The report explained that the analysis undertaken had revealed that the workload was unbalanced. It specified the current specialisation arrangements in place, and the number of reports dealt with thus far by each Member and which it was anticipated they would deal with prior to the next local government elections if the arrangements remained unchanged.

In order to balance the workload more evenly, it was proposed that Councillors Swift and McLean would continue to lead on Corporate and Community Services issues but would also take on responsibility to lead on Education-related matters. It was also proposed that the Chair and Vice Chair would take on Councillor Ireland and Gilbert's remit for Environment Department issues.

The committee, having heard the Clerk in further explanation, agreed that the changes to the specialisation arrangements as proposed be approved and kept under review as required.

CHAIR