

Report

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Report to: **Executive Committee**
 Date of Meeting: **15 August 2018**
 Report by: **Executive Director (Finance and Corporate Resources)**

Subject: **Risk and Audit Scrutiny Forum Activity 2017/2018**

1. Purpose of Report

1.1. The purpose of the report is to:-

- ♦ provide the Committee with a summary of reports considered by the Risk and Audit Scrutiny Forum in 2017/2018

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the summary of reports considered by the Risk and Audit Scrutiny Forum during 2017/2018, as detailed in Appendix 1 of this report, be noted.

3. Background

- 3.1. In May 2017, the Council agreed details relating to the review of Member Scrutiny Forums. This included consideration of the Terms of Reference and Powers and Responsibilities for the Forums.
- 3.2. In August 2017, the Executive Committee approved a further review be undertaken of the current arrangements in place for the Risk and Audit Scrutiny Forum against the Chartered Institute of Public Finance and Accountancy's (CIPFA) best practice guidance in relation to the operation of an audit committee. On 27 June 2018, the outcome of this review was reported to Council. At this meeting, Council approved the recommendations made within the report that the Risk and Audit Scrutiny Forum be re-named the Risk and Audit Scrutiny Committee, that it be given full decision-making powers and that an enhanced Terms of Reference for this new Committee be established.

4. Risk and Audit Scrutiny Forum activity during 2017/2018

4.1. The Risk and Audit Scrutiny Forum met five times during 2017/2018 in June, September and November 2017 and in January and March 2018. The following main subject activities were undertaken by the Forum;

- ♦ Reviews of Internal and External Audit findings and opinions
- ♦ Reviews of progress in managing strategic risks
- ♦ Consideration of external risk related reports
- ♦ Examination of governance arrangements
- ♦ Overview of progress and activity of other scrutiny forums

- 4.2. A full list of activity is attached at Appendix 1. A full list of reports to the Forum are accessible on the South Lanarkshire Council web site.

5. Employee Implications

- 5.1. Service managers may be invited to the Forum to provide further information on selected topics as required. During 2017/2018, officers responded satisfactorily to member scrutiny and no follow-up officer attendances were required.

6. Financial Implications

- 6.1. There are no financial implications.

7. Other Implications

- 7.1. In previous years, reports to Executive Committee on the Risk and Audit Scrutiny Forum's activity have highlighted the risk that the Risk and Audit Scrutiny Forum does not fully comply with best practice guidance on the operation of audit committees in Local Authorities. The review, concluded and reported to Council in 2017/2018, mitigates this risk.
- 7.2. There are no significant issues in terms of sustainability arising from this report.
- ## **8. Equality Impact Assessment and Consultation Arrangements**
- 8.1. This report does not introduce a new policy, function or strategy or recommend a change to existing policy, function or strategy and therefore no impact assessment is required.
- 8.2. There is also no requirement to undertake any consultation in terms of the information contained in the report.

Paul Manning

Executive Director (Finance and Corporate Resources)

12 July 2018

Link(s) to Council Objectives/Improvement Themes/Values

- ◆ Achieve results through leadership, good governance and organisational effectiveness

Previous References

- ◆ Review of Risk and Audit Scrutiny Forum – Executive Committee 30 August 2017
- ◆ Risk and Audit Scrutiny Forum Activity 2016/2017 - Executive Committee 27 September 2017

List of Background Papers

- ◆ 2017/2018 reports to the Risk and Audit Scrutiny Forum

Contact for Further Information

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

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Internal Audit Plan

Endorsement of Internal Audit plans

Internal and External Reports

Review of progress in delivery of Internal Audit Plan (Activity reports)

Review of progress in delivery of External Audit Plan (Interim report)

Scrutiny of annual assurances from internal and external audit

Review of fraud statistics and update on the 2016/17 National Fraud Initiative

Shared Risk Assessment – Local Scrutiny Plan 2017/2018

Audit Scotland – ‘Performance and Challenges 2017’

Audit Scotland – ‘Equal Pay in Scottish Councils’

External Audit Plan

Endorsement of External Audit plans

Good Governance and Risk Management

Management and review of Council’s Top Risks

Risk Management annual report for 2016/2017

2016/2017 Year End Insured Risks

Efficiency Savings 2016/2017

Annual Governance Statements, Governance Action Plan and progress reports

Performance and Review Scrutiny Forum annual update

Financial Resources Scrutiny Forum activity

Corporate Governance - Review of the adequacy of Internal Audit

External Quality Assessment of Internal Audit Service