

## RISK AND AUDIT SCRUTINY FORUM

Minutes of meeting held in Committee Room 2, Council Offices, Almada Street, Hamilton on 3 November 2011

**Chair:**

Councillor George Sutherland

**Councillors Present:**

John Anderson, Graeme Campbell, Maureen Devlin, Lynn Filshie, Brian McKenna, Alice Marie Mitchell

**Councillors' Apologies:**

Graeme Horne, Jean McKeown

**Attending:**

**Finance and Corporate Resources**

H Black, Improvement and Risk Manager; Y Douglas, Audit Manager; P MacRae, Administration Officer; H McNeil, Head of Audit and Improvement

**Also Attending:**

**PricewaterhouseCoopers**

M Kerr, 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 29 September 2011 were submitted for approval as a correct record.

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

### 3 Internal Audit Activity at End September 2011

A report dated 18 October 2011 by the Executive Director (Finance and Corporate Resources) was submitted on:-

- ◆ work completed by Internal Audit during September 2011
- ◆ the key objectives of the Scottish Local Authorities Chief Internal Auditors' Group (SLACIAG)

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

- ◆ 33% of the 2011/2012 Internal Audit Plan had been completed to a draft stage
- ◆ 79% 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%

- ◆ 67% of audit recommendations had been delivered on time against a target of 80%
- ◆ 78% of audit assignments had been concluded to a signed action plan within the target timescale of 7 weeks against a target of 80%

The findings from assignments completed in September 2011 were detailed in Appendix 2 to the report.

Officers responded to members' questions on:-

- ◆ specific performance indicators
- ◆ specific assignments relating to equipment and driving duties

Details were also given on the work and key objectives of the Scottish Local Authorities Chief Internal Auditors' Group.

Work would shortly commence on the preparation of the 2012/2013 Internal Audit Plan and Forum members were invited to suggest potential areas for inclusion in the Plan to the Audit Manager by 30 November 2011.

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

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#### **4 Risk Management Workplan 2011/2012**

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A report dated 17 October 2011 by the Executive Director (Finance and Corporate Resources) was submitted on the Risk Management Workplan for 2011/2012.

The 2011/2012 Risk Management Workplan had been delayed until the findings of the recent Internal Audit of Risk Management Arrangements were known.

The audit included an assessment of the Council's existing risk management arrangements compared with available best practice guidelines. The level of compliance was found to be 81%. The strategic approach to managing risk and the structure of risk management processes had scored particularly well. A number of further improvement actions had been identified and the opportunity had been taken to include those actions in the proposed Workplan which was attached as Appendix 1 to the report.

The Risk Sponsors Group, which had responsibility for developing, challenging and supporting risk management activity at Resource and corporate levels, had recently reviewed its remit. The revised remit of the Group was attached as Appendix 2 to the report.

**The Forum decided:**

- (1) that the Risk Management Workplan for 2011/2012 be endorsed; and
- (2) that the remit of the Risk Sponsors Group be noted.

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#### **5 Control of Council-wide Risks**

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A report dated 17 October 2011 by the Executive Director (Finance and Corporate Resources) was submitted on controls and actions governing the Council's top risks.

Following a recent review of control over top risks, a formal record of identified controls for every top risk had been created. Lead officers for each top risk had assessed those controls and, for 18 of the 24 top risks, controls had been assessed as adequate. Controls for the remaining 6 top risks had been assessed as good.

The number of control measures for each of the top risks was detailed at Appendix 1 to the report and, where appropriate, lead officers had identified further actions to mitigate the level of residual risk.

A full list of the new control actions was contained in the Risk Control Plan, attached as Appendix 2 to the report. Those actions would be monitored to assess progress made.

**The Forum decided:**

- (1) that it be noted that, overall, the level of control over the Council's top risks had been assessed as adequate; and
- (2) that it be noted that the actions included in the Risk Control Plan would be monitored to assess progress made.

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## **6 External Review of Management of Insured Risks**

A report dated 17 October 2011 by the Executive Director (Finance and Corporate Resources) was submitted on the outcome of the external review of the management of insured risks.

Gallagher Bassett, the Council's claims handling agent, had been asked to undertake a review of:-

- ◆ the management of insurance hotspots
- ◆ footway/footpath inspection

The review of insurance hotspots indicated that considerable effort had been made by Resources to reduce the risk identified from insurance hotspots and that the majority of mitigating actions had been completed. The recommendations made by Gallagher Bassett were detailed in Appendix 1 to the report. Each recommendation had been assigned a responsible officer and a target date for completion.

The review had also examined procedures in place within Enterprise, Community and Housing and Technical Resources regarding the inspection and maintenance of footways and footpaths which fell under their responsibility. The review noted the approaches within those Resources for the inspection and maintenance of footways and footpaths. The recommendations in relation to the review of footpaths and footways were detailed in Appendix 2 to the report.

A further review in relation to property survey had been undertaken by the Council's property insurer, Chartis, focusing on security and fire risks. The requirements specified by the insurers had been implemented and the properties surveyed now posed a lower level of risk in terms of fire and security.

**The Forum decided:**

- (1) that the progress made by Resources in completing insurance hotspot actions and implementing initiatives be noted;
- (2) that the recommendations resulting from the external review undertaken by Gallagher Bassett be noted; and
- (3) that it be noted that Risk Sponsors would implement outstanding actions within agreed timescales.

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## **7 Forward Programme for Future Meetings**

A report dated 20 October 2011 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 February 2012.

### **The Forum decided:**

- (1) that the outline forward programme for the Risk and Audit Scrutiny Forum, attached as an appendix to the report, be noted; and
- (2) that the opportunity for members to suggest topics for inclusion in the Forum's forward programme be noted.

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## **8 Urgent Business**

There were no items of urgent business.