

**Corporate and Community Services Department**

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Date: 8 March 2019

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TO: Councillors Stewart Miller (Chair), Barbara Grant (Vice-Chair), Provost Jim Fletcher, and Councillors Charlie Gilbert, Annette Ireland, Jim McLean and Jim Swift.

**AUDIT AND SCRUTINY COMMITTEE**

A meeting of the Audit and Scrutiny Committee will be held in the Council Chamber, Council Headquarters, Eastwood Park, Giffnock, on **Thursday, 14 March 2019 at 2.00 pm.**

**CAROLINE INNES**

C INNES

DEPUTY CHIEF EXECUTIVE

**AGENDA**

1. Report apologies for absence.
2. Declarations of interest.
3. Chair's Report.
4. Review of Strategic Risk Register and Risk Management Progress – Report by Chief Executive (copy attached, pages 3 - 26).
5. National External Audit Report - Local Government in Scotland - Financial Overview 2017/18 – Report by Clerk (copy attached, pages 27 - 40).
6. East Renfrewshire Council - Annual Audit Plan 2018/19 – Report by External Auditor (copy attached, pages 41 - 58).
7. Internal Audit Strategic Plan 2019/20 - 2023/24 - Report by Chief Auditor (copy attached, pages 59 - 70).

**This document can be explained to you in other languages and can be provided in alternative formats such as large print and Braille. For further information, please contact Customer First on 0141 577 3001 or email [customerservices@eastrenfrewshire.gov.uk](mailto:customerservices@eastrenfrewshire.gov.uk)**

EAST RENFREWSHIRE COUNCILAUDIT AND SCRUTINY COMMITTEE14 March 2019Report by Chief ExecutiveREVIEW OF THE STRATEGIC RISK REGISTER  
AND RISK MANAGEMENT PROGRESS**PURPOSE OF REPORT**

1. This report provides the latest annual update of the Council's Strategic Risk Register and a summary of risk management progress.

**RECOMMENDATIONS**

2. It is recommended the Audit and Scrutiny Committee consider and note the updated East Renfrewshire Council Strategic Risk Register noting that this is considered a "live" document and will be updated and amended by the Corporate Management Team (CMT) as appropriate.

**BACKGROUND**

3. The Strategic Risk Register (Appendix 1) sets out the key strategic risks to be considered by East Renfrewshire Council and details the actions that management has put in place to manage these risks. Each service has an operational risk register to record day to day and service specific risks.

4. The previous update of the Council's Strategic Risk Register was considered by the Audit and Scrutiny Committee on 16<sup>th</sup> August 2018.

5. Several risks have been amended to include additional control measures and the risks have been rescored for significance. A thorough review of all risks on the register has been undertaken by the CMT. There are now 29 risks of which 10 are evaluated as high and 19 medium. Where a risk has been evaluated as "low" it has been removed from the Strategic Risk Register and will be monitored within Departmental or Operational registers if appropriate.

6. Relevant significant risks which may impact on the achievement of the Council's outcomes relating to the work of the Integrated Joint Board and the Culture and Leisure Trust have been considered as part of this update.

**REPORT**

7. The following risks remain as **high risks**:

- Failure to deliver 1,140 hours of free early learning and childcare (ELC) by August 2020: Inability to deliver sufficient early years places including an element of flexibility for the proposed increase to 1,140 annual hours of flexible early learning and childcare (by 2020) or further changes in entitlement. (*Risk 1.1*)

## 4

- Increase in the number of vulnerable adults and children with additional support requirements leading to a rise in demand in Education and HSCP services. (*Risk 2.2*)
- Poor environmental performance in implementing climate change mitigation and adaptation measures could result in legislative noncompliance, higher utility and maintenance spend and reputational damage to the Council. It could also reduce the Council's ability to maintain services, buildings, infrastructure and public safety and wellbeing in the event of extreme weather occurring within the area. Ultimately this would impact on the Council's ability to achieve its agreed outcomes. (*Risk 3.8*)
- Increase in older people due to demographic changes leads to an over demand on certain services and failure to meet legislation, overspend and negative publicity. Pressures from new national delayed discharge targets of 72 hours. (*Risk 5.1*)
- Risk of failure of a key care provider, including care home, care at home and other care providers due to financial instability or significant care concerns. Consequences could include: disruption to service delivery, requirement to implement contingency plans, impact on individuals and families with potential disruption to care arrangements. (*Risk 5.2*)
- Reduced central government funding leading to failure to support the current level of service provision leading to public discontent and negative effect on the Council's reputation and increased pressure to draw down on future years' budgets. (*Risk 6.1*)
- Outcome of EU referendum leads to economic uncertainty and detrimental impact on the Council budget. (*Risk 6.9*)
- Impact of Living Wage on the Council's salary scales with continuing pressure on the lower grades of the scale. Not maintaining differentials between grades. (*Risk 6.10*)
- Failure to implement a new Core System leading to the anticipated benefits and savings not being delivered for the Council. (*Risk 6.14*)

8. The following risk was added to the register

- Potential new Scottish Government Funding Follows the child guidance in relation to parents accessing ELC in their choice of provider will have a significant financial impact on budget. (*Risk 1.3*)

9. The following risk was **increased in score from medium to high**:

- Ensuring sufficient catchment places for East Renfrewshire children and young people in light of new residential development – in particular the Local Development Plan. (*Risk 2.3*)

10. The following risk was **reduced in score from high to medium**:

- Closure of facilities (related to Trust) as a result of unforeseen failure resulting in loss of attendance, revenue, damage to reputation and increased management fee. (*Risk 2.4*)
- Failure to effectively manage the Council's information assets to comply with Information legislation, in particular the Public Records (Scotland) Act, the Freedom of Information (Scotland) Act, the Data Protection Act and the General Data Protection Regulations. This could result in legal action, financial penalty, damage to Council reputation and/or inability to provide Council services. (*Risk 6.6*)

11. The following risks retained the same score as before but the risk descriptions were amended to **reflect the current position** (additions in bold, removed text with line through and revised risk included below for clarity):

- **Failure to deliver 1,140 hours of free early learning and childcare (ELC) by August 2020:** Inability to deliver sufficient early years places including an element of flexibility for the proposed increase to 1,140 annual hours of flexible early learning and childcare (by 2020) or further changes in entitlement. (*Risk 1.1*)
  - Failure to deliver 1,140 hours of free early learning and childcare (ELC) by August 2020: Inability to deliver sufficient early years places including an element of flexibility for the proposed increase to 1,140 annual hours of flexible early learning and childcare (by 2020) or further changes in entitlement.

12. The following risks were **removed** from the register: (reason to remove the risk included below each risk)

- Subject to approval of the draft Scottish Government budget for 2018/19 continuation of the grant condition related to the pupil:teacher ratio – Should the grant condition on local government (ie maintain pupil: teacher ratio at 13.7) not be met nationally in 2018/19 then the Council's reputation would be adversely affected (*Risk 2.1*)
  - East Renfrewshire Council have maintained the pupil: teacher ratio for 2018/19 and therefore this risk was removed.

## RISK TOLERANCE

### 13. Map of strategic risks in East Renfrewshire Council

L I K E L I H O O D	4		2.1; 2.4	2.2; 5.2; 6.1; 6.10	3.8; 5.1; 6.9;
	3		1.2; 3.5	3.2; 6.4; 6.8; 6.12	1.1; 2.3; 6,14
	2			1.3; 3.4; 6.3; 6.7	3.1; 3.3; 3.6; 3.7; 4.1; 4.2; 4.4; 6.6; 6.13
	1				
		1	2	3	4
		<b>IMPACT</b>			

Risk Score	Overall Rating
11-16	High RED
5-10	Medium YELLOW
1-4	Low GREEN

Count of risk	Category			
	Low GREEN	Medium YELLOW	High RED	Total
<b>Local outcomes</b>				
1. All children in East Renfrewshire experience a stable and secure start to their lives and are supported to succeed.	-	1	1	2
2. East Renfrewshire residents are fit and active and have the skills for learning, life and work	-	1	2	3
3. East Renfrewshire is a thriving, attractive and sustainable place for residents and businesses to grow.	-	7	1	8
4. East Renfrewshire residents are safe and supported in their communities and homes.	-	3	-	3
5. Older people in East Renfrewshire are valued; their voices are heard and they are supported to enjoy full and positive lives for longer.	-	-	2	2
Customer, Efficiency and People Outcomes	-	6	5	11
<b>Total strategic risks</b>	<b>0</b>	<b>18</b>	<b>10</b>	<b>28</b>

## RISK PROGRESS

14. The CMT has discussed and reviewed the Strategic Risk Register on a regular basis. A number of updates have been made to reflect the risk Control Measures currently in place and the proposed risk control measures.

## FINANCE AND EFFICIENCY

15. The review of the Strategic Risk Register forms a fundamental role in ensuring that the Council meets the objectives detailed in Fairer East Ren, the Modern Ambitious Programme (MAP) and the Outcome Delivery Plan.

## CONSULTATION

16. The Corporate Management Team, Heads of Service and all Corporate Risk Representatives were invited to provide updates to the Strategic Risk Register. In addition, all operational risk registers were scrutinised and high risks examined to determine if they should be escalated to the Strategic Risk Register. Risks associated with East Renfrewshire Culture and Leisure (ERCL) and the Integrated Joint Board were also considered and escalated to the Council's Strategic Risk Register where appropriate.

## CONCLUSION

17. As part of the review of the register, several new risks were added, some were removed and others were amended. There are now 29 risks on the register of which 10 are classified as "high" risk.

18. The risks captured in the Strategic Risk Register continue to be monitored and evaluated by the Corporate Management Team on a regular basis. The Strategic Risk Register is reported every 6 months to the Audit and Scrutiny Committee and annually to the Cabinet.

**RECOMMENDATIONS**

19. It is recommended the Audit and Scrutiny Committee consider and note the updated East Renfrewshire Council Strategic Risk Register noting that this is considered a “live” document and will be updated and amended by the Corporate Management Team (CMT) as appropriate.

Lorraine McMillan, Chief Executive

14 March 2019

Report Author: Gill Darbyshire, Chief Executive’s Business Manager  
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Appendix 1 East Renfrewshire Council Strategic Risk Register\_V4.0\_26.02.19

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## Strategic Risk Register

## East Renfrewshire Council

## East Renfrewshire Council's Vision:

A modern ambitious council, creating a fairer future with all and our ultimate aim is to make people's lives better.

Completed by: Corporate Management Team (CMT) & Heads of Service

Date reviewed	05/03/2019
Version	4.2

**Outcome 1: All children in East Renfrewshire experience a stable and secure start to their lives and are supported to succeed.**

Risk status S/C/N (Same, Changed, New)	Risk No.	Risk (Threat/Opportunity to achievement of business objective)	Risk Control Measures currently in place	Assessment of Risk [As it is now]			Proposed Risk Control Measures	Assessment of Residual Risk [proposed]			Risk Owner
				Likelihood (Probability)	Impact (Severity)	Risk Score		Likelihood (Probability)	Impact (Severity)	Residual Risk	
				[ L ]	[ I ]	[ L x I ]		[ L ]	[ I ]	[ L x I ]	
S (21/02/19)	1.1	Failure to deliver 1,140 hours of free early learning and childcare (ELC) by August 2020:  Inability to deliver our preferred or at least an acceptable model to locally address the principles of quality, flexibility, accessibility and affordability.	Following resubmission of financial projections by LAs in March 2018, multi year revenue and capital funding announced by (SG)/COSLA (reflecting national population projections). Commitment made to review annually. Report to Education Committee in June 2018 highlighted funding gap due to higher local population projections and detailed options/ impact if additional funding not forthcoming. Recommendation accepted that officers and elected members continue to lobby SG/COSLA.	3	4	12	Ongoing lobbying of SG/COSLA pending annual review of funding allocations. Revise preferred delivery model as necessary should shortfall in funding remain and report such to Council and SG. Regular review of delivery models based on affordability and preferences of parents from nursery applications.	2	4	8	Director of Education
			Maintain tight programme governance as per ELC Expansion Board				Continue to monitor provision in light of any policy changes/legislation and make bids as appropriate for funding to take forward any required projects				
			The 8 year capital plan reflects infrastructure requirements. Establish new ELC provision as soon as practically possible. Sites for the new ELC facilities have been identified with planning decisions still awaited on a few. Tender package developed and issued for new build facilities.				Subject to available funding, continue to grow our own workforce ensuring quality staff once trained are secured and retained within ERC. Invest in current and future playworkers by providing the opportunity to uplevel their qualifications to SVQ Level 3 or HNC equivalent.				
			Training programmes established for existing employees to gain the necessary qualification to work in the ELC sector and to pilot our preferred delivery model in some communities.				Support new partner providers to establish high quality nurseries in areas where places are at a premium.				

			<p>Engagement with partner providers, including childminders, to increase ELC places underway. Early Years Development Officer in post to support current and potential partner providers.</p> <p>Work as part of an inter-authority partnership to develop clear guidelines on quality early learning and childcare provision.</p> <p>Implement Early Learning and Childcare Strategy to plan longer term for extension to entitlement for preschool children.</p>								
<b>S</b> (11/02/18)	1.2	<b>Potential new duties from the Children and Young People (Scotland) Act in relation to extending the age to which care leavers can receive support from their local authority and supporting kinship carers and families will have a significant financial impact and may lead to over demand on HSCP services.</b>	<p>COSLA negotiations on schedule of financial support</p> <p>The Chief Social Worker attends Scottish Government Working Groups.</p>	3	2	6	Resource alignment to support additional duties to comply from 2016 regarding named person, child's plans and additional corporate parenting responsibilities for young people up to 26 years old.	2	2	4	Chief Officer HSCP
<b>N</b> (01/03/19)	1.3	<b>Potential new Scottish Government Funding Follows the child guidance in relation to parents accessing ELC in their choice of provider will have a significant financial impact on budget.</b>	<p>High quality, flexible accessible childcare available within East Renfrewshire Local Authority settings.</p> <p>Rigorous scrutiny process to determine partnership status for ERC Funded Providers.</p> <p>New facilities progressing offering further choice for parents.</p> <p>Forecasting of the current demand and cost of children accessing non-LA settings.</p>	2	3	6	Contribute via ADES and West Partnership to the guidance for Funding Follows the Child.	1	3	3	Director of Education

## Outcome 2: East Renfrewshire residents are fit and active and have the skills for learning, life and work.

Risk status S/C/N (Same, Changed, New)	Risk No.	Risk (Threat/Opportunity to achievement of business objective)	Risk Control Measures currently in place	Assessment of Risk [As it is now]			Proposed Risk Control Measures	Assessment of Residual Risk [proposed]			Risk Owner
				Likelihood (Probability)	Impact (Severity)	Risk Score		Likelihood (Probability)	Impact (Severity)	Residual Risk Score	
				[ L ]	[ I ]	[ L x I ]		[ L ]	[ I ]	[ L x I ]	
S (19/02/18)	2.2	Increase in the number of vulnerable adults and children with additional support requirements leading to a rise in demand in Education and HSCP services.	Analysis of demographic changes. Increased financial forecasting.	4	3	12	Review transition arrangements - child to adult services	4	2	8	Chief Officer HSCP
			Increase in foster carers through local recruitment campaign.				Inclusive Support redesign				
			Education Resource Group to manage specialist resources and admission to specialist provision				Fit for Future redesign				
			Learning disability supported living redesign Implemented Children's Services redesign				Council continues to contribute to funding to demographic cost pressures				
C (21/02/19)	2.3	Ensuring sufficient catchment places for East Renfrewshire children and young people in light of new residential developments- in particular the Local Development Plan.	Regular review of places and demand; and implementation of admission arrangements policy.	3	4	12	Education/Environment continue to review the release of housing and infrastructure requirements. This will also take cognisance of ongoing residential developments under the adopted LDP1 and any windfall sites.	2	4	8	Director of Education
			Current capital plan reflects new build educational estate supplemented as appropriate by developer contributions, according to timescales and extent of provision noted in LDP (1), approved June 2015.				Depending on what is ultimately approved for LDP2, projects will be included in appropriate capital plans and future Council's Capital Investment Strategy to take account of operational requirements.				
			New facilities are progressing according to need/resources and necessary consultations/ approvals.				Education statutory consultation to be undertaken in advance.				
			Main Issues Report associated with LDP 2 highlighted that providing sufficient educational places was a key issue for LDP 2.				Continue to review roll projections annually and Pupil Product Ratio (PPR) on a 2 yearly basis.				
			Education/Environment carried out a full review of demographic data to assist in forecasting future education needs and provision for LDP2								
			Council's Capital Investment Strategy reflects needs.								
			Report submitted to Council on 31 October 2018 noting the impact on education provision of LDP2.								

<p><b>S</b> (15/02/19)</p>	<p><b>2.4</b></p>	<p><b>Closure of facilities (related to Trust) as a result of unforeseen failure or management practices resulting in loss of attendance, revenue, damage to reputation and increased management fee.</b></p>	<p>Current capital plan reflects major new replacement for Eastwood Leisure Centre and provision for repair and maintenance of Culture &amp; Leisure facilities to improve the customer environment. In addition the capital plan includes the intent to renew sports and library facilities for the village of Neilston as part of campus approach to replace outdated local educational provision.</p>	<p><b>2</b></p>	<p><b>4</b></p>	<p><b>8</b></p>	<p>Capital Plan regularly reviewed and updated to reflect operational requirements of facilities operated by the Trust.</p>	<p><b>2</b></p>	<p><b>3</b></p>	<p><b>6</b></p>	<p>Director of Education/Head of Accountancy</p>
			<p>Quarterly meetings take place between the Trust and Property and Technical Services to monitor performance.</p>				<p>Progress new facilities planned for Eastwood Park and Neilston Leisure Centres.</p>				
			<p>Business Continuity Plans in place for services.</p>				<p>ERCL to take advantage of any opportunities offered by what is ultimately approved for LDP2 taking account of due process such as planning and consultation in partnership with ERC</p>				
			<p>SLA in place between ERC &amp; ERCL.</p>								
			<p>Responded to the Main Issues Report and contributed to the new LDP (2) highlighting any impact in terms of the culture and leisure estate.</p>								

## Outcome 3: East Renfrewshire is a thriving, attractive and sustainable place for residents and businesses to grow.

Risk status S/C/N (Same, Changed, New)	Risk No.	Risk (Threat/Opportunity to achievement of business objective)	Risk Control Measures currently in place	Assessment of Risk [As it is now]			Proposed Risk Control Measures	Assessment of Residual Risk [proposed]			Risk Owner
				Likelihood (Probability)	Impact (Severity)	Risk Score		Likelihood (Probability)	Impact (Severity)	Residual Risk	
				[ L ]	[ I ]	[ L x I ]		[ L ]	[ I ]	[ L x I ]	
S (29/01/18)	3.1	Glasgow City Region infrastructure projects (including those projects outwith East Renfrewshire) do not proceed on schedule and/or do not produce the anticipated economic benefits owing to 3rd party issues, resulting in a gap in funding provided by UK and Scottish Government.	Collaborative agreement between the Glasgow City Region partners committing to project delivery and additional GVA.	2	4	8	Ensure effective preparations made for 2019 and subsequent gateway review processes.	2	3	6	Director of Environment
			Rigorous check of all business cases by Programme Management Office (PMO) prior to expenditure approval and project implementation.				Monthly meetings between East Renfrewshire Council City Deal Programme Team to oversee progress with project delivery				
			Assurance Framework in place				All business cases developed in accordance with green book guidance				
S (29/01/18)	3.2	Increase in construction inflation costs may negatively impact on the planned capital plan.	Management of borrowing portfolio.	3	3	9	Ongoing monitoring of BCIS indices	3	2	6	Director of Environment
			Major capital projects have been reviewed for inflationary impact in preparing the 2018/26 Capital Plan. Reassessment of capital plan to ensure budget can be met.								
			Achievement of outcomes from corporate asset management plan including consultation on future service delivery and robust challenge of capital plans by Corporate Asset Working Group								
			Specialist treasury advice								
			Close monitoring of capital expenditure/income against budget throughout year								
			Participation in West Territory hub to permit joint development of capital projects								
			All projects in the Capital Plan are now inflated to mid construction point using Building Cost Information Service (BCIS) indices								

S (29/01/18)	3.3	<b>Potential breaches of State Aid compliance leads to lengthy investigations, suspension of works leading to costly delays and financial penalties.</b>	State Aid reference is made within appropriate Cabinet/Council reports.	2	4	8	Clearly defined departmental roles on the various aspects of State Aid. Although a limited number of employees in Economic Development have a good knowledge of State Aid they are not qualified lawyers in this area. State Aid is a legal matter.	1	3	3	Director of Environment
			An annual State Aid return is submitted to the Scottish Government's State Aid Unit.				Develop a Council-wide grant aid register and process for addressing State Aid with clear governance.				
			A member of the Council's Economic Development and Regeneration Team now attends 2 meetings per year at the Scottish State Aid Local Authority Network.				Arrange further State Aid training for relevant employees as necessary from the Scottish Government's State Aid Unit. Any training should also be extended to East Renfrewshire Culture & Leisure employees.				
			The Scottish Government's State Aid Unit recently delivered a training session to employees from Economic Development and Regeneration, Legal Services, Finance and Procurement. A recent email was sent to all Heads of Service asking if new employees required training. Further training can be requested from the Scottish Government State Aid Unit.								
		There is an explicit inclusion of State Aid in East Renfrewshire Council's Financial Regulations and/or Standing Orders. Further information including examples of what constitutes State Aid is provided in the relevant links.									
S (01/02/18)	3.4	<b>Potential issues arising from public/fatal accident inquiries etc concerning the structural or other integrity of public buildings.</b>	Visual inspections undertaken of all buildings plus any other specific requirements arising from these inquiries	2	3	6	Review the adequacy of visual inspections and supplement them with additional measures where required	2	1	2	Director of Environment
S (09/01/18)	3.5	<b>Failure to comply with the access restrictions to specific zoned areas of Braidbar Quarry, Giffnock leads to injury/ fatality.</b>	Partial fencing of Council owned land perimeter.	3	2	6	Fence off complete perimeter of Council owned land.	2	2	4	Director of Environment
			Regular inspections undertaken and repair regime maintained and documented.				Extend inspection regime.				
			Extensive warning signs around all areas of the site.								
S	3.6	<b>There is a risk of a ground collapse at Braidbar Quarry which could result in fatalities. Several residential properties are blighted by this site.</b>	No mitigation factors are presently in place for a ground collapse and the effects of this are unknown.	2	4	8	Remediate affected land.	1	1	1	Director of Environment

S (09/01/18)	3.7	<b>Impact of severe weather (caused by climate change) disrupting the functioning of the Council and its ability to deliver services (e.g. flooding or storms causing damage to public buildings, infrastructure and people and the effects of extreme cold/hot weather events)</b>	Develop understanding of climate threats to East Renfrewshire based on relevant climate science and research	2	4	8	Participate in Climate Ready Clyde Arrangements  Develop Adaptation Strategy to assist the Council in anticipating the adverse effects of Climate Change to prevent or minimise the damage, mitigating the effects of climate change related hazards. A Strategy is being developed at a Glasgow City Region level.	2	3	6	Director of Environment
S (01/08/18)	3.8	<b>Poor environmental performance in implementing climate change mitigation and adaptation measures could result in legislative non compliance, higher utility and maintenance spend and reputational damage to the Council. It could also reduce the Council's ability to maintain services, buildings, infrastructure and public safety and wellbeing in the event of extreme weather occurring within the area. Ultimately this would impact on the Council's ability to achieve its agreed outcomes.</b>	<p>Implementation of a working strategy that addresses management, monitoring and reporting of environmental performance to ensure that legislative compliance is achieved and to future proof the Council against changing legislative requirements.</p> <p>Undertake energy efficiency upgrade programme to ensure that all buildings operate in as efficient a way as possible. This includes more efficient equipment as well as appropriate energy control and monitoring regimes.</p> <p>Continue to maintain all buildings and infrastructure to the best possible standard to reduce likelihood of structural failure.</p> <p>Continue to adhere to the Civil Contingency Plan for the Council to mitigate the impact on public safety during any extreme weather event.</p>	4	4	16	<p>Widen group of staff involved in environmental sustainability management to ensure all relevant information required by Government reporting schemes is available for reporting and compliance purposes.</p> <p>Ensure that all relevant staff involved in legislative compliance are provided with or allowed to take part in adequate training and development opportunities.</p> <p>Increase available funds for energy efficiency measures to increase pace of energy and emissions reduction at Council sites.</p> <p>Implement an Adaptation Strategy that takes into account climate change in the area in the next 30 years to help the Council prepare buildings, infrastructure, staff and residents for more erratic and extreme weather.</p>	3	3	9	Director of Environment

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Outcome 4: East Renfrewshire residents are safe and supported in their communities and homes.

Risk status S/C/N (Same, Changed, New)	Risk No.	Risk (Threat/Opportunity to achievement of business objective)	Risk Control Measures currently in place	Assessment of Risk [As it is now]			Proposed Risk Control Measures	Assessment of Residual Risk [proposed]			Risk Owner
				Likelihood (Probability)	Impact (Severity)	Risk Score		Likelihood (Probability)	Impact (Severity)	Residual Risk	
				[ L ]	[ I ]	[ L x I ]		[ L ]	[ I ]	[ L x I ]	
S (19/02/18)	4.1	<b>Inconsistent assessment and application of the public protection agenda (Child Protection, Adult protection and Multi-Agency Public Protection Arrangements- MAPPA) may result in risk of children or vulnerable adults being harmed and lead to non-compliance with legislative standards.</b>	The operation of Child Protection, Adult Protection committees and MAPPA's meetings to deal with the strategic and practice issues.	2	4	8	Following the extension of MAPPA to include Category 3 violent offenders, 3 employees have completed Risk of Serious Harm training, 3 employees are awaiting training dates.	1	4	4	Chief Officer HSCP
			MAPPA extension to include violent offenders who present a serious risk of harm fully implemented. Audit process in place.				Negotiate with Scottish Government on the whole protection agenda for uniformity .				
			Development of protection of vulnerable groups scheme (new employees then existing employees) with replacement of enhanced disclosures.				Ensure the links are made for learning opportunity within the protection agenda.				
			Training on MAPPA extension completed.				Develop a framework for reporting to the community planning partnership.				
			Partnership working is at an advanced stage with Police Scotland, NHS, Scottish Prison Service and other statutory partners.				Proposal paper for Domestic Abuse with HSCP DMT. Interface with "Fit for Future" to be considered. Implementation of "Safe Together" model will be implemented.				
			The requirement to produce and publish reports of activities.				All front line managers to be provided with refresher training concerning statutory compliance.				
			The availability of data with varying limitation for analysis and evaluation.				Refresher training taking place and procedures updated as a result of Adult Support and Protection (ASP) Review				
			Domestic abuse pathway being reviewed for adults without children. Adult Support and Protection (ASP) process being reviewed.								

<p><b>S</b> (13/12/17)</p>	<p><b>4.2</b></p>	<p><b>Recent increases in acts of violence and intimidation, directed at some religious groups abroad, migrate to the Council area, thereby undermining the Council's Equality Outcome 6, "Members of equality groups live their lives, safe from discrimination, harassment, victimisation and violence" .</b></p>	<p>A new Duty on public authorities under the Counter Terrorism and Security Act (2015) to have " due regard to the need to prevent people from being drawn into terrorism", in the exercise of their functions.</p>	<p><b>2</b></p>	<p><b>4</b></p>	<p><b>8</b></p>	<p>Continuing to liaise, as appropriate, with relevant national intelligence services. Local PREVENT arrangements in place with key partners aimed at supporting those who may be vulnerable to being drawn into terrorism</p>	<p><b>1</b></p>	<p><b>4</b></p>	<p><b>4</b></p>	<p>Director of Corporate &amp; Community Services</p>
			<p>The establishment of a working group represented by appropriate departments of the Council to support the development of an action plan that will satisfy the requirements of the Duty under the Counter Terrorism and Security Act (2015) .</p>				<p>Presentations to Head Teachers and East Renfrewshire's Child Protection Committee to raise awareness.</p>				
			<p>The development of links with the appropriate Services within Police Scotland to enable and facilitate training to support those officers of the Council who work with vulnerable people, including young people and to raise awareness of the Duty and its requirements amongst appropriate employee groups</p>								
			<p>Joint monitoring of incidents between the Council, Police and relevant religious/community leaders. Liaising, as appropriate, with relevant national intelligence services.</p>								
			<p>Working group and posts for refugee resettlement programme in place.</p>								
			<p>Ensuring that our emergency procedures are in line with good practice.</p>								
<p><b>S</b> (19/02/18)</p>	<p><b>4.4</b></p>	<p><b>Historical Sexual Abuse Enquiry</b></p>	<p>Adult Protection Committee and Child Protection Committee have been sighted on these issues.</p>	<p><b>2</b></p>	<p><b>4</b></p>	<p><b>8</b></p>	<p>Employees have an awareness of the process to follow.</p>	<p><b>1</b></p>	<p><b>4</b></p>	<p><b>4</b></p>	<p>Chief Officer HSCP</p>
			<p>Protocol in place with Legal Services commencing the future risk that may be posed.</p>				<p>Risk although moderate only lies within the institutional care sector.</p>				
			<p>Risk although low may be difficult to determine due to other indeterminate factors.</p>								

## Outcome 5: Older people in East Renfrewshire are valued; their voices are heard and they are supported to enjoy full and positive lives for longer.

Risk status S/C/N (Same, Changed, New)	Risk No.	Risk (Threat/Opportunity to achievement of business objective)	Risk Control Measures currently in place	Assessment of Risk [As it is now]			Proposed Risk Control Measures	Assessment of Residual Risk [proposed]			Risk Owner
				Likelihood (Probability)	Impact (Severity)	Risk Score		Likelihood (Probability)	Impact (Severity)	Residual Risk	
				[ L ]	[ I ]	[ L x I ]		[ L ]	[ I ]	[ L x I ]	
S (15/01/18)	5.1	<b>Increase in older people due to demographic changes leads to an over demand on certain services and failure to meet legislation, overspend and negative publicity. Pressures from new national delayed discharge targets of 72 hours.</b>	Scottish Government -providing additional resources for Health and Social Care with emphasis on managing demographic pressures.	4	4	16	HSCP fit for the future review and redesign	4	2	8	Chief Officer HSCP
			Outcome Delivery Plan (ODP) and HSCP strategic plans build on foundation of CHCP and wider council prevention and early intervention strategy for older people.				Community Led Support programme diverting people to community resources and building own assets.				
			Agile working for HSCP employees improves efficiency.				Review of balance of care to be undertaken as part of new Integrated Joint Board (IJB) Strategic Plan.				
			Annual budget setting takes account of demographic projections.								
			Partnership with various professional agencies and community/public to support hospital admission avoidance and safe hospital discharge for older people. This has led to creation of various posts that refocus on preventions and early intervention.								
S (20/06/18)	5.2	<b>Risk of failure of a key care provider, including care home, care at home and other care providers due to financial instability or significant care concerns.</b>  <b>Consequences could include:</b> - disruption to service delivery - requirement to implement contingency plans - impact on individuals and families with potential disruption to care arrangements	Ensure robust monitoring and robust action plans for improvement are in place	4	3	12	Failure of local provider at high risk due to poor inspection grades, moratorium and adult support and protection concerns.	3	3	9	Chief Officer HSCP
			Work with Scottish Government, Scotland Excel and Cosla on care home market				Mitigation of impact to include close working with care inspectorate to review and learn from recent provider failure and contingency planning arrangements				
			Consideration of balance of market share across external market providers  Company Credit Health Checks				Work with providers at risk to agree phased and managed approach to closure if required.				

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Customers, Efficiency and People											
Risk status S/C/N (Same, Changed, New)	Risk No.	Risk (Threat/Opportunity to achievement of business objective)	Risk Control Measures currently in place	Assessment of Risk [As it is now]			Proposed Risk Control Measures	Assessment of Residual Risk [proposed]			Risk Owner
				Likelihood (Probability)	Impact (Severity)	Risk Score		Likelihood (Probability)	Impact (Severity)	Residual Risk	
				[ L ]	[ I ]	[ L x I ]		[ L ]	[ I ]	[ L x I ]	
S (21/02/19)	6.1	Reduced central government funding and/or relevant impacts of changes in the governance of Education in Scotland leading to failure to support the current level of service provision leading to public discontent and negative effect on the Council's reputation and increased pressure to draw down council reserves on future years' budgets.	Budget strategy group	4	3	12	Achievement of targets and outcomes outlined in Modern Ambitious Programme.	3	3	9	Head of Accountancy
			Corporate ownership								
			Treasury management strategy								
			Increase in council's reserves (met target of maintaining reserves at 4% of net revenue budget)								
			3 Year budget arrangements								
			Early communication of likely impacts and issues affecting the Council (budget)								
			Change to financial planning timetable to allow earlier budget deliberations and a realignment of budget with council outcomes.								
			Close monitoring of expenditure/income against budget throughout year.								
			Prioritisation of Modern Ambitious Programme and continual review of projects to ensure effective progress and business cases.								
			In line with conditions attached to the financial settlement, the 2019/20 budget provides for the maintenance of pupil:teacher ratios.								
Updated settlement figures received from Scottish Government.											
S (22/01/19)	6.3	Lack of appropriately skilled workforce due to the combination of loss of experience from redundancy / retirement, difficulties recruiting due to temporary contracts and shortage of skills in market place leads to a reduction in service levels damaging council reputation.	New Leadership Competencies (which are linked to PRD) and the new Leaders of the Future Development Programme.	2	3	6	Updated workforce plan detailing department actions and demonstrating alignment with financial plan.	2	2	4	Director of Corporate & Community Services
			Head of Service lead in each department on workforce planning with an active corporate workforce planning group.								
			Use of organisational and financial business case when considering redundancies/ early retirements.								
			Workforce planning strategy approved with improved recruitment and selection procedures.								
			Succession planning toolkit available for managers.								
			Actively support COSLA working groups to benchmark best practices in workforce planning.								

			Modern Ambitious Programme (MAP) ongoing with core workstreams on OD, Digital, Data and Core Systems.								
S (22/11/19)	6.4	The drive to deliver our ambitious change programme has an adverse impact on our employees as they strive to balance a relentless pace and scale of change with day to day responsibilities, leading to slower delivery of benefits and/or lower performance as services go through change.	Modern Ambitious Programme with core workstreams on Organisational Development, Digital, Data and Modernising in place since 2015. Core Systems Programme live since 2017. Each department has its own change programme and governing board to oversee progress, capacity, performance and delivery of benefits.	3	3	9	Mapping of budget savings proposals to MAP and 5 Capabilities as part of budget process	2	3	6	Director of Corporate & Community Services
			Use of Modernisation Fund to ensure projects are adequately resourced, including use of additional employees on temporary contracts.				Development of Executive Programme management reporting in line with recommendations from Best Value Audit.				
			CMT oversight of key corporate resources e.g. HR, ICT, PMO, Accountancy through MAP Board. MAP governance in place to prioritise resource and ensure benefits are delivered.				Consideration of flexible external assistance and skills when change projects require.				
			Development of change management skills across the Council using accredited Project Management Courses, agile courses, management training and yellow belt training to assist with service redesign and broader skills and capacity for change in house.				Enhance the role of service design and user design in change projects to ensure that the outcome best meets customer needs.				
			Capital Bids required to demonstrate alignment to 5 capabilities and single outcome agreement				Greater use of "agile" project methodology to chunk projects into smaller, more manageable iterations, with lower risk.				
			Overall summary of cashable efficiency benefits produced as part of Annual Efficiency Statement.				Review of Council's values with the OD Board, to support delivery of change.				
			Use of resource planning tools to determine impact of new and ongoing projects for key corporate resources (e.g. ICT, HR, PMO, Accountancy)								

<p><b>C</b> (26/02/19)</p>	<p>6.6</p>	<p><b>Failure to effectively manage the Council's information assets to comply with Information legislation, in particular the Public Records (Scotland) Act, the Freedom of Information (Scotland) Act, the Data Protection Act and the General Data Protection Regulations. This could result in legal action, financial penalty, damage to council reputation and/or inability to provide council services.</b></p>	<p>Review of processes and procedures to ensure compliance with the General Data Protection Regulations and the Data Protection Act 2018 completed.</p> <p>Review of current contracts and sharing agreements completed.</p> <p>New procedures in relation to Subject Access Requests (SAR) introduced.</p> <p>Records Management Plan updated in line with Audit review and through ongoing revision.</p> <p>Retention schedule under ongoing review and revision.</p>	<p>2</p>	<p>4</p>	<p>8</p>	<p>Implement Keeper's recommendations following on from 2018 review of Records Management plan.</p> <p>Implement a proportionate Information Governance Framework across the Council to ensure consistent approach to governance.</p> <p>Develop departmental and corporate Information management systems (EDRMS) based on solid Information Governance foundations</p> <p>Creation of processes around privacy impact assessments.</p> <p>Assessment of requirements for storage of hard-copy records to be considered</p> <p>Review of breach reporting.</p> <p>Data Protection Officer being appointed in March 2019</p>	<p>1</p>	<p>3</p>	<p>3</p>	<p>Chief Executive</p>
<p><b>S</b> (22/11/17)</p>	<p>6.7</p>	<p><b>Interruption to service or total inability to provide ICT Services due to the loss of the Barrhead Data Centre and/or other critical infrastructure components due to fire, vandalism, equipment malfunction (including environmental controls).</b></p>	<p>Ensure that a robust data back-up and protection schedule for data is in place. Perform complete review of all current back-up arrangements to optimise resilience.</p> <p>Ensure that the Council has up to date Business Continuity Plans.</p> <p>Ensure that equipment is regularly maintained and replaced as required.</p> <p>Ensure supplier(s) contracts support recovery activities.</p> <p>The Council is a member of several Information / Cyber Security groups to monitor emerging threats and risk and share security alerts. The CMT agreed that Information Security training should be mandatory to raise employee awareness of cyber threats and handling information securely. A policy and awareness of this is being developed.</p> <p>Undertake independent review of core infrastructure design and architecture to gain validation and assurance of both security and operational capability.</p> <p>Improve monitoring and alerting of hardware and environmental systems to provide a proactive response.</p> <p>Secure a co-located Data Centre or equivalent geographically different Disaster Recovery capability at a commercial or partner location to increase resilience and provide necessary service continuity.</p>	<p>2</p>	<p>3</p>	<p>6</p>	<p>Undertake Critical Impact Assessments across all ICT delivered services to define priority for availability/recovery.</p> <p>Perform regular audited disaster recovery tests and rehearsals.</p> <p>Improve fire protection and monitoring systems in current Barrhead Data Centre.</p>	<p>2</p>	<p>2</p>	<p>4</p>	<p>Director of Corporate &amp; Community Services</p>

S (22/01/19)	6.8	<p><b>Failure to pay invoices within a specified timeframe (Local Government Benchmarking Framework indicator) or failure to pay invoices correctly (either through fraud or error), which could lead to cessation of supplies; risks to delivery of critical services; inappropriate payments; loss of funds to the Council; reputational damage to Council; issues with insurers; and possibly, in the extreme, legal action.</b></p>	Successful implementation programme for EDRM system for invoice scanning, storage and retrieval to improve management and oversight of creditor payments	3	3	9	Continue to implement all audit actions timeously.	2	3	6	Director of Corporate & Community Services
			Centralisation of invoice delivery to Creditors implemented January 2017.				Continue to focus on financial compliance and control with development of regular management reporting on accuracy, processing rates and performance.				
			Good progress on delivery against Internal Audit recommendations.				Participate in Core Systems Programme to replace the Council's finance system in 2019.				
			Regular governance meetings of Purchase to Pay Improvement Steering Group, chaired by the Deputy Chief Executive. Daily tasking/production line meetings held with Creditors team.				Ongoing supplier management as part of centralisation				
			Monthly performance figures produced for Corporate Management Team.				New comprehensive procedures manual due later in 2019 to coincide with new system. Any changes to financial procedures will be signed off by Head of Accountancy.				
			Regular sessions with departmental representatives to address progress. Progress reports to Audit and Scrutiny Committee in January and August 2017 and March 2018.								
			Compliance Officer recruited to focus on procedures, training, audit sampling and financial compliance.								
			Weekly updates on departmental invoice performance given to department representatives to direct action on payments.								
			Use of AP Forensics system to identify potential duplicate payments prior to each payment run.								
			All invoices over £20k subject to a double-check by senior employees prior to payment. Accountants included in this check. Checklist developed with Internal Audit.								
Percentage sample of all payments under £20k checked prior to each payment.											
Use of finance networks to share information on potential frauds.											



S	6.9	<b>Outcome of EU referendum leads to economic uncertainty and detrimental impact on the Council budget.</b>	Economic situation monitored via Directors of Finance network/ Liaison with Scottish Government via COSLA to keep up to date with likely developments on UK/Scottish settlements. Corporate Management Team consider possible implications of Brexit for services and take action as appropriate.	4	4	16	Budget Strategy Group to plan for range of financial scenarios. Outline Financial Plan to Council, February 2018 takes cognisance of this.	4	3	12	Head of Accountancy
S (08/02/18)	6.10	<b>Impact of Living Wage on the council salary scales with continuing pressure on the lower grades of the scale. Not maintaining differentials between grades.</b>	Supplement currently paid on Grade 1,2 and 3. COSLA paper has been prepared to share with Elected Members on the impact of living wage Use of finance networks to share information on potential frauds.	4	3	12	A full review of the grading scheme could be required. There are two possible outcomes - maintain a supplement with low impact or a full salary grade review which could result in significant cost to the council.	4	2	8	Director of Corporate & Community Services Director of Education Chief Officer HSCP
C (03/07/18)	6.12	<b>Loss of data or interruption to service due to cyber attack from internal or external malicious actors, or indiscriminate malicious programmes orchestrated via digital channels deriving from both Council operations and those of its supply chain.</b>	ISO27001 range of technology, policy, procedures, standards and training exists across the council which is reviewed regularly to ensure it remains consistent with changes in technology, working practices and emerging threats. The CMT agreed that Information Security training should be mandatory to raise employee awareness of cyber threats and handling information securely. A policy and awareness of this is being developed. Security standards are reviewed and revised using a risk management approach. The Council is a member of several Information / Cyber Security groups to monitor emerging threats and risk and share security alerts. Ensure the security architecture follows layered approach as defined by best practice. Information Security Schedule included within all procurement exercises establishing minimum security requirements supported by operational Data Sharing and Processing Agreements.	3	3	9	Enforce and report on mandatory information security training ensuring that managers are provided with reports of non-compliance. Undertake regular rehearsal of Cyber Incident Response process across ICT. Adopt and implement Scottish Government Cyber Resilience Action Plan which will result in Cyber Essentials Plus accreditation. Deliver additional capability for granular and specific data restores through the procurement of next generation back up and recovery tool.	3	2	6	Director of Corporate & Community Services

S (14/03/18)	6.13	<b>Loss of all site and internet connectivity and associated services due to insolvency event of contracted supplier leads to financial, operational and reputational impact.</b>	Legal to review contract clarification from SWAN Authority legal advisor, CMS, to ensure aligns with Council understanding.	2	4	8	ICT will engage with Virgin Media and JANET, as current sub-contractors to understand what may be available to Council should an insolvency event occur with Capita.	2	3	6	Director of Corporate & Community Services
			Legal to review and action as required SWAN Authority legal advisors advice for Call-Off Customers.				ICT and Legal/Procurement will continue to monitor the position and consider any further advice being issued by the SWAN Authority.				
S (14/05/18)	6.14	<b>Failure to implement a new Core System leading to the anticipated benefits and savings not being delivered for the Council</b>	Strong and robust Core Systems Programme and associated Projects governance and risk and issues registers backed by appropriate level of resources.	3	4	12	Working closely with ICT, the Core Systems Team will use enterprise architecture to ensure that the potential impact of each Project release is co-ordinated and accounted for.	2	4	8	Chief Executive
			Monthly meetings of the Core Systems Programme Board where Programme level risks and issues are discussed.				Identification and recruitment of employees with key skills and expertise to form the appropriate Programme Team and associated Project Teams				
			Core Systems Programme Team using lessons learned from other public sector organisations who have implemented an integrated core corporate system.				ICT will lead the work to architect the overall design of the Core System to ensure a Council wide approach to systems.				
			Regular engagement with a wide range of stakeholders across the Programme and Projects.								

EAST RENFREWSHIRE COUNCILAUDIT AND SCRUTINY COMMITTEE14 March 2019Report by ClerkNATIONAL EXTERNAL AUDIT REPORTLOCAL GOVERNMENT IN SCOTLAND: FINANCIAL OVERVIEW 2017/18

1. To provide information on the Audit Scotland report *Local Government in Scotland – Financial Overview 2017/18*.

**RECOMMENDATION**

2. It is recommended that the Committee considers the report.

**BACKGROUND**

3. A copy of the Audit Scotland report [Local Government in Scotland – Financial Overview 2017/18](#), published in November 2018, has already been circulated to all Audit and Scrutiny Committee Members. Under the Committee's specialisation arrangements, the Members leading the review of this particular report are Provost Fletcher and Councillor Ireland. The Head of Accountancy has provided comments on it and a copy of the feedback provided is attached (see Appendix A).

**RECOMMENDATION**

4. It is recommended that the Committee considers the report.

Local Government Access to Information Act 1985

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Background Papers:-

1. Audit Scotland report *Local Government in Scotland – Financial Overview 2017/18*

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EAST RENFREWSHIRE COUNCILAUDIT AND SCRUTINY COMMITTEE14 March 2019LOCAL GOVERNMENT IN SCOTLAND: FINANCIAL OVERVIEW 2017/18**INTRODUCTION**

1. In November 2018 Audit Scotland prepared a financial overview report of local government in Scotland. This report advises members on the Council's position in relation to the key messages from the report.

**BUDGET & SPENDING IN 2017/18**

2. Part 1 of the report considered Councils' Budgets and Spending in 2017/18 and found that Scottish Government revenue funding, which is the most significant element of Councils' funding, reduced by 2.3% in real terms in 2017/18. This was a larger decrease than the reduction in the total Scottish Government revenue budget. The report found that "Local government funding has reduced at a faster rate than other areas of the Scottish public sector"

3. The report states that

***"Distribution of funding from the Scottish Government could be clearer about how it reflects factors that drive costs in councils"***. and goes on to say that

*"...the main determinant of a councils' overall funding. Grant-aided Expenditure, or GAE, is a needs-based methodology, used to allocate the Scottish Government's pre-determined spending review totals among councils. It is made up of 89 indicators such as 'services for people with disabilities' and 'road maintenance'. These indicators are weighted to reflect factors that impact on the demand for and cost of delivering services, for example, 'the size of the 16 to 64 year-old population' and 'length of roads to maintain'.*

*The majority of GAE is allocated according to population-based factors. Other factors are far less significant influences on total funding. For example, those which might be considered to link to deprivation, for example 'the number of current income deprived', are linked to a much smaller proportion of funding than population-based weighting factors".*

4. Whilst the finding of the report above is valid in terms of the ease of finding information about distribution mechanisms (especially for non GAE funding), the report underplays the sophistication of the GAE methodology. The indicators which relate to population size are broken down in considerable detail into population groups such as numbers of primary pupils, secondary pupils, pre-school age children and the number of over 85's.

5. For education the high proportion of children in our population and the high number of placements in the needs based GAE calculation means that East Renfrewshire attracts a higher funding allocation than would normally be expected for a Council of our population. We attract 2.3% of the total GAE for education with only 1.75% of the population. This means we receive a 32% higher allocation than a typical council of our size and is by far the highest variance from the average of any mainland council in Scotland. (See appendix 1). In cash terms this means that the education GAE of an average council of our size would be £74.5m but we are allocated £98m, £23.5m more.

6. For Social Care the indicators are focused on deprivation and age related populations such as the number of people with chronic illness and the number of over 85year olds and have a sophisticated weighting mechanism. We attract 1.69% of the total allocation just under our share of the population. This reflects low levels of deprivation but with a significant elderly population. Our share is increasing slowly, reflecting the growing older population in the area. The variation of shares compared to a population based average is shown in Appendix 2.

7. For other services, the indicators reflect a wide range of such as population, number of houses and road length. We tend to attract lower than our population share perhaps because of the relatively low number of houses (1.5%) relative to our population size.

8. Overall this means that we would expect the balance of our funding to education, social work and other services to be significantly different from that seen in other councils.

9. The report also states that *“Given Scotland’s demographic changes and the Scottish Government’s commitment to tackling social and economic inequality, there is a risk that the GAE weightings no longer sufficiently represent need.”* However it is important to note that GAE is not the only factor in a Councils allocation and the allocations for “Former Ring fenced grants” and “Redeterminations” reflect specific government interventions over many years and would appear to reflect deprivation more strongly than the GAE allocations. Any move to review the Distribution formula as suggested by Audit Scotland would require careful consideration by COSLA. Any move to reflect significantly more indicators of deprivation in the GAE allocations would require a thorough analysis to determine if statutory services such as Education could still be delivered adequately with a new funding formula.

10. The report also suggest that there is only a weak correlation between deprivation and Council funding. However the Audit Scotland graph has been shown in absolute numbers and given the different scale of council budgets, a percentage analysis has provided a different perspective. Appendix 3 shows the relationship between actual estimated expenditure (essentially the funding calculation prior to the allowance for Council tax contribution to funding) and the same calculation based on population size only. The majority of the councils who receive more than their population share are those which are normally considered to be more deprived eg Dundee, Glasgow, Inverclyde and West Dunbartonshire. East Renfrewshire is one of the few councils who receive slightly more than their population share of budget but do not have high levels of deprivation. This is likely be due to the very high number of children attending our schools.

11. The report then goes on to discuss the other funding that Councils can access such as Council tax and reserves to address any funding gaps.

12. The Council agreed savings of £7m for 2017/18, raised Council Tax by the maximum permissible 3%, increased fees and charges in line with our annual review of charging policy and, in common with other Councils, utilised reserves to balance its budget. All of the planned £0.257m of reserves utilisation however, was to cover one-off investments rather than to temporarily address a savings gap.

13. The Scottish Government adjusted Council Tax banding weightings for 2017/18 with higher charges being imposed on Band E to H properties. The report in paragraph 23 states that

*“These changes raised the remaining £140 million and benefited councils with a relatively higher proportion of higher banded properties”*

Exhibit 5 in the report appears to show that East Renfrewshire was proportionately affected by this change more than any other Council. However, East Renfrewshire Council did not benefit from this change as general grant support is adjusted for the increased Council Tax income and this did not produce an overall financial gain for the Council. For example in 16/17 the assumed Council tax income was £37.920m and in 17/18 the assumed council tax income was £42.484m due to change in bands E to H. However the general grant paid to the Council was adjusted by the same amount. Whilst the total amount of money available to all councils would have increased by £140m if the total Government grant settlement to councils had stayed exactly the same as the previous year, this mechanism “smoothed out” the different amounts by which councils benefited.

14. The Council lived within its budget for 2017/18, applying savings early wherever possible with a view to mitigating future financial pressures ahead, and was able to allocate £4.6m to reserves at the end of the year.

## **FINANCIAL POSITION**

15. Whilst the Council budgeted to draw on our reserves in 2017/18, we were able to restore our unearmarked general reserve to above its target 4% level at the year end.

16. Over a number of years, East Renfrewshire has built up reserves with a view to addressing specific future pressures. In addition to our policy of maintaining an unearmarked general reserve of 4% of revenue budget we have also established substantial reserves to assist with capital projects (particularly school building) and to enable transformation and modernisation of Council services (often leading to revenue saving efficiencies in future years). In 2017/18 we also established a new reserve for Devolved School Management funding controlled by Head Teachers. As such, our proportion of reserves to revenue budget is above average, although it is expected to reduce in future as these funds are spent on new infrastructure, ICT and structural changes.

17. On the other hand, East Renfrewshire is well below average in terms of the level of debt held in comparison to our annual revenue budget. This reflects the Council’s historic prudent approach, utilising capital reserves where possible rather than borrowing to fund investment. Again, however, this is likely to change in future as reserves are reduced and increased borrowing will be required to support the Council’s capital plans including those for new early learning centres and leisure facilities. It is recognised that this will increase revenue pressures but should still be affordable due to our low debt base and to new flexibility to be introduced on accounting for loans fund repayments.

18. The report highlights the pressures still being faced by some Councils in relation to equal pay claims. This is not seen as an issue for East Renfrewshire as we have now settled all of our equal pay claims.

19. Another issue raised by the report is the effectiveness of Management Commentaries in Councils’ accounts, in clearly explaining the Council’s financial position. In recent years we have tried to make our information more accessible by including graphics and increasing narrative comments and we will continue to seek to improve our presentation in future by liaising with our communications team and having regard to audit comments.

## **IJB OVERVIEW**

20. The report includes an overview of Integration Joint Boards in 2017/18. The key messages are that, despite a 3% cash increase in funding, most Boards have underlying financial sustainability issues. 19 Boards either incurred a deficit in 2017/18 or needed additional funding from their partners to avoid a deficit for the year. Further, most IJBs did not have medium term financial planning in place.

21. Whilst the Council contributed £48.175m (including Criminal Justice specific grant) to our local IJB in 2018/19, responsibility for the operation, finances and governance of integrated health and care services lies with the Integration Joint Board itself and not East Renfrewshire Council and scrutiny is undertaken by the IJB's own Performance and Audit Committee.

22. Nevertheless, there is close liaison between the Council's and the IJB's Chief Financial Officers. On that basis, some high level comments have been incorporated into this report. Should any further detail be required this would have to be sought from the IJB Chief Financial Officer.

23. East Renfrewshire IJB did not report a deficit for 2017/18 and did not require additional funding from the Council.

24. The IJB holds various reserves, largely for specific purposes, and has used reserve funds to facilitate its long term restructuring of services in order to deliver future savings.

25. East Renfrewshire IJB falls within the NHS Greater Glasgow and Clyde area and, as such, will be one of the IJBs impacted by the cessation of the health board's risk sharing arrangements for prescribing costs. This is being closely monitored by the IJB CFO.

26. In 2018 the Scottish Government published a medium term financial plan for Health & Care services. This is welcomed by the IJB and will assist them in developing their own medium term financial plans.

## **COUNCILS' FINANCIAL OUTLOOK**

27. The Council's grant settlement for 2018/19 was close to flat cash and so did not make provision for inflation and demand pressures. The final figures were only confirmed vary late in the budget process and this made financial planning difficult.

28. In May 2018 the Scottish Government published its medium term financial strategy and more recently has also confirmed its intention to announce multi-year settlements for Councils from December 2019. As most Council services are not classed as priorities in the Scottish Government's strategy, continuing financial constraints are expected in the coming years, however the move to multi-year settlements will assist us in our own forward planning and is welcomed.

29. The Council adopts a 3 year budgeting approach, covering our medium term plans, and also publishes a Financial Planning report each year, setting out the indicative long term financial position (including a range of scenarios) for six years in the future. Both the medium and longer term plans take account of the Council's key objectives and anticipated local demographic trends in addition to the Scottish Government's medium term plans and other national economic factors.

30. Once again, in common with most other Councils, East Renfrewshire has balanced its revenue budgets for 2018/19 and 2019/20 by a combination of savings, Council Tax increase, charging increases and utilisation of reserves. Savings of over £7m have already been identified for 2020/21 and a further £5.9m will be identified during the course of 2019/20 to bridge the anticipated remaining 2020/21 budget shortfall.

31. The Council also updates its Capital Plans each year. For General Fund services these cover the next 8 years and for Housing the next 5 years. On 28 February 2019 the Council approved its first Capital Investment Strategy, which seeks to set out the Council's capital ambitions for the next 10-20 years so that policy aims can be clearly linked to financial and operational plans.



32. The Audit Scotland report also highlights that many Councils are in the early stages of delivering transformational change. East Renfrewshire would regard ourselves as having been an early adopter of this approach with our original Public Sector Excellence (PSE) programme being more recently replaced by our Modern Ambitious programme (MAP). This recognises the need for change due to both the increasing pressure for financial savings and the digital and technological transformation in all aspects of modern life. Our aim is to modernise and streamline services to take advantage of new technology, better meet client expectations and produce efficiency savings. Our current 3 year budget plans for Council services (excluding IJB) include over £9.6m of efficiency savings (70% of our total savings).

33. The final issue raised in the Audit Scotland report relates to the planned UK withdrawal from the EU in March 2019. The Council has recognised this as a strategic risk and is making contingency plans for a range of possible scenarios. A report on this issue was presented to the Audit & Scrutiny Committee on 21 February 2019.

## **CONCLUSION**

34. The report outlines the main issues facing Scottish Councils in 2017/18. Overall East Renfrewshire is well placed in terms of addressing these but will continue to face substantial financial challenges in future.

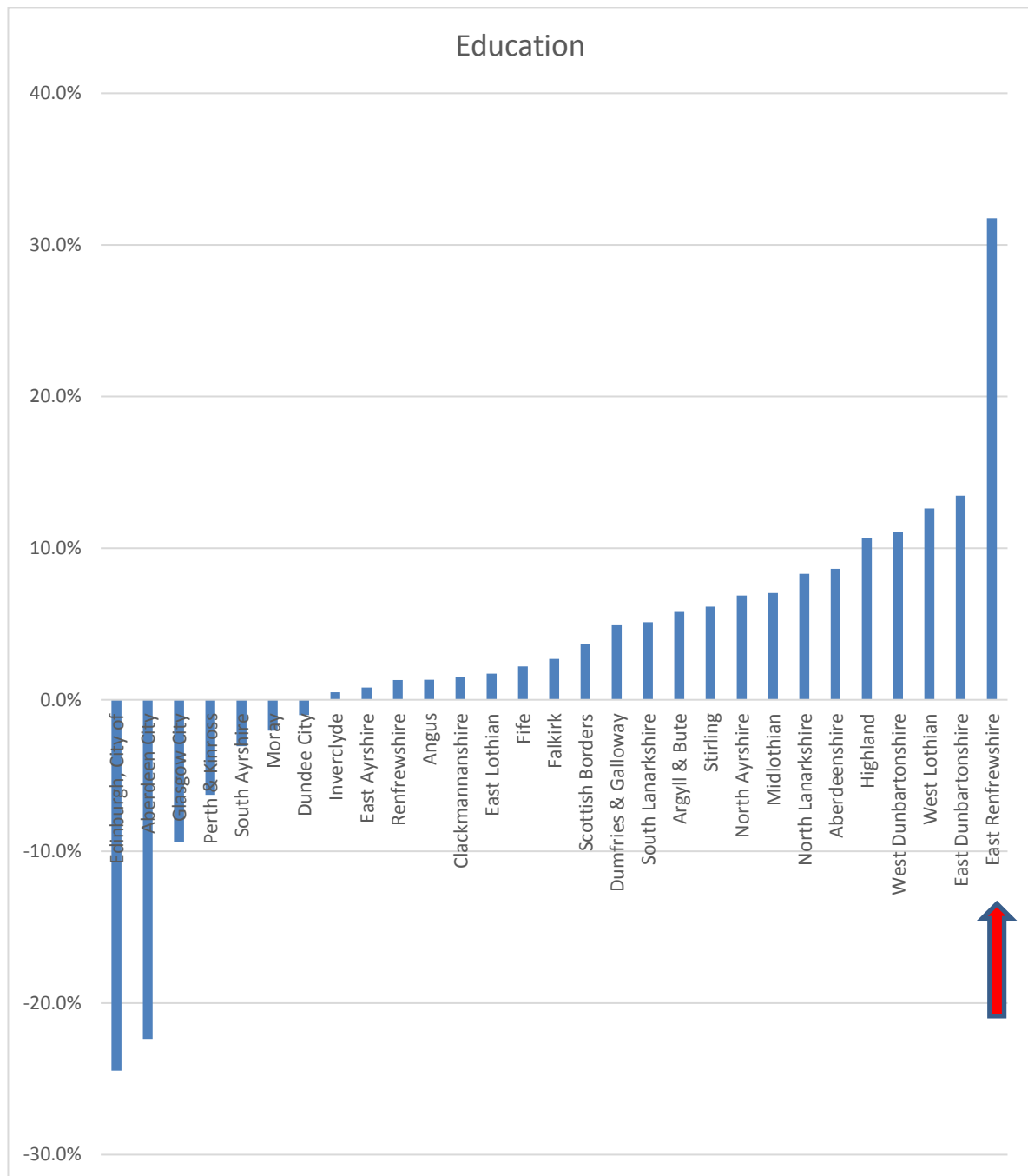
## **RECOMMENDATION**

35. The Committee is asked to consider and note the contents of this report.

Margaret McCrossan, Head of Accountancy, 28 February 2019

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### Education GAE Distribution – variation from distribution based on total population



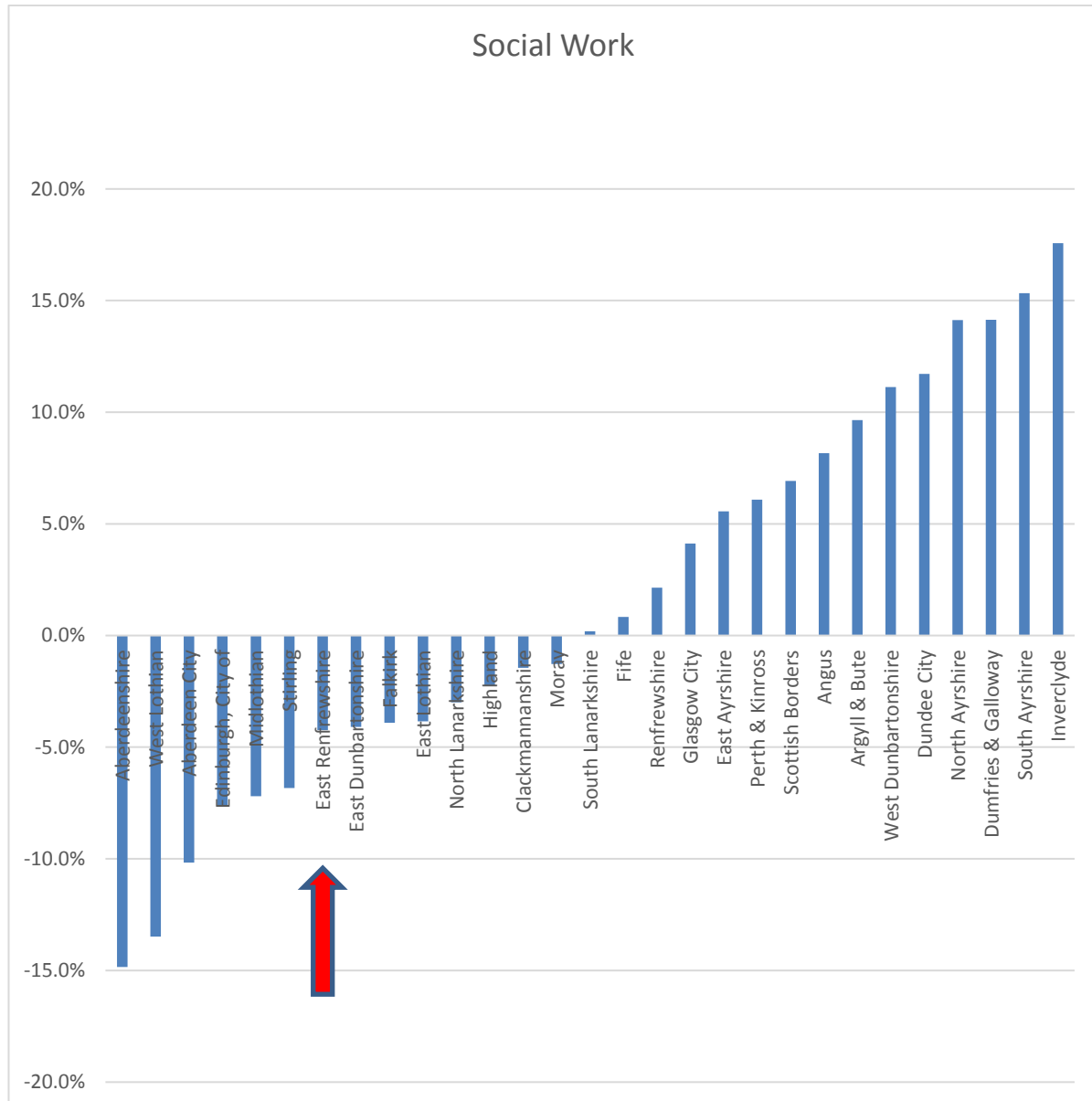
#### Key Points

- The Councils with higher population growth tend to have the highest variation from the average distribution for education but this is not a strong correlation and would require further analysis
- West Dunbartonshire has high levels of deprivation and a falling population but has a higher than average education allocation through GAE. This could in part be due to high allocations for “education deprivation” one of the GAE indicators
- East Renfrewshire has by far the highest allocation of GAE relative to total population size at 32% due to a high ration of children in the population and school placements. The nearest is East Dunbartonshire at 13.5%
- The Island authorities have been omitted form this analysis

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## APPENDIX 2

## Social Work GAE distribution - variation from distribution based on total population size only



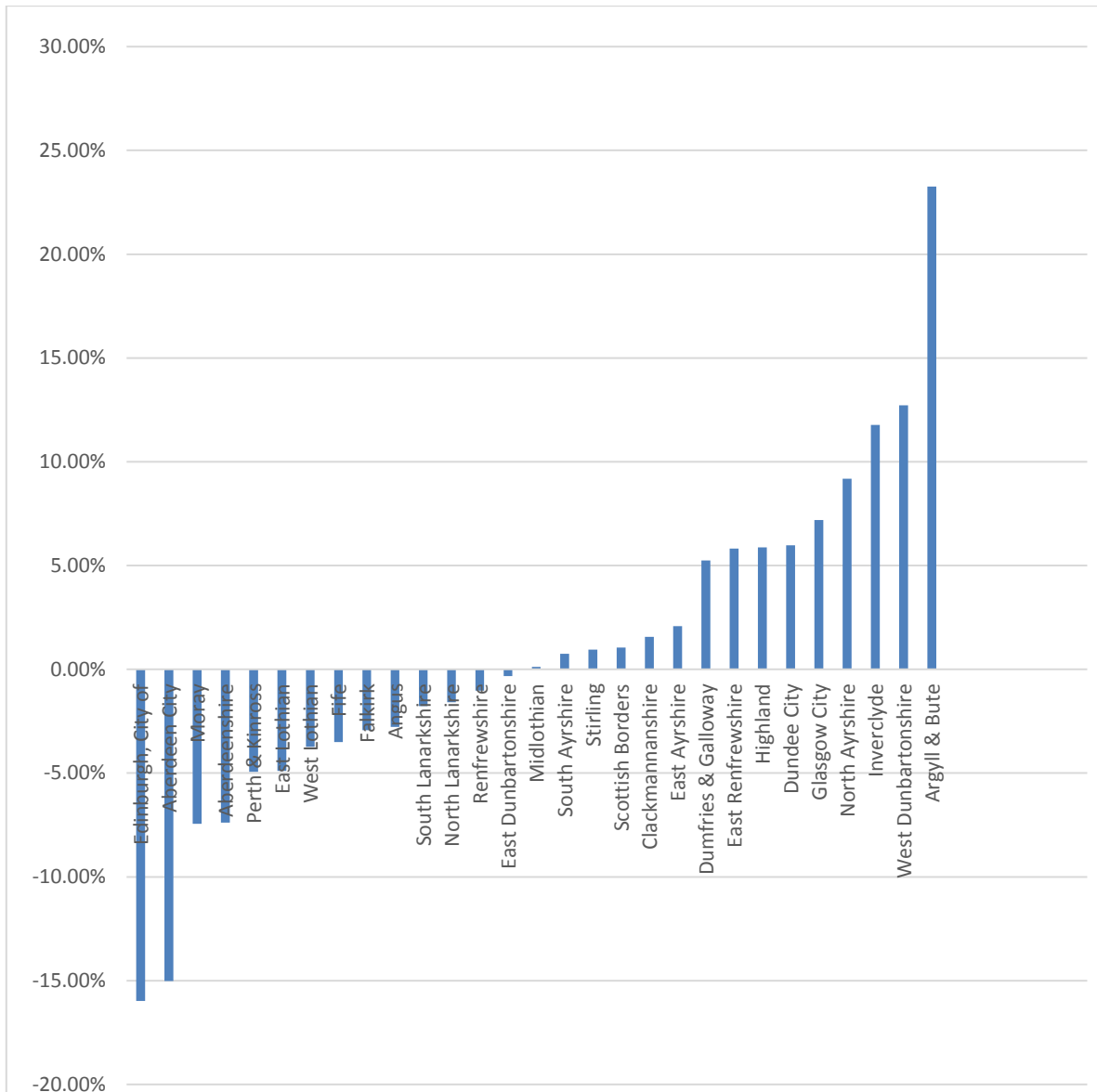
## Key Points

- The councils with the highest relative GAE for social work i.e. ( highest need) tend to have the highest factors of deprivation
- The councils with the lowest deprivation tend to have lower relative GAE for Social work
- The number of over 85s is a heavily weighted factor in the calculation so is likely to have an impact on areas such as East Dunbartonshire and East Renfrewshire where there is a growing older population is bringing these areas closer to the average distribution of GAE

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## APPENDIX 3

### Variance of Scottish Government Estimated Expenditure calculation per council compared to a calculation based only on total population size



#### Key Points

- The final grant allocation to councils is based on the estimated Expenditure minus the amount expected to be collected by Council tax. Estimated Expenditure has been used as a proxy rather than actual grant as council tax is dependent on property size and will make the grant for wealthier areas appear smaller and inconsistent.
- The estimated expenditure consists of GAE, former ring fenced grant, redeterminations, and loans minus the floors mechanism.
- Former ring fenced grants and dedeterminations were not discussed in the Audit Scotland report as the allocation methodology is unclear. Using east Renfrewshire figures, it appears that many are related to deprivation and reflect specific Government priorities.
- The Estimated expenditure appears to be related to levels of deprivation with more deprived areas generally receiving grants in excess of the average and wealthier areas less.
- For East Renfrewshire the extremely high allocation for education means that we receive an above the average grant which is unusual for a council with low levels of deprivation.

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# East Renfrewshire Council

Annual Audit Plan 2018/19



 AUDIT SCOTLAND

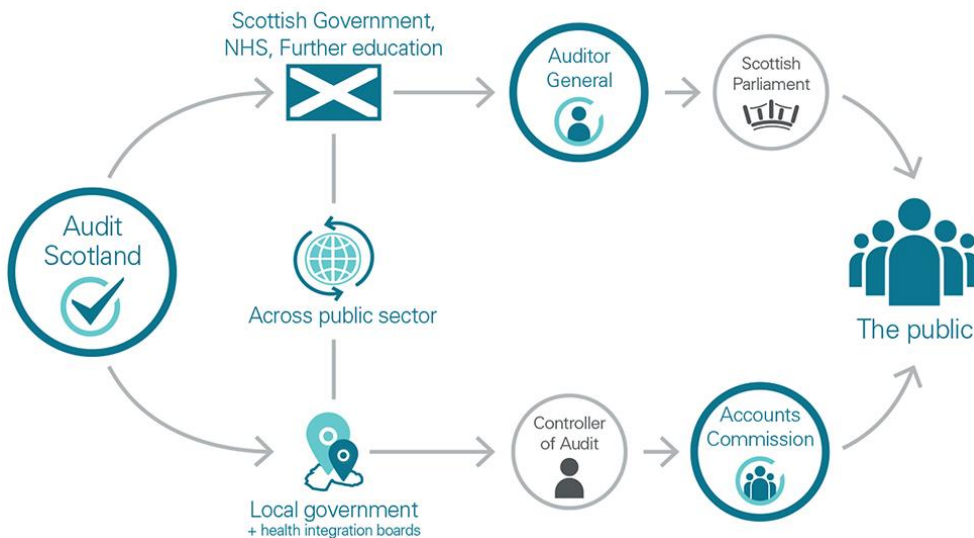
Prepared for by East Renfrewshire Council

March 2019

## Who we are

The Auditor General, the Accounts Commission and Audit Scotland work together to deliver public audit in Scotland:

- The Auditor General is an independent crown appointment, made on the recommendation of the Scottish Parliament, to audit the Scottish Government, NHS and other bodies and report to Parliament on their financial health and performance.
- The Accounts Commission is an independent public body appointed by Scottish ministers to hold local government to account. The Controller of Audit is an independent post established by statute, with powers to report directly to the Commission on the audit of local government.
- Audit Scotland is governed by a board, consisting of the Auditor General, the chair of the Accounts Commission, a non-executive board chair, and two non-executive members appointed by the Scottish Commission for Public Audit, a commission of the Scottish Parliament.



## About us

Our vision is to be a world-class audit organisation that improves the use of public money.

Through our work for the Auditor General and the Accounts Commission, we provide independent assurance to the people of Scotland that public money is spent properly and provides value. We aim to achieve this by:

- carrying out relevant and timely audits of the way the public sector manages and spends money
- reporting our findings and conclusions in public
- identifying risks, making clear and relevant recommendations.

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# Risks and planned work

1. This annual audit plan contains an overview of the planned scope and timing of our audit and is carried out in accordance with International Standards on Auditing (ISAs), the Code of Audit Practice, and any other relevant guidance. This plan sets out the work necessary to allow us to provide an independent auditor's report on the financial statements and meet the wider scope requirements of public sector audit including the audit of Best Value.
2. The wider scope of public audit contributes to assessments and conclusions on financial management, financial sustainability, governance and transparency and value for money.

## Adding value


3. We aim to add value to the East Renfrewshire Council through our external audit work by being constructive and forward looking, by identifying areas for improvement and by recommending and encouraging good practice. In so doing, we intend to help the East Renfrewshire Council promote improved standards of governance, better management and decision making and more effective use of resources.


## Audit risks


4. Based on our discussions with staff, attendance at committee meetings and a review of supporting information we have identified the following main risk areas for East Renfrewshire Council. We have categorised these risks into financial risks and wider dimension risks. The key audit risks, which require specific audit testing, are detailed in [Exhibit 1](#).


## Exhibit 1

### 2018/19 Key audit risks

 Audit Risk	Source of assurance	Planned audit work
<b>Financial statements issues and risks</b>		
<p><b>1 Risk of management override of controls</b></p> <p>ISA 240 requires that audit work is planned to consider the risk of fraud, which is presumed to be a significant risk in any audit. This includes consideration of the risk of management override of controls to change the position disclosed in the financial statements.</p>	<p>Owing to the nature of this risk, assurances from management are not applicable in this instance.</p>	<ul style="list-style-type: none"> <li>• Detailed testing of journal entries.</li> <li>• Review of accounting estimates.</li> <li>• Focused testing of accruals and prepayments.</li> <li>• Evaluation of significant transactions that are outside the normal course of business.</li> </ul>
<p><b>2 Risk of fraud over income</b></p> <p>East Renfrewshire Council receives a significant amount of income from several sources including income from fee and charges funding. The extent and complexity of income means that, in accordance with ISA240, there is an inherent risk of</p>	<p>The Council has specific antifraud and corruption arrangements which are covered in the Code of Conduct and publicised on our intranet and website.</p>	<ul style="list-style-type: none"> <li>• Analytical procedures on income streams.</li> <li>• Detailed testing of revenue transactions focusing on the areas of greatest risk.</li> </ul>

 Audit Risk	Source of assurance	Planned audit work
<p>fraud. Particular areas of concern include council tax, non domestic rates and income from sundry debtors.</p>	<p>A fraud liaison officer is in post and liaises directly with DWP's Fraud and Error Service for Housing Benefit cases.</p> <p>The Council participates in National Fraud Initiative (NFI) exercises; follows up potential matches and reports outcomes to Audit &amp; Scrutiny Committee.</p> <p>Use of Experian for data-matches on Council Tax discounts.</p> <p>There is a HB Fraud Hotline freephone in place and Real Time Information (RTI) income and pension details are checked with HMRC's VEPS (Verify earnings and pensions) system.</p> <p>The Revenues Section also employs a range of protections including:</p> <p>Senior authorisation for overpayment refunds.</p> <p>System log-in security to give audit trail of system updates.</p> <p>Sample checking of individual outputs.</p> <p>Procedures in place for enquiries involving friends and family - declaration of interest.</p> <p>Deletion of leavers' system permissions.</p> <p>Annual checks on staff for Council Tax arrears.</p> <p>Debt recovery team check all payroll for larger Council Tax arrears cases annually.</p> <p>Card payment handling awareness training given to all staff taking credit/debit card payments over the telephone.</p> <p>POA established in writing before third party enquiries are handled.</p> <p>Non Domestic Rates administered through Renfrewshire Council and</p>	

 Audit Risk	Source of assurance	Planned audit work
	<p>anti fraud procedures incorporated in SLA.</p> <p>Regular bank reconciliations are carried out and regular monitoring/probable outturn forecasting of income and expenditure by Finance Business Partners ensures early identification of significant variances.</p>	
<p><b>3 Risk of fraud over expenditure</b></p> <p>Most public-sector bodies are net expenditure bodies and therefore the risk of fraud is more likely to occur in expenditure, due to the variety and extent of expenditure in delivering services. Specific fraud risks relevant to public sector audit include welfare benefits, grants and other claims made by individuals and organisations.</p>	<p>As above.</p> <p>Following the attempted fraud in 2017, staff have been retrained in procedures and the importance of following procedures and adhering to financial controls. Controls around checking of old and new bank details for suppliers in the event of any change are in place.</p> <p>Various services are also signed up to receive regular NAFN fraud alerts.</p> <p>Various council officers including Creditors Compliance Lead; Internal Audit and Procurement attended Serious &amp; Organised Crime Prevention training run by Scottish Police in November 2017.</p> <p>Regular bank reconciliations are carried out and regular monitoring/probable outturn forecasting of income and expenditure by Finance Business Partners ensures early identification of significant variances.</p>	<ul style="list-style-type: none"> <li>• Analytical procedures on expenditure streams.</li> <li>• Detailed testing of expenditure transactions focusing on the areas of greatest risk.</li> <li>• Walk-through of controls identified within key financial systems.</li> </ul>
<p><b>4 Estimation and judgements</b></p> <p>There is a significant degree of subjectivity in the measurement and valuation of a number of balances in the financial statements in particular the valuation of non-current assets and pension fund assets and liabilities. This subjectivity represents an increased risk of misstatement in the financial statements.</p>	<p>Pension liabilities are calculated by independent actuaries (Hymans Robertson) who provide calculations for all Councils contributing to Strathclyde Pension Fund. Reports with their assumptions are available for review.</p>	<ul style="list-style-type: none"> <li>• Completion of 'review of the work of an expert' for the in-house valuer.</li> <li>• Focused substantive testing of key areas of non current assets</li> <li>• Assess the reasonableness of the valuation of land and buildings</li> <li>• Completion of 'review of the work of an expert' for the</li> </ul>

	Audit Risk	Source of assurance	Planned audit work
		<p>Valuation of fixed non current assets (property) is undertaken by RICS members who are experienced Chartered Valuation Surveyors and Registered Valuers. Valuations are undertaken in accordance with RICS Red Book and CIPFA guidance and use valuation approaches adopted across the UK public sector. Where methodologies require comparable evidence these are also undertaken in accordance with RICS guidance. Peer reviews are also undertaken. The approach adopted reduces the degree of subjectivity and gives rise to smaller variances than would otherwise occur.</p> <p>There are only two such provisions (Teachers' Maternity Pay and Insurance Excess) in our accounts. Both of these have working papers substantiating their balances.</p>	<p>professional actuary, and review of appropriate of actuarial assumptions.</p> <ul style="list-style-type: none"> <li>Review of the pension actuary and the assumptions made in calculating the estimated pension liability.</li> </ul>

## Wider dimension issues and risks

### 5 Financial sustainability

The council faces significant financial challenges, including

- A £32.759 million funding gap for the period 2018/19 to 2020/21. Savings plans have been approved and a gap of £5.894 million in 2020/21 remains
- rising demands for services
- reductions in local government funding

In addition there is a number of uncertainties that may have a financial impact on the council ( e.g. EU withdrawal, ending of public sector pay settlement, new financial powers for the Scottish Government).

The council must have robust longer term financial plans that address the financial challenges it faces. There is

Funding gap reassessed in light of increased grant settlement.

Three year budget approach continued despite annual grant settlement. Future Scottish Government settlements to be multi-year.

Long term Financial Planning document revised, covering next six years.


Revenue and capital monitoring reports revised in recent years to provide more variance analysis.

Scenario planning in place for various EU withdrawal options.

New Capital Investment Strategy prepared.

- Review the 2019/20 budgets and consider the reasonableness of budget assumptions
- Assess the adequacy of the council's longer term financial management arrangements and plans reported to members.
- Monitor the council's financial position through budget monitoring reports presented to members and consider the delivery of in year savings programmes and the robustness of future savings plans and targets



	Audit Risk	Source of assurance	Planned audit work
	a risk that the council does not deliver its strategic objectives.		
<b>6</b>	<p><b>New core financial systems</b></p> <p>A key focus of the council's transformation programme is the introduction of new Core Systems. These core systems represent those systems which are integral to the council's business, namely Finance, Procurement, Human Resources and Payroll.</p> <p>The commissioning and implementation of these new systems are expected to be completed by March 2020, with the first of the systems, the finance ledger, scheduled to go live at the end of June 2019. We will carry out a review of the main controls within the new financial systems as part of our 2019/20 audit.</p> <p>There is a risk that the tight timescale and the extra demand on resources could place further pressures on staff capacity around the timing of the preparation and audit of the financial statements.</p>	<p>Dedicated project team of experienced staff in place to deliver Core Systems programme,</p> <p>Clear governance and monitoring/reporting regime adopted.</p> <p>Programme funding confirmed through capital plan and Transformation Fund.</p> <p>Staff seconded to programme have substantive posts within Council departments backfilled to minimise impact on normal service delivery.</p>	<ul style="list-style-type: none"> <li>• Regular meetings with management.</li> <li>• Review of Core Systems programme schedules</li> <li>• Continued review of reports to members on progress with core systems</li> </ul>
<b>7</b>	<p><b>Disaster recovery and business continuity planning</b></p> <p>Work continues on the development of new disaster recovery plan and business continuity plans. This work has been ongoing now for some time and it is anticipated that both plans will be in place by the end of March 2019.</p> <p>There is a risk that until the full implementation of the disaster recovery plans the council suffers a loss of data and disruption to services.</p>	<p>Following a change in responsibility for Business Continuity during 2018/19, steps have since been taken to strengthen the approach and quality of Business Continuity planning in conjunction with the Civil Contingency Service. Dedicated resource has been working with services and ICT to ensure planning is robust and realistic.</p> <p>A report has been provided to CRMT (Crisis Resilience Management Team) providing an update on the significant progress to date and the plans in place for the first half of 2019/20 for the conclusion of the work to align Business Continuity Plans to the IT Disaster Recovery plan.</p>	<ul style="list-style-type: none"> <li>• Review of disaster recovery testing and development of Disaster Recovery Plan undertaken.</li> <li>• Review of Business Continuity and resilience planning arrangements</li> </ul>

## Reporting arrangements

5. Audit reporting is the visible output for the annual audit. All annual audit plans and the outputs as detailed in [Exhibit 2](#), and any other outputs on matters of public interest will be published on our website: [www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk).
6. Matters arising from our audit will be reported on a timely basis and will include agreed action plans. Draft management reports will be issued to the relevant officer(s) to confirm factual accuracy.
7. We will provide an independent auditor's report to East Renfrewshire Council and Accounts Commission setting out our opinions on the annual accounts. We will provide the Proper Officer and Accounts Commission with an annual report on the audit containing observations and recommendations on significant matters which have arisen during the audit.

## 2018/19 Audit outputs

Audit Output	Target date	Committee Date
Annual Audit Plan	18 February 2019	14 March 2019
Management Report	27 May 2019	20 June 2019
Annual Audit Report	13 September 2019	26 September 2019
Independent Auditor's Report	By 30 September 2019	By 30 September 2019

Source: Audit Scotland

## The audit of trusts registered as Scottish charities

8. Officers of East Renfrewshire Council are trustees for 7 trusts, registered as Scottish charities, with total assets of some £0.116 million. The preparation and audit of the financial statements of registered charities is regulated by the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.
9. The 2006 Regulations require charities to prepare annual accounts and require an accompanying auditor's report where any legislation requires an audit. The Local Government (Scotland) Act 1973 specifies the audit requirements for any trust fund where some or all members of a council are the sole trustees. Therefore, a full and separate audit and independent auditor's report is required for each register charity where members of the East Renfrewshire Council are sole trustees, irrespective of the size of the charity.

## Audit fee

10. The agreed audit fee for the 2018/19 audit of East Renfrewshire Council is £227,130 [17/18 £222,960]. This includes a fee of £1,000 [17/18 £1,000] for the audit of the registered trusts. In determining the audit fee we have taken account of the risk exposure of East Renfrewshire Council, the planned management assurances in place and the level of reliance we plan to take from the work of internal audit. Our audit approach assumes receipt of the unaudited annual accounts with a complete working papers package by 28 June 2019.
11. Where our audit cannot proceed as planned through, for example, late receipt of unaudited annual accounts or being unable to take planned reliance from the work of internal audit, a supplementary fee may be levied. An additional fee may also be required in relation to any work or other significant exercises out with our planned audit activity.

## Responsibilities

### Audit and Scrutiny Committee and Head of Accountancy (Chief Financial Officer)

12. Audited bodies have the primary responsibility for ensuring the proper financial stewardship of public funds, compliance with relevant legislation and establishing effective arrangements for governance, propriety and regularity that enable them to successfully deliver their objectives.
13. The audit of the annual accounts does not relieve management or the Audit and Scrutiny Committee as those charged with governance, of their responsibilities.

### Appointed auditor

14. Our responsibilities as independent auditors are established by the Local Government (Scotland) Act 1973 for local government, and the Code of Audit Practice (including supplementary guidance) and are guided by the Financial Reporting Council's Ethical Standards.
15. Auditors in the public sector give an independent opinion on the financial statements and other information within the annual accounts. We also review and report on the arrangements within the audited body to manage its performance and use of resources. In doing this, we aim to support improvement and accountability.

# Audit scope and timing

## Annual accounts

- 16.** The annual accounts, which include the financial statements, will be the foundation and source for most of the audit work necessary to support our judgements and conclusions. We also consider the wider environment and challenges facing the public sector. Our audit approach includes:
- understanding the business of East Renfrewshire Council and the associated risks which could impact on the financial statements
  - assessing the key systems of internal control, and establishing how weaknesses in these systems could impact on the financial statements
  - identifying major transaction streams, balances and areas of estimation and understanding how East Renfrewshire Council will include these in the financial statements
  - assessing the risks of material misstatement in the financial statements
  - determining the nature, timing and extent of audit procedures necessary to provide us with sufficient audit evidence as to whether the financial statements are free of material misstatement.
- 17.** We will give an opinion on whether the financial statements:
- give a true and fair view in accordance with the applicable law and the 2018/19 Code of the state of affairs of the council and its group as at 31 March 2019 and of the income and expenditure of the council and its group for the year then ended
  - have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2018/2019 Code
  - whether they have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.



## Other information in the annual accounts

- 18.** We also review and report on other information published within the annual accounts including the management commentary, annual governance statement and the remuneration report. We give an opinion on whether these have been compiled in accordance with the appropriate regulations and frameworks in our independent auditor's report.
- 19.** We also read and consider any information in the annual accounts over and above the financial statements and audited part of the remuneration report, and report any uncorrected material misstatements.

## Materiality

- 20.** We apply the concept of materiality in planning and performing the audit. It is used in evaluating the effect of identified misstatements on the audit, and of any uncorrected misstatements, on the financial statements and in forming our opinions in the independent auditor's report.

21. We assess materiality at different levels as described below. The materiality values for East Renfrewshire Council are set out in [Exhibit 3](#).

### Exhibit 3 Materiality values



Materiality	Amount
<b>Planning materiality</b> – This is the figure we use in assessing the overall impact of audit adjustments on the financial statements. In our professional judgement, based on our risk assessment, we have set planning materiality at 1% of gross expenditure for the year ended 31 March 2019 using the latest budget for 2018/19.	£3 million
<b>Performance materiality</b> – This acts as a trigger point. If the aggregate of errors identified during the financial statements audit exceeds performance materiality this would indicate that further audit procedures should be considered. We have calculated performance materiality at 60% of planning materiality.	£1.8 million
<b>Reporting threshold (i.e., clearly trivial)</b> – We are required to report to those charged with governance on all unadjusted misstatements more than the 'reporting threshold' amount. This has been calculated at 1% of planning materiality.	£30,000

Source: Audit Scotland

### Timetable

22. To support the efficient use of resources it is essential that the annual accounts timetable is agreed with us to produce the unaudited accounts. We have included an agreed timetable at [Exhibit 4](#)

### Exhibit 4 Annual accounts timetable

 Key stage	 Date
Consideration of unaudited annual accounts by those charged with governance	By 27 June 2019
Latest submission date of unaudited annual accounts with complete working papers package	By 28 June 2019
Latest date for final clearance meeting with Head of Accountancy (Chief Financial Officer)	Early September 2019
Issue of Letter of Representation and proposed independent auditor's report	Mid September 2019
Agreement of audited unsigned annual accounts	By 30 September 2019
Issue of Annual Audit Report to those charged with governance	By 30 September 2019
Independent auditor's report signed	By 30 September 2019
Latest date for signing of WGA return	30 September 2019

## Internal audit

**23.** Internal audit is provided by East Renfrewshire Council staff overseen by the Chief Internal Auditor. As part of our planning process we completing our annual assessment of the adequacy of the internal audit function to ensure that it operates in accordance with the main requirements of Public Sector Internal Audit Standards (PSIAS). We will report any significant findings to management and the Audit and Scrutiny Committee.

### Using the work of internal audit

**24.** Auditing standards require internal and external auditors to work closely together to make best use of available audit resources. We seek to use the work of internal audit wherever possible to avoid duplication. We plan to consider the findings of the work of internal audit to minimise duplication of effort and to ensure the total resource is used efficiently or effectively.

**25.** From our initial review of internal audit plans we plan to use the work of Internal Audit in the following areas:

- Council Tax – Reductions/Liability
- Creditor payments
- Payroll

## Audit dimensions

**26.** Our audit is based on four audit dimensions that frame the wider scope of public sector audit requirements as shown in [Exhibit 5](#).

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### Exhibit 5 Audit dimensions



Source: Code of Audit Practice

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**27.** In the local government sector, the appointed auditor's annual conclusions on these four dimensions will help contribute to an overall assessment and assurance on best value.

**28.** Our standard audits are based on four audit dimensions that frame the wider scope of public sector audit requirements. These are: financial sustainability, financial management, governance and accountability and value for money.

### Financial sustainability

29. As auditors we consider the appropriateness of the use of the going concern basis of accounting as part of the annual audit. We will also comment on the body's financial sustainability over the medium to long term. We define this as medium term (two to five years) and longer term (longer than five years) . We will carry out work and conclude on:

- the effectiveness of financial planning in identifying and addressing risks to financial sustainability in the short, medium and long term
- the appropriateness and effectiveness of arrangements in place to address any identified funding gaps
- whether East Renfrewshire Council can demonstrate the affordability and effectiveness of funding and investment decisions it has made.

### Financial management

30. Financial management is concerned with financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively. We will review, conclude and report on:

- whether East Renfrewshire Council has arrangements in place to ensure systems of internal control are operating effectively
- whether East Renfrewshire Council can demonstrate the effectiveness of budgetary control system in communicating accurate and timely financial performance
- how East Renfrewshire Council has assured itself that its financial capacity and skills are appropriate
- whether East Renfrewshire Council has established appropriate and effective arrangements for the prevention and detection of fraud and corruption.

### Governance and transparency

31. Governance and transparency is concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision – making and the transparent reporting of financial and performance information. We will review, conclude and report on:

- whether East Renfrewshire Council can demonstrate that the governance arrangements in place are appropriate and operating effectively (including services delivered by, or in partnership with, others such as Arms Length External Organisations .
- whether there is effective scrutiny, challenge and transparency on the decision-making and finance and performance reports.
- the quality and timeliness of financial and performance reporting.

### Value for money

32. Value for money refers to using resources effectively and continually improving services. We will review, conclude and report on whether East Renfrewshire Council :

- can provide evidence that it is demonstrating value for money in the use of its resources.
- can demonstrate that there is a clear link between money spent, output and outcomes delivered.
- can demonstrate that outcomes are improving.

- has sufficient focus on improvement and the pace of it.

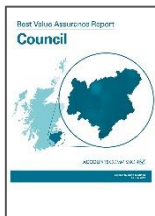
### Best Value

33. The Accounts Commission agreed the overall framework for a new approach to auditing Best Value in June 2016. The introduction of the new approach coincided with the new five-year audit appointments. Auditors started using the framework for their audit work from October 2016.
34. A key feature of the new approach is that it integrates Best Value into the wider scope annual audit, which will influence audit planning and reporting. Best Value will be assessed comprehensively over the five-year audit appointment, both through the ongoing annual audit work, and through discrete packages of work to look at specific issues. Conclusions and judgements on Best Value will be reported through:
- The Annual Audit Report for each council that will provide a rounded picture of the council overall.
  - An annual assurance and risks report that the Controller of Audit will provide to the Commission that will highlight issues from across all 32 council annual audit reports.
  - A Best Value Assurance Report (BVAR) for each council that will be considered by the Accounts Commission at least once in a five-year period.
35. The seven councils on which a BVAR will be published during the third year of the new approach are listed in [Exhibit 6](#). Reports will be considered by the Accounts Commission in the period between March and November 2019.

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## Exhibit 6

### 2018/19 Best Value Assurance Reports



North Lanarkshire Council

Highland Council

Stirling Council

Scottish Borders Council

South Lanarkshire Council

Perth and Kinross Council

Midlothian Council

Source: Audit Scotland

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36. The work planned in the council this year will include continued follow-up of the council's reponse to our 2016/17 BVAR and the actions reported in our Annual Audit Report in 2017/18. Additionally, work planned this year will consider the Council's arrangements for Equal Opportunities and carrying out aspects of options appraisals focusing on the Council's Modern Ambitious Programme and Transformation Programme to date. The work will be integrated with that described above audit dimension areas. It will involve us gaining an understanding of how effective the council's self-evaluation processes are in driving improvement across the council. The results of this work will be reported in the Annual Audit Report.

### Housing Benefit performance audits

37. The Accounts Commission has responsibility for the audit of housing benefit services in Scotland and Audit Scotland carries out a programme of performance audit work every year. The structural changes to the social security landscape, both at UK and Scottish level, are presenting significant implications for councils. In this context the Commission is considering a more strategic approach to the housing benefit performance audit from



2019/20. This would change the balance between reports on the risks at individual councils to more cross-cutting thematic reviews that look at risks across councils.

- 38.** A review of the council's Housing Benefits Service was carried out as part of the 2017/18 audit and was reported to the Audit and Scrutiny Committee in January 2019. The audit team will continue to review the relative performance of all councils' housing benefit services throughout the year, and will take a more risk based and proportionate approach to changes in performance at an individual council.

## Independence and objectivity

- 39.** Auditors appointed by the Accounts Commission or Auditor General must comply with the Code of Audit Practice and relevant supporting guidance. When auditing the financial statements auditors must also comply with professional standards issued by the Financial Reporting Council and those of the professional accountancy bodies. These standards impose stringent rules to ensure the independence and objectivity of auditors. Audit Scotland has robust arrangements in place to ensure compliance with these standards including an annual "fit and proper" declaration for all members of staff. The arrangements are overseen by the Director of Audit Services, who serves as Audit Scotland's Ethics Partner.
- 40.** The engagement lead (i.e. appointed auditor) for East Renfrewshire Council is John Cornett, Audit Director. Auditing and ethical standards require the appointed auditor John Cornett to communicate any relationships that may affect the independence and objectivity of audit staff. We are not aware of any such relationships pertaining to the audit of East Renfrewshire Council.

## Quality control

- 41.** International Standard on Quality Control (UK and Ireland) 1 (ISQC1) requires that a system of quality control is established, as part of financial audit procedures, to provide reasonable assurance that professional standards and regulatory and legal requirements are being complied with and that the independent auditor's report or opinion is appropriate in the circumstances.
- 42.** The foundation of our quality framework is our Audit Guide, which incorporates the application of professional auditing, quality and ethical standards and the Code of Audit Practice (and supplementary guidance) issued by Audit Scotland and approved by the Auditor General for Scotland. To ensure that we achieve the required quality standards Audit Scotland conducts peer reviews and internal quality reviews. Additionally, the Institute of Chartered Accountants of Scotland (ICAS) have been commissioned to carry out external quality reviews.
- 43.** As part of our commitment to quality and continuous improvement, Audit Scotland will periodically seek your views on the quality of our service provision. We welcome feedback at any time and this may be directed to the engagement lead.

# East Renfrewshire Council

## Annual Audit Plan 2018/19

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EAST RENFREWSHIRE COUNCILAUDIT & SCRUTINY COMMITTEE14 March 2019Report by Chief AuditorINTERNAL AUDIT STRATEGIC PLAN 2019/20 TO 2023/24**PURPOSE OF REPORT**

1 To submit Internal Audit's 5 year strategic plan for 2019/20 to 2023/24 to members for approval. The strategic plan includes the detailed annual plan for 2019/20 plus the indicative number of days to be spent in the following four years based on the risk assessed audit universe which lists all potential audits.

**BACKGROUND**

2. The Internal Audit service is an independent appraisal unit within the Chief Executive's Office. It performs independent examinations of accounting, financial and other operations of the Council to provide assurance to management and members on the adequacy of the system of internal control. Independence is achieved through the organisational status of Internal Audit and the objectivity of internal auditors. The Chief Auditor reports directly to the Chief Executive and the Audit & Scrutiny Committee.

3. Through independently reviewing the Council's key systems and controls, Internal Audit helps to ensure that the corporate aim of providing local services which are measurable and of a high standard, is achieved. Internal Audit contributes to the realisation of the Council vision to ensure that resources are managed to provide services that represent value for money.

4. Internal Audit is required to give an annual assurance statement on the adequacy of internal controls. The evaluation of the control environment is informed by a number of sources:

- The results of the work carried out by the Internal Audit service
- The results of the work carried out by the Council's external auditor
- The assessment of risk completed during the preparation of the annual plan
- Reports issued by other agencies such as Education Scotland, Care Inspectorate etc
- Knowledge of the Council's governance, risk management and performance monitoring arrangements.

5. In reviewing these different sources of evidence, consideration will be given as to whether any key controls are absent or ineffective and when taken together with other findings, would lead to the conclusion that the overall system of control has been significantly impaired as a result.

6. The Internal Audit service operates in accordance with the Public Sector Internal Audit Standards (PSIAS). Internal Audit work is governed by the policies, procedures, rules and regulations established by the Council such as the Contract Standing Orders, Financial Regulations and the Anti Fraud and Bribery Strategy.

**STRATEGIC AUDIT PLAN 2019/20 TO 2023/24**

7. The work performed by Internal Audit is based on a rolling 5 year strategic plan (see attached appendix) which is revised annually to take into account changes in circumstances.

8. In preparing the plan, members of the corporate management team, elected members and the Council's external auditors were consulted to ensure that current and developing risks were

appropriately considered and included in the strategic audit plan. The corporate strategic risk register was also reviewed to ensure that key identified areas of risk were included in the audit universe as appropriate.

9. In accordance with the Public Sector Internal Auditing Standards (PSIAS) which require a risk based approach to be taken when preparing the plans, audits have been prioritised based on risk assessments, the service's collective experience of the risks involved, resources available and knowledge gained over the past 5 years. It is also important that annual audit coverage is sufficient to allow Internal Audit to conclude on the adequacy of internal controls. Contingency time is available to allow any further risk related work to be carried out should this be required for new or changing risks identified during the year.

10. A number of key financial systems have been identified, including financial ledger, budgetary control, cash income and banking, debtors, council tax, creditors, rent accounting, payroll and housing and council tax benefit/universal credit. The aim is that all identified systems in the audit universe will be audited at least once in the 5 year cycle however the key financial systems will usually be audited more frequently than this depending on the perceived risks.

11. As part of the consultation process and risk assessment, some new audits have been added to the audit universe, for example cyber security checklist.

12. Similarly, some audits have now been deleted from the audit universe as they are no longer applicable or have low risk assessments or been merged with other audits.

13. The Internal Audit service supports the Council's commitments outlined in the Outcome Delivery Plan by monitoring the systems that underpin the delivery of these commitments. Employees who work for Internal Audit adhere to the corporate values, however the Internal Audit function also fulfils a role in measuring how staff in other departments adhere to the values.

14. A total of 20 audit days have been included in the annual plan for providing an internal audit service to East Renfrewshire Culture and Leisure Trust (ERCLT). The scope of audits to be carried out using these days have been agreed with the management of ERCLT and members of its Finance and Resources Committee. Resulting audit reports will be issued directly to the Chief Executive of ERCLT.

## **AUDIT RESOURCES ASSESSMENT**

15. The Internal Audit section has an establishment of five members of staff (4.7 FTE) including the Chief Auditor. There is currently one vacant post but an assumption has been made that this will be filled in the first quarter of 2019/20 when calculating the number of audit days available.

16. The number of days available in 2019/20 has been estimated and compared to the number of days required. Various assumptions have had to be made regarding the number of working days that will be available. On the basis of the audit universe which lists all potential audits, an estimated 4,011 days are required to complete all planned audits at the required frequency within the 5 year period. An estimated 3,696 staff days are available for direct audit work over this same period, leaving an estimated shortfall of 315 days over the 5 year period (or an average of 63 days per annum). The current shortfall in audit days over the 5 year period is viewed as manageable at present but will be kept under review. Audits have been rescheduled to ensure that planned audits for 2019/20 can be met with the estimated days available. The current staffing levels of the Internal Audit section are therefore considered to be adequate at the present time on the assumption that the vacant post will be filled.

17. One of the internal audit performance indicators measures direct audit days as a percentage of total days available. The target for this indicator is 75% however based on the estimated number of days available in 2019/20 of 974 and an estimated 254 days for indirect audit work, this would result in only 720 days available for direct audit work or 73.9%. There is therefore the possibility that this indicator may not be met however it is reported quarterly to Audit and Scrutiny Committee so will be kept under review.

**RECOMMENDATION**

18. The committee is asked to approve Internal Audit's strategic plan for 2019/20 to 2023/24.

Further information is available from Michelle Blair, Chief Auditor, telephone 0141 577 3067.

Chief Auditor  
26 February 2019

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## EAST RENFREWSHIRE COUNCIL

## STRATEGIC AUDIT PLAN

2019/20 to 2023/24

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Chief Auditor  
26 February 2019

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**EAST RENFREWSHIRE COUNCIL 2019/20**  
**Internal Audit Section**  
**ANNUAL AUDIT PLAN**

<b>Department</b>	<b>Title</b>	<b>Audit Number</b>	<b>No. of days</b>	
Chief Executives Office	Ordering and Certification	1	20	
	GDPR	2	15	
Corporate & Community	Barrhead & Eastwood Payment Centres	3	16	
	Corporate Debt Recovery	4	20	
	Council Tax - Recovery and Enforcement	5	18	
	Creditor Payments	6	10	
	Debtors Control	7	10	
	Housing Benefits/ Universal Credit	8	30	
	Licensing Income	9	15	
	Scottish Welfare Fund	10	15	
	Travelling & Subsistence	11	12	
	Education	Building Cleaning	12	15
		Schools cluster	13	32
Operation of Trust		14	15	
Environment	Contract 1 - Implementation of Cole Report	15	15	
	City Deal	16	15	
	Grant Certification	17	15	
	Grounds Maintenance	18	15	
	Highways Maintenance	19	20	
	Parks & other outdoor income	20	8	
	Stores	21	20	
	Trade Refuse Income and special uplifts	22	12	
	Climate Change Report	23	5	
	Year end Stocktake	24	5	
	Housing	Housing - Rent Accounting	25	20
Housing - voids, garage allocations etc.		26	14	
HSCP	Bonnyton House	27	10	
	Payments to Care providers	28	25	
	Carers Legislation	29	15	
	IJB	30	20	
Trust	Trust	31	20	
Other	NFI	32	12	
Various	Environmental Controls - general	33	10	
	Contract 2	34	25	
	Fraud Contingency	35	66	
	General Contingency	36	30	
	LG Benchmarking Framework	37	10	
	Follow Up	38	50	
	Previous year audits	39	20	
			<b>720</b>	

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**EAST RENFREWSHIRE COUNCIL 2019/20**  
 Internal Audit Section  
 SUMMARY OF STRATEGIC PLAN 2019/20 to 2023/24

<u>Type of Audit</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>Total</u>
Systems/Regularity Audit	487	601	491	438	542	2,559
Contract Audit	40	40	62	40	40	222
Computer Audit	10	151	54	36	62	313
Performance Indicators	10	10	10	10	10	50
Fraud Contingency	66	70	70	70	70	346
NFI	12	5	12	5	12	46
General Contingency	30	30	30	30	30	150
Previous Year Follow Up	50	50	50	50	50	250
Grant Certification	15	15	15	15	15	75
<b>Total</b>	<b>720</b>	<b>972</b>	<b>794</b>	<b>694</b>	<b>831</b>	<b>4011</b>

**Internal Audit Section  
AUDIT DAYS AVAILABLE**

ESTIMATED ANNUAL DAYS AVAILABLE		2019	2020	2021	2022	2023	TOTAL
		<b>Days</b>					
<b>Number of days in full year</b>	<b>Note 1</b>	1,186.0	1,227.0	1,227.0	1,227.0	1,227.0	6,094.0
Less: Public Holidays		42.0	46.0	46.0	46.0	46.0	226.0
Annual Leave	<b>Note 2</b>	137.5	145.5	147.5	147.5	147.5	725.5
Purchase of Annual Leave		6.0	6.0	16.0	16.0	16.0	60.0
Sickness Absence		23.0	23.0	23.0	23.0	23.0	115.0
							-
Authorised Absence		3.5	3.5	8.5	12.5	3.5	31.5
<b>Working days available</b>		<b>974.0</b>	<b>1,003.0</b>	<b>986.0</b>	<b>982.0</b>	<b>991.0</b>	<b>4,936.0</b>
<b>Indirect Audit Work :-</b>							
Administration		50	50	50	50	50	250.0
Planning and Reporting		60	60	60	60	60	300.0
Courses/training		24	20	20	20	20	104.0
Seminars & Audit Meetings		30	30	30	30	30	150.0
Audit Committee/team meets		40	40	40	40	40	200.0
PSIAS		5	5	5	10	10	35.0
HGIOS		4	4	4	4	4	20.0
Recruitment		6					6.0
PRD		15	15	15	15	15	75.0
Consultancy		20	20	20	20	20	100.0
FOI		-	-	-	-	-	-
<b>Total for Indirect Audit Work</b>		<b>254</b>	<b>244</b>	<b>244</b>	<b>249</b>	<b>249</b>	<b>1240</b>
<b>Estimated annual time available for Direct Audit Work</b>		<b>720</b>	<b>759</b>	<b>742</b>	<b>733</b>	<b>742</b>	<b>3,696</b>

**Note 1** Internal audit has 4.7 FTE established posts including Chief Auditor

**Note 2** - Additional AL entitlement each year which will reduce future number of days available until maximum holiday entitlement is reached by all employees. Additional annual leave can also be 'purchased'.

Title	Dept	2019	2020	2021	2022	2023	Total	Est days	Freq (yrs) 1=annual	Days in 5 yrs	Gen Risk	
Asset Management	Env		20				20	20	5	20.00	L	
Barrhead & Eastwood Payment Centres	Corp& Comm'y	16			16		32	16	3	26.67	M	
Barrhead Resource Centre	HSCP			8			8	8	5	8.00	L	
BID process	Env		10				10	10	5	10.00	L	
Bonnyton House	HSCP	10					10	10	5	10.00	L	
<b>Budgetary Control</b>	Ch Exec Office		20			20	40	20	3	33.33	M	
Building Cleaning	Educ	15					15	15	5	15.00	L	
Burial Income	Env		8				8	8	5	8.00	L	
Care First Finance System	HSCP		15			15	30	15	3	25.00	M	
Carers Legislation	HSCP	15					15	15	5	15.00	L	
<b>Cash Income and Banking</b>	Corp& Comm'y		22			22	44	22	3	36.67	M	
Cashless catering and Parentpay	Educ		30			30	60	30	3	50.00	M	
City Deal	Env	15	15	15	15	15	75	15	1	75.00	X	
Climate Change Report	Env	5	5	5	5	5	25	5	1	25.00	LX	
Clothing Grants / Free Meals	Corp& Comm'y		12				12	12	5	12.00	L	
Commercial rents (ind units/shops)	Env				20		20	20	5	20.00	L	
Community & Leisure Limited	Trust	20	20	20	20	20	100	20	1	100.00	LX	
Community Safety Unit	Corp& Comm'y				20		20	20	5	20.00	L	
Complaints Monitoring	Corp& Comm'y				15		15	15	5	15.00	L	
Computer	Various	10	151	54	36	62	313	40	1	200.00	LX	
Contract	Various	40	40	40	40	40	200	40	1	200.00	LX	
Corporate Debt Recovery	Corp& Comm'y	20			20		40	20	3	33.33	M	
Corporate Procurement Cards	Ch Exec Office			15			15	15	5	15.00	L	
<b>Council Tax - Reductions/liability</b>	Corp& Comm'y			24			24	24	3	40.00	M	
<b>Council Tax - Billing &amp; Coll.</b>	Corp& Comm'y		24			24	48	24	3	40.00	M	
<b>Council Tax - Recovery and Enforcement</b>	Corp& Comm'y	18			18		36	18	3	30.00	M	
<b>Creditor Payments</b>	Corp& Comm'y	10	10	10		10	40	10	5	10.00	L	
<b>Creditors</b>	Corp& Comm'y				24		24	24	5	24.00	L	
<b>Debtors</b>	Corp& Comm'y			24			24	24	5	24.00	L	
<b>Debtors Control</b>	Corp& Comm'y	10	10		10	10	40	10	5	10.00	L	
Education - music service and parentpay	Educ					10	10	10	5	10.00	L	
Education Support (SEN, Bi-Lingual Supp, taxis etc.)	Educ			20			20	20	5	20.00	L	
E-invoicing and automatching	Corp& Comm'y		15			15	30	15	3	25.00	M	
Energy and Fuel (incl utility payments)	Env		15				15	15	5	15.00	L	
<b>Financial Ledger</b>	Ch Exec Office		20			20	40	20	3	33.33	M	
Follow up	Various	50	50	50	50	50	250	50	1	250.00	LX	
Fraud Contingency	Various	66	70	70	70	70	346	70	1	350.00	LX	
Gas Servicing	Housing		15				15	15	5	15.00	L	
GDPR	Ch Exec Office	15					15	15	5	15.00	L	
General Contingency	Various	30	30	30	30	30	150	30	1	150.00	LX	
Grant Certification	Env	15	15	15	15	15	75	15	1	75.00	LX	
Grounds Maintenance	Env	15					15	15	5	15.00	L	
Health & Safety	Env		15				15	15	5	15.00	L	
Highways Maintenance	Env	20					20	20	5	10.00	L	
Home Care Services	HSCP			22			22	22	3	36.67	M	
<b>Housing - Rent Accounting</b>	Housing	20			20		40	20	3	33.33	M	
Housing - voids, garage allocations etc.	Housing	14					14	14	5	14.00	L	
Housing Allocations and homeless person accom	Housing		27			27	54	27	3	45.00	M	
<b>Housing Benefits/ Universal Credit</b>	Corp& Comm'y	30	30	30	30	30	150	30	1	150.00	X	
Housing Repairs	Housing			20			20	20	3	33.33	M	
HSCP emergency payments (Sect 22 & 12)	HSCP					8	8	8	5	8.00	L	
HSCP Health Care Centres and area offices	HSCP		8				8	16	8	1	40.00	L
HSCP Self Directed Support Charges	HSCP			20			20	20	3	33.33	M	
Human Resources Management	Corp& Comm'y			20		20	40	20	2	50.00	H	
IJB	HSCP	20	20	20	20	20	100	20	1	100.00	X	
Income Maximisation, money advice, welfare rights	Corp& Comm'y			30			30	30	3	50.00	M	
Insurance Arrangements	Corp& Comm'y					8	8	8	5	8.00	L	
Kinship, Fostering and Adoption	HSCP			16			16	16	5	16.00	L	
LG Benchmarking Framework	Various	10	10	10	10	10	50	10	1	50.00	LX	
Licensing Income	Corp& Comm'y	15					15	15	5	15.00	L	
Maximising Attendance	Corp& Comm'y		20			20	40	20	3	33.33	M	
Members' Expenses	Corp& Comm'y					12	12	12	5	12.00	L	
NDR	Corp& Comm'y		7				7	7	5	7.00	L	
NFI	Other	12	5	12	5	12	46	40	1	200.00	LX	
Operation of Trust	Educ	15					15	15	5	15.00	L	
<b>Ordering &amp; Certification</b>	Ch Exec Office	20			20		40	20	3	33.33	M	
Overtime	Corp& Comm'y		22			22	44	22	3	36.67	M	
Parks & other outdoor income	Env	8					8	8	5	8.00	L	
Payments to Care providers	HSCP	25		25		25	75	25	2	62.50	H	
<b>Payroll - All payruns</b>	Corp& Comm'y		25		25		50	25	2	62.50	H	
Petty Cash	Various				15		15	15	5	15.00	L	
Phone/Internet Payments	Corp& Comm'y			18			18	18	5	18.00	L	
PPP projects	Env					15	15	15	5	15.00	L	
Previous year audits	Various	20	20	20	20	20	100	20	1	100.00	LX	
Project management of capital projects	Env			22			22	22	3	36.67	M	
Pupil Equity fund	Educ		12				12	12	5	12.00	L	
Record Management Plan	Ch Exec Office			10			10	10	5	10.00	L	
Risk Management & Corporate Governance	Various			15			15	15	5	15.00	L	
Schools - Educational Payments	Educ		8				8	8	5	8.00	L	
Schools - Transport	Educ				15		15	15	5	15.00	L	
schools cluster 1 St Lukes	Educ					32	32	32	5	32.00	LX	
schools cluster 2 Mearns Castle	Educ				32		32	32	5	32.00	LX	
schools cluster 3 Eastwood	Educ	32					32	32	5	32.00	LX	
schools cluster 4 Woodfarm	Educ		32				32	32	5	32.00	LX	
schools cluster 5 Wiliamwood	Educ		32				32	32	5	32.00	LX	
schools cluster 6 St Ninians	Educ			32			32	32	5	32.00	LX	

Title	Dept	2019	2020	2021	2022	2023	Total	Est days	Freq (yrs) 1=annual	Days in 5 yrs	Gen Risk
schools cluster 7 Barrhead High	Educ			32			32	32	5	32.00	LX
Schools Vat Free Purchase Scheme	Educ				12		12	12	5	12.00	L
Scottish Welfare Fund	Corp& Comm'y	15			15		30	15	3	25.00	M
Staff and Civic Catering	Educ			15			15	15	5	15.00	L
State aid	Env					10	10	10	5	10.00	L
Stores	Env	20					20	20	5	20.00	L
Sustainability (incl procurement)	Env		20				20	20	5	20.00	L
Thornliebank Resource Centre	HSCP				8		8	8	5	8.00	L
Trade Refuse Income and special uplifts	Env	12					12	12	5	12.00	L
Travelling & Subsistence	Corp& Comm'y	12					12	12	5	12.00	L
<b>Treasury Management</b>	Ch Exec Office				18		18	18	5	18.00	L
VAT	Ch Exec Office					12	12	12	5	12.00	L
Vehicle Services	Env					12	12	12	5	12.00	L
Viridor	Env		12				12	12	5	12.00	L
Wraparound care	Educ					20	20	20	5	20.00	L
Year end Stocktake	Env	5	5	5	5	5	25	5	1	25.00	LX
Total days needed per universe		720	972	794	694	831	4011				
Available days (automated from audit needs)		720	759	742	733	742	3696				
<b>Audit Needs Assessment</b>	Shortfall/ (over)	<b>0</b>	<b>213</b>	<b>52</b>	<b>-39</b>	<b>89</b>	<b>315</b>				
<b>Note 2019=2019/20 etc</b>											

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