

EAST RENFREWSHIRE COUNCILAUDIT AND SCRUTINY COMMITTEE20 January 2022Report by ClerkAUDIT AND SCRUTINY COMMITTEE 2021/22 WORK PLAN UPDATE

1. To provide an update on the implementation of the 2021/22 Audit and Scrutiny Committee Work Plan and related issues.

RECOMMENDATIONS

2. It is recommended that the committee:-
 - (a) notes and considers performance against the committee's 2021/22 Annual Work Plan thus far;
 - (b) agrees that a further report on performance against it be submitted to the final meeting of the committee prior to the local government Elections in May 2022; and
 - (c) notes that reports on the committee's 2022/23 Work Plan will be submitted to future meetings of the committee following the local government Elections in May 2022.

AUDIT AND SCRUTINY WORK PLAN

3. In June 2019, as recommended by the committee, the Council approved a *Guide to Scrutiny and Review* which was distributed to all committees and Members of the Council for their use.
4. Amongst other things, to help the Audit and Scrutiny 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. As appropriate, the Work Plans prepared 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 within the *Guide to Scrutiny and Review*, enhanced by a priority rating scale developed to help determine further what work is considered a high, medium or low priority to progress, and if work should be pursued on some suggested issues at all.
5. In April 2021 the committee noted performance against its Annual Work Plan for 2020/21, and approved its 2021/22 Work Plan to the extent it had been developed thus far. It was highlighted that the 2021/22 Work Plan would effectively be a 'live' document, agreed then that development of the Plan should continue, and noted that progress on delivering it would be reviewed in due course, with a progress report submitted to a future meeting. As for the 2020/21 Work Plan, the 2021/22 Plan included reference to recurring reports

considered every year, such as on treasury management, Internal Audit work and risk management.

PROGRESS MADE ON 2021/22 WORK PLAN

6. An updated version of the 2021/22 Work Plan and related notes, referring to progress thus far on various issues and related matters, is attached (see Appendix 1).

7. It was highlighted in April that the 2021/22 Work Plan took account of national and local external audit reports which had been or were to be published during that financial year, to the extent the position on this was known at that point, to allow comments on the local position on issues to be sought from officers for consideration under the committee's specialisation arrangements. It was also highlighted that the Auditor General, the Accounts Commission and Audit Scotland were responding to the risks to public services and finances from COVID-19 across the full range of audit work, including annual audits and the performance audit programme; and that in view of the position on COVID-19, Audit Scotland was maintaining a pragmatic and flexible approach which would enable changes to be made to its approach at short notice as new issues emerged or risks changed in significance.

8. Further to the above, it was reported in April that the External Auditor had confirmed that there had been some changes to planned reports for the year and that some dates remained to be finalised. The committee's 2021/22 Work Plan is being updated as required as the position regarding external audit work, related reports and the timescale for their publication is clarified. The External Auditor has confirmed which further reports could be published in the first few months of 2022, subject to which there may be sufficient time for feedback to be sought and prepared for submission to the committee during the first few months of 2022. However, if that is not the case, the committee's 2022/23 Work Plan, which will be considered following the local government Elections in May 2022, will include reference to these as appropriate.

9. Reference continues to be included to potential review areas identified thus far, on which there were plans to pursue some work in due course but on which it has not been agreed to progress any further work thus far. Amongst other things, reference is also included to the Audit Scotland COVID-19 Scrutiny Guide for Audit and Risk Committees published in August 2019 on which the committee received comments at one point. As highlighted to the committee in November 2021 and taking account of other updates Elected Members are receiving on COVID-19, such as the most recent update on COVID-19 submitted to the Council on 15 December 2021, it remains an option for Members to request an update on issues raised in that Guide by exception, should they wish to do so.

10 The committee is invited to note and consider performance thus far against the 2021/22 Work Plan which includes reference to some new issues that have been added to the Plan since it was first approved in April.

11. In view of the forthcoming local government Elections, and as it is anticipated that the meeting on 7 April will be the final one of the committee during this Administration, reference has been included in this report to items it is proposed to consider at that meeting, to the extent this is known at present. This includes the short, focussed report on key aspects of work undertaken by the committee since 2017 and the outcome of the further self-evaluation exercise the committee is completing as part of the 2021/22 Work Plan.

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 thus far during 2021/22. The 2021/22 Work Plan and previous such Plans have provided the committee with greater oversight regarding the scheduling of its work and consideration of issues. The 2021/22 Work Plan continues to be considered a live document and will be refreshed as required.

RECOMMENDATIONS

13. It is recommended that the committee:-
- (a) notes and considers performance against the committee's 2021/22 Annual Work Plan thus far;
 - (b) agrees that a further report on performance against it be submitted to the final meeting of the committee prior to the local government Elections in May 2022; and
 - (c) notes that reports on the committee's 2022/23 Work Plan will be submitted to future meetings of the committee following the local government Elections in May 2022.

Report Author: Linda Hutchison, Clerk to the Committee (0141 577 8788)

E-mail address: linda.hutchison@eastrenfrewshire.gov.uk

Background Papers

Proposed Guide to Scrutiny and Review - Report by Chief Executive (*Jun 2019*);
Potential Areas for Scrutiny & Review Investigations - Report by Chief Executive (*Aug 2019*)
Audit & Scrutiny Committee Work Plan - Report by Clerk (*Sept 2019*)
Audit & Scrutiny Committee Work Plans 2019/20 and 2020/21 - Reports by Clerk (Jun 2020 and January 2021)
Audit & Scrutiny Committee Work Plans 2020/21 and 2021/22 - Reports by Clerk (April 2021)

BLANK PAGE

Audit and Scrutiny CommitteeUpdate on Implementation of 2021/22 Work Plan

Planned Report Date	Report Subject	Report by	Date Considered by Audit & Scrutiny Committee
29 April 2021	Consultancy Expenditure and Related Log (See Note 1 below)	Clerk to the Committee in liaison with Chief Officer - Legal and Procurement	29/4/21
	East Renfrewshire Council – Annual External Audit Plan 2020/21	External Auditor	29/4/21
	National External Audit Report - Local Government in Scotland Financial Overview 2019-20	Clerk in liaison with Head of Accountancy (Chief Financial Officer)	29/4/21
	Audit and Scrutiny Committee Work Plans 2020/21 and 2021/22	Clerk to the Committee	29/4/21
24 June 2021	Unaudited Annual Accounts 2020/21	Head of Accountancy (Chief Financial Officer)	24/6/21
	Code of Corporate Governance 2021/22	Deputy Chief Executive	24/6/21
	Internal Audit Plan 2020/21 - Implementation Progress – January to March 2021	Chief Auditor	24/6/21
	Internal Audit Strategic Plan 2021/22 – 2025/26		24/6/21
	National External Audit Report - Improving Outcomes for Young People Through School Education	Clerk in liaison with Director of Education	24/6/21
	National External Audit Report - Digital Progress in Local Government	Clerk in liaison with Deputy Chief Executive and Chief Executive	24/6/21

Planned Report Date	Report Subject	Report by	Date Considered by Audit & Scrutiny Committee
24 June 2021 (Cont'd)	National External Audit Report - Self-Directed Support (SDS) - 2017 Progress Report - Impact Report - Future SDS Development Activity	Clerk in liaison with Chief Officer, Health and Social Care Partnership	24/6/21
12 August 2021	Annual Treasury Management Report 2020/21	Head of Accountancy (Chief Financial Officer)	12/8/21
	Internal Audit Annual Report 2020/21	Chief Auditor	23/9/21
	Internal Audit Plan 2021/22 - Implementation Progress - April to June 2021		12/8/21
23 September 2021	Public Sector Internal Audit Standards (PSIAS) Internal Self-Assessment	Chief Auditor	12/8/21
	Strategic Risk Register and Risk Management Progress – Biannual Report	Chief Executive	23/9/21
	Managing the Risk of Fraud and Corruption - East Renfrewshire Council Annual Fraud Statement 2020/21 (Including Audit Scotland Fraud and Irregularity Report 2020/21)		23/9/21
	National Fraud Initiative – Update	Report by Head of Communities, Revenues & Change	23/9/21
	Managing Absence – 2020/21 Annual Report	Deputy Chief Executive	23/9/21
	Summary of Early Retirement/ Redundancy Costs to 31 March 2021		23/9/21
	Withdrawal from European Union – Update (See Note 2 below)	Director of Corporate & Community Services and Director of Environment	23/9/21

Planned Report Date	Report Subject	Report by	Date Considered by Audit & Scrutiny Committee
23 September 2021 (Cont'd)	Audit Scotland COVID-19 Guide for Audit and Risk Committees and Related Comments (<i>If Members Wished to Pursue Further Feedback</i>) (See Note 3 below)	Clerk to the Committee	25/11/21 (<i>See Chair's Report</i>)
	National External Audit Report - Local Government Overview (Challenges and Performance)	Clerk in liaison with Deputy Chief Executive	12/8/21
25 November 2021 (See Note 4 Below)	2020/21 Annual Accounts and Draft Annual Audit Report for East Renfrewshire Council	Head of Accountancy (Chief Financial Officer) and External Auditor	25/11/21
	2020/21 Annual Accounts for Council's Charitable Trusts and External Audit International Standard on Auditing 260 Report		25/11/21
	Interim Treasury Management Report 2021/22	Head of Accountancy (Chief Financial Officer)	25/11/21
	Internal Audit Plan 2021/22 – Implementation Progress – July to September 2021	Chief Auditor	25/11/21
	Update on Implementation of Recommendations Accepted Regarding Audit and Scrutiny Committee's Investigations on:- (i) Income Generation and Commercialisation; and (ii) Climate Change. (See Note 5 Below)	Chief Executive Director of Environment	20/1/22
	National External Audit Report - Impact of COVID-19 on Scottish Councils' Benefit Services	Clerk in liaison with Head of Communities, Revenues and Change	20/1/22
	Update on Audit and Scrutiny Committee Work Plan 2021/22	Clerk to the Committee	20/1/22

Planned Report Date	Report Subject	Report by	Date Considered by Audit & Scrutiny Committee
20 January 2022 (See Note 4 Below)	<i>As of April 2021, when the Work Plan was approved, no items were scheduled to be considered in January 2022 but, as reflected above, various issues originally scheduled for November are now being considered in January 2022</i>	N/A	-
17 February 2022 (See Note 4 Below)	Internal Audit Plan 2021/22 – Implementation Progress October to December 2021	Chief Auditor	
	Treasury Management Strategy 2022/23	Head of Accountancy (Chief Financial Officer)	
	Withdrawal from European Union – Update (See Note 2 below)	Director of Corporate & Community Services and Director of Environment	
7 April 2022 (See Note 4 Below)	East Renfrewshire Council - Annual Audit Plan 2021/22	External Auditor	
	Strategic Risk Register and Risk Management Progress - Biannual Report	Chief Executive	
	Work Progressed by Committee since 2017; Performance Against 2021/22 Work Plan; and Self-Evaluation (See Note 6 Below)	Clerk to the Committee	

NOTES ON WORK PLAN

Note 1 (Consultancy Expenditure and Related Log)

In January 2019 the committee agreed, at the end of the 2019/20 financial year, to review the content of the log the Council had established on the appointment of consultants and related issues. The committee noted a report on this issue in June 2020, and agreed then that further reports on consultancy expenditure, as referred to in the log created for this by the Chief Officer (Legal and Procurement), should be submitted to the committee annually after the end of each financial year. Reference to this was included in the 2021/22 Work Plan and will be included in future Work Plans also.

Note 2 (Withdrawal from European Union)

In February 2019 the committee considered feedback on a National External Audit Report on *Withdrawal from the European Union (EU) - 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., had also been considered. Audit Scotland had also indicated that the scope, timing and any performance audit work relating to a further report it proposed to prepare on the *Withdrawal from the EU* would depend on 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 the UK Government's discussions with the EU. It was also agreed then that, in the first instance following the appointment of the Council's Brexit Coordinator, arrangements should be made for the post holder to meet the committee to allow its members to take evidence/gather information on Brexit issues. The post was to help coordinate and monitor progress on all aspects of Brexit, including internal preparedness and external liaison with appropriate bodies (including the Scottish Government and Police Scotland), and involved reporting to Elected Members, the Corporate Management Team (CMT) and other Council officials.

A report on the UK's withdrawal from the EU was to have been submitted in April 2020. However, in liaison with the Chair and taking account of the impact of the COVID-19 emergency and related issues, a report was considered on 13 August 2020 instead. Since then, at the request of the committee, the Brexit Coordinator (who is now the Resilience Coordinator) has provided further updates in November 2020 and March and September 2021. He has also provided clarification subsequently on a range of issues raised at these meetings which has been circulated, including on the EU Settlement Scheme, funding issues and State Aid. The committee agreed to seek a further update in February or March 2022.

Note 3 (Audit Scotland COVID-19 Guide for Audit and Risk Committees)

In September 2020, the committee agreed that a report on issues raised in the new *COVID-19 Guide for Audit and Risk Committees*, published by Audit Scotland in August 2020, be prepared for its meeting in November 2020. The Guide posed questions to assist auditors and public bodies effectively scrutinise and provide challenge in key areas requiring additional focus at present, categorising these under the headings of internal control and assurance; financial management and reporting; governance; and risk management.

When feedback and comments on these issues were submitted in November 2020, the committee agreed that a further update be provided in due course around March or April

2021, and that the Clerk should liaise with members to ascertain the specific issues on which feedback and further assurances were to be sought by exception. It was noted that the Performance and Audit Committee of the Integration Joint Board (IJB) had also been considering issues raised within the Guide.

On 18 March 2021, the Chair reported he had sought and received confirmation that the feedback dated November 2020 on changes to internal controls required due to COVID-19 remained current. Taking account of this and other information the committee already had access to, including reports on risk and Internal Audit's work, it was noted that no other issues had been identified by members of the Committee that they wished followed up at that stage; noted that it remained an option to seek further updates on specific issues at any point; and agreed that it might be useful to review the position later in 2021, perhaps in late summer, to pick up any issues that may be raised from the year end Accounts process or transition to the "new normal" working arrangements which it was hoped would start to be introduced by then.

Thus far no issues have been identified by members of the Committee that they wish followed up, taking account of other information available to them, such as the reports being submitted to the Council on COVID-19 issues. On 25 November 2021 the Chair highlighted, and it was noted, that it remains an option to seek further updates on specific issues at any point through either the Chair or Clerk.

Note 4 (Meeting Dates)

The dates of some meetings of the Committee were subject to approval of the calendar of meetings by the Council in June 2021 and the position on other issues. The meeting on 18 November was rescheduled to 25 November to allow reports on the 2020/21 Annual Accounts for the Council's Charitable Trusts and External Audit International Standard on Auditing 260 Report; and the 2020/21 Annual Accounts and Draft Annual Audit Report for East Renfrewshire Council to be considered then, following which they were submitted to the full Council. This met the External Auditor's revised requirements regarding the signing of the 2020/21 Annual Accounts by the end of November 2021.

When the 2022 calendar of meetings was approved, it was agreed that meetings of the Committee prior to the local government Elections in May 2022 would take place on 20 January, 17 February and 7 April 2022. The Work Plan now reflects the final dates of meetings approved by the Council.

Note 5 (Cabinet Responses to Audit and Scrutiny Committee Investigations on Income Generation and Commercialisation; and Climate Change)

Following submission of the report on the committee's investigation on *Income Generation and Commercialisation* to the Cabinet on 5 December 2019, and a slight delay due to the impact of COVID-19, a response to the report was approved by the Cabinet on 24 September 2020. It reflected that all 12 of the committee's recommendations had been agreed and that, despite the challenges of dealing with COVID-19 related issues, work had been started in many of the areas with future work planned in due course.

The final report on the committee's investigation on *Climate Change* was completed early in 2020 but, also due to COVID-19, its submission to the Cabinet was delayed to 13 August. The committee had made 24 recommendations, a key one being that the Council's strategy on climate change be renewed. As the recommendations had been known for some time, the Cabinet considered a report, in response, by the Director of Environment at the same

meeting outlining a proposed approach for the development of a Climate Change Strategy and Action Plan, particularly in view of the recommendations made by the committee.

In November 2020, having noted the responses approved by the Cabinet to both investigations, including the extent to which the recommendations had been accepted, the committee agreed that reports be submitted on progress on implementation of the recommendations accepted by the Cabinet as part of the committee's 2021/22 Work Plan. The updates are scheduled to be considered by the committee on 20 January 2022.

Note 6 (Audit and Scrutiny Committee Self-Evaluation and Summary of Work Undertaken Since 2017)

In April 2021 the committee agreed, as has been the case in the past, that prior to the local government Elections in 2022 a short, focussed report be prepared overviewing work the committee has undertaken during the current Administration; and that a further self-evaluation exercise be completed. It is proposed to submit the final drafts of both to the final meeting of the committee on 7 April.

Self-evaluations are considered useful, such as for analysing performance, enhancing practices and identifying how the committee can support the work of the Internal Audit service for example, but the committee's view is that progressing these as frequently as annually is neither necessary nor an efficient use of its limited time and resources.

Note 7 (External Audit Reports)

The External Auditor has confirmed that a number of reports, briefings etc. are due to be published in the first few months of 2022, including on social care; services for children with additional support needs; and the financial overview of local government 2021/22. Subject to when they are published and the content, as appropriate, they may be circulated or there may be sufficient time for feedback to be sought for submission to the committee prior to the local government Elections. If that is not possible, they will be reflected in the committee's 2022/23 Work Plan as appropriate.

The East Renfrewshire Council - Annual Audit Plan 2021/22 may be submitted to the meeting in April 2022, as reflected in the Work Plan.

Note 8 (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 time in the latter stages of development, had been operational for a given period of time. 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 situation regarding COVID-19 resulted in the launch of the new website being postponed until 7 July 2020, with further improvements having been made to it since then.

In consultation with the Chair, taking into consideration when a range of issues were scheduled to be considered by the committee, it was agreed that a presentation on the Website should be made to the committee on 21 January 2021. Other Members of the

Council were advised that the presentation was being made, with arrangements made to enable them to view it if they wished.

The committee noted the presentation and that any further comments or feedback on the website could be sent to the Communications Manager for consideration. It remains to be discussed if any more detailed work is to be progressed on the Council website/communications with the public.

Note 9 (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 that stage.

Taking account of issues relating to COVID-19 and to allow the Environment Department to prioritise matters relating to that, briefings were not requested from the Head of Environment (Operations) until the end of July 2020. They were circulated on receipt in September 2020 at which time Members were invited to advise the Clerk if they wished to pursue any issues at that stage. No issues were identified at that time. It remains to be discussed if any more detailed work is to be progressed.

Note 10 (Schools Admission Policy and Education Appeals System)

As agreed in August 2019, the former 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. It was noted that this issue would be revisited in due course such as when the committee's 2021/22 Work Plan was 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. It remains to be discussed if any more detailed work is to be progressed in future.

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 may be considered as part of the committee's 2022/23 Work Plan.

BLANK PAGE