

Report

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Report to:	Risk and Audit Scrutiny Forum
Date of Meeting:	18 June 2013
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Shared Risk Assessment - Assurance and Improvement Plan 2013-2016
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ advise the Risk and Audit Scrutiny Forum of the outcome from the annual Shared Risk Assessment process carried out by Audit Scotland and other inspection agencies, together with the 2013-2016 refresh of the Assurance and Improvement Plan

2. Recommendation(s)

2.1. The Forum is asked to approve the following :-

- (1) that the Assurance and Improvement Plan (AIP) is noted;
- (2) that it be noted that Resources will consider the content of the report and ensure that adequate progress is made both to maintain the existing risk assessment status and to mitigate any identified risk or signposted issues in advance of next year's AIP; and
- (3) that it be noted the report will be presented to the South Lanarkshire Partnership Board for noting.

3. Background

3.1. The Shared Risk Assessment (SRA) is now a well embedded annual process designed to deliver an Assurance and Improvement Plan for the Council. The AIP is jointly owned by all members of the Local Area Network (LAN) and sets out the shared view across the key scrutiny partners of the risks and issues facing the Council.

3.2. A previous report to Forum on 5 February 2013 provided information on the Council's response to the SRA process in respect of the 2012/2013 submission. Key points were noted as follows:-

- evidence contained within the South Lanarkshire page of the national scrutiny portal, a web based portal designed to hold and share relevant data for inspectorates
- evidence of how the Council had progressed the previous areas of uncertainty
- evidence to demonstrate progress and the implementation of the corporate self assessment tool, Empower

3.3 The Chief Executive and Head of Audit and Improvement met with the LAN lead officer in December 2012 to discuss the draft AIP. Resulting from this, additional information was provided regarding a number of areas which enabled the LAN to

progress their deliberations and finalise the outcome from the Shared Risk Assessment and resultant AIP.

- 3.4. A final version of the Council's AIP 2013-2016 has now been received, a copy of which is attached at Appendix 1. This has also been considered by the National Quality Assurance Panel.
- 3.5. AIPs for all 32 Scottish local authorities were published on the Audit Scotland website on 25 April 2013, together with The National Scrutiny Plan for Local Government 2013/2014. The National Scrutiny Plan summarises strategic scrutiny activity during 2013/2014 as described in each council's individual AIP.

4. Shared Risk Assessment and Assurance and Improvement Plan

- 4.1. The key points included within this year's AIP are:-
 - ◆ overall, the Council continues to make progress on its strategic priorities and continues to deliver high quality public services. In addition, the report recognises that the Council has sustained and/or improved its service performance overall
 - ◆ the last AIP identified that homelessness and leadership and culture were areas of uncertainty, however, following consideration of these areas as part of this year's assessment, both have been re-assessed as requiring no further scrutiny during 2013/2014
 - ◆ the last AIP identified procurement as an area of uncertainty as the Procurement Strategy had yet to take full effect. Assessment this year recognised recent developments in relation to new contract scrutiny processes and the findings of a review by PricewaterhouseCoopers, the Council's external auditors. On this basis, the AIP identifies procurement as an area where further information will be required during 2013/2014
 - ◆ there are no new areas where further information or scrutiny is required

5. National Risk Priorities

- 5.1. The AIP also refers to the Council's position in terms of national risk priorities. These are:-
 - ◆ the protection and welfare of vulnerable people (children and adults) including access to opportunities. The AIP outlines a range of national activity which is underway in this field led by the Care Inspectorate, Healthcare Improvement Scotland and the Scottish Housing Regulator. Relevant details at a national level are included in the scrutiny plan
 - ◆ assuring public money is being used properly. The AIP notes that Audit Scotland has recently carried out a performance audit of the Council's housing benefit arrangements and this report will be published early in 2013/2014. In addition, the risk assessment of the corporate management of the Council did not indicate that there were any areas requiring specific scrutiny during 2013/2014
 - ◆ how councils are responding to the challenging financial environment. The AIP outlines a range of national activity which is underway in this field led by Audit Scotland. Relevant details at a national level are included in the scrutiny plan. The report notes that the Council has responded constructively to the financial environment and that this, in combination with its financial management arrangements, means that there are no areas requiring specific scrutiny work during 2013/2014

6. Areas of Significance to South Lanarkshire Council

6.1. While the AIP is extremely positive in relation to South Lanarkshire Council, there are a number of observations scattered around it which signpost ongoing or future activity within the Council outwith that contained within the scrutiny plan. Resources will take account of these as part of their Resource planning process as necessary and in advance of next year's Shared Risk Assessment. These are summarised below:-

- ◆ Community Planning - the Council and its partners have arrangements in place to monitor their collective performance on outcomes and **the Partnership has identified the need to review the community planning structures to support improvement, prevention and outcomes during 2013/2014**
- ◆ the Care Inspectorate is developing a **model of joint inspection of children's services in Community Planning Partnership areas**. These joint inspections, which will report publicly, began in autumn 2012. There is no timetable in place yet for involving all local authorities
- ◆ the Care Inspectorate is working in co-operation with Healthcare Improvement Scotland to **develop an approach to inspecting services providing care and health for adults**. Further details of the schedule of these inspections will be confirmed in due course
- ◆ the Council has sound budgeting and financial management processes in place. **It continues to assess the efficiency and effectiveness of its services through a strategic review programme and annual efficiency statement**
- ◆ Audit Scotland has been piloting an approach to auditing Community Planning Partnerships and the delivery of local outcomes. **Following evaluation of the approach in early 2013, a number of CPPs will be audited during the second half of 2013/2014**. Audit Scotland will be contacting any likely audit sites in spring 2013
- ◆ the EHRC has commissioned a piece of work to assess the extent to which Scottish public authorities have complied with the specific duties of Section 149 of the Equality Acts 2010, during 2013. **Analysis of public authorities' compliance with the duty to publish equality outcomes and employment information will be available later in 2013. The results of this will be reflected in future Shared Risk Assessment work.**

7. Scrutiny Plan 2013/2014

7.1. The undernoted summarises the scrutiny activity arising from the Shared Risk Assessment:-

- ◆ no local scrutiny work planned
- ◆ national or supported self evaluation work, ie
 - ◆ supported self evaluation in local criminal justice social work services (Care Inspectorate)
 - ◆ Scottish Housing Regulator thematic inspection into the outcomes through housing options and prevention of homelessness
- ◆ Audit Scotland - Scotland's public finances addressing the challenges follow-up
- ◆ Audit Scotland - Scotland's public finances workforce planning

8. Next steps

8.1. Based on the details noted in the AIP and specifically in paragraph 6, Executive Directors, through the Corporate Improvement Advisory Board (CIAB), will:-

- ◆ ensure adequate progress is made both to maintain the existing risk assessment status and to mitigate any identified risk or signposted issues in advance of next year's AIP

8.2. The AIP is a public document and all councils are expected to consider the AIP at an appropriate Committee. The Forum is asked to note that this report has also been presented to the Executive Committee and that it will also be taken to the South Lanarkshire Partnership Board.

9. Employee Implications

9.1. There are no employee implications directly associated with the report.

10. Financial Implications

10.1. There are no financial implications directly associated with this report.

11. Other Implications

11.1. The AIP does not identify any areas of significant scrutiny risk for the Council. There are no sustainability issues associated with the content of this report.

12. Equality Impact Assessment and Consultation Arrangements

12.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and, therefore, no impact assessment is required.

12.2. Resources were consulted on the submission paper prepared for the LAN and the Chief Executive was consulted by the LAN as part of the preparation of the draft AIP.

Paul Manning

Executive Director (Finance and Corporate Resources)

16 May 2013

Link(s) to Council Objectives/Values

- Performance Management and Improvement
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Previous References

- Risk and Audit Scrutiny Forum (5 February 2013) Shared Risk Assessment submission 2012/13

List of Background Papers

- None

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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South Lanarkshire Council

Assurance and Improvement Plan

Update 2013–16

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Introduction

1. The first Assurance and Improvement Plan (AIP) for South Lanarkshire Council was published in July 2010. That document set out the planned scrutiny activity for the council for the period April 2010 to March 2013 based on a shared risk assessment undertaken by a local area network (LAN) made up of representatives of all of the main local government audit and inspection agencies. The aim of the shared risk assessment process was to focus scrutiny activity where it is most needed and to determine the most proportionate scrutiny response over a three year period. The local area network met again in November 2010 to update the AIP for the period 2011-14. The AIP Update was published in May 2011.
2. This update is the result of the shared risk assessment which began in October 2012. The update process drew on evidence from a number of sources, including:
 - The annual report to the Controller of Audit and elected members for 2010/11 from the council's appointed external auditors.
 - The council's own performance data and self-evaluation evidence.
 - Evidence gathered from Education Scotland, the Care Inspectorate and the Scottish Housing Regulator (including published inspection reports and other supporting evidence).
3. A timetable for proposed audit and inspection activity between April 2013 and March 2016 which reflects the revised and updated scrutiny risk assessment is at Appendix 1.
4. Following feedback about the clarity of the shared risk assessment process we have amended our criteria to make it clearer what we mean. Our assessment criteria descriptions used last year have changed from 'significant concerns' to 'scrutiny required'; 'no significant concerns' to 'no scrutiny required'; and 'uncertainty' to 'further information required'.

Summary

5. Overall, the council continues to make progress on its strategic priorities and continues to deliver high quality public services.
6. The council has sustained and/or improved its service performance overall. Inspection and audit work during 2012/13 resulted in broadly positive reports.
7. The last AIP identified that inspection work was required on how the council deals with homelessness. The inspection took place in 2012 and the inspection report is currently being finalised. This means that no further scrutiny is required on this service in 2013/14.
8. In terms of outcomes, the measures indicate improved performance in some aspects of outcome areas and decline in others. The council and its partners have arrangements in place to monitor their collective performance on outcomes and the partnership has identified the need to review the community planning structures to support improvement, prevention and outcomes. We have therefore assessed that no specific scrutiny is required in 2013/14.
9. Our risk assessment of the council's corporate management arrangements indicates progress in a number of areas and the majority do not require scrutiny beyond the normal annual audit process.
10. The last AIP identified vision and strategic direction and leadership and culture as areas of uncertainty. This was as a result of changes to management structures and personnel. Since then the council has been embedding the management arrangements and as a result we have determined that no scrutiny is required in this area during 2013/14.
11. In the last AIP the council's procurement arrangements were identified as an area of uncertainty as the then recently agreed procurement strategy had yet to take full effect. During 2012 the appointed auditor undertook a review of the arrangements in place with respect to the council's waste management contract for which a number of weaknesses were identified. The council has agreed to develop an action plan to address the findings of that review and apply this to all future contracts that are subject to EU procurement regulations

National risks

12. Local councils are operating within a context of significant change as a result of the challenging financial environment and the public service reform agenda, including the review of community planning, health and social care integration, police and fire reform, college regionalisation, and welfare reform. The Local Government Scrutiny Co-ordination Strategic Group is currently considering how audit and inspection arrangements should collectively respond to these significant strategic developments, recognising the increasing importance of partnerships, place and outcomes for Scotland's public services.
13. A number of core National Risk Priorities are applied to all 32 councils. These are:

The protection and welfare of vulnerable people (children and adults) including access to opportunities.

At the request of Scottish ministers, the Care Inspectorate is developing a model of joint inspection of children's services in community planning partnership areas in Scotland, in cooperation with other scrutiny bodies (Education Scotland, Healthcare Improvement Scotland and HMICS). These inspections will focus on how well local public bodies (councils, the NHS, police, etc.) are working together to deliver effective outcomes for children and young people. Development work involving Angus Council took place in April/May 2012. These joint inspections, which will report publicly, began in the autumn 2012.

In addition, the Care Inspectorate is working in cooperation with Healthcare Improvement Scotland to develop an approach to inspecting services providing care and health for adults drawing on its experience of implementing joint inspections of child protection and children's services. Development work involving a number of local authorities is underway and will continue into the early part of 2013. Following this, the Care Inspectorate will implement a programme of these inspections. Further details of the schedule will be confirmed in due course.

Subject to ministerial approval, the Care Inspectorate, in partnership with the Association of Directors of Social Work (ADSW) and the Risk Management Authority (RMA), will undertake supported self-evaluation across the 32 local authority criminal justice social work services during the latter part of 2013. This will look at the impact of the Level of Service Case Management Inventory (LSCMI), otherwise known as the national assessment and care planning instrument. This particular approach is one of a number of approaches the Care Inspectorate will use in its current and future scrutiny and improvement work in this area.

The SHR plans to carry out a thematic inspection into the outcomes that local authorities are achieving by delivering a Housing Options and Prevention of Homelessness approach. SHR will carry out this thematic inspection during the first half of 2013/14. This is likely to involve

fieldwork visits to a small sample of local authorities. SHR is currently identifying potential fieldwork sites and will be contacting those councils that it would like to visit in early 2013.

The risk assessments relating to the 'safer and healthier communities' and 'successful and inclusive communities' outcome areas and of social work services do not indicate that specific scrutiny is required in this area.

Assuring public money is being used properly:

The annual audit of councils forms part of the baseline scrutiny of councils. This audit examines the financial management and controls in each council.

The council has sound budgeting and financial management processes in place. It continues to assess the efficiency and effectiveness of its services through a strategic review programme and an annual efficiency statement.

Audit Scotland has recently carried out a performance audit of the council's Housing benefit arrangements and this report will be published early in 2013/14.

Our risk assessment of the corporate management of the council does not indicate that there are areas requiring specific scrutiny work during 2013/14.

How councils are responding to the challenging financial environment:

Recognising the significance of the uncertain financial context within which councils operate, Audit Scotland produced Scotland's Public Finances: Addressing the Challenges in August 2011. Follow up work around the issues raised in the report will be undertaken in each council during 2013/14 to provide the Accounts Commission and the Auditor General for Scotland with evidence on the progress that public bodies are making in developing a strategic response to these long-term financial challenges. In addition, a specific piece of work on Scottish Public Finances: Workforce Planning will be undertaken in 2013/14.

The council is responding constructively to the financial environment and has set savings targets that take account of the anticipated funding position. This, in combination with its financial management arrangements means that we have not identified this as an area requiring specific scrutiny work during 2013/14.

14. At the request of Scottish ministers, Audit Scotland has piloted an approach to auditing Community Planning Partnerships and the delivery of local outcomes. The CPP audit model was tested during 2012/13 in three council areas (Aberdeen City, North Ayrshire and Scottish Borders). Following evaluation of the approach in early 2013, a number of CPPs will be audited during the second half of 2013/14. Audit Scotland will be contacting any likely audit sites in spring 2013.

15. The EHRC has commissioned a piece of work to assess the extent to which Scottish public authorities have complied with the specific duties of section 149 of the Equality Act 2010 during 2013. Analysis of public authorities' compliance with the duty to publish equality outcomes and employment information will be available later in 2013. The results of this activity will be reflected in future shared risk assessment work.
16. The LAN is committed to maintaining its engagement with the council between now and the next SRA cycle so that we can retain an overview of how the council is managing its response to the significant financial challenges that it and all other Scottish public bodies face.

Areas that remain 'no scrutiny required'

17. This update focuses predominantly on those areas assessed as 'scrutiny required' and 'further information required'. However, in the interest of providing a broader view of the council's overall risk assessment, it is important to highlight those areas that were previously assessed as requiring no scrutiny which continue to be so. This is based on evidence from various sources including where applicable, recent inspection reports, annual audit work, national and local performance information and additional file reviews. The LAN has assessed that no specific scrutiny is required in the following areas:

18.

Service Areas	Outcomes	Corporate Assessment
Education	Working and learning communities	Planning and resource alignment
Cultural services	Safer and healthier communities	Partnership working and community leadership
Social work	Successful and inclusive communities	Community engagement
Environmental services		Governance and accountability
Roads and street lighting		Performance management
Housing		Challenge and improvement
Regulatory services		Customer focus and responsiveness
		Financial management
		Use of resources (managing finances, people, assets, ICT)
		Risk management
		Equalities
		Sustainable development

Areas that remain 'scrutiny or further information required'

19. The LAN has concluded that there is one area where further information was required during 2012/13 that remains in this category in 2013/14.

Area	Assessment	Update
Procurement	Further information required	The 2011/12 annual audit report to members and the Controller of Audit in October 2012 identified shortcomings in a strategic procurement process on waste management. The appointed auditor will follow up on progress being made against the council's action plan in respect of the council's arrangements over contracts that are subject to EU procurement regulations as part of the annual audit process.

Areas with changed assessments

20. The following table relates to assessments of scrutiny risk that have been changed from the 2012/13 update.

Area	2012/13 Risk Assessment	2013/14 Risk Assessment	Reason for Change
Vision and strategic direction and Leadership and culture	Area of uncertainty	No scrutiny required	The council has agreed a new corporate plan and confirmed the political management arrangements. The council's management structures, which were new at the time of the last AIP are bedding in.
Housing - homelessness services	Area of uncertainty	No scrutiny required	The last AIP identified that inspection work was required on how the council deals with homelessness. The inspection took place in 2012 and the inspection report is currently being finalised. This means that no further scrutiny is required on this service in 2013/14.

Scrutiny plans

- 21. During 2012 the Scottish Housing Regulator carried out an inspection of homelessness services as planned.
- 22. No specific scrutiny activity will take place arising from this shared risk assessment process.
- 23. Scheduled audit and inspection work will take place through the annual audit process and the ongoing inspections of schools and care establishments carried out by Education Scotland and the Care Inspectorate. This will inform future risk assessment work.

Appendix 1

SOUTH LANARKSHIRE COUNCIL 2013-14

Scrutiny activity year 1 arising from the shared risk assessment.	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
No local scrutiny work planned.												
National or supported self-evaluation work year 1												
Supported self-evaluation of the impact on quality of the newly introduced national assessment and care planning instrument (LSCMI) in local criminal justice social work services (Care Inspectorate) tbc												
Thematic inspection into the outcomes through Housing Options and Prevention of Homelessness approach.(SHR) tbc												
Scotland's Public Finances: Addressing the challenges follow up (Audit Scotland) tbc												
Scotland's Public Finances: Workforce Planning (Audit Scotland)	X											

SOUTH LANARKSHIRE COUNCIL 2014-15												
Scrutiny activity year 2	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
No local scrutiny work planned												
National or supported self-evaluation work year 2												
No national work planned.												

SOUTH LANARKSHIRE COUNCIL 2015-16	
Indicative scrutiny activity for rolling third year	Potential scrutiny bodies involved
No local scrutiny work planned	

Footnotes:

The focus of the AIP Update is strategic scrutiny activity, that is scrutiny activity which is focused at corporate or whole service level, but there will also be baseline scrutiny activity at unit level ongoing throughout the period of the AIP. This will include, for example, school and residential home inspections. Scrutiny bodies also reserve the right to make unannounced scrutiny visits. These will generally be made in relation to care services for vulnerable client groups. The annual audit of local government also comprises part of the baseline activity for all councils and this includes work necessary to complete the audit of housing benefit and council tax benefit arrangements. Education Scotland, through the District Inspector, will continue to support and challenge Education Services regularly and as appropriate. The Care Inspectorate will continue to regulate care services and inspect social work services in accordance with their responsibilities under the Public Services Reform (Scotland) Act 2010.