

EAST RENFREWSHIRE COUNCIL
AUDIT AND SCRUTINY COMMITTEE

17 August 2017

Report by Clerk

FUTURE WORK PROGRAMME AND RELATED ISSUES

PURPOSE OF REPORT

1. To refer to the establishment and workload of the Committee, including issues considered routinely; seek approval of specialisation arrangements for dealing with external and internal audit reports; consider the outcome of the Committee's most recent self-evaluation; and request that Members start to consider issues on which they might wish the Committee to progress some work.

RECOMMENDATIONS

2. It is recommended that the Committee:-
- (a) consider:-
 - (i) the specialisation arrangements proposed for dealing with internal and external audit reports referred to in Paragraphs 12 to 16 of the report;
 - (ii) the way forward regarding an on-going issue specified in Paragraphs 24 to 25 of the report; and
 - (iii) the recommendations and observations made arising from the self-evaluation completed by the Committee prior to the election in May as specified in Appendix 3;
 - (b) agree that Members of the Committee start to consider issues on which they might wish the Committee to progress some work and provide related feedback to the Clerk with a view to a report being submitted to a future meeting for consideration; and
 - (c) otherwise, note the report.

BACKGROUND

3. The Audit and Scrutiny Committee operates within the context of guidance published by various bodies, including the Chartered Institute of Public Finance and Accountancy (CIPFA) which sets out basic requirements for such committees. The effectiveness of internal audit is considered to be enhanced by a properly functioning committee of this type and local authorities are expected to demonstrate compliance with audit committee principles to meet the requirements of good corporate governance. Members serving on the Committee previously have acknowledged the importance of ensuring that it continues to operate in a way that is in the best interests of the Council and, as an important part of the control environment, in a way that satisfies Audit Scotland and other requirements.

4. The Council first established an Audit Committee in May 1999 when it approved new political management arrangements. Although the Committee's work has been ongoing since then, in 2001 the Council considered if additional scrutiny mechanisms were necessary. Arising from that review an additional scrutiny body, the Policy Review Committee, was established to look primarily at policy related issues, meetings of which were convened until 2007. Following the local government elections in 2007 a decision was taken not to reconvene that Committee following which the Council approved revised Terms of Reference for the Audit Committee, taking account of that decision and some views expressed by the Audit Committee itself. Following the 2012 local government elections the Committee recommended and the Council agreed that its name be changed to Audit and Scrutiny Committee to better portray the extent of its role and its focus on financial and non-financial matters.

5. A copy of the Committee's current terms of reference is appended for ease of reference (see Appendix 1). The outcome of a self-evaluation completed by the Committee earlier in 2017, which will be referred to further later, reflected that it continued to value highly its current wide terms of reference which it argued allowed it to examine the issues it had wished to pursue. The Committee's view was that if it ever considered there to be a need to have these reviewed, which was not considered required at present, it could raise that appropriately and that it was important that these were not changed in future in a way that the Committee itself would consider detrimental.

OVERVIEW OF COMMITTEE'S WORK PROGRAMME

6. Adopting a similar approach to one taken in 2007 and 2012, at its final meeting in April 2017, the previous Committee approved and commended to those elected to the Council in May a report summarising and commenting on work it had undertaken during the previous 5 years. That report, access to which has already been provided to Members, referred to its interest in a diverse range of issues, including some work identified and driven forward by the Committee itself.

Routine Issues

7. The Committee considers various reports arguably on a fairly routine basis in accordance with its terms of reference. Examples of reports considered annually include:-

- The Internal Audit Strategic Plan
- The Internal Audit Annual Report
- The External Auditor's Plan
- The Annual Accounts and a related Audit Report to the Council
- A report on early retirement
- A report on corporate governance

8. Other routine reports considered periodically include progress reports on the implementation of the Internal Audit Plan. Although the exact time when these more routine reports are considered can vary a little depending on circumstances, for information an indicative timetable itemising when it tends to consider such matters is attached (see Appendix 2).

External and Internal Audit Reports and Related Specialisation Arrangements

9. The recent report prepared by the Committee on its past work comments on its approach to dealing with national external audit reports such as those published by Audit Scotland; local ones prepared by the Council's own External Auditor; and internal audit reports

prepared by the Council's Chief Auditor. A wide range of such reports are discussed, at times leading to further scrutiny and/or assurances being sought by the Committee.

10. The Committee has always had access to internal audit reports, but detailed reports on specific audits have generally only been circulated or submitted to the Committee on request, one exception being summary reports prepared on each department which focus on outstanding recommendations across a number of audits. As for external audit reports, an area of particular interest has been the extent to which any internal audit recommendations have been accepted and implemented or otherwise, but the Committee has adopted a risk-managed approach to this because it has regarded the Chief Auditor's regular progress reports which overview the position on and outcome of a range of audits and annual reports on implementation of the Internal Audit Plan to be sufficient. This approach reflects also the strong confidence the Committee had stated it has continued to have in Internal Audit, the fact that the Chief Auditor proactively draws attention to issues of note on specific work, and a conscious decision made by the Committee over many years to focus its limited time where it feels it is needed most.

11. Regarding external audit reports and extending a practice established in 2005, during the most recent 5 years the Committee has continued to receive reports on these, including related recommendations made within them, and the associated management response to them within the authority. The Clerk sends all members of the Committee copies of relevant external audit reports on publication. More specifically, when the Chief Executive receives any such report, the Chief Auditor and Clerk are notified of this and which director is leading on considering it which allows the Clerk to ask the director concerned to prepare and submit to the Committee detailed comments on how the Council is placed against the national picture. By exception when considered necessary, senior officers have been invited to attend the Committee when the feedback is discussed. A general practice of not inviting the External Auditor to every meeting when some external audit reports are discussed has continued in the knowledge that the Committee can scrutinise a report in detail at any time it chooses and can invite the External Auditor to attend when required.

12. To enable the Committee's workload to be managed efficiently, effectively and fairly by its members, since June 2010 the Committee has also implemented its own procedures for dealing with internal and external audit reports. Since then Members of the Committee, working in pairs and specialising in specific service areas, have reviewed these reports in detail, including implementation of related action plans, doing so in discussion with officers to the extent they consider appropriate.

13. Although very few changes have been made to them, these arrangements remained subject to review if necessary and were largely based on departmental (and associated director) responsibilities, with arrangements also having been put in place to deal with reports on corporate issues and those regarded as more Council-wide in focus. More specifically, where a report related to a corporate issue which cut across several departments and responsibility for which lay with a specific director (e.g. equality issues), responsibility for reviewing the document fell to the Members of the Committee who usually dealt with the department with which corporate responsibility for the issue rested. Reports regarded as more Council-wide in focus (e.g. Audit Scotland reports on an *Overview of Local Government in Scotland*) were dealt with by the Chair and Vice-Chair but in liaison with other Committee Members as they consider appropriate. Administrative arrangements to enable Members to provide feedback to the Clerk on action they considered required on any report were also in place.

14. It had been recognised that the arrangements needed to be updated to match changes made to the Council's departmental structure and reporting responsibilities, but it was decided not to do so prior to the election and before an analysis which the previous Chair requested and the Clerk completed relatively recently on how many reports were dealt with by each

Member was completed. The main finding of that review was that the workload was spread very unevenly across the Committee, backing up comments made by some Members during the self-evaluation that the workload distribution merited review to make it more equitable.

15. Following consultation with the new Chair and Vice-Chair on the analysis (copies of which can be made available by the Clerk on request), it is recommended that the specialisation arrangements referred to in Table 1 below are approved and that the arrangements for dealing with reports of a corporate nature as outlined previously continue. Subject to approval of these, Members are also asked to express an interest in which specialisation remit they wish to pursue.

PROPOSED SPECIALISATION ARRANGEMENTS

	Reports with Council-Wide Focus	Corp & Comm Services Dept.	Chief Exec's Office	Environ Dept.	HSCP	Educ Dept.
Chair	√					
Vice-Chair	√					
Member 3		√				
Member 4		√				
Member 5			√		√	
Member 6			√	√		√
Member 7				√	√	√

16. Information on forthcoming external audit work to be progressed locally and nationally has already been circulated by the Clerk to members of the Committee.

Cabinet Decisions Called-In for Consideration by Committee Prior to Implementation

17. Under the most recent call-in arrangements approved by the Council in 2009, the Committee deals with the scrutiny of some Cabinet decisions which are called-in for consideration prior to implementation, other than those where a valid request is made for delegated powers not to be exercised by the Cabinet and for a Cabinet decision to be deferred to the full Council for determination. The most recent arrangements were approved following a review of the timing of the provision of information on Cabinet reports to all elected Members to try to facilitate ways of resolving issues prior to them becoming the subject of the lengthy and resource intensive call-in process. Unlike prior to 2009, reasons for decisions being called-in, and an alternative proposal to that agreed by the Cabinet, now have to be specified by Members from the outset and only the lead signatory of the call-in is invited to attend the Audit and Scrutiny Committee meeting to put forward the case for calling-in a decision.

18. Appropriate officers and the Convener with responsibility for the Cabinet report in question continue to be invited to attend the Committee meeting when called-in decisions are being considered and discussed. Sometimes these discussions take place at scheduled meetings, but special meetings of the Committee can require to be convened at other times.

On-Going Issue and New Issues the Committee Wishes to Focus On

19. This report, the review prepared in April overviews the Committee's past work and the Committee's terms of reference demonstrate that opportunities for the Committee to investigate, in-depth or otherwise, the Council's operations and performance are wide-ranging. It is important to emphasise that the work of the Council's scrutiny committee, which operates independently of specific front line services and has a role to challenge issues constructively, should ideally be driven by Members themselves. Whilst officers can support and assist, the

Committee gives Members opportunities to suggest and prioritise which issues are of particular interest or require particular attention, scrutiny and examination in their view; and to ensure that reviews it progresses focus on specific matters it chooses. Regarding policy, the Committee may wish to consider individual policies of a particular department, or take a more corporate focus looking at policies linked to a wider range of the Council's operations that cut across departmental boundaries or where various policies contribute to the overall position. In terms of non-policy related work, the Committee may pursue work on many issues it considers merit discussion across a wide spectrum of the Council's work and performance in accordance with its terms of reference.

20. In more recent years, the Committee has encouraged its Members to give fuller consideration than before in the first instance as to whether or not an issue should be the focus of any work by the Committee. For example, discussing potential issues informally initially with relevant officers has been encouraged, such as by the previous Chair, as has taking a more risked-based approach to the Committee's work programme to focus only on issues where its Members consider there to be a pressing need to do so following initial consideration, such as through the preliminary discussions with officers referred to above.

21. Regarding issues it opts to explore in more depth, key challenges for the Committee are considering information and evidence from a variety of internal or external sources to help prepare comments and draw conclusions together coherently in a report, and presenting reasoned arguments and realistic and achievable recommendations. Copies of reports prepared on previous more in-depth work are available from the Clerk on request. It remains an option at any time for the Committee to review the outcome of a previous investigation, such as to establish the extent to which recommendations made and approved were implemented and/or are operating as intended, this being one issue commented on in the Committee's self-evaluation findings attached to this report (Appendix 3 refers).

22. Regarding the Committee's relationship with the Cabinet, the Committee has concluded in the past that generally there is no need to invite the Cabinet Convener with responsibility for a service under detailed examination to attend its meetings or to ask the Convener concerned to comment on proceedings, but that this could be merited on occasion. However the Committee's view has always been that it is courteous to inform the relevant Convener(s) that an issue is being investigated in-depth and that they may attend the Committee should they wish. More generally, given the extensive distribution of Committee papers and Minutes to elected Members and as the Committee submits recommendations to the Cabinet when appropriate, it has not been felt that any additional action is required to apprise the Cabinet of the Committee's deliberations.

23. With a view to a report being prepared by the Clerk for submission to a future meeting, Members are now invited to reflect on the comments above and to start to consider their views, and advise the Clerk, of potential issues they may wish to examine in-depth or otherwise. Section 5 of the self-evaluation findings attached to this report and referred to at Paragraphs 26-28 of this report also refer to issues linked to the development of the Committee's work programme for consideration. Particularly regarding in-depth work, taking account of the Committee's overall workload and resources, it is suggested as has been done in the past that such investigations are limited in number and undertaken sequentially. Also as commented upon by previous Committees in the interests of clarity, it is considered useful (for all those who may become involved in discussions on issues selected for detailed scrutiny) if the Committee determines and states clearly at an early stage in any detailed work why it wishes to investigate a matter and the proposed scope of any related work, with this documented in a brief, written proposal for final approval by the Committee.

24. On a related issue, the Committee is now invited to take a view on how and if it wishes to continue to pursue the following matter which was on-going at the time of the election in May.

Impact of Welfare Reforms on Council Rent Arrears in Scotland

25. In March 2015 the Committee discussed an Audit Scotland report on the *Impact of Welfare Reforms on Council Rent Arrears in Scotland*. As well as seeking and receiving further clarification from the then Head of Revenues on the extent to which it was known that those not in receipt of benefit were experiencing problems with rent arrears, confirmation was also sought and provided on the position at that stage on some Discretionary Housing Payments (DHPs) issues. It was also agreed that the then Head of Revenues (or his replacement) should provide a further update on the impact of welfare reform on rent arrears after the DHPs arrangements ended, these still being available at the time of writing this report. The Committee is requested to clarify if it still wishes to seek the update suggested in due course.

AUDIT AND SCRUTINY COMMITTEE SELF-EVALUATION

26. It is recommended that audit committees review their effectiveness as often as annually, the Committee's view in 2012 and before 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 doing this as frequently as annually was considered neither a necessary nor efficient use of its limited time. 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.

27. In September 2016, whilst the Committee acknowledged it was a mature and well established one, it agreed that a further self-evaluation would be useful and that the ACI based questionnaire used previously should be used as a focus for this work. The format of the final questionnaire used 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. More detailed information on the assessment is available from the Clerk on request.

28. On the basis of the outcome of the self-evaluation, a list of observations and recommendations on matters where room for some improvement was considered to exist in the view of the previous Committee, listed under various categories, was prepared and approved by it in April 2017 (see Appendix 3) which it was hoped future Members of the Committee and officers would reflect on. Some of the comments made relate to issues that have been the subject of this report, such as internal and external audit reports. The Committee is invited to discuss the recommendations and observations made.

FREQUENCY OF MEETINGS

29. As already approved by the Council, the Committee is scheduled to be convened at 2.00pm on the following dates:-

2017

28 September
9 November

2018

25 January
1 March
19 April
21 June
16 August
27 September
22 November

30. As noted by the full Council in June, the Committee considers the Treasury Management Strategy including the Prudential Indicators, prior to these being considered by the full Council at the annual budget meeting. It is intended that the Strategy will be presented to the meeting of the Committee on Thursday, 25 January 2018 prior to the scheduled budget meeting on 8 February 2018. However, due to the possibility of the information required for the Strategy not being available in time, it may be necessary to convene an additional meeting of the Committee to consider the Strategy on Thursday 1 February. The Committee is asked to note the position on this.

RECOMMENDATIONS

31. It is recommended that the Committee:-

- (a) consider:-
 - (i) the specialisation arrangements proposed for dealing with internal and external audit reports referred to in Paragraphs 12 to 16 of the report;
 - (ii) the way forward regarding an on-going issue specified in Paragraphs 24 to 25 of the report; and
 - (iii) the recommendations and observations made arising from the self-evaluation completed by the Committee prior to the election in May as specified in Appendix 3;
- (b) agree that Members of the Committee start to consider issues on which they might wish the Committee to progress some work and provide related feedback to the Clerk with a view to a report being submitted to a future meeting for consideration; and
- (c) otherwise, note the report.

Local Government (Access to Information) Act 1985

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Background Papers:-

1. Report on Work Progressed by Audit and Scrutiny Committee between 2012 and 2017 and Related Self-Evaluation

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AUDIT AND SCRUTINY COMMITTEE TERMS OF REFERENCE

- (a) To promote internal controls, financial and otherwise, in order to provide reasonable assurance of effective and efficient operations and compliance with laws and regulations;
- (b) to review the control environment and make an annual statement to the Council on its evaluation of internal controls;
- (c) to develop an anti-fraud culture within the Council to ensure the highest standards of probity and public accountability;
- (d) to promote good financial practice within the Council;
- (e) to agree the internal audit strategy and plan;
- (f) to receive internal audit progress reports;
- (g) to oversee and review action taken on internal audit recommendations and assist in responding to any criticisms made;
- (h) to review the internal audit annual report;
- (i) to be consulted on the external audit strategy and plan;
- (j) to review all external audit material, in particular the annual report and management letters relative to the audit opinion of the Council's financial statements;
- (k) to oversee and review action on external audit recommendations;
- (l) to review financial procedures including the effective operation of financial regulations;
- (m) to review the Council's financial performance as contained in the Annual Accounts;
- (n) to examine the activities and accounts of the Council in order to ensure that (a) the expenditure approved by the Council has been incurred for the purposes intended, (b) services are being provided efficiently and effectively and (c) value for money is being obtained;
- (o) to consider those decisions of the Cabinet "called in" in terms of agreed procedure;
- (p) to make recommendations to the Cabinet on the introduction and development of appropriate risk management arrangements across the Council;
- (q) to review the performance of the Council in terms of:
 - service delivery
 - the processes by which policy decisions have been taken
 - the substance of a particular policy and how it fits in with the overall objectives of the Council
 - the effectiveness of a policy in terms of implementation; and
- (r) to undertake whatever research and consultation is required in support of the analysis being undertaken on any particular issue.

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**INDICATIVE TIMETABLE LISTING WHEN MORE ROUTINE MATTERS ARE
CONSIDERED BY THE COMMITTEE**

To complement the summary prepared of issues discussed and decisions taken by the Committee between May 2012 and April 2017 (*available in e-format*), the more 'routine' matters considered by the Committee, and indicative timescales for doing so (which can vary depending on circumstances and dates of meetings), are as follows:-

<u>TIMESCALE</u>	<u>ITEM</u>
January - March	<p>Internal Audit Plan Progress Report for Quarter 3 (October to December)(<i>Generally January</i>)</p> <p>Treasury Management Strategy (<i>Special meeting may be required in February</i>)</p> <p>Risk Management - Strategic Risk Register - Biannual Update</p> <p>Risk Management - General Progress - Biannual Update</p>
March - April	<p>Internal Audit Strategic Plan (<i>Generally April</i>)</p> <p>External Audit Annual Plan (<i>Generally April</i>)</p>
June	<p>Code of Corporate Governance</p>
August	<p>Unaudited Annual Accounts</p> <p>Local External Audit Report - Interim Audit Report</p> <p>Internal Audit Annual Report</p> <p>Internal Audit Plan Progress Report for Quarter 1 (<i>April to June</i>)</p>
August - September	<p>Risk Management - Strategic Risk Register - Biannual Update</p> <p>Risk Management - General Progress - Biannual Update</p> <p>Early Retirement and Redundancy Costs (<i>Generally August</i>)</p> <p>Managing Absence Annual Report (<i>Generally August</i>)</p>

September	Annual Accounts for Council's Charitable Trusts and Associated External Audit (International Standard on Auditing (ISA) 260) Reports Annual Accounts, Draft External Audit Report and Associated (International Standard on Auditing (ISA) 260) Report Annual Treasury Management Report
November	Internal Audit Plan Progress Report for Quarter 2 (July to September) Interim Treasury Management Report
All Meetings	Chair's Report
As Required	Reports by Clerk, in liaison with Corporate Management Team and Heads of Service, on External Audit Reports on various issues

**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.