

EAST RENFREWSHIRE COUNCIL
AUDIT AND SCRUTINY COMMITTEE

25 June 2020

Report by Clerk

AUDIT AND SCRUTINY COMMITTEE WORK PLANS 2019/20 AND 2020/21

1. To provide an update on the 2019/20 Audit and Scrutiny Committee Work Plan; consider related performance; and seek approval of the 2020/21 Work Plan to the extent it has been developed thus far.

RECOMMENDATION

2. It is recommended that the committee:-
- (a) notes and considers performance against the Committee's 2019/20 Annual Work Plan;
 - (b) approves the draft 2020/21 Annual Work Plan, to the extent it has been developed thus far;
 - (c) agrees that the development of the 2020/21 Work Plan continue, with an update submitted to a future meeting; and
 - (d) notes that progress in delivering the 2020/21 Work Plan will be reviewed in due course, with a progress report submitted to a future meeting.

AUDIT AND SCRUTINY WORK PLAN

3. In June 2019 the committee agreed to recommend to the Council that a draft *Guide to Scrutiny and Review* which was prepared be approved and made available to all committees and Members of the Council for use. The guide was subsequently approved by the Council on 26 June and distributed.

4. Amongst other things and to help the committee schedule and prioritise its work over the course of each year, the guide proposed that an annual Work Plan be developed and agreed. This was to help provide transparency, openness and evidence of the Council's ongoing commitment to demonstrating Best Value and continuous improvement in the interests of local residents, customers and service users in accordance with the strategic priorities and outcomes of the Community Plan; Vision for the Future (Corporate Plan); and the Outcome Delivery Plan.

5. The committee's first Work Plan, for 2019/20, was approved in June 2019 to the extent it had been developed by that stage. It included reference to recurring reports the committee considers every year such as on treasury management, Internal Audit work and risk management, and various national External Audit reports scheduled for publication on a range of issues on which local feedback was to be requested for consideration.

6. It was highlighted that the Work Plan would effectively be a 'live' document and that, moving forward, it would include reference to specific areas of investigation identified and agreed by the committee and related timescales to progress these, taking account of selection and rejection criteria for reviews contained in the new Guide to Scrutiny and Review. For

example, the work the committee agreed in June 2019 to progress on income generation and commercialisation, the detailed scope of which was approved in August 2019, was added to it. Taking account of the selection and rejection criteria, enhanced by a priority rating scale developed to help determine further what work was considered a high, medium or low priority to progress, and if work should be pursued on some suggested issues at all, the way forward on some other potential review areas was also determined in August or meetings following that and reflected in the plan. Some of these areas of work are to be taken forward as part of the 2020/21 Work Plan or future plans beyond that.

PROGRESS REPORTS ON 2019/20 WORK PLAN

7. An updated version of the 2019/20 Work Plan, referring to progress on various issues, was most recently formally considered in September 2019. Appendix 1 provides a statement on progress by 31 March 2020 against the 2019/20 Work Plan. The update includes reference to the in-depth investigations the committee agreed to undertake on income generation and commercialisation, then climate change, with support from the Scrutiny and Evaluation Officer who was in post from April 2019 to March 2020. It also refers to other reports and issues considered since previous versions of the Plan were submitted, such as the report on the scope of the Best Value type review on the East Renfrewshire Culture and Leisure Trust which the committee received in November and on which the committee will receive a further report on 25 June 2020. For clarity, notes on a range of issues relating to the plan, such as regarding ongoing matters to be considered as part of the 2020/21 Work Plan for various reasons, are also provided in Appendix 1. The committee is invited to note and consider performance against the 2019/20 Work Plan.

2020/21 WORK PLAN

8. This report also presents a draft Work Plan for 2020/21, to the extent it has been possible to develop it thus far. It reflects that, as for other formal Council related meetings, some recently scheduled meetings of the Audit and Scrutiny Committee had to be cancelled linked to the current Covid-19 emergency and work relating to it. This has impacted on when some matters will now be considered by the committee. As for 2019/20, the Work Plan includes reference to various recurring reports that will be submitted throughout the year, such as those on the Annual Accounts, treasury management, internal audit work and risk management.

9. The 2020/21 Work Plan also takes account of national and local external audit reports which have been or are being published, to the extent the position on this is known just now. The Work Plan allows for comments to be sought on these from officers for consideration under the committee's specialisation arrangements. Regarding planned national external audit work, earlier this month the Chair of the Accounts Commission wrote to local authorities on its current approach to fulfilling its responsibilities on reporting to the public on the performance of local government in the context of the Covid-19 emergency. Having acknowledged that the local government environment is changing as a result of the emergency, he clarified that the Commission was now considering what the emergency meant for its own strategy, with the scheduling of related work to be reviewed in the coming weeks to recognise the new reality in which local government finds itself. It was highlighted that this would affect all of the Commission's 5 year work programme, with work to review it expected to extend into the Autumn.

10. In the interim, following consideration, the Commission considered it helpful to publish work which was essentially completed before the emergency began, such as its national performance audit on Affordable Housing. The Commission has also confirmed the publication in June of reports on Equal Pay in Scottish Councils, and the Local Government Overview Report for 2019/20. The committee's 2020/21 Work Plan takes account of the publication of

these reports and will be updated further, in due course, when the position regarding other external audit work and reports and the timescale for their publication is clarified further.

11. It is proposed that the committee approves the draft 2020/21 Annual Work Plan, to the extent it has been possible to develop it thus far. It is also proposed that the committee agrees that its development and the position on more detailed work be kept under review, taking account amongst other things that the Scrutiny and Evaluation Officer supported the delivery of the committee's 2019/20 Work Plan but that that resource is no longer available, with an updated plan being submitted to a future meeting.

CONCLUSION

12. In the interests of transparency, openness and to provide evidence of the Council's ongoing commitment to demonstrating Best Value and continuous improvement, this report reflects the range of work progressed by the committee during 2019/20. The Work Plan provided the committee with greater oversight regarding the scheduling of work and consideration of issues, including scrutiny and review investigations it agreed to progress. As for 2019/20, the Audit and Scrutiny Committee's annual 2020/21 Work Plan which is also referred to in this report will be considered a live document and refreshed periodically to reflect what the committee agrees subsequently to progress.

RECOMMENDATION

13. It is recommended that the committee:-

- (a) notes and considers performance against the Committee's 2019/20 Annual Work Plan;
- (b) approves the draft 2020/21 Annual Work Plan, to the extent it has been developed thus far;
- (c) agrees that the development of the 2020/21 Work Plan continue, with an update submitted to a future meeting; and
- (d) notes that progress in delivering the 2020/21 Work Plan will be reviewed in due course, with a progress report submitted to a future meeting.

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Background Papers

Proposed Guide to Scrutiny and Review - Report by Chief Executive (*June 2019*);
Potential Areas for Scrutiny & Review Investigations - Report by Chief Executive (*August 2019*)
Audit and Scrutiny Committee Work Plan - Report by Clerk (*September 2019*)

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Audit and Scrutiny Committee
Updated 2019/20 Work Plan

Planned Report Date	Report Subject	Report by	Date Considered by Audit & Scrutiny Committee
20 June 2019	Proposed Guide to Scrutiny and Review, including Audit and Scrutiny Committee Work Plan 2019/20	Chief Executive	20/6/19
	Code of Corporate Governance	Deputy Chief Executive	20/6/19
	Arboricultural Framework	Director of Environment	20/6/19
	Unaudited Annual Accounts 2018/19	Head of Accountancy	20/6/19
	Local External Audit Report – East Renfrewshire Council Management Report 2018/19	External Auditor	20/6/19
	National External Audit Report - Local Government in Scotland: Challenges and Performance 2019	Clerk in liaison with Deputy Chief Executive	20/6/19
	National External Audit Report - Health and Social Care Integration – Update on Progress	Clerk in liaison with Director, HSCP	20/6/19
	Public Sector Internal Audit Standards (PSIAS) Internal Self-Assessment	Chief Auditor	20/6/19
	Internal Audit Charter		20/6/19
	Internal Audit Plan 2018/19 - Implementation Progress – January to March 2019		20/6/19
	Internal Audit Annual Report 2018/19		20/6/19
	Committee's Specialisation Arrangements for Dealing with Internal and External Audit Reports and Inspection Reports		Clerk to the Committee

Planned Report Date	Report Subject	Report by	Date Considered by Audit & Scrutiny Committee
27 June 2019	Meeting Cancelled as no Longer Required	Not Applicable	Not Applicable
15 August 2019	Update on Audit and Scrutiny Committee Work Plan 2019/20 (Including Consideration of Next Scrutiny and Evaluation Review)	Clerk to the Committee	26/9/19
	National External Audit Report – How Councils Work – Safeguarding Public Money: Are You Getting it Right?	Clerk in liaison with Head of Accountancy	15/8/19
	Annual Treasury Management Report 2018/19	Head of Accountancy	15/8/19
	Internal Audit Plan 2019/20 - Implementation Progress – April to June 2019	Chief Auditor	15/8/19
	Investigation on Income Generation and Commercialisation – Progress Report	Chief Executive (Scrutiny and Evaluation Officer)	15/8/19
	Potential Areas for Scrutiny and Review Investigations		15/8/19
26 September 2019	Strategic Risk Register and Risk Management Progress – Biannual Report	Chief Executive	26/9/19
	National Fraud Initiative - Update (Incorporating Reference to Audit Scotland's Fraud and Irregularity 2018/19 Update)	Head of Communities, Revenues and Change	26/9/19
	2018/19 Annual Accounts for Council's Charitable Trusts and External Audit International Standard on Auditing 260 Report	Head of Accountancy and External Auditor	26/9/19
	2018/19 Annual Accounts and Draft Annual Audit Report for East Renfrewshire Council		26/9/19

Planned Report Date	Report Subject	Report by	Date Considered by Audit & Scrutiny Committee
26 September 2019 (cont'd)	Managing Absence – 2018/19 Annual Report	Deputy Chief Executive	26/9/19
	Summary of Early Retirement/ Redundancy Costs to 31 March 2019		26/9/19
	Investigation on Income Generation and Commercialisation - Further Progress Report	Chief Executive (Scrutiny and Evaluation Officer)	26/9/19
21 November 2019	Interim Treasury Management Report 2019/20	Head of Accountancy	21/11/19
	Internal Audit Plan 2019/20 – Implementation Progress – July to September 2019	Chief Auditor	21/11/19
	Housing Benefit Performance Audit: Annual Update 2019 (See Note 1)	Clerk in liaison with Head of Communities, Revenues and Change	Now 25/6/20 (2020/21 Work Plan refers)
	National External Audit Report: Revenue Financing of Assets (Non-Profit Distributing and Hub Models) (See Note 2)	Clerk in liaison with Director of Environment	Now 13/8/20 (2020/21 Work Plan refers)
	Investigation on Income Generation and Commercialisation - Final Draft Report, Conclusions and Recommendations for Consideration (See Note 3)	Chief Executive (Scrutiny and Evaluation Officer)	21/11/19
	Schools Admission Policy and Education Appeals System – Presentation (See Note 4)	Clerk in liaison with Director of Education and Director of Corporate and Community Services	21/11/19

Planned Report Date	Report Subject	Report by	Date Considered by Audit & Scrutiny Committee
21 November 2019 (cont'd)	Investigation on Climate Change: Scope and Timeline	Chief Executive (Scrutiny and Evaluation Officer)	21/11/19
	East Renfrewshire Culture and Leisure Trust – Best Value Type Review – Scope		21/11/19
23 January 2020	National External Audit Report: NHS in Scotland (See Note 5)	Clerk in liaison with Director, HSCP	Now 25/6/20 (2020/21 Work Plan refers)
	Internal Audit Plan 2019/20 – Implementation Progress – October to December 2019	Chief Auditor	23/1/20
20 February 2020	Treasury Management Strategy 2020/21	Head of Accountancy	20/2/20
12 March 2020	Strategic Risk Register and Risk Management Progress - Biannual Report	Chief Executive	12/3/20
	Audit and Scrutiny Work Plan 2019/20 Progress and 2020/21 Work Plan	Clerk to the Committee	Now 25/6/20 (2020/21 Work Plan refers)
	Internal Audit Strategic Plan 2020/21 – 2024/25	Chief Auditor	12/3/20
	East Renfrewshire Council - Annual Audit Plan 2019/20	External Auditor	12/3/20
	National External Audit Report: Scotland's City Region and Growth Deals	Clerk in liaison with Director of Environment	12/3/20
	National External Audit Report: Local Government in Scotland – Financial Overview	Clerk in liaison with Head of Accountancy	12/3/20
	Investigation on Climate Change Final Draft Report, Conclusions and Recommendations for Consideration (See Note 6)	Chief Executive (Scrutiny and Evaluation Officer)	12/3/20
	Operation of East Renfrewshire Culture and Leisure Trust – Review Outcome (See Note 7)	Chief Executive	Now 25/6/20 (2020/21 Work Plan refers)

NOTES ON WORK PLAN

Note 1 (Housing Benefit Performance Audit: Annual Update 2019)

The *Housing Benefit Performance Audit: Annual Update 2019* was not published by Audit Scotland in time to provide feedback to the November 2019 meeting. Following its publication in January 2020, feedback was sought which will now be submitted to the committee on 25 June 2020.

Note 2 (National External Audit Report: Revenue Financing of Assets (Non-Profit Distributing and Hub Models))

The *National External Audit Report: Revenue Financing of Assets (Non-Profit Distributing and Hub Models)* was not published in time to provide feedback to the November 2019 meeting. Following its publication in January 2020, feedback was sought which will now be submitted to the committee on 13 August 2020, taking account of other priorities being dealt with at present.

Note 3 (Investigation on Income Generation and Commercialisation)

The report on the committee's investigation on *Income Generation and Commercialisation*, which was regarded as a high priority issue for review, was submitted to the Cabinet on 6 December 2019 which agreed to support the recommendations made in principle, and that a response to the report would be submitted to the Cabinet in 6 months. The date on which the Audit and Scrutiny Committee seeks a further report on this issue, in terms of its 2020/21 Work Plan, is subject to when that response is submitted to the Cabinet, and its content such as in terms of timescales for implementing recommendations.

Note 4 (Schools Admission Policy and Education Appeals System)

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

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

In the interim, it was agreed as part of the committee's 2019/20 Work Plan that a presentation be made to it on the admission policy and the appeals system. That presentation was made and noted by the committee in November 2019.

Note 5 (National External Audit Report: NHS in Scotland)

The *National External Audit Report: NHS in Scotland* was not published in time to provide feedback to the January 2020 meeting. Following its publication in January 2020, feedback was sought which is now being submitted to the committee on 25 June 2020.

Note 6 (Investigation on Climate Change - Final Draft Report, Conclusions and Recommendations)

The final report on the committee's investigation on Climate Change was approved on 12 March 2020. Issues relating to the Covid-19 emergency have prevented the report from being submitted to the Cabinet prior to the 2020 Summer recess. It is intended to submit the report to the Cabinet on 13 August. The date on which the Audit and Scrutiny Committee will seek a further report on this issue, in terms of its 2020/21 Work Plan, is subject to when a formal response to the report is submitted to the Cabinet, and its content such as in terms of timescales for implementing recommendations.

Note 7 (Operation of East Renfrewshire Culture and Leisure Trust)

On 21 November 2019, the committee noted the scope and timeline of the Best Value-type review of East Renfrewshire Culture and Leisure Trust which it considered a high priority for review, and that the findings would be reported to the committee in due course. The report remained to be finalised at the time of the committee's meeting in March 2020 and is now being submitted on 25 June 2020.

Note 8 (External Audit Reports - Various)

The most recent progress report on the 2019/20 Work Plan submitted to the committee reflected that it was anticipated that national external audit reports on the following issues would be published in time to allow feedback on them to be submitted to the committee as part of that Work Plan. Taking account of when these reports were published, feedback on both reports will now be submitted to the committee as part of the 2020/21 Work Plan:-

- Self-Directed Support
- Equal Pay in Scottish Councils

Note 9 (Withdrawal from European Union)

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

In August 2019 the committee agreed to carry out a review regarding Brexit and the related financial implications as a medium priority issue, subject to further consideration of the timing of its commencement, having regard to the future outcome of UK Government discussions with the European Union (EU). It was also agreed that, in the first instance following the appointment of the Council's Brexit Coordinator, arrangements should be made for the postholder to meet with the committee to allow Members to take evidence/gather information on

Brexit issues. The post was to help co-ordinate and monitor progress on all aspects of Brexit, including internal preparedness and external liaison with appropriate bodies (including Scottish Government and Police Scotland), and involved reporting to Elected Members, the Corporate Management Team (CMT) and Council officials.

A report on issues relating to withdrawal from the EU was to have been submitted to the committee April 2020. In liaison with the Chair, taking account of the impact of the current emergency and related issues, a report on this issue will now be considered on 13 August 2020.

Note 10 (Graffiti Removal and Fly-tipping)

In August 2019 the committee agreed to review (1) graffiti removal; and (2) fly-tipping as medium priority issues. In the first instance it was agreed to undertake site visit(s) in the latter half of 2019/20 to gather information on the latest procedures and equipment being used for this by the Environment Department. However, subsequently, it was suggested that seeking briefings on these issues could be sufficient at least at this stage. Taking account of other priorities and issues relating to Covid-19 in terms of allowing the Environment Department to prioritise other matters, briefings on these issues remain to be requested. These will be pursued by the Clerk over the Summer recess and the feedback received will be circulated to Members of the Committee in due course.

Note 11 (Early Years Provision Policy)

In August 2019 the committee agreed that the new Early Years Provision policy was a low priority for review and that it, including the financial implications of it, be considered for review in the 2022/23 financial year, following completion of the current roll-out of the provision. This review will be considered as part of the committee's 2022/23 Work Plan.

Note 12 (Council Website/Communications with the Public)

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

It was also agreed, prior to considering further when such a review may be appropriate, that in the interim a demonstration of the new website be organised for Elected Members to provide an opportunity for questions to be asked about it and its capabilities. The current situation regarding Covid-19 resulted in the launch of the new website being postponed and has also impacted on when and how a demonstration will be arranged by the Communications Manager. The launch and demonstration, which would be for all Elected Members, is under consideration but the final scheduling of both remains to be confirmed.

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Audit and Scrutiny Committee
Proposed 2020/21 Work Plan

Planned Report Date	Report Subject	Report by	Date Considered by Audit & Scrutiny Committee
30 April 2020	Meeting Cancelled due to Position on Covid-19	Not Applicable	Not Applicable
18 June 2020	Meeting Cancelled due to Position on Covid-19	Not Applicable	Not Applicable
25 June 2020	Unaudited Annual Accounts 2019/20	Head of Accountancy	25/6/20
	East Renfrewshire Culture and Leisure Trust – Best Value Type Review (Note 7 of 2019/20 Work Plan above refers)	Chief Executive	25/6/20
	National External Audit Report - NHS in Scotland (Note 5 of 2019/20 Work Plan above refers)	Clerk in liaison with Chief Officer, Health and Social Care Partnership	25/6/20
	Internal Audit Plan 2019/20 - Implementation Progress – January to March 2020	Chief Auditor	25/6/20
	Consultancy Costs and Related Log	Clerk to the Committee	25/6/20
	Audit and Scrutiny Committee Work Plans 2019/20 and 2020/21		25/6/20
13 August 2020	Code of Corporate Governance	Deputy Chief Executive	
	Annual Treasury Management Report 2019/20	Head of Accountancy	
	Preparing for Withdrawal from the European Union and Related External Audit Report (Note 9 of 2019/20 Work Plan above refers)	Director of Environment in liaison with Clerk	

Planned Report Date	Report Subject	Report by	Date Considered by Audit & Scrutiny Committee
13 August 2020 (Cont'd)	Local External Audit Report – East Renfrewshire Council Management Report 2019/20 <i>(See Note A below)</i>	External Auditor	
	National External Audit Report - Privately Financed Infrastructure Investment: The Non-Profit Distributing (NPD) and Hub Models <i>(Note 2 of 2019/20 Work Plan above refers)</i>	Clerk in liaison with Director of Environment	
	National External Audit Report - Early Learning and Childcare Follow-Up	Clerk in liaison with Director of Education	
	National External Audit Report - Self-Directed Support - 2017 Progress Report - Impact Report <i>(Note 8 of 2019/20 Work Plan above refers)</i>	Clerk in liaison with Chief Officer, Health and Social Care Partnership	
	Public Sector Internal Audit Standards (PSIAS) Internal Self-Assessment	Chief Auditor	
	Internal Audit Annual Report 2019/20		
	Revised Internal Audit Plan 2020/21		
	Internal Audit Plan 2020/21 - Implementation Progress – April to June 2020		
Committee's Specialisation Arrangements for Dealing with Internal and External Audit Reports & Inspection Reports	Clerk to the Committee		
24 September 2020	2019/20 Annual Accounts for Council's Charitable Trusts and External Audit International Standard on Auditing 260 Report	Head of Accountancy and External Auditor	

Planned Report Date	Report Subject	Report by	Date Considered by Audit & Scrutiny Committee
24 September 2020 (cont'd)	2019/20 Annual Accounts and Draft Annual Audit Report for East Renfrewshire Council	Head of Accountancy and External Auditor	
	Strategic Risk Register and Risk Management Progress – Biannual Report	Chief Executive	
	National Fraud Initiative	Head of Communities, Revenues and Change	
	East Renfrewshire Council Annual Fraud Statement 2019/20	Chief Executive	
	Managing Absence – 2019/20 Annual Report	Deputy Chief Executive	
	Summary of Early Retirement/ Redundancy Costs to 31 March 2020		
	National External Audit Report - Impact of September 2017 Audit on Equal Pay in Scottish Councils	Clerk in liaison with Deputy Chief Executive	
	National External Audit Report - National Performance Audit on Affordable Housing	Clerk in liaison with Director of Environment	
	National External Audit Report - Local Government Overview Report for 2019/20	Clerk in liaison with Deputy Chief Executive	
	Update on Audit and Scrutiny Committee Work Plan 2020/21	Clerk to the Committee	
19 November 2020	Interim Treasury Management Report 2020/21	Head of Accountancy	
	Internal Audit Plan 2020/21 – Implementation Progress – July to September 2020	Chief Auditor	
18 February 2021	Treasury Management Strategy 2020/21	Head of Accountancy	

Planned Report Date	Report Subject	Report by	Date Considered by Audit & Scrutiny Committee
18 March 2021	Strategic Risk Register and Risk Management Progress - Biannual Report	Chief Executive	
	Audit and Scrutiny Work Plan 2019-20 Progress and 2020/21 Work Plan	Clerk to the Committee	
	Internal Audit Strategic Plan 2021/22 – 2025/26	Chief Auditor	
	East Renfrewshire Council - Annual Audit Plan 2020/21	External Auditor	

Note A (East Renfrewshire Council Management Report 2019/20)

Due to the current emergency, the East Renfrewshire Council Management Report 2019/20 will be completed and submitted to the committee on 13 August rather than in June