

RISK AND AUDIT SCRUTINY FORUM

Minutes of meeting held in Committee Room 2, Council Offices, Almada Street, Hamilton on 1 November 2017

Chair:

Councillor Graeme Campbell

Councillors Present:

Andy Carmichael, Poppy Corbett, Mary Donnelly, George Greenshields, Mark Horsham, Julia Marrs, Carol Nugent, Margaret B Walker, Jim Wardhaugh

Attending:

Finance and Corporate Resources

P Manning, Executive Director; Y Douglas, Audit and Compliance Manager; S Dunsmore, Insurance and Risk Manager; T Little, Head of Corporate Communications and Strategy; P MacRae, Administration Officer

Housing and Technical Resources

C Mitchell, Strategy and Support Manager

Also Attending:

Audit Scotland

D Richardson and R Smith, External Auditors

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 20 September 2017 were submitted for approval as a correct record.

The Forum decided:

that the minutes be approved as a correct record subject to the deletion of the words...“expressed concern regarding the late receipt of the report and the resultant time available to members to examine its content” and their replacement by “advised that, due to the late receipt of the report, they had not had sufficient time to read it in advance of the meeting” in Paragraph 10 of the minutes, relating to the external auditor’s Annual Report.

3 Internal Audit Activity as at 13 October 2017

A report dated 13 October 2017 by the Executive Director (Finance and Corporate Resources) was submitted on work completed by Internal Audit during the period 1 September to 13 October 2017.

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

- ◆ 91% of assignments had been delivered within budget against a target of 80%
- ◆ 83% of draft reports had been delivered on time against a target of 80%

- ◆ 80% of the 2017/2018 Audit Plan had been started
- ◆ 67% of audit assignments had been concluded to a signed action plan within 4 weeks of the issue of a draft report against a target of 80%, although year end work priorities had impacted on target achievement
- ◆ 97% of Internal Audit recommendations had been delivered on time against a target of 90%

The findings from assignments completed in the period 1 September to 13 October 2017 were detailed in Appendix 2 to the report. This included an annual report which had been submitted to the South Lanarkshire Integration Joint Board in relation to a programme of audit work which had been concluded in 2016/2017.

The Forum decided: that the report be noted.

[Reference: Minutes of 20 September 2017 (Paragraph 3)]

4 2016/2017 Year End Risk Management Report

A report dated 12 October 2017 by the Executive Director (Finance and Corporate Resources) was submitted on:-

- ◆ progress in delivering actions to control the Council's top risks
- ◆ Resource compliance with the Risk Management Strategy

Risk Sponsors were required, on an annual basis, to assess and provide evidence of their Resource's compliance with the Risk Management Strategy. The end of year compliance statement, attached as Appendix 1 to the report, showed that Resources continued to demonstrate full compliance with the Strategy

Performance in completing actions on the Council's top risk control plan was reported through IMPROVe, the Council's performance management system, on a quarterly basis. At 31 March 2017, 100% of actions relating to the Council's top risk register had been completed against a target of 75%.

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

The Forum decided: that the report be noted.

[Reference: Minutes of 8 November 2016 (Paragraph 6)]

5 2016/2017 Year End Insured Risks Report

A report dated 12 October 2017 by the Executive Director (Finance and Corporate Resources) was submitted on the Council's insurance claims for the year to 31 March 2017 for the following main classes of insurance:-

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

A full review of the Council's insurance programme had been undertaken prior to the renewal of insurance policies on 1 April 2017. The review aimed to:-

- ◆ ensure that the Council had the optimum balance between self-insurance and purchased insurance cover
- ◆ reduce the total cost of loss to the Council

Following the review, the level of purchased insurance cover had been reduced and the level of self-insured risk increased. This was likely to generate savings in the overall cost of insured risk.

Appendix 1 provided annual comparisons of the numbers and values of claims by Resource for the years 2012/2013 to 2016/2017. In general, there had been a downward trend in the numbers and values of claims in the 4 year period 2012/2013 to 2015/2016.

Appendix 2 compared claim numbers and costs for 2016/2017 with the equivalent position for 2015/2016. This showed a decrease of 256 claims (20%) compared with the numbers reported in 2015/2016 and a reduction in the cost of claims from £2.374 million in 2015/2016 to £1.662 million in 2016/2017.

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

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

The Forum decided: that the report be noted.

[Reference: Minutes of 8 November 2016 (Paragraph 5)]

6 Shared Risk Assessment - Local Scrutiny Plan 2017/2018

A report dated 13 October 2017 by the Executive Director (Finance and Corporate Resources) was submitted on the Local Scrutiny Plan 2017/2018.

The Plan had been developed in line with the outcomes from the annual Shared Risk Assessment process carried out by Audit Scotland and other inspection agencies through the Local Area Network (LAN).

The Shared Risk Assessment undertaken by the LAN had identified that there would be no risk based scrutiny activity for 2017/2018, the fourth successive year that no risk-based scrutiny had been considered necessary.

Key findings from the South Lanarkshire Local Scrutiny Plan were detailed in the report.

Although the LAN had confirmed that no risk-based scrutiny activity was necessary for 2017/2018, the Council would be the subject of some scrutiny activity as part of the wider national inspection programmes across Scotland. Details of the areas where this scrutiny activity would focus were provided.

Resources would consider the content of the report to ensure that adequate progress was made, both to maintain the existing risk assessment status and to mitigate, where possible, against future risks or issues in advance of next year's Local Scrutiny Plan.

The Committee decided: that the content of the South Lanarkshire Local Scrutiny Plan 2017/2018 be noted.

[Reference: Minutes of the Executive Committee of 27 September 2017 (Paragraph 22)]

7 Forward Programme for Future Meetings

A report dated 16 October 2017 by the Executive Director (Finance and Corporate Resources) was submitted on the outline forward programme for the meetings of the Risk and Audit Scrutiny Forum to 13 June 2018.

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 to 13 June 2018 be noted.

8 Urgent Business

There were no items of urgent business.