

RISK AND AUDIT SCRUTINY FORUM

Minutes of meeting held in Committee Room 2, Council Offices, Almada Street, Hamilton on 15 March 2016

Chair:

Councillor Gladys Miller

Councillors Present:

Ralph Barker, Walter Brogan, John Cairney, Peter Craig, Susan Kerr, Pat Lee, Lesley McDonald, Brian McKenna

Councillor's Apology:

Isobel Dorman

Attending:**Finance and Corporate Resources**

P Manning, Executive Director; P MacRae, Administration Officer; M McCafferty, Audit Adviser; A Norris, Administration Assistant; J Taylor, Head of Finance; B Teaz, Head of Information Technology Services

Social Work Resources

P McCormack, Service Development Manager

Also Attending:**PricewaterhouseCoopers**

M Pitt, External Auditor

1 Declaration of Interests

No interests were declared.

2 Minutes of Previous Meeting

The minutes of the meeting of the Risk and Audit Scrutiny Forum held on 19 January 2016 were submitted for approval as a correct record.

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

3 Internal Audit Activity as at 23 February 2016

A report dated 23 February 2016 by the Executive Director (Finance and Corporate Resources) was submitted on work completed by Internal Audit during the period 17 December 2015 to 23 February 2016.

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

- ◆ 80% of assignments had been delivered within budget against a target of 80%
- ◆ 93% of draft reports had been delivered within 21 days of fieldwork completion against a target of 80%
- ◆ 96% of the 2015/2016 Internal Audit Plan was in progress at 23 February 2016
- ◆ 82% of audit assignments had been concluded to a signed action plan within the target of 7 weeks against a target of 80%

- ◆ 90% of audit recommendations had been delivered on time, with the balance of 10% delivered later in the period, against a target of 90%

The findings from assignments completed in the period 17 December 2015 to 23 February 2016 were detailed in Appendix 2 to the report. Significant assignments completed in the period were detailed in Appendices 3 to 5 to the report.

Officers responded to members' questions on the assignment relating to user verification. Information requested in relation to the assignment on overpayments classification would be circulated to Forum members.

The Forum decided: that the report be noted;

[Reference: Minutes of 19 January 2016 (Paragraph 3)]

4 Internal Audit Plan 2016/2017

A report dated 24 February 2016 by the Executive Director (Finance and Corporate Resources) was submitted on the Internal Audit Plan 2016/2017.

A total of 1,982 audit days, inclusive of 250 days which had been allocated to external clients, had been provided for in the Plan. The outline scope of assignments contained in the Plan was detailed in Appendix 1 to the report.

The focus of the 2016/2017 Plan was to assess the adequacy of mitigation measures in relation to the Council's top risks. A contingency list of audit assignments would be prepared to allow further risk related work to be carried out during the year, if required.

The 2016/2017 Audit Plan would be delivered within the context of the Terms of Reference detailed in the Internal Audit Charter which was attached as Appendix 2 to the report.

Officers responded to members' questions on assignments relating to procurement and the City Deal respectively.

The Forum decided: that the Internal Audit Plan 2016/2017 be endorsed and submitted to a future meeting of the Executive Committee for formal approval.

[Reference: Minutes of 3 March 2015 (Paragraph 5)]

5 Audit Scotland Report - Major Capital Investment in Councils - Follow-up

A report dated 16 February 2016 by the Executive Director (Finance and Corporate Resources) was submitted on Audit Scotland's follow-up report on major capital investment in councils.

In 2013, Audit Scotland had reported on its audit of major capital investment in councils. The report on this audit had included a number of recommendations to improve councils' planning and control of capital spending. In 2015, Audit Scotland undertook a targeted follow-up audit, assessing the extent to which councils had improved performance in managing their capital investment programmes and projects since the 2013 report was issued.

The Audit Scotland report, published in January 2016, comprised 2 sections as follows:-

- ◆ changes in capital investment since the 2013 report
- ◆ councils' management of capital investment programmes and projects

The follow-up report indicated that there existed examples of good practice within councils but that, to comply fully with the 2013 good practice guide, the pace of improvement required to increase. Details of the main findings contained in the follow-up report and the Council's position on each were given in the Action Plan attached as an appendix to the report.

Officers responded to members' questions on various aspects of the report.

The Forum decided: that the report be noted.

6 Audit Scotland Report on Managing Information and Communications Technology (ICT) Contracts in Central Government - Considerations for South Lanarkshire Council

A report dated 3 February 2016 by the Executive Director (Finance and Corporate Resources) was submitted on the recommendations of the Audit Scotland report on managing ICT contracts in central government.

The Audit Scotland report, which had been published in June 2015, provided recommendations on the following issues in relation to ICT programmes:-

- ◆ strategic oversight
- ◆ skills gaps and shortages
- ◆ managing projects

Learning points for the Council in relation to each of those issues were detailed in the report. The main findings of the Audit Scotland report and the Council's position on each were given in the Action Plan attached as an appendix to the report.

The Forum decided: that the report be noted.

7 Audit Scotland Report - Self-directed Support

A report dated 18 January 2016 by the Executive Director (Social Work Resources) was submitted on the Council's progress in implementing Self-directed Support against key recommendations made by Audit Scotland.

Self-directed Support (SDS) constituted a major change to the way in which people with social care needs were supported. It aimed to improve the impact that care and support had on people's lives by helping them to choose and control the type of social care services they received and the means by which they were provided. However, it presented significant challenges for councils and third and private sector social care providers and, in particular, required councils to transform the way in which they delivered social care.

Between December 2013 and February 2014, Audit Scotland had examined councils' progress in implementing the SDS strategy. Information was provided on the key findings and recommendations from Audit Scotland following the review. The baseline approach suggested by Audit Scotland was already in place within South Lanarkshire.

The Audit Scotland report included an SDS supplement for elected members and this was attached as an appendix to the report.

The Forum decided: that the report be noted.

[Reference: Minutes of Social Work Resources Committee of 11 November 2015 (Paragraph 10)]

8 External Audit Plan for Year Ending 31 March 2016

The Forum considered the South Lanarkshire Council Audit Plan for 2015/2016 submitted by the Council's external auditor, PricewaterhouseCoopers.

Details were given on the following key areas:-

- ♦ overview of PricewaterhouseCoopers' audit approach
- ♦ risk of fraud
- ♦ reporting and timetable
- ♦ areas of particular audit risk

The Forum decided: that the report be noted.

[Reference: Minutes of 3 March 2015 (Paragraph 9)]

9 Forward Programme for Future Meetings

A report dated 25 February 2016 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 January 2017.

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.

10 Urgent Business

There were no items of urgent business.