

EAST RENFREWSHIRE COUNCIL
AUDIT AND SCRUTINY COMMITTEE

6 April 2017

Report by Clerk

REVIEW OF WORK PROGRESSED BY COMMITTEE SINCE 2012
AND SELF-EVALUATION

PURPOSE OF REPORT

1. To seek approval of the report prepared reviewing the Committee's activities from 2012 to 2017; and the observations and recommendations made by the Committee arising from its self-evaluation.

RECOMMENDATIONS

2. It is recommended that the Committee:-
- (a) consider if they wish any amendments made to the report prepared reviewing the Committee's activities from 2012 to 2017, and the summary of observations and recommendations arising from its self-evaluation; and
 - (b) agree to authorise the Clerk, in liaison with the Chair, to fine-tune and finalise the report reviewing its activities from 2012 to 2017 during the forthcoming weeks prior to the local government election.

REVIEW OF COMMITTEE'S WORK SINCE 2012

3. Since an Audit Committee was first established by the Council in 1999, periodically reports have been prepared overviewing work it has undertaken, including prior to the local government elections in 2007 and 2012. In 2012 this was one of the final issues the Committee dealt with prior to the election to allow information within it to be made available, for example, to those elected to the new Council.

4. In September 2016 the Committee agreed that a further short report of this type be prepared covering 2012-2017. One of the Council's Corporate Policy Officers has been involved in preparing the draft document, in liaison with the Clerk and the Chair, a copy of which is attached for consideration (see Appendix 1). Members are invited to comment on any amendments they wish to propose on the content and to note that work will be progressed with the Communications Team on the final formatting of the publication.

SELF-EVALUATION

5. The 2012-2017 review makes reference to the outcome of a self-evaluation exercise progressed by the Committee. It is recommended that Audit Committees review their effectiveness as often as annually, the Committee's view in 2012 and now being that periodic self-evaluations are useful, such as for analysing performance, enhancing practices, and identifying how it can support the work of the Internal Audit service for example. However it

was felt by the Committee then and still is that doing this as frequently as annually is neither a necessary nor efficient use of its limited time.

6. A self-assessment tool developed by the Audit Committee Institute (ACI) to help such committees assess their own effectiveness was used previously by the Committee following its adaptation for local authority use. In September 2016, whilst the Committee acknowledged that it was a mature and well established one, it agreed that a further self-evaluation would be useful at this stage and that the ACI based questionnaire used previously should be used as a focus for this work. The Corporate Policy Officer referred to above also provided support to the Clerk and the Committee on this piece of work.

7. The format of the final questionnaire used recently was prepared in liaison with the Chair. Other potential questionnaires were considered, but ultimately it was concluded, in liaison with him, that a shortened version of the 2012 questionnaire (with some minor adjustments made to it to cover a few gaps that were felt to exist based on other questionnaires) should be used. The rationale for shortening it was either because there was not considered to be a need to discuss some of the matters in-depth this time (e.g. appropriate and good arrangements were already considered to be in place); some issues were not felt relevant; or some issues were considered to be covered sufficiently by other questions. Members of the Committee were though given the opportunity to comment on the issues removed from the questionnaire by exception.

8. A full list of the questions removed is available but, in summary, these were just some of those covering:-

- The Committee's Terms of Reference/Remit/Good Practice
- Meetings
- Training and Resources
- Financial Reporting
- Internal Financial Controls and Risk Management Systems
- Internal Audit Related Processes
- External Audit Related Processes

9. At a meeting in December, some Members of the Committee considered the remaining self-evaluation questions and provided related evaluations and detailed observations for collation. During the meeting, a few additional issues were identified on which discussion was not felt appropriate over and above those identified previously. For example, it was felt that some matters pertaining to the formal appointment of the External Auditor did not need to be discussed exactly as presented.

10. In summary, the Committee considered a range of questions, a list of which is available, on the following issues:-

- The Committee's Terms of Reference/Remit/Good Practice
- The extent to which various statements described its approach
- Membership of the Committee
- Meetings
- Training and Resources
- Financial Reporting
- Internal Financial Controls and Risk Management Systems
- Internal Audit Related Processes

- External Audit Related Processes
- Whistle Blowing
- The Committee's Relationship with the Cabinet
- Communication with Stakeholders

Those who were unable to attend the meeting were also given an opportunity subsequently to provide additional comments on the matters raised and evaluations.

11. On the basis of the outcome of the Committee's own self-evaluation, a list of observations and recommendations on matters where room for some improvement is considered to exist in its view, listed under various categories, has been prepared (see Appendix 2) to pass on to those appointed to the new Committee established after the election in May and others as considered appropriate. The Committee are invited to consider if they wish any further changes made to the issues listed.

RECOMMENDATIONS

12. It is recommended that the Committee:-

- (a) consider if they wish any amendments made to the report prepared reviewing the Committee's activities from 2012 to 2017, and the summary of observations and recommendations arising from its self-evaluation; and
- (b) agree to authorise the Clerk, in liaison with the Chair, to fine-tune and finalise the report reviewing its activities from 2012 to 2017 during the forthcoming weeks prior to the local government election.

Local Government Access to Information Act 1985

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Background Papers:-

1. Self-Evaluation Questionnaire Discussed by Committee and Related Observations and Evaluations

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East Renfrewshire Council
Audit and Scrutiny Committee

Report on activity 2012-17

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Foreword by Chair

Text to be finalised

Cllr Gordon Wallace
Chair of Audit and Scrutiny Committee
March 2017

Photo of Chair/signature

Other photo of committee

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Annex 1 – Committee Members

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1. The Committee's Remit and Work Programme

Good internal scrutiny plays an important role in demonstrating good governance and ensuring public confidence in Scotland's councils. An essential part of elected member scrutiny at East Renfrewshire Council is seen in the work of the Audit and Scrutiny Committee. In line with good practice, it is chaired by a member of the Opposition and its membership, which comprises 7 Members is cross-party in nature. The Vice-Chair is also an Opposition Member.

The Audit and Scrutiny Committee (ASC) was established in 1999 (originally as the Audit Committee) to examine the Council's performance across a wide range of activity with the ultimate aim of improving service delivery to its citizens. The Committee ensures that the Council's internal control framework and governance arrangements are operating effectively.

The Committee has a wide remit including scrutiny of internal controls, service performance and policy decisions, as well as more traditional 'audit' functions, through all of which it focuses on both financial and non-financial performance. The Committee may also investigate processes by which policy decisions have been taken, the substance of any particular policy, how a policy fits in with the overall objectives of the Council, and the effectiveness of a policy in terms of implementation.

The Committee may also act as a counterbalance in respect of some executive decisions made by the Cabinet which have been "called in". Calling in is a formal procedure which is invoked when five Councillors request a review of a Cabinet decision, usually one that has been contentious in some way, prior to it being implemented. Some called in decisions are referred to the full Council, but those referred to the Committee are then considered by it at an early date and a course of action recommended, which can be to proceed as planned by the Cabinet or to recommend a different approach.

To a significant extent, the Committee determines its own workload, but there are a number of externally and internally generated issues to which the Committee must attend. These are detailed in the Committee's Terms of Reference which can be viewed in the Council's Scheme of Administration [here](#).

In recognition of its wide remit and the developing nature of its work, members of the Committee proposed that its name be changed from the Audit to the Audit and Scrutiny Committee in 2013. This was agreed and is a better reflection of the functions and role of the Committee and its scope of looking at both financial and non-financial matters.

The Committee has exercised more detailed scrutiny over a wide range of topics from procedural issues to the use of external consultants, and including a review of funding

for voluntary and community groups, absence management matters and risk issues on which it receives regular reports. Full minutes of the proceedings of the Committee are publicly available on the East Renfrewshire Council website [here](#), and a summary of the issues discussed and decisions taken by the Committee since May 2012 is available [here](#).

In order to build expertise and manage workload effectively, the Committee operates 'specialisation' arrangements whereby its Members, working in pairs, focus on specific service areas, reviewing External and some Internal Audit reports in detail for example, and related action plans in discussion with officers as appropriate.

The current service portfolios held by members of the Committee are set out below:

Service specialism	Members
Reports with Council-Wide Focus	Cllr Gordon Wallace Cllr Barbara Grant
Chief Executive's Office and most Corporate and Community Services Issues	Cllr Gordon Wallace Cllr Ralph Robertson
Finance Issues	Cllr Gordon Wallace Cllr Paul O'Kane
Environment Issues	Cllr Gordon McCaskill Cllr Ralph Robertson
Health and Social Care Partnership Issues (<i>previously Community Health and Care Partnership</i>)	Cllr Gordon Wallace Cllr Barbara Grant
Education Issues	Cllr Charlie Gilbert Cllr Gordon McCaskill

Reports on corporate responsibilities cutting across more than one department are dealt with under the service with lead responsibility for it.

The following report provides a further summary outline of the work of the Committee and gives a flavour of the wide ranging activity it has been involved in since 2012.

2. Corporate Governance

A key aspect of the Committee's work is considering the Council's corporate governance arrangements. Each year since 2012, the Committee has continued to consider and approve the Council's Code of Corporate Governance annual updates in line with a national framework for *Delivering Good Governance in Local Government* and its six principles of good governance and related requirements. In scrutinising the governance reports, the Committee discussed a range of related issues including the audit arrangements for the new Health and Social Care Partnership (June 2015) and made some related recommendations, including that:

- elected Members and Senior Officers be briefed by the Strathclyde Police Serious and Organised Crime Unit on serious and organised crime (June 2012); and

- information on plans to brief Members on the Community Empowerment (Scotland) Act 2015 be circulated (April 2016).

Over the period 2012-17 the landscape for local government has continued to become increasingly complex as a result of developing partnerships and the use of Arm's Length External Organisations (ALEOs). In response to this, the Committee also sought and established greater clarity on its locus relating to the East Renfrewshire Community and Leisure Trust (ERCLT) and the HSCP Integration Joint Board (IJB). Two members of the Committee attended the HSCP IJB Audit and Performance Committee in autumn 2016 to observe proceedings and liaise with IJB colleagues and, more recently, the Vice Chair became a full member of that Committee.

3. Risk Management

Another key function of the Audit and Scrutiny Committee is to scrutinise and support effective risk management arrangements across the Council. Since 2012, the Committee has regularly reviewed general progress reports on risk management as well as reports on reviews of the Council's Strategic Risk Register. In response to these, the Committee's recommendations and decisions have included:

- seeking further information on the extent to which alleged damage by Council workmen/women led to insurance claims against the Council (August 2012);
- requesting a presentation on the extent of community engagement with which the Council is involved (February 2013);
- requesting detailed analysis of Council complaints (February 2014);
- asking the then HR Manager to attend the Committee to comment on: workforce succession planning issues it had raised; the use of the Audit Scotland succession planning toolkit within the Council; and implementation of workforce planning policy (March 2015);
- agreeing that the Corporate Business Manager provide an update on implementation of risk control measures linked to named persons under the Children and Young People (Scotland) Act (August 2015);
- requesting clarification on when processing of payment of invoices over 30 days would be on target (September 2016); and
- agreeing that the Head of Business Change and Revenues provide clarification on the extent to which concerns existed locally or otherwise regarding Universal Credit for rent not going directly to landlords (November 2016).

In addition, the Committee is made aware by External Audit of the risk analysis it undertakes to help determine its Annual Audit Plan and that such an approach is also taken regarding the Internal Audit Plan.

4. External Audit

External Audit has continued to support the Council and the work of the Committee and its Members during the past 5 years. Each spring the Committee considers the External Auditor's Annual Plan which summarises planned audit activity at the Council. The Council's Annual Accounts are also considered by the Committee every autumn, together with the associated Annual Report to the Council prepared by External Audit (prior to their submission to the Council). It has also become established practice each September for the External Auditor to discuss with members of the Committee issues relating to the Accounts prior to their certification based on International Standard on Auditing 260 (ISA 260).

The opportunity to review all local and national External Audit reports and, in particular, to receive and discuss feedback it requests from management on how well placed the Council is with regard to any recommendations raised in them and how issues are being addressed locally is highly valued by the Committee. A good example of this is feedback on the Accounts Commission's annual *Overview of Local Government in Scotland* report which the Committee reviews in conjunction with a report collating comments from across the Council and HSCP on the findings.

The Committee always seeks non-ambiguous, clear and transparent feedback from management on reports, including External Audit ones, which help it consider performance issues and is considered by it essential to effective scrutiny. Although all Members of the Committee see the reports and management feedback, under its 'specialisation' arrangements, different Members focus on specific service areas, reviewing relevant reports and related action plans in detail and in discussion with officers as appropriate.

Candid and important reports considered by the Committee each year include one prepared by our local External Auditor on tests they carry out annually on key controls operating within six of the Council's financial systems to ensure they are operating satisfactorily. Another good example of candid management feedback was regarding the Audit Scotland report *Maintaining Scotland's Roads* (15 August 2013). An example of a more recent report where the Committee needed to seek additional feedback, in order to gain greater clarity than that originally provided, was a report concerning the outcome of a risk assessment on a housing benefit performance audit in early 2015.

The wide range of important External Audit reports and related management feedback considered by the Committee during 2012-17 included those on:

- Social Care Transport (February 2013);
- Housing in Scotland (November 2013) which resulted in the Housing Services Manager subsequently attending the Committee to present on local issues;

- Charging for Services (January 2014) which resulted in the Committee submitting a paper to the Corporate Management Team (CMT) on its views;
- Self-Directed Support (August 2014) which ultimately led to an Internal Audit report on *Payments to Care Providers* being considered and discussed with senior officers in-depth (see below); and
- Health and Social Care Integration (April 2016).

5. External Inspection Reports

In line with its work on External Audit issues and to fill a gap it felt existed, since April 2013 the Committee has requested updates on various inspection reports prepared by external organisations about Council Services (e.g. Care Inspectorate). These are dealt with outwith its formal meetings, but generally under its specialisation arrangements, with Members having the option to raise matters, by exception, including at formal meetings if necessary.

6. Internal Audit

The Audit and Scrutiny Committee recognises, values and has commended the high quality work of Council's Internal Audit team. The high quality performance of Internal Audit has also been commented on regularly by External Audit, such as through their annual reports considering internal audit arrangements. In August 2014, the Committee approved the *Internal Audit Charter* required under new Public Sector Internal Audit Standards (PSIAS), which defined the Council's internal audit activities in the context of purpose, authority and responsibility and the scope of activities undertaken by the section.

The Committee values considering the Internal Audit Annual Plan each spring followed by related progress reports submitted throughout the year. Through these, it will request further information or clarification on topics as required. A further important annual task is to consider the Internal Audit Annual Report in late summer, following which it submits a report to the Council seeking approval of the Annual Statement on the Adequacy of Internal Controls.

Arising from discussions on the findings of Internal Audit work, examples of issues pursued by the Committee since 2012 include those relating to:

- Contract evaluation and management (June 2013);
- Downsizing payments related to housing (June and August 2014) on which the Committee sought clarification from the Chief Executive on concerns it had on the non-implementation of an Internal Audit recommendation on withholding downsizing payments when other monies were owed; and

- Payments to Care Providers (2015-2017) on which it held a range of concerns about financial control in relation to payments to care providers and related reconciliations.

7. Whistleblowing and Anti-Fraud Activity

Two related areas of interest to the Committee over the past 5 years have been the promotion of whistleblowing at the Council and anti-fraud measures.

In November 2012, the Committee recommended that the Council's *er* magazine feature an article to raise awareness and promote more active whistleblowing among the public in East Renfrewshire. Awareness by officers was considered important also. More generally, the Chief Auditor alerts the Committee to fraud and potential fraud issues when presenting her regular Internal Audit progress reports.

More specifically, in January 2015 the Committee considered and sought Cabinet approval for a *Revised Anti-Fraud and Bribery Strategy* which outlined measures taken by the Council to protect itself against malpractice through fraud or corrupt practices, referred to its commitment to fighting fraud and corruption to protect public funds, and highlighted expectations that suppliers, contractors, employees, Members and service users act with integrity and without intention to defraud or commit corruption against the Council. Further information is available [here](#).

8. In-depth Work by the Committee

Periodically topics are identified by the Committee which it considers require further exploration by its own Members. Typically this more in-depth, analytical and time-consuming work results in the Committee producing detailed reports of feedback on the topics, including comments and/or recommendations to be considered and taken forward by the Cabinet or CMT as considered appropriate. Examples of such work completed by the Committee during the period 2012-17 are given below.

Procedural issues – Internal Audit work had highlighted concerns on various procedural issues: access to Corporate Personnel Circulars (CPCs); car mileage and related issues and checks; declarations of interest; IT systems access issues; and the Council leaver's checklist. Through a review of related issues, in total 15 recommendations made by the Committee were acted upon, including on:

- reviewing CPC distribution arrangements;
- reminding officers about the need to complete fully and timeously vehicle and expenses document checks and the adequacy of documentation;
- revisiting systems access issues; and
- reviewing the title, format and use of job exit forms.

Use of consultants – The Committee’s interest in the use of external consultants resulted, in part, from discussions in 2013 on workforce planning and the consequences of loss of expertise in the Council, such as through retirement. The investigation sought clarity from departments on their use of consultants over two years, including why they were engaged; costs; if expenditure was ‘one-off’ or recurring; and the extent to which their use was linked to *spend to save* initiatives. It was agreed to pass the feedback collated to the Chief Executive for her review and consideration, together with the Committee’s views on various issues including:

- the value of consultancy costs being reviewed on an on-going basis;
- that departments should conduct the type of exercise it had done, analysing costs and trends to inform discussions on whether or best value is being delivered; and
- the importance of correctly coding consultancy related costs.

Review of Community Grants and Related Issues – The Committee’s most recent investigation, completed in 2016, was initially prompted by the Chair who became aware of some voluntary groups’ frustration and lack of clarity about the Council’s grant allocation system. Issues reviewed included application forms and guidance; previous reports on grants; adherence to procedures and criteria; and grant distribution and benchmarking. The focus later widened to include additional funding available through the authority. In total 17 of the Committee’s 21 recommendations were accepted in full including on:

- establishing a method to determine and access the total amount of Council funding awarded/allocated to a single organisation;
- reviewing the presentation of information on funding streams on the website and organising related publicity;
- considering if further parts of the grants process can be improved through the application of digital technology; and
- setting a financial threshold or thresholds for applications above which comments should be requested from Ward Councillors.

Between 2012 and 2014, the Committee also maintained an on-going interest in commercial waste management services on which some preliminary in-depth work by the Committee had been done. When it was satisfied with feedback received on the further development of the service associated with the implementation of the Waste (Scotland) Regulations 2012 in January 2014, it agreed not to pursue any matters further.

9. Absence Management

For several years the Committee has been scrutinising the Council’s approach to reducing staff absence levels in more depth, recognising the importance of this issue

to the organisation including in terms of cost and service delivery to local residents. This has included seeking clarification on a range of related issues. Its interest in this issues extended to offering to provide practical support, as considered appropriate, to help implement the Council's new Maximising Attendance Policy and address attendance issues (February 2013).

The Committee requested and now considers a detailed Annual Report on absence management. Included are comparative absence figures, benchmarking East Renfrewshire's performance against other councils, and comments on support and wellness programmes offered to staff. The Committee considers these valuable.

10. Training Issues

Given the range of work covered by the Committee and its continually changing nature, the Committee has reflected on training on some issues periodically, complementing the invitation that is issued to all Members to discuss their training needs with an HR officer around once a year. Training specifically requested by the Committee and delivered over the past five years (or which is currently being organised) has concerned:

- Capital and treasury management (training was delivered and will be delivered again after the Local Government elections in May 2017); and
- Procurement, including thresholds for processing various contracts.

11. Contact with Other Areas

Since its inception, the Committee has been outward looking and welcomed opportunities to hear of practice elsewhere and, at the same time, share its own approach with others. Examples of liaison of this type in terms of other council areas in recent years has included:

- Some liaison, by correspondence and phone, with South Ayrshire (an invitation to visit East Renfrewshire was issued (2013));
- A visit by representatives of the Committee to observe a scrutiny committee meeting in Glasgow and meet with officers and Members there (2014); and
- A visit by representatives of Renfrewshire Council to the Committee (also in 2014).

12. Capital Asset Valuations and Related Issues

Periodically Members of the Committee seek clarification on specific issues. Once such issue was progressed in 2013 when the Chair sought feedback from the then Director of Finance on control measures in place within the authority to ensure

transparency in the valuation of council assets intended for disposal. No detailed work was pursued, but examples of how the Council had used the District Valuer's services in this respect were sought and provided.

13. "Call-ins" and Related Issues

As already highlighted, a key scrutiny function of the Committee is considering decisions taken by the Council's Cabinet that have been "called in" and referred to it for review. The call-in related issues dealt with by the Committee recently include:

- **Deaconsbank Golf Club** – Although the Committee reviewed and accepted a Cabinet decision to replace a temporary fire-damaged clubhouse at Deaconsbank Golf Course with a new, temporary facility in 2011, the Committee maintained an interest in this issue during the period covered by this report. In 2014, it asked the Head of Environment to submit a progress report on the replacement facility, monitoring progress subsequently and seeking a further update in June 2015. Although the time taken to address the issue brought to the Committee took time to resolve, a positive outcome of the longer approach taken is that a development with extensive sport and leisure facilities is now on site.
- **East Renfrewshire Renewable Energy Fund** – In March 2016 the Committee deliberated on a range of issues on the establishment of the East Renfrewshire Renewable Energy Fund to replace the existing Whitelees Wind Farm Fund. Although most of the Cabinet's decisions were not called-in, aspects of its decision to approve the establishment of the new Fund in principle were challenged. In summary, the Committee was not persuaded to support all of the alternative proposals put forward through the call-in, such as affording priority preference to settlements nearby the turbines. However, it did accept others such as the option to award a grant up to 87½% of the cost of a proposal and about maintaining a Small Grant Fund. Ultimately the Cabinet accepted the various recommendations made by the Committee.

Details of other issues that were called in can be found in the Minutes of the Committee.

14. Committee Self-Evaluation and Review

The Committee aims to continually improve and ensure that it performs a valuable scrutiny function within the Council and has therefore completing a self-evaluation periodically. It welcomed the opportunity to reflect on and summarise the work undertaken during the life of the current Administration for the benefit of people both

within and outwith the Council, including those to be appointed to the Committee following the 2017 Local Government Election.

As previously, the methodology adopted during the most recent review undertaken was based on a self-evaluation template developed by the Audit Committee Institute (ACI) at one point and drawing on views expressed by Committee Members largely during a session conducted in December 2016. The views expressed resulted in a number of recommendations for consideration by the new Committee established following the election. These include recommendations on:

- the control environment about when it is alerted to issues;
- how suggestions about work it might wish to pursue are gathered;
- seeking management feedback on comments and recommendations made through its detailed work;
- the active promotion of the value of the audit process and of whistle-blowing arrangements; and
- training for its Members.

Annex 1 – Audit and Scrutiny Committee Members

Cllr Gordon Wallace (Chair)
Cllr Barbara Grant (Vice Chair)
Cllr Charlie Gilbert
Cllr Paul O’Kane
Cllr Gordon McCaskill
Cllr Tommy Reilly
Cllr Ralph Robertson

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**AUDIT AND SCRUTINY COMMITTEE'S
OBSERVATIONS AND RECOMMENDATIONS ARISING FROM 2017 SELF-EVALUATION**

Self-Evaluations

- (1) Completing a further self-evaluation exercise recently was worthwhile. The Committee's view remains that periodic self-evaluations are useful to help analyse its performance and allow improvements to be considered. It is recommended that further self-evaluations are carried out in future, not annually, but at least once during the life of the next Council.

Committee's Terms of Reference

- (2) The Committee continues to value highly its current wide Terms of Reference which have allowed it to examine the issues it has wished to pursue. If the Committee ever considered there to be a need to have these reviewed, which is not considered required at present, it could raise that appropriately. The current Committee's view is that it is important that these are not changed in future in a way that the Committee itself would consider detrimental.

In 2012/13, the Committee pursued a change of name from Audit to Audit and Scrutiny Committee. This has been welcomed and better portrayed the extent of its role and its focus on financial and non-financial matters.

Committee's Membership

- (3) Meetings of the Committee have been generally well-attended by Members. The current Committee's view remains that its membership should not extend beyond elected Members. An option to invite others to contribute to its work remains and officers and other elected Members are invited to attend meetings occasionally when necessary. Having external Members on the Committee, it is felt, would significantly change its dynamics and could lead to discussions being more curtailed.

Control Environment, Risk Management and Related Issues

- (4) To the extent the Committee is made aware of issues, it considers the adequacy of the control environment and related assurances; and assesses the scope and effectiveness of the systems established by management to identify, assess, manage and monitor financial and non-financial risks. This is achieved such as through its consideration of risk managements reports, and other reports on corporate governance for example.

In keeping with openness and transparency, the Committee considers it crucial that it and Internal Audit are made aware by senior departmental officers of any potentially serious control weaknesses timeously as they emerge as they may merit involvement by Internal Audit and/or the Committee. It is suggested that it is emphasised further that the effectiveness of the Committee's important work is considered to be compromised otherwise.

The Committee supports transparency. To ensure it can discharge its important responsibilities as effectively as possible, it would also be valuable to re-emphasise to officers the importance of the reports they submit and any related comments they provide at meetings being as clear, candid, transparent and unambiguous as possible.

Identification of Other Issues to Pursue and Related Matters

- (5) The Committee has identified many issues on which it has pursued more in-depth work itself, but it is considered that there is scope to explore further how to get more input from stakeholders, both internal and external and including the Corporate Management Team (CMT), on potential issues to explore.

At one stage, the Chair met with members of the CMT to discuss key issues/topics pertaining to their service to inform what the Committee might want to focus on. Revisiting how this might be done in future would be useful and could include seeking feedback on emerging topical issues and the extent to which complaints are received by the departments on various matters.

Members of the Committee meet with senior officers, usually middle and senior management and including the Chief Auditor and Chief Financial Officer (but less so some other CMT members), but not necessarily in their capacity as members of the Committee. When the Chair of the Committee and Opposition Group Leader are the same person, such meetings are more frequent. What best to do if the Committee Chair and Opposition Leader are not the same person merits further consideration.

To complement this, it is suggested that consideration is given to creating and advertising an e-mailbox through which both stakeholders and members of the public could contact the committee to suggest potential issues for it to examine subject to resources.

Resources

- (6) The Committee's work and scale of it is challenging for its Members. A great deal is achieved with the resources at its disposal in terms of the Clerk, but resources are stretched and more would be welcome. As well as proactively seeking feedback from officers across the Council to help research issues the Committee is focussing on at any given time, it would be useful to explore if additional resource could be made available at times from within other sections and departments to assist it with its more detailed work, particularly by involving more than at present those with particular expertise in an issue under consideration.

Feedback on Committee's Detailed Work

- (7) Regarding the more detailed work the Committee opts to progress itself, the Committee has usually, but not always, sought detailed management feedback on the extent to which its observations, suggestions and recommendations have been received and resulted in change (e.g. feedback on the Committee's work on consultants was not pursued; but feedback on work on procedural issues was requested). Regarding this more detailed work, it is recommended that the Committee always seeks management feedback on issues raised. This is considered reasonable and would enable the Committee to gauge and monitor better the impact of its work.

External Audit Reports and Inspection Reports

- (8) The Committee considers external audit reports in detail, related risk and performance issues and management feedback under its specialisation arrangements, enabling these to be considered in more detail than might otherwise be the case. This approach remains helpful and pragmatic, but the distribution of this workload amongst Members of the Committee merits review to make it more equitable.

Arising from a previous recommendation, for a few years now the Committee has reviewed various other external inspection reports prepared on Council services and considers this a welcome development and improvement. It would however be useful to make it clearer when such reports are distributed to the Committee by the Clerk that they should be considered under its specialisation arrangements to ensure that those who are leading on issues are clearer.

Internal Audit

- (9) The Committee continues to have very high confidence in the Chief Auditor and her team, including through the assurances External Audit place on the section's work. The Committee has continued to adopt a risk managed approach on internal audit issues which are reported on regularly to the Committee, progressing matters by exception when it wishes to pursue specific issues. This is considered an effective use of its limited time and resources and it is recommended that this approach continues.

It is worth noting that the Committee does not consider some issues auditable in practice (*e.g. Strategic Risk on reduced central government grant funding leading to failure to support current service provision and a requirement to draw down an unacceptable level of reserves leading to public discontent, a negative effect on the Council's reputation and increased pressure on future years' budgets*).

The active promotion of the value of the audit process was reflected by the Committee seeking and securing a change of its name in 2013 at which time an article was prepared and published in the local press. There is considered to be room for improvement in terms of how the Committee actively promotes the audit process, which it values, that it would be useful for the new Committee to consider.

Whistle-Blowing

- (10) On a specific, related issue, it has been some time since the Committee actively promoted whistle blowing. It is felt important that people feel safe about raising concerns in this way. The new Committee may wish to consider if some further work in relation to this issue is merited, such as pursuing further related publicity to help raise awareness of the importance attached to addressing fraud and irregularity and promote confidence in and awareness of the whistle-blowing arrangements in place.

When information is submitted anonymously, those submitting it cannot be advised of the outcome in person, but some feedback on work taken forward may be available, including in reports prepared by the Internal Auditor. Addressing the issues raised is considered more important than providing feedback.

Training and Related Issues

- (11) Members have an important role to play representing their communities and a related responsibility to help identify and address their own training and development (T&D) needs. Having access to and being willing to undertake appropriate T&D, such as if appointed to the Committee, is important, including through use of online resources.

Addressing such needs can be challenging for the Committee linked to the breadth of issues it considers, treasury management training being one piece of relevant training requested and provided on which further training is planned after May.

Having been members of the Committee since 2012, its current members have acquired and developed skills and expertise to help them in the performance of their role. Locally, general induction training is made available for all Members after local

government elections. However, a specific programme especially for members of the Committee might be useful, particularly for any new Members who could face a steep learning curve initially. Notwithstanding, there is considered to be scope for the Committee to be up and running before some such training is put in place.

Taking account of the content of the induction programme planned for all those elected in 2017, considering if any further particular training is required for the Committee and how it can be delivered cost-effectively would be useful, whilst bearing in mind that offering any training arranged to non-committee Members could be useful too given their responsibilities to scrutinise issues also.

One option worth considering is what relevant training is to be or could be provided through the Improvement Service, possibly on an inter-authority basis, and to strongly encourage the Committee's membership to attend. More generally attending external training, conferences or seminars, such as on scrutiny, can be expensive but should not be discounted if a need can be demonstrated; the costs are not prohibitively expensive; and if it is determined that an event is a relatively cost effective way of accessing appropriate professional expertise and meeting others involved in scrutiny elsewhere which is also considered useful.

Regarding the extent to which detailed financial/technical expertise amongst the membership is essential (which depends to an extent on who is appointed to the Committee in any case), reflecting a view held in 2012, what is felt more important is access to this expertise through officers, for example, which it is felt is already in place.

Committee's Guide

- (12) A guide which the Committee prepared some time ago on how it conducts its business is available, but an update should be prepared, to take account of the Committee's new membership following the election for example and be made available, including on the internet.