

## RISK AND AUDIT SCRUTINY FORUM

Minutes of meeting held in Committee Room 2, Council Offices, Almada Street, Hamilton on 26 November 2013

**Chair:**

Councillor Lesley McDonald

**Councillors Present:**

Ralph Barker, Angela Crawley, Isobel Dorman, Brian McKenna

**Councillors' Apologies:**

Walter Brogan, Archie Buchanan, Graeme Campbell, Susan Kerr, Gerard Killen

**Attending:**

**Community and Enterprise Resources**

S Clelland, Head of Fleet and Environmental Services; H O'Neill, Divisional Environmental Services Officer

**Finance and Corporate Resources**

P Manning, Executive Director; Y Douglas, Audit Manager; S Dunsmore, Assistant Risk Manager; P MacRae, Administration Officer; G McCann, Head of Administration and Legal Services; H McNeil, Head of Audit and Improvement; A Sinclair, Research Adviser

**Also Attending:**

**PricewaterhouseCoopers**

M Kerr, External Auditor

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### 1 Declaration of Interests

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No interests were declared.

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### 2 Minutes of Previous Meeting

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The minutes of the meeting of the Risk and Audit Scrutiny Forum held on 17 September 2013 were submitted for approval as a correct record.

**The Forum decided:** that the minutes be approved as a correct record.

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### 3 Internal Audit Activity as at 30 October 2013

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A report dated 30 October 2013 by the Executive Director (Finance and Corporate Resources) was submitted on work completed by Internal Audit during the period 1 August to 30 October 2013.

Details were given on the progress of audit assignments and the performance of Internal Audit which highlighted that:-

- ◆ 71% of assignments had been delivered within budget against a target of 80%
- ◆ 84% of draft reports had been delivered within 21 days of field work completion against a target of 80%
- ◆ 27% of the 2013/2014 Internal Audit Plan had been completed to a draft stage and 64% of the Plan was in progress
- ◆ 88% of audit recommendations had been delivered on time against a target of 90%

- ◆ 98% of audit assignments had been concluded to a signed action plan within the target of 7 weeks against a target of 80%

The findings from assignments completed in the period 1 August to 30 October 2013 were detailed in Appendix 2 to the report. Significant assignments completed in the period were detailed in Appendices 3, 4 and 5 of the report.

Officers responded to a member's questions on the following assignments:-

- ◆ adults with incapacity
- ◆ user verification

Work had commenced on the preparation of the 2014/2015 Internal Audit Plan and Forum members were invited to suggest topics for inclusion in the Plan.

**The Forum decided:** that the report be noted.

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#### **4 2012/2013 Year End Insured Risks Report**

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A report dated 30 October 2013 by the Executive Director (Finance and Corporate Resources) was submitted on the Council's insurance claims for the year to 31 March 2013 for the following main classes of insurance:-

- ◆ employer's liability
- ◆ public liability
- ◆ motor insurance
- ◆ property insurance and other miscellaneous risks

Appendix 1 provided annual comparisons of the numbers and values of claims by Resource for the years 2008/2009 to 2012/2013 (excluding the 2012/2013 year end figures). When storm damage claims had been extracted, this showed a downward trend in the numbers and values of claims between the years 2008/2009 to 2011/2012.

Appendix 2 compared claim numbers and costs for 2012/2013 with the equivalent position for 2011/2012. This showed a reduction of 208 claims compared with the numbers reported in 2011/2012, representing the lowest number of claims intimated in the last 5 years.

The total cost of claims had reduced from £3.53 million in 2011/2012 to £2.04 million in 2012/2013. The reduction was largely due to the fact that no significant storm damage claims had been intimated during 2012/2013.

Details were given on measures in place and mitigating actions proposed to manage insurance hotspots.

The Council's current insurance contract with AIG Insurance UK Limited was due to expire on 31 March 2014 and a tender exercise for the Council's main classes of insurances was currently in progress.

Officers responded to a member's question on insurance excess payable by the Council.

**The Forum decided:** that the report be noted.

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## 5 Good Governance Action Plan 2013/2014

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A report dated 12 November 2013 by the Executive Director (Finance and Corporate Resources) was submitted on the Good Governance Action Plan for 2013/2014.

The 2013/2014 Good Governance Action Plan highlighted improvement areas which had been identified through the annual governance assessment. The Action Plan had been developed in parallel with and informed the Governance Statement which was included in the Annual Accounts.

The 2013/2014 Action Plan contained 8 new improvement actions and 7 actions which had been carried forward from the previous year. Actions contained in the Plan had been assigned lead Resources as well as timescales for progress during 2013/2014. The Good Governance Action Plan was attached as an appendix to the report.

Officers responded to a member's question on the timescale for the preparation of an initial draft of the Leisure and Culture Strategy.

**The Forum decided:** that the report be noted.

*[Reference: Minutes of 13 November 2012 (Paragraph 10)]*

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## 6 Audit Scotland Report - Protecting Consumers

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A report dated 1 November 2013 by the Executive Director (Community and Enterprise Resources) was submitted on an Audit Scotland report entitled "Protecting Consumers".

The Audit Scotland report considered:-

- ◆ how well councils identified the risks faced by consumers
- ◆ whether councils prioritised their activities appropriately in view of declining resources

Details were given on:-

- ◆ the key messages contained in the Audit Scotland report
- ◆ the report's 5 recommendations in relation to the undernoted together with this Council's response:-
  - ◆ food safety workforce planning and skills
  - ◆ use of intelligence information
  - ◆ providing a clear direction for consumer protection services
  - ◆ assessing risk
  - ◆ performance monitoring

The report also made 6 recommendations for the Convention of Scottish Local Authorities (COSLA) and councils to consider jointly. 4 of those recommendations related to the organisation of trading services in Scotland. The remaining 2 related to consumers' awareness of how to access those services and the involvement of elected members in decisions. Details of those recommendations were given in the Executive Director's report.

The Audit Scotland report contained a list of 8 questions for councillors to consider in relation to its findings. Environmental Health Services' comments on those questions were attached as an appendix to the Executive Director's report.

**The Forum decided:**

- (1) that the Audit Scotland report and its associated recommendations be noted;

- (2) that Environmental Services' response on the recommendations within the Audit Scotland report be noted;
- (3) that the proposal to engage fully with COSLA's review of trading standards be endorsed; and
- (4) that it be noted that a report would be submitted to the Community Services Committee in due course on the Council's response to any redesign of trading standards services.

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## **7 Annual Report 2012/2013**

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A report dated September 2013 by PricewaterhouseCoopers, the Council's external auditor, was submitted on the Annual Report to Members and the Controller of Audit for the year ended 31 March 2013.

The external auditor's report had been circulated to all elected members and had been considered by the Executive Committee at its meeting on 6 November 2013. It included:-

- ◆ an executive summary
- ◆ financial statement and audit opinion
- ◆ financial performance 2012/2013
- ◆ financial outlook
- ◆ governance and control

The external auditor's recommendations and the relevant management responses were detailed in the action plan attached as Appendix 1 to the external auditor's report.

The overall opinion of the external auditor was that the Council's accounts for 2012/2013 were unqualified.

In response to a member's question, the Head of Administration and Legal Services gave a verbal update on the current position in relation to the restoration of the opencast sites in South Lanarkshire which had formerly been operated by Scottish Coal.

**The Forum decided:** that the report be noted.

*[Reference: Minutes of Executive Committee of 6 November 2013 (Paragraph 9)]*

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## **8 Forward Programme for Future Meetings**

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A report dated 19 November 2013 by the Executive Director (Finance and Corporate Resources) was submitted on the outline forward programme for meetings of the Risk and Audit Scrutiny Forum to July 2014.

As part of future arrangements, members were invited to suggest topics for inclusion in the Forum's forward programme.

**The Forum decided:** that the outline forward programme for the Risk and Audit Scrutiny Forum, attached as an appendix to the report, be noted.

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## **9 Urgent Business**

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There were no items of urgent business.