



# Renfrewshire Council

Proposed Annual Audit  
Report to Members and  
the Controller of Audit

September 2015

The Accounts Commission is a statutory body which appoints external auditors to Scottish local government bodies. ([www.audit-scotland.gov.uk/about/ac](http://www.audit-scotland.gov.uk/about/ac))

Audit Scotland is a statutory body which provides audit services to the Accounts Commission and the Auditor General. ([www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk))

The Accounts Commission has appointed Brian Howarth as the external auditor of Renfrewshire Council for the period 2011/12 to 2015/16.

This report has been prepared for the use of Renfrewshire Council and no responsibility to any member or officer in their individual capacity or any third party is accepted.

This report will be published on our website after it has been considered by Renfrewshire Council. The information in this report may be used for the Accounts Commission's annual overview report on local authority audits published on its website and presented to the Local Government and Regeneration Committee of the Scottish Parliament.

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# Contents

Key messages.....	4	Best Value.....	28
Introduction.....	5	Appendix I – Significant audit risks .....	33
2014/15 Financial statements.....	6	Appendix II - Summary of local audit reports 2014/15 .....	38
Audit of the 2014/15 financial statements .....	7	Appendix III - Summary national reports 2014/15 .....	39
Financial management and sustainability.....	13	Appendix IV - Action plan .....	40
Governance and transparency.....	21		

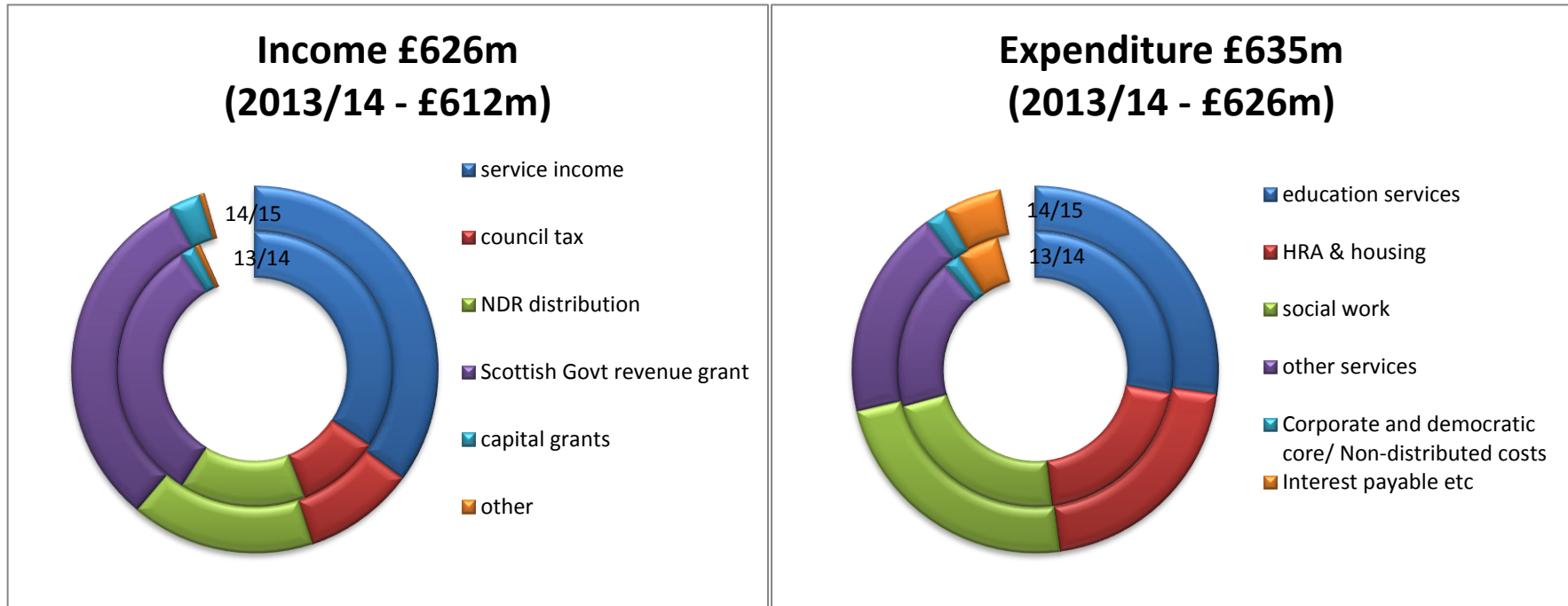
# Key messages

 <p>Audit of financial statements</p>	<ul style="list-style-type: none"><li>• Unqualified auditor's report on the 2014/15 financial statements.</li><li>• Unqualified auditor's reports on the charities administered by Renfrewshire Council.</li></ul>
 <p>Financial management and sustainability</p>	<ul style="list-style-type: none"><li>• Renfrewshire Council has demonstrated effective financial management.</li><li>• We conclude that Renfrewshire Council's financial position is sustainable.</li></ul>
 <p>Governance and transparency</p>	<ul style="list-style-type: none"><li>• Governance arrangements operate effectively.</li><li>• We recommend further consideration is given to the arrangements for the convener of the Audit, Scrutiny and Petitions board, in line with best practice identified by the Accounts Commission.</li><li>• Further improvements could be made in the transparency of chief officer interests.</li></ul>
 <p>Best Value</p>	<ul style="list-style-type: none"><li>• A year of significant change within Renfrewshire Council with staffing changes, a corporate resource review, expansion of the leisure trust, development of the Integrated Joint Board and implementation of the council plan.</li><li>• Clear commitment to continuous improvement.</li><li>• Performance reporting could be enhanced by including a summary position against all council plan actions.</li></ul>

# Introduction

1. This report is a summary of our findings arising from the 2014/15 audit of Renfrewshire Council (the council).
2. The management of the council is responsible for:
  - preparing financial statements which give a true and fair view
  - implementing appropriate internal control systems
  - putting in place proper arrangements for the conduct of its affairs
  - ensuring that the financial position is soundly based.
3. Our responsibility, as the external auditor of the council, is to undertake our audit in accordance with International Standards on Auditing, the principles contained in the Code of Audit Practice issued by Audit Scotland in May 2011 and the ethical standards issued by the Auditing Practices Board.
4. An audit of financial statements is not designed to identify all matters that may be relevant to those charged with governance. It is the auditor's responsibility to form and express an opinion on the financial statements; this does not relieve management of their responsibility for the preparation of financial statements which give a true and fair view.
5. A number of reports, both local and national, have been issued by Audit Scotland during the course of the year. These reports, summarised at **appendices II and III**, include recommendations for improvements.
6. **Appendix IV** is an action plan setting out our recommendations to address the high level risks we have identified during the course of the audit. Officers have considered the issues and agreed to take the specific steps in the column headed "Management action/response". We recognise that not all risks can be eliminated or even minimised. What is important is that the council understands its risks and has arrangements in place to manage these risks. The council and its Corporate Management Team (CMT) should ensure that they are satisfied with proposed action and have a mechanism in place to assess progress and monitor outcomes.
7. We have included in this report only those matters that have come to our attention as a result of our normal audit procedures; consequently, our comments should not be regarded as a comprehensive record of all deficiencies that may exist or improvements that could be made.
8. The cooperation and assistance afforded to the audit team during the course of the audit is gratefully acknowledged.

# 2014/15 Financial statements



The council reported an accounting deficit of £9 million. The financial statements show that income of £626 million this year is £13.6 million (2%) more than last year. Service income has grown by £5 million (2%), with increases too in NDR (+£8.6 million, +9%) and capital grants (+£6.1 million), offset by a reduction in Scottish Government Grant (-£5.2 million, -2%).

Expenditure increased overall by £9 million (1.4%) to £635 million, with increases of 3-4% in HRA/ Housing, social work and other services (totalling +£13 million). Education services expenditure reduced by £5 million (-2%), which was due to a reduction in the land and buildings impairment charge to the service compared to 2013/14.

# Audit of the 2014/15 financial statements

<b>Audit opinion</b>	<ul style="list-style-type: none"><li>• We have completed our audit and have issued an unqualified independent auditor's report.</li></ul>
<b>Going concern</b>	<ul style="list-style-type: none"><li>• The financial statements have been prepared on the going concern basis. We are unaware of any events or conditions that may cast significant doubt on the council and its charities' ability to continue as a going concern.</li></ul>
<b>Other information</b>	<ul style="list-style-type: none"><li>• We review and report on other information published with the financial statements, including the management commentary, annual governance statement and the remuneration report. We have nothing to report in respect of these statements.</li></ul>
<b>Common Good Funds and Trust Funds</b>	<ul style="list-style-type: none"><li>• We have completed our audit of the 2014/15 financial statements of the charities administered by the council (common good funds and trust funds) and issued an unqualified independent auditor's report for each of these accounts.</li></ul>
<b>Group accounts</b>	<ul style="list-style-type: none"><li>• The council has accounted for the financial results of three subsidiaries and three associates in its group accounts for 2014/15. The overall effect on the group balance sheet is to increase net assets by £39 million.</li></ul>
<b>Whole of government accounts</b>	<ul style="list-style-type: none"><li>• The council submitted a consolidation pack for audit after the deadline. We expect to issue the certified return to the Scottish Government in September 2015.</li></ul>

## Submission of financial statements for audit

9. We received the unaudited financial statements on 25 June 2015, in accordance with the agreed timetable. The working papers were of a good standard and council staff provided good support to the audit team which assisted the delivery of the audit to deadline.

## Overview of the scope of the audit of the financial statements

10. Information on the integrity and objectivity of the appointed auditor and audit staff, and the nature and scope of the audit, were outlined in our Annual Audit Plan presented to the Audit, Scrutiny and Petitions Board on 30 March 2015.
11. As part of the requirement to provide full and fair disclosure of matters relating to our independence, we can confirm that we have not undertaken non-audit related services. The 2014/15 agreed fee for the audit was set out in the Annual Audit Plan and, as we did not carry out any work additional to our planned audit activity, the fee remains unchanged.
12. The concept of audit risk is of central importance to our audit approach. During the planning stage of our audit we identified a number of key audit risks which involved the highest level of judgement and impact on the financial statements and consequently had the greatest effect on the audit strategy, resources and effort. We set out in our Annual Audit Plan the audit work we proposed to undertake to secure appropriate levels of assurance. **Appendix I** set out the significant audit risks identified during the course of the

audit and how we addressed each risk in arriving at our opinion on the financial statements.

13. Our audit involved obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.

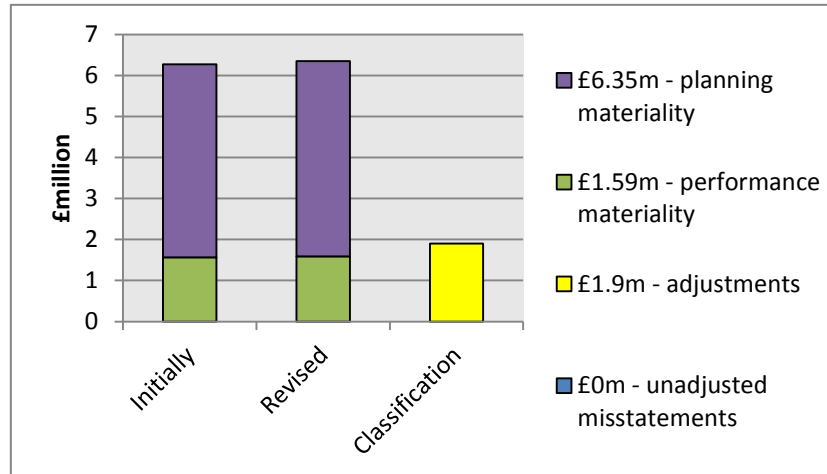
## Materiality

14. Materiality can be defined as the maximum amount by which auditors believe the financial statements could be misstated and still not be expected to affect the decisions of users of financial statements. A misstatement or omission, which would not normally be regarded as material by amount, may be important for other reasons (for example, an item contrary to law).
15. We consider materiality and its relationship with audit risk when planning the nature, timing and extent of our audit and conducting our audit programme. Specifically with regard to the financial statements, we assess the materiality of uncorrected misstatements, both individually and collectively.
16. We summarised our approach to materiality in our Annual Audit Plan. We revised our planning materiality for 2014/15 on receipt of the unaudited accounts to £6.35 million (1% of gross expenditure).
17. We also set a lower level, known as performance materiality defining our audit procedures and evaluating errors. This is determined to ensure that uncorrected and undetected audit



differences do not exceed our materiality level. Performance materiality was set at £1.59 million (25% of planning materiality).

18. We report all misstatements greater than £100,000.



### Materiality in the charitable trusts

19. We also set separate materiality in the audit of the charities' financial statements. Planning materiality for the Renfrewshire Council Trust Funds is £6,813, with performance materiality of £6,131. The Renfrewshire Council Common Good Funds have a planning materiality of £321,000 and performance materiality of £289,000, based on net assets. In the Common Good Fund we also set a separate performance materiality for incoming/ outgoing resources of £94,000.

## Evaluation of misstatements

20. We identified classification adjustments in the unaudited financial statements totalling £1.7 million (Paragraph 26) and together with a further review undertaken by council officers, the full extent of adjustments totalled £1.9 million. Although this altered the analysis of balances in the audited balance sheet, these issues did not affect net expenditure.
21. The total value of adjustments exceeded our overall performance materiality level of £1.59 million. Based on the restricted nature of these re-classifications, the further review undertaken by council officers and the absence of any impact on net expenditure, we conclude that these do not indicate further systematic errors within the accounts and did not further amend our audit approach. All misstatements identified during the audit, which exceeded our misstatement threshold, have been amended in the financial statements.

## Significant findings from the audit

22. International Standard on Auditing 260 requires us to communicate to you significant findings from the audit, including:
- The auditor's views about significant qualitative aspects of the entity's accounting practices, including accounting policies, accounting estimates and financial statement disclosures.
  - Significant difficulties encountered during the audit.
  - Significant matters arising from the audit that were discussed, or subject to correspondence with management.

- Written representations requested by the auditor.
  - Other matters which in the auditor's professional judgment, are significant to the oversight of the financial reporting process.
23. During the course of the audit we identified the following significant issues that, in our view, require to be communicated to you.

## Significant findings from the audit

Issue
<p>24. <b>Council house valuation</b> – In previous years, as part of the calculation of the valuation of council house dwellings the council has used local housing allowances information. This information is set at the start of each financial year and provides the basis for the adjustment to social housing valuations that is applied to year end valuation amounts. As the local housing allowance information is one year adrift from the year end valuation basis, officers changed this approach in 2014/15 to use the allowances for the next financial year (1/4/2015) as they are more consistent with a year end valuation date. We agreed with the approach taken by officers.</p>
<p>25. <b>Leisure Trust and group accounts</b> – This year group accounting standards have been revised and officers reviewed the status of Renfrewshire Leisure Limited against the revised standards. This review resulted in a change in its treatment in the financial statements: from an associate to a subsidiary. Our audit confirmed the appropriateness of this change. A review of the boundary assessment agreed with this conclusion however we noted that there was no narrative included in the group accounts confirming the change in treatment. Officers agreed to include narrative noting the change in treatment.</p>
<p>26. <b>Reclassifications of debtors/ creditors</b> - Our audit work identified misclassifications of £1.7 million within the balance sheet of grants received in advance. These were included within short term creditors in error. Officers then completed a wider review and identified further classification errors totalling £0.2 million. These classification issues have been corrected in the audited financial statements.</p>
<p><b>Findings from the audit of the common good and trust funds</b></p>
<p>27. <b>Common Good</b> – We identified that a gain on the sale of fixed assets of £0.1 million had been incorrectly included within the gain on revaluation of fixed assets, when it should have been classified under Incoming Resources. This error has been adjusted by officers within the Common Good accounts and within the council’s group accounts.</p>

## Future accounting and auditing developments

### *Revisions to the Code of Practice*

28. The financial statements of the council are prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) which interprets and adapts International Financial Reporting Standards (IFRS) to the local authority context. The following paragraphs set out the most significant changes to accounting requirements introduced by the 2015/16 Code.
29. **(IFRS) 13 Fair value measurement:** Although the measurement requirements for operational property, plant and equipment will not change, enhanced valuation disclosures will be required. However, the 2015/16 Code requires surplus assets to be measured at fair value in accordance with IFRS 13. The council will need to make the necessary preparations

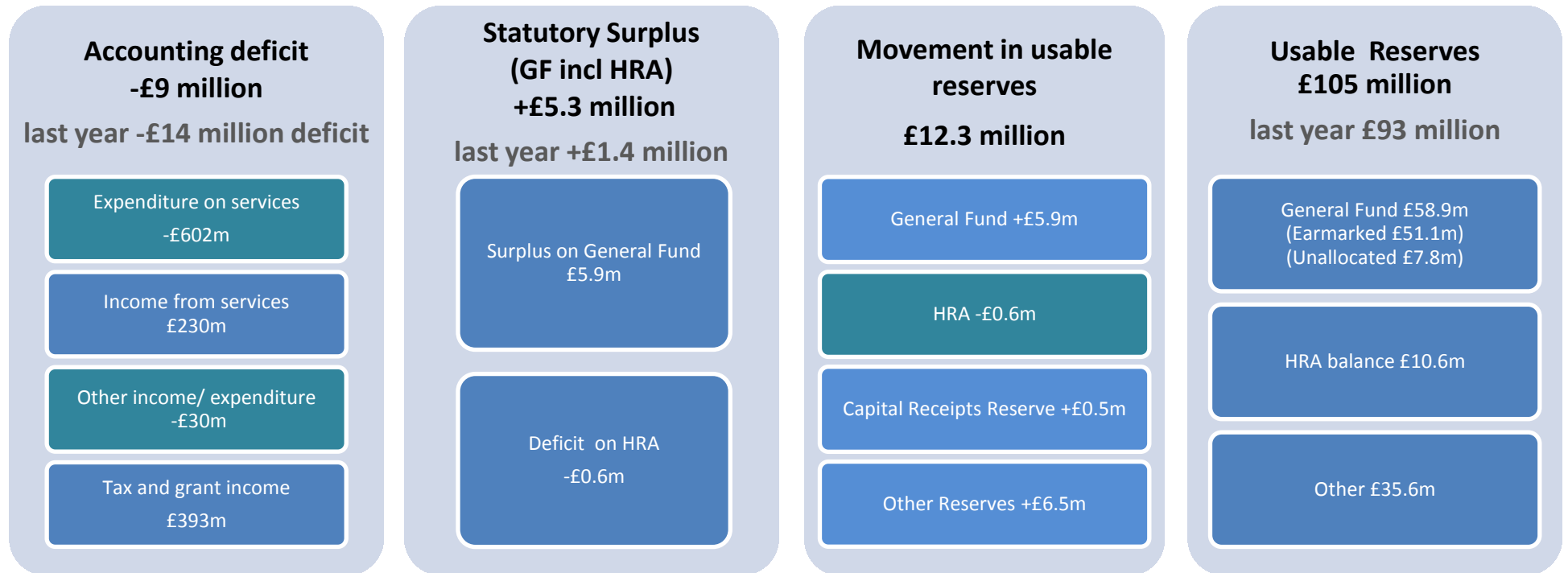
to ensure that the new requirements are addressed for the 2015/16 financial statements.

30. **Transport infrastructure assets:** The council's highway assets are currently carried within infrastructure assets in the balance sheet at depreciated historic cost. The 2016/17 Code will require highways to be measured, for the first time, on a depreciated replacement cost basis. This is a major change in the valuation basis for highways and will require the availability of complete and accurate management information on highway assets.

### *Health and Social Care Integration*

31. From 1 April 2016 Integrated Joint Boards (IJBs) will be accountable for the provision of health and social care. IJBs will be required to produce financial statements in compliance with the Code and the Accounts Commission will appoint auditors to audit the financial statements.

# Financial management and sustainability



## Financial management

32. In this section we comment on the council's financial outcomes and assess the financial management arrangements.
33. The council sets an annual budget to meet its service and other commitments for the forthcoming financial year. Regular monitoring of expenditure and income against agreed budgets is central to effective financial management.

## Financial outcomes

34. Overall the council reported an underspend against departmental budgets of £0.8 million. This includes underspends on warden services and other Housing of £0.5 million and an overspend in social work services of £0.4million; both due to high levels of demand for children and family services and older people services, combined with the costs of exit packages for staff.
35. The council is required by legislation to maintain a separate housing revenue account (HRA) and to ensure that rents are set to at least cover the costs of its social housing provision. The HRA budget was set in February 2014 and members approved a rent increase of 4.5%. The HRA achieved a statutory surplus of £1.0 million, before transfers to capital reserves of £1.6 million, took the net position for the year to an overspend of £0.6 million.

## Financial management arrangements

36. As auditors, we need to consider whether councils have established adequate financial management arrangements. We do this by considering a number of factors, including whether:
  - the proper officer has sufficient status within the council to be able to deliver good financial management
  - financial regulations are comprehensive, current and promoted within the council
  - reports monitoring performance against budgets are accurate and provided regularly to budget holders
  - monitoring reports do not just contain financial data but are linked to information about performance
  - members provide a good level of challenge and question budget holders on significant variances.
37. Financial monitoring reports (both revenue and capital for the council-wide position) are submitted to the Finance and Resources Policy Board at each meeting and results for services reported to the individual policy boards. Reports are comprehensive and well laid out and explanations for variances are provided.

## Conclusion on financial management

38. We are satisfied that the council has demonstrated effective financial management in the current year, and has taken

appropriate steps to ensure that services are funded in future years.

## Financial sustainability

39. The council delivers a broad range of services, both statutory and discretionary, to its communities. Financial sustainability means that the council has the capacity to meet the current and future needs of its communities.
40. In assessing financial sustainability we are concerned with whether:
- the short term position on cash / liabilities/ assets
  - spending is being balanced with income in the short term
  - there is an adequate level of reserves
  - long term financial pressures are understood and planned for
  - investment in services and assets is effective.

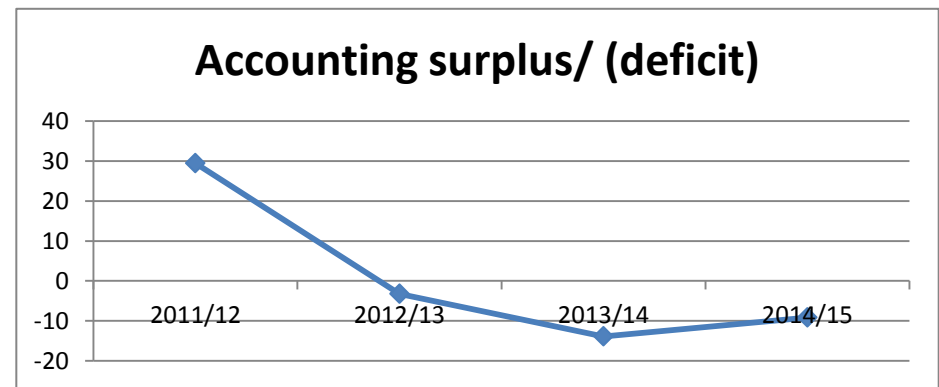
## Cashflow

41. In 2014/15 the council achieved a positive cash inflow from operating activities of £52 million. This was applied to the purchase of assets (£35 million, with asset sales generating a further £31 million) and to the repayment of borrowing (£17 million). The cash position over the year was relatively unchanged at £29 million.

## Accounting deficit

42. The council has incurred an accounting deficit in the last three financial years. In some instances, this can be due to large pension and depreciation adjustments. This may indicate potential long term issues with financial sustainability, but the council has a relatively strong reserves position and a low level of borrowing (Paragraph 9) and has achieved statutory surpluses over the same period.

**Exhibit 1: Historic surpluses/ (deficits) on provision of services**



Source: 2014/15, 2013/14, 2012/13 audited financial statements

## Financial planning

43. In February 2015 the council set its revenue 2015/16 budget at £378 million. This includes £9.5 million for tackling poverty and regeneration initiatives and payroll inflationary increases of £3.1 million. A number of efficiency measures have been agreed and

are being implemented across the council. Some of the more significant measures include debt smoothing savings of £2.7 million and the corporate support model, anticipated to realise recurring savings of £4.6m.

44. Although the council has not formally published its long term financial plans due to the scale and uncertainty over the short term period we note that there is sufficient evidence of scenario planning through to 2017/18 which includes indications of grant levels and pay awards. The council anticipates that recurring savings of around £30 million will be required over the medium term.

## Reserves

45. The overall level of usable reserves held by the council increased by £12.3 million from the previous year (Exhibit 2). The General Fund balance includes £7.8 million of unallocated general fund reserves.

### Exhibit 2: Usable reserves

Description	31 March 2014 £ million	31 March 2015 £ million
General fund	52.9	58.9
Housing revenue reserve	11.2	10.6
Capital statutory funds	22.6	29.0
Capital receipts reserve	3.2	3.8
Insurance fund	2.6	2.5
Reservoir Repair Fund	0.3	0.3
<b>Total usable reserves</b>	<b>92.8</b>	<b>105.1</b>

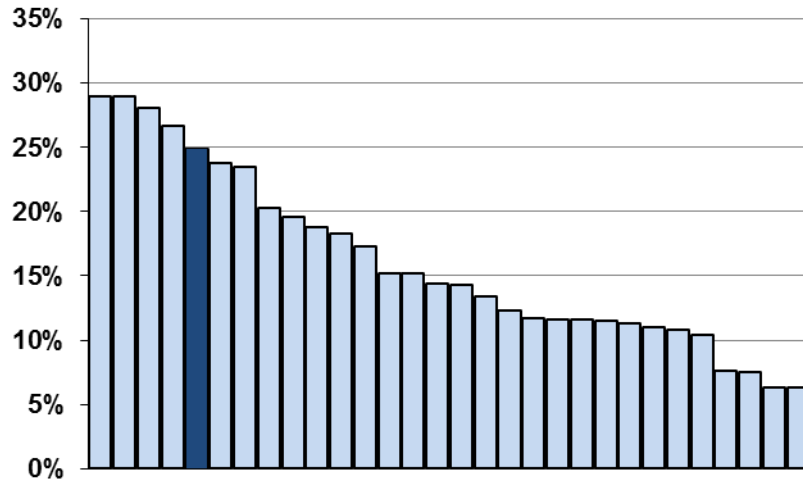
Source: Renfrewshire Council 2014/15 financial statements

46. The general fund reserve has no restrictions on its use. The principal purpose of holding a general fund reserve is to provide a contingency fund to meet unexpected events and as a working balance to help cushion the impact of uneven cash flows. Usable reserves are a key part of a council's strategic financial management and are used for medium and longer term planning.
47. The general fund balance increased by £6 million during the year. The closing balance at 31 March 2015 is made up of earmarked commitments of £51.1 million (including the modernisation fund and PFI/PPP equalisation fund) and an unallocated balance of £7.8 million, or 2.1% of the net cost of services (2013/14: 2.5%). This position satisfies the council's policy to maintain uncommitted



reserves at a minimum of £7m or 1.9% of annual budgeted net revenue expenditure.

**Exhibit 3: Usable reserves as a % of net revenue including rents (Renfrewshire highlighted)**



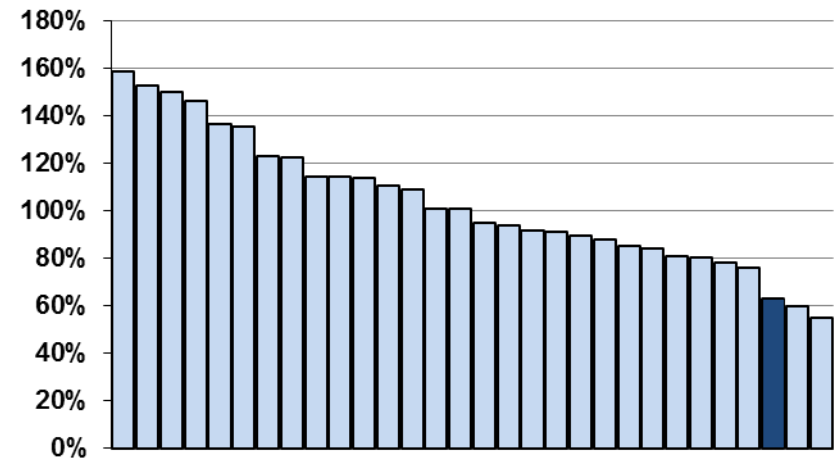
Source: 2014/15 unaudited financial statements

48. Exhibit 3 shows that the council continues to have a relatively high level of total usable reserves, compared to other councils, based on the size of the council (net revenue). This year the increase of £12.8 million was the 4<sup>th</sup> highest in Scotland.

## Treasury Management

49. The council has continued to reduce long-term debt and in 2014/15 this decreased by £15 million to £226 million. As shown below the council has relatively low levels of borrowing and external debt (Exhibit 4).

**Exhibit 4: Net external debt as a % of net revenue including rents (Renfrewshire highlighted)**



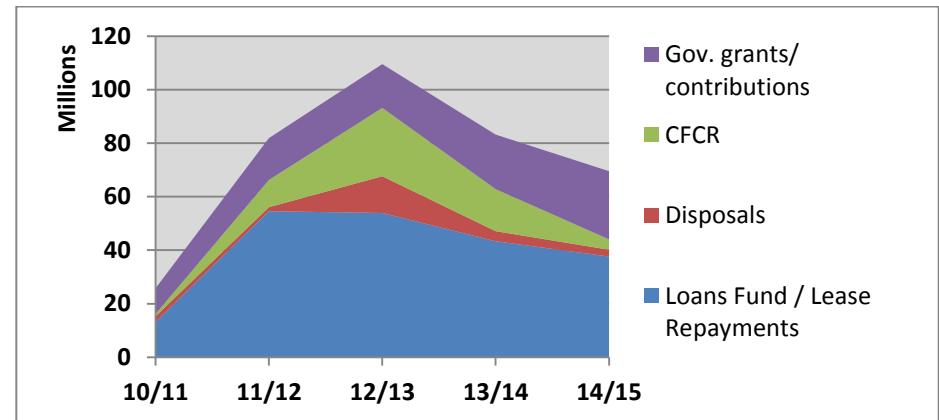
Source: 2014/15 unaudited financial statements

## Capital programme 2014/15

50. The council approved its general services capital programme for 2014/15 in February 2014. Actual spend on the general services capital programme amounted to £36.5 million.

- 51. The general services programme included the building, refurbishment and repair of schools; the roads and footways upgrade programme and the completion of Johnstone town hall. The housing programme focused mainly on "major component replacement" across the estate. The total spend on the housing capital programme for the year was £31.4m.
- 52. There was an underspend of £1.4 million (2%) against the planned level of expenditure. However, this underspend excludes re-profiled capital works of £9.7 million (expenditure is reprofiled between financial years, with no overall delay to the delivery date) and identified slippage of £6.2 million, where overall completion dates have moved (including £1.5m for North Renfrew Flood Prevention scheme and £2.7m for new build council housing).
- 53. The capital programme was funded as shown at Exhibit 5.

**Exhibit 5: Sources of finance for capital expenditure**



Source: Renfrewshire Council Annual Accounts 10/11 to 14/15

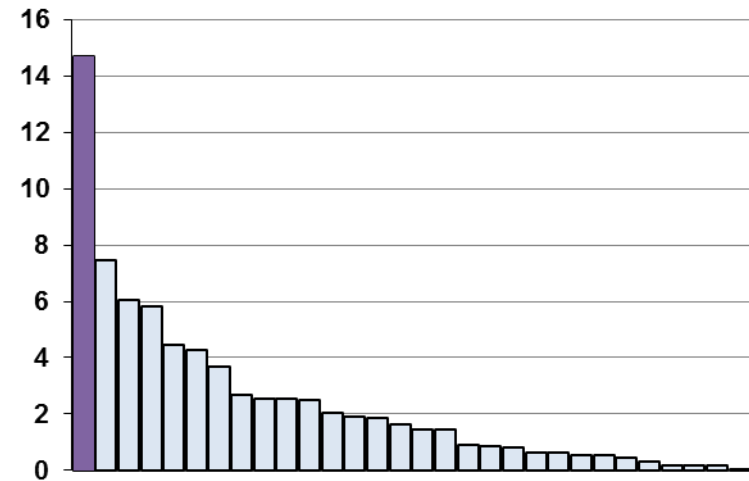
- 54. The extent of funding from government grants increased this year, as the council received two one-off grants from the Scottish Futures Trust totalling £4.8m for St James Primary School and the new additional support needs school. Total capital funding has been reducing over the last two years from a peak in 2012/13.

### Workforce Management

- 55. As part of the Better Council Strategic Change Programme the Council identified a number of potential savings from a review of the corporate support model. This was managed through the council's voluntary severance process. The impact of the loss of staff resource is to be managed by the more efficient use of ICT provision and streamlined business process arrangements.

- 56. The new Chief Executive also reviewed the number and responsibilities of the chief officer posts, with a planned reduction of 1.5 FTE.
- 57. The council's total cost of staff exit packages was £14.7 million for 2014/15; the highest amount across Scottish councils. The total upfront costs are £3 million for amounts paid to individuals and £6 million to the pension fund (for strain-on-the-fund costs). The remaining £5 million is for the estimated capitalised cost of added years (the cumulative effect of the council paying an additional pension amount until someone dies). The costs reflect the scale of change being delivered across the council as part of the medium term financial plan and that many of those leaving are in their 50s with high costs for strain-on-the fund and added years. This voluntary severance process is expected to yield savings in the medium term, with average pay back period of two years.

**Exhibit 6: Total cost of exit packages (Renfrewshire identified)**



Source; 2014/15 unaudited financial statements

- 58. We have reviewed these exit packages and concluded that the authorisation and best value assessments were completed appropriately and accounts disclosures accurately recorded.

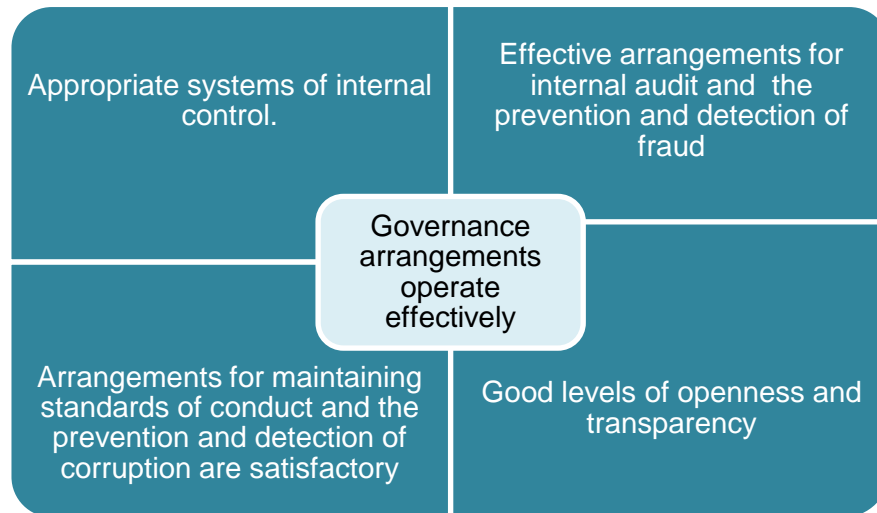
**Pension liability**

- 59. The net pension liability has increased from £243 million to £317 million. The pension liability represents the difference between expected future pension payments and the underlying value of pension fund assets available to meet this cost, based on an actuarial valuation.

## Conclusion on financial sustainability

60. We conclude that the council's financial position is sustainable, currently and in the foreseeable future, based on the short term cashflow position, record of statutory surpluses, strong reserves' position and low level of external borrowing.
61. The council also has medium term financial plans in place taking into account the principal financial risks and uncertainties that it faces. This includes uncertainty over the Scottish Government's draft budget for 2016/17, which is to be delayed by several months. The plans, which are normally published in September, will not be produced until after the UK Government's spending review in late November.

# Governance and transparency



- 62. Members and management of the council are responsible for establishing arrangements to ensure that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and for monitoring the adequacy and effectiveness of these arrangements. We concluded that the council has effective overarching and supporting governance arrangements which provide an appropriate framework for organisational decision making.
- 63. Citizens should be able to hold the council to account about the services it provides. Transparency means that citizens have

access to understandable, relevant and timely information about how the council is taking decisions and how it is using its resources.

## Corporate governance

- 64. The Convener of the Audit, Scrutiny and Petitions Board is currently a member of the administration of the council, while the Deputy Convener is an opposition member. This arrangement has been in place for some time, including the previous administration. This practice is unusual within Scotland, with most conveners of audit committees being drawn from the opposition.
- 65. In March 2015 Audit Scotland published its annual *Local Government Overview Report*. It reported that the Accounts Commission stated that “*the public rightly expects scrutiny to be both effective and transparent and the Commission remains of the view that this will be best achieved where the convener of the scrutiny or audit committee is not a member of the political administration*”.
- 66. Following this report by the Accounts Commission, we again recommend that arrangements should be reviewed over the medium-term at Renfrewshire Council and specifically as the council plans for the outcome of local government elections in 2017.

### Appendix IV action plan point 1

## Local code of corporate governance

67. The council has developed and adopted a local code of corporate governance which reflects the key components as set out in the CIPFA/SOLACE Framework Corporate Governance in Local Government: A Keystone for Community Governance. The local code is subject to annual review by officers and presented to the Audit, Scrutiny and Petitions Board in March.
68. The report reviews the council's Local Code of Corporate Governance and how the council complies with the code. Internal audit review the report and confirmed that the local code had been updated in line with best practice developments. They also check, on a sample basis, evidence used to demonstrate compliance with the Code and concluded the council complies with the requirements of the Code.

## Internal control

69. As part of our audit we reviewed the high level controls in a number of systems fundamental to the preparation of the financial statements. Our objective was to obtain evidence to support our opinion on the council's financial statements.
70. Overall, no material weaknesses in the accounting and internal control systems were identified which could adversely affect the ability to record, process, summarise and report financial and other relevant data so as to result in a material misstatement in the financial statements. We identified a small number of examples where invoices were authorised in excess of the

required authorised signatory limits. We therefore extended our substantive testing and the results were satisfactory.

## Internal audit

71. Internal audit provides members and management of the council with independent assurance on risk management, internal control and corporate governance processes. We are required by international auditing standards to make an assessment of internal audit to determine the extent to which we can place reliance on its work. To avoid duplication, we place reliance on internal audit work where possible.
72. Our review of internal audit concluded that internal audit operates in accordance with Public Sector Internal Audit Standards and has sound documentation and reporting procedures in place.
73. The 2014-15 Internal Audit Plan was met with 95% of the plan completed by the 31 March with the remaining finalised after the year end.
74. Formal reliance on the work undertaken by internal audit in 2014/15 was placed for the following financial systems:
  - Non Domestic Rates
  - Payroll
  - Treasury Management.
75. The annual internal audit report was issued in June 2015 and we note that reasonable assurance was provided over the adequacy and effectiveness of the council's internal control, risk

management and governance arrangements. The appendix to the annual report also includes details of a number of audits where the scope of the audit was limited, including the SEEMIS review and laptop encryption. The scope was limited for these audits due to a lack of available information from an external supplier and to the absence of an appropriate risk assessment, respectively.

## Arrangements for the prevention and detection of fraud

76. The arrangements for preventing and detecting fraud are appropriate, based on the existence of appropriate policies, results of NFI matches and the local follow up arrangements.

## National Fraud Initiative in Scotland

77. The National Fraud Initiative (NFI) in Scotland brings together data from the systems of participating bodies. This allows auditors and bodies to identify potentially fraudulent claims
78. The NFI process identified a total of 5,985 matches for the Council of which 1,471 were recommended matches. A total of 1,370 matches were investigated by council officers. This work identified eight frauds (seven in housing benefit) and three errors resulting in savings of £24,000.
79. The council has satisfactory arrangements in place for investigating and reporting matches. Progress is reported to members during the exercise, however the last update to members was in February 2015. Regular updates are provided to

senior management at CMT meetings and the audit panel (which meets twice yearly).

80. The Counter Fraud team began a corporate fraud pilot in 2014/15. The focus of this pilot was tenancy fraud, Scottish Welfare Fund fraud and an assessment of the potential use of data matching. As a result of the pilot a corporate counter fraud action plan was developed with actions identified to ensure the council is well placed to manage the transition to the counter fraud team.
81. Our Housing Benefit risk assessment confirmed that three of the four risks identified have been addressed in year but further work was required in relation to publicising successful outcomes of prosecutions on the council website or local press and media.
82. The chief internal auditor is preparing a business case for 30 September 2015 for the Director of Finance and Resources, which will show the future direction of the council's fraud arrangements prior to the transfer date for the team to the Single Fraud Investigation Service of March 2016.

## Arrangements for maintaining standards of conduct and the prevention and detection of corruption

83. The arrangements for the prevention and detection of corruption in the council are satisfactory and we are not aware of any specific issues that we need to record in this report.

84. During the year a councillor was reported to the Commissioner for Ethical Standards in Public Life in Scotland (the Commissioner) for an alleged breach of the councillors' code of conduct relating to conduct at meetings.
85. The Commissioner concluded that the councillor had breached paragraph 3.2 of the councillors' code of conduct and as a result the councillor was censured.

## Transparency

86. When assessing transparency we consider questions such as:
- Are meetings are held in public?
  - Are papers and corporate documents available online and there is only limited use of taking papers in private?
  - Are financial statements clearly presented and budget monitoring papers concise and clear?
  - Is a register of interests available on the website?
87. At Renfrewshire Council meetings of the full Council and boards are held in public with papers available on the website. Following a trial period, members agreed in June 2015 for the full Council meetings to be filmed for live or subsequent broadcast via the council's internet site.
88. There are some papers that are taken privately but these include either personal or commercially sensitive information and we do not see excessive exclusion of press and public.

89. The management commentary in the accounts now includes information to allow final budget figures to be agreed to Revenue Estimates approved by members in February 2014.
90. Members' registers of interest are available on the website. Chief officers have registers but these are not available on the website.

## Appendix IV action plan point 2

## Welfare Reform

91. The impact of the changes on residents due to welfare reform has been one of the council's top risks. The financial and resource pressures from welfare reform have been managed successfully through the work of the Welfare Reform Steering Group, increased project management and customer services resources.
92. The Finance and Resources Policy Board is updated at each meeting with a Welfare Reform and Performance Statement including reports on speed of processing of housing/council tax benefit, updates on discretionary housing payments and the Scottish Welfare Fund.
93. The level of DHP awarded increased significantly from last year from £0.9 million to £1.8 million and the volume of application increased by 27%. Payments from the Scottish Welfare Fund increased slightly by £0.05 million to £1.3 million but the council had to process 20% more applications.
94. A potential risk of welfare reform was increasing rent arrears. Net rent arrears actually decreased to £2.6 million from £2.7 million in



2013/14, but this is after an additional £0.5 million of bad debt provision to cover short term accommodation debt.

## Housing and council tax benefits performance audit

95. In June 2015 we reported that the council had made commendable progress in addressing risks raised in our 2012 audit of housing and council tax benefits with 23 risks actioned and only 1 outstanding. Our report recognised the following performance highlights:
- A clear and comprehensive performance management regime and regularly reporting of benefit performance to staff, senior management and members
  - Continuous improvement in new-claimant processing performance from an average of 30 days in 2012/13 to 25 days in 2014/15
  - Improvement in the time taken to process changes of circumstances from an average of 13 days (2013/14) to 8 days in 2014/15.
96. The report noted that the council make good use of all recovery options to reclaim housing benefits overpayments. However, as at 31 March the debt was £5.8 million, with a bad debt provision at 85%. This is due to the Department of Work and Pensions providing improved real-time information, resulting in the council identifying overpayments more quickly. The council is testing software reporting tools to design a reconciliation process for

overpayments which will further help explain the overpayment position and help with recovery.

## Delivering through partnership

### Following the public pound

97. In January 2015 the Accounts Commission sent a letter to councils encouraging them to apply good practice more consistently across ALEOs highlighting the importance of strong governance for ALEOs particularly around minimising potential conflicts of interests, ensuring regular and proportionate monitoring, including clauses for review and termination in funding agreements. This should apply to the many arrangements the council enters into to provide funding to third parties.
98. In our annual report for 2013/14 we stated there could be clearer roles on council monitoring of performance, particularly if the remit of Renfrewshire Leisure Limited (RLL) is expanded. The council agreed to expand the remit of RLL during 2014/15 and this was fully established in July 2015.
- Appendix IV – action plan point 3**
99. Increasingly, councils deliver services through partnerships and arms' length external organisations. For the council, the main recent developments are the integration of health and social care, expanding the remit of Renfrewshire Leisure Limited and being part of the Glasgow and Clyde Valley City Deal.

## Integration of health and social care

100. The Public Bodies (Joint Working) (Scotland) Act received royal assent on 1 April 2014. The Act provides the framework for the integration of health and social care services in Scotland.
101. The Integrated Joint Board (IJB) covering Renfrewshire Council was legally constituted in June 2015. The partnership is on track to deliver the integration scheme which must be in place by 1 April 2016. A programme of work consisting of ten work streams is in place and a timeline for delivery has been agreed.
102. A Chief Officer and Chief Finance Officer have been recruited and their appointments will be presented for ratification at the first meeting of the IJB in September 2015. To support communication with the council, the Chief Officer is a member of the council CMT.
103. A strategic plan is in development and it is anticipated that a draft proposal on the content for the strategic plan will be developed by September 2015.
104. Officers recognise that further supporting work to develop the partnerships visions, aims and objectives is required to ensure successful delivery of the partnership.

### Appendix IV – action plan point 4

## Renfrewshire Leisure Limited (RLL)

105. In December 2014 members approved the proposal to extend the remit of RLL to include the management and delivery of cultural

and leisure services. The transfer of the management of services and employees was planned to take place over two phases; with the first phase on 1 July 2015 and the second phase on 1 December 2015. The business case estimates that annual savings of £0.6 million could be achieved, primarily through non domestic rates relief. High level risks were also set out in the business case with an outline of how these would be managed.

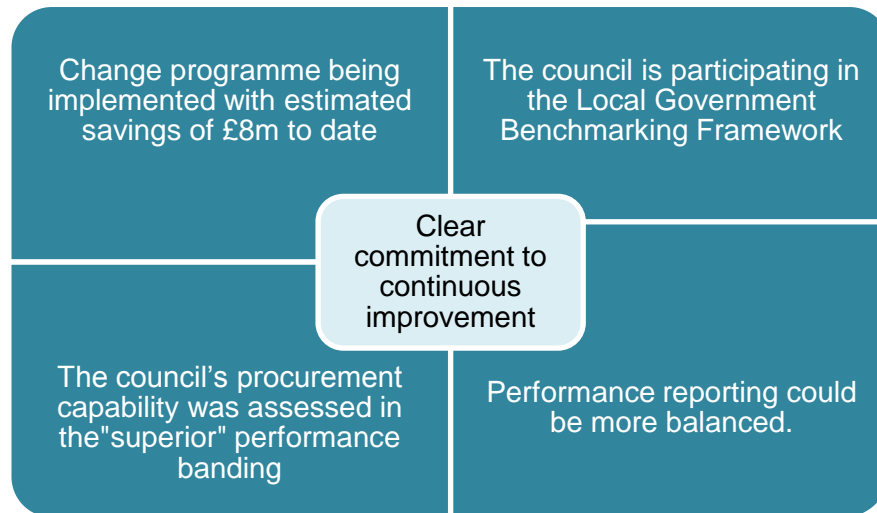
106. The process was managed by a separate steering group convened by the Chief Executive. In June 2015 members were advised that the planned transfer for 1 July was still on target and savings of £0.6 million were still due to be achieved. Risk areas like VAT have been reviewed with external expert advice.

## Glasgow and the Clyde Valley City Deal

107. The council is progressing its participation in the £1.13 billion Glasgow and Clyde Valley City Deal initiative (with £274 million investment for the Renfrewshire area) which will be used to fund major infrastructure projects, drive innovation and address challenges in the labour market across eight participating local authorities.
108. The three main infrastructure projects for the Renfrewshire area are:
  - Clyde Waterfront and Renfrew Riverside - £78.3 million, with £10.7 million funded by the council
  - Glasgow Airport Investment area - £51.4 million, with £7 million funded by the council

- Glasgow Airport Access Project Link - £144.3 million.
- 109.** The council estimates it will receive £112 million of government grants towards the cost of the first two projects and the airport project will be fully funded by grant, split 50:50 between the UK Treasury and Scottish Government budgets.
- 110.** Approval and reporting is through the Leadership Board. The Board approved the first two projects in June 2015. The Glasgow and Clyde Valley Cabinet have since approved the allocation of grant funding for the preliminary costs required to develop the outline business cases.
- 111.** The council has implemented project management arrangements to oversee the projects including a governance structure and project risk management procedures.

# Best Value



112. Best value is a key factor to consider when planning policies, programmes and projects and when taking any spending decisions. The council should have systems and processes to ensure that it can demonstrate that it is delivering best value by assessing and reporting on the economy, efficiency, effectiveness and equality in service provision.

## Local scrutiny plan

113. The Local Area Network (LAN) of scrutiny partners published the 2015/16 Local Scrutiny Plan in April 2015. This was presented to the Audit, Scrutiny and Petitions Board on 1 June 2015. No scrutiny risks were identified that required specific additional

scrutiny by the LAN in 2015/16. The council continues to demonstrate a commitment to continuous improvement and is aware of, and monitoring, the key risks to meeting outcomes and service delivery.

114. Since the LSP was published, the HMICS and the Care Inspectorate carried out a joint thematic review to assess efficiency and effectiveness of multi agency protection arrangements (MAPPA) in Scotland. The fieldwork for Renfrewshire Council is now complete and a report is being prepared that will be published later in the year.

## Better Council Strategic Change Programme

115. In February 2014 members agreed to establish the Better Council Strategic Change Programme (2014-2017) which was established to improve efficiency, modernise ways of working and deliver savings to address the council's forecast medium term budget deficit of £30 million and deliver the community and council plans.

116. Key projects include the corporate support model review which reviewed how the council organises and delivers corporate support functions and covered administrative, professional and business support functions, resulting in the workforce review with 227 staff leaving under 2014/15 VR/VER scheme. The transfer of services to Renfrewshire Leisure Limited also forms part of phase one.

- 117.** In June 2015 members approved an £11m street lighting project. The net recurring revenue saving, after addressing the ongoing annual revenue cost arising from the prudential borrowing, is estimated at approximately £0.750 million.
- 118.** Phase two will focus on the ICT systems that support finance and HR systems. The council consider that current systems are not sufficiently integrated, with too many manual interfaces and high support costs. Following an options appraisal officers are looking to purchase an integrated finance/HR and procurement system at an investment of £3-4 million with estimated efficiencies of over £2 million per annum.

### Self assessment

- 119.** The council uses the Public Service Improvement Framework as a model for self assessment and in 2014 completed their second cycle, with an evolution discussed by the CMT in January 2015. The council scored well on services processes; partnership working and other resources. Areas including communication and people development achieved lower scores and actions plans are in place to address this. A third cycle is being rolled out in February 2015.

### Procurement

- 120.** In 2009 the Scottish Government introduced an annual evidence-based assessment, the procurement capability assessment (PCA), to monitor public bodies' adoption of good purchasing

practice and as a basis for sharing best practice. The council was originally evaluated as 'non-conformant' and a series of improvements were planned. Over the following years performance improved and in December 2012, the council was the first to achieve superior performance with a score of 75%.

- 121.** The December 2014 assessment scored the council again at superior performance and the score had increased to 83%, which is the highest in Scotland; the average is 62%. This shows the council continue is committed to improving procurement practice and their focus of work for 2015/16 is contract and supplier management.

### Performance management

- 122.** The council has a well established performance management framework in place. Service improvement plans (SIPs) are based on the council plan and incorporate performance outcomes, and SIP scorecards continue to be reported to the relevant policy board every six months. The council uses a performance management system to monitor progress against actions.
- 123.** Following the publication of the community plan in 2013, a new council plan was approved by the Council in December 2013 (2014-2017 *A Better Council, A Better Council*). Last year we reported that the plan describes what the council will do to deliver community plan objectives but a suite of performance measures was still to be developed.

124. 2015 has been a year of transition with a new Chief Executive in place from November 2014 and officers have been working with the new Chief Executive and CMT on reviewing the best format for updates to the CMT and to the Leadership Board.
125. The Chief Executive has established quarterly performance meetings with the CMT where performance on a themed basis will be discussed, covering the key priorities for the council e.g. regeneration, city deal, city of culture bid and tackling poverty.
126. The council plan contains over 170 actions. In February 2015 a year one-monitoring report outlined key achievements for the previous year and the focus for the coming year. The monitoring report focuses on key positive messages. This makes it difficult to identify those actions where progress has been limited. A second update is going to the December 2015 meeting of the Leadership Board. Our view is that overall balance could be improved if the reporting could convey the overall achievement against 170 actions and indicate examples where progress is less than expected or where further improvement is required.

#### Appendix IV – action plan point 5

### Local Government Benchmarking Framework (LGBF)

127. The council participate in the LGBF and the indicators are included in service improvement plans. The 2014/15 data is currently being collected. The validated 2013/14 data was published by the Improvement Service on 31 March 2015 and all

of the 2013/14 LGBF details are on the council website. Key messages on Renfrewshire's performance were taken to the Audit, Scrutiny and Petitions Board in June 2015.

128. Key messages from that report included both improved positions and declining positions across a range of indicators.
- Of the 55 national indicators, 45% have improved in ranking, 16% stayed the same and 31% declined, with no trend information available for the remaining indicators.
  - The council ranks in the top quartile (first eight) of Scottish councils for 12 indicators e.g. 6<sup>th</sup> for percentage of pupils from deprived areas gaining 5+ awards at level 6 and 6<sup>th</sup> for percentage of children looked after in the community.
  - The council is in the bottom quartile for 10 of the indicators. This includes street cleanliness which has dropped from 24<sup>th</sup> to 31<sup>st</sup> place. The report to members explains the focus has been to target town centres and known litter spots with other areas having to reduce accordingly.

### Overview of performance targets in 2014/15

129. Service Improvement Plan outturn reports are provided to the policy boards bi-annually and are available through the council website. Some of the reporting deadlines for indicators under the Local Government Benchmarking Framework for 2014/15 are not due until November and so a summary position for 2014/15 is not yet available.
130. Examples from the unaudited 2014/15 key indicators are below:

- Percentage of council tax due in the year collected by the end of the year (cumulative position) has increased to 96% from 94.69% (2013/14) and 95.94% (2012/13). The cost of collecting council tax per chargeable dwelling has decreased over two years from £13.40 for 2012/13 to £11.26 in 2014/15.
- Indoor facilities attendances/1000 population – 8,801, which is back to 2012/13 levels after an increase to 11,410 in 2013/14. Budget gym operators are impacting on council memberships and visits.
- 31 March 2015 was the deadline to meet the Scottish Housing Quality Standards. The council had only 62% percentage completion rates as at 31 March 2014. By 2015 this increased to 84% with the remaining properties in abeyance (where the current tenant refused internal work, or the council has been unable to secure owner participation to allow external works to be carried out).

### Statutory performance indicators (SPIs)

131. The approach to Public Performance Reporting (PPR) was evaluated across all of Scotland's councils by Audit Scotland during 2014/15. This was reported to the Accounts Commission in June 2015 and an individual assessment for Renfrewshire Council issued to the Chief Executive in July 2015.
132. Renfrewshire Council was rated as fully meeting the requirements in 17 (65%) of the 26 PPR categories, with the remaining nine categories assessed as being areas for improvement. This is

better than the previous year's results (58% fully, 37% partially and 5% not meeting the criteria).

### National performance audit reports

133. Audit Scotland carries out a national performance audit programme on behalf of the Accounts Commission and the Auditor General for Scotland. During 2014/15, a number of reports were issued which are of direct interest to the council. These are outlined in appendix III. The council has established processes in place to ensure that all national reports, and the council's position on the recommendations, are considered by members.

### Equalities

134. The Equality Act 2010 introduced a new public sector 'general duty' which encourages equality to be mainstreamed into public bodies' core work. The Act requires that by no later than 30 April 2015 and every two years thereafter, public bodies must publish a report on the progress made to achieve the quality of outcomes it has set. The council met this requirement; on 1 April 2015 the Leadership Board reviewed the Equality Outcomes and Mainstreaming Progress Report, which updated members on progress against its 12 equality outcomes, employee information and gender pay gap information.
135. From 2012 - 2014 the council worked with Fife Council on piloting 'good practice' approaches to carrying out equality and human

rights impact assessments that had been prepared by Scottish Human Rights Commission and Equality and Human Rights Commission.

136. Overall we conclude that the council has a clear commitment to best value through continuous improvement.



# Appendix I – Significant audit risks

The table below sets out the financial statement audit risks we identified during the course of the audit and how we addressed each risk in arriving at our opinion on the financial statements.

Audit Risk	Planned assurance procedure	Results and conclusions
<b>Risk of material misstatement</b>		
<p><b>Requirements of the new accounting regulations:</b> The Local Authority Accounts (Scotland) Regulations 2014 require the local authority to meet by 30 September to consider whether to approve the audited annual accounts for signature. These new regulations include a requirement for a management commentary in the financial statements.</p>	<ul style="list-style-type: none"> <li>Review the revised scheme of delegation to ensure changes due to the 2014 Regulations are included.</li> <li>Continue to liaise with officers to deliver the audit to the revised timetable</li> </ul>	<ul style="list-style-type: none"> <li>The scheme of delegation was revised.</li> <li>The audit was completed to the revised timetable.</li> </ul>
<p><b>Income</b></p> <p>Renfrewshire Council receives a significant amount of income in addition to SG funding.</p> <p>The extent and complexity of income means there is an inherent risk of fraud in accordance with ISA240.</p>	<ul style="list-style-type: none"> <li>We will substantively test revenue streams to ensure that income has been completely and accurately recorded.</li> </ul>	<ul style="list-style-type: none"> <li>We tested income across a variety of income streams and service departments and results were satisfactory and we did not identify any evidence of fraud.</li> </ul>

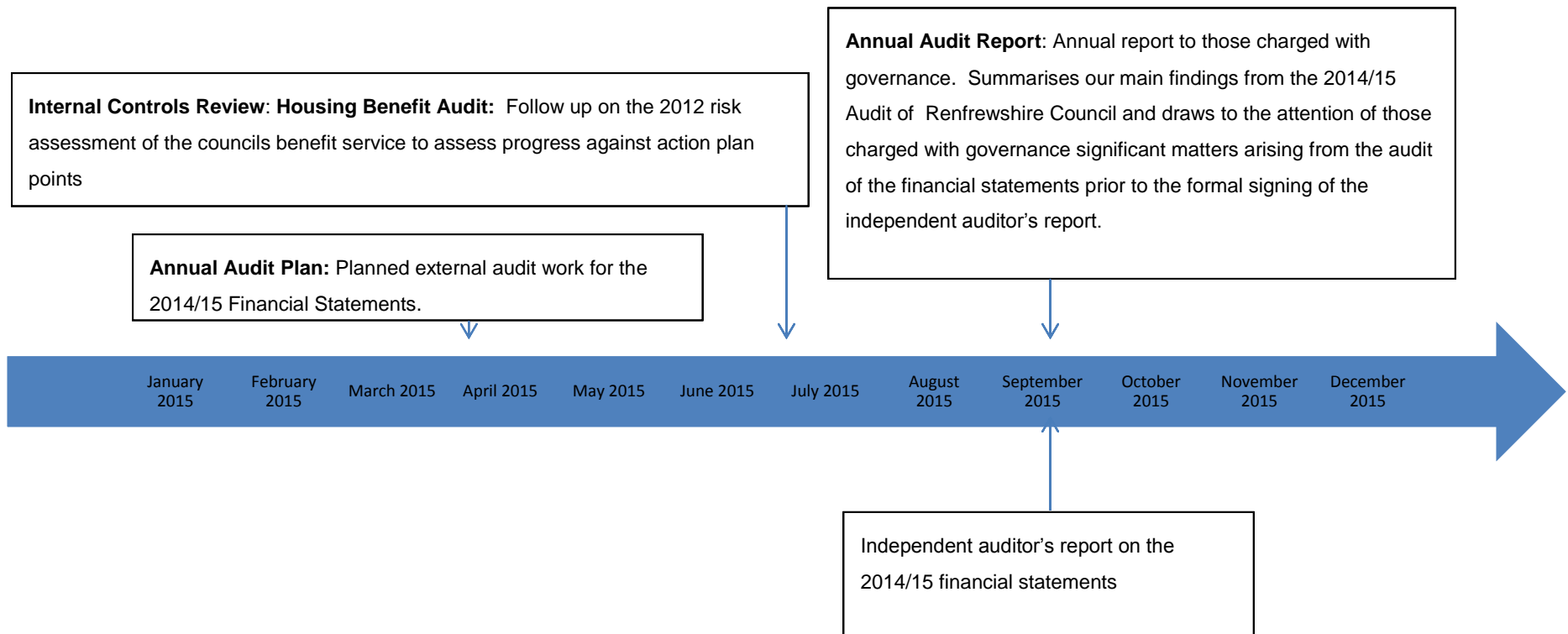
Audit Risk	Planned assurance procedure	Results and conclusions
<p><b>Management override of controls</b></p> <p>As stated in ISA 240, management is in a unique position to perpetrate fraud because of management’s ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p>	<ul style="list-style-type: none"> <li>• Detailed testing of journal entries</li> <li>• Review of accounting estimates for bias</li> <li>• Evaluating significant transactions that are outside the normal course of business.</li> </ul>	<ul style="list-style-type: none"> <li>• No unusual or inappropriate transactions were identified as part of detailed testing of journal entries.</li> <li>• A review of accounting estimates did not show any instance of bias.</li> <li>• No significant transactions outside the normal course of council business were identified.</li> <li>• Cut-off testing was satisfactory</li> <li>• Our conclusion is that there is no management override of controls at the council.</li> </ul>
<p><b>Management commentary</b></p> <p>The 2014 Regulations require that the accounts include a management commentary but Scottish Government guidelines on format and content are still to be issued. Officers may have to refer to wider Government Financial Reporting Manual guidance in order to construct a fully compliant commentary.</p>	<ul style="list-style-type: none"> <li>• Our audit of the 2014/15 financial statements will review in detail compliance with the new accounting regulations and management commentary disclosures.</li> </ul>	<ul style="list-style-type: none"> <li>• We reviewed the management commentary against the Scottish Government guidance and in general terms the new guidelines were met. At the request of audit, information was added on capital performance, budget movements and key performance indicators.</li> </ul>

Audit Risk	Planned assurance procedure	Results and conclusions
<p><b>Group Accounts</b></p> <p>As a result of the adoption of IFRS 10, the definition of control has been revised. This is used to determine treatment of interests in other entities.</p> <p>There is a risk that the financial statements for 2014/15 do not correctly account for, or disclose, the group arrangements.</p>	<ul style="list-style-type: none"> <li>• Review of group boundary assessment for group entities</li> <li>• Review completeness and accuracy of disclosures within the group financial statements.</li> </ul>	<ul style="list-style-type: none"> <li>• The accounting treatment of Renfrewshire Leisure Limited was amended as a result of management’s review.</li> <li>• There were a number of minor audit adjustments to the group statements.</li> </ul>
<p><b>Holiday pay</b></p> <p>Councils may be liable for 'back-dated' element of holiday pay costs, however there is uncertainty over the potential liability and there is a risk that this may be understated in the financial statements or not adequately disclosed.</p>	<ul style="list-style-type: none"> <li>• Discussions to be held with Legal services during the financial statements audit.</li> <li>• Assessment of judgements and evaluations made by officers and of the financial liability at 31 March 2015 to ensure completeness and accuracy</li> </ul>	<ul style="list-style-type: none"> <li>• We discussed the position with Head of Corporate Governance.</li> <li>• We reviewed the provision in the accounts and assessed that the provision is accurate and complete.</li> </ul>

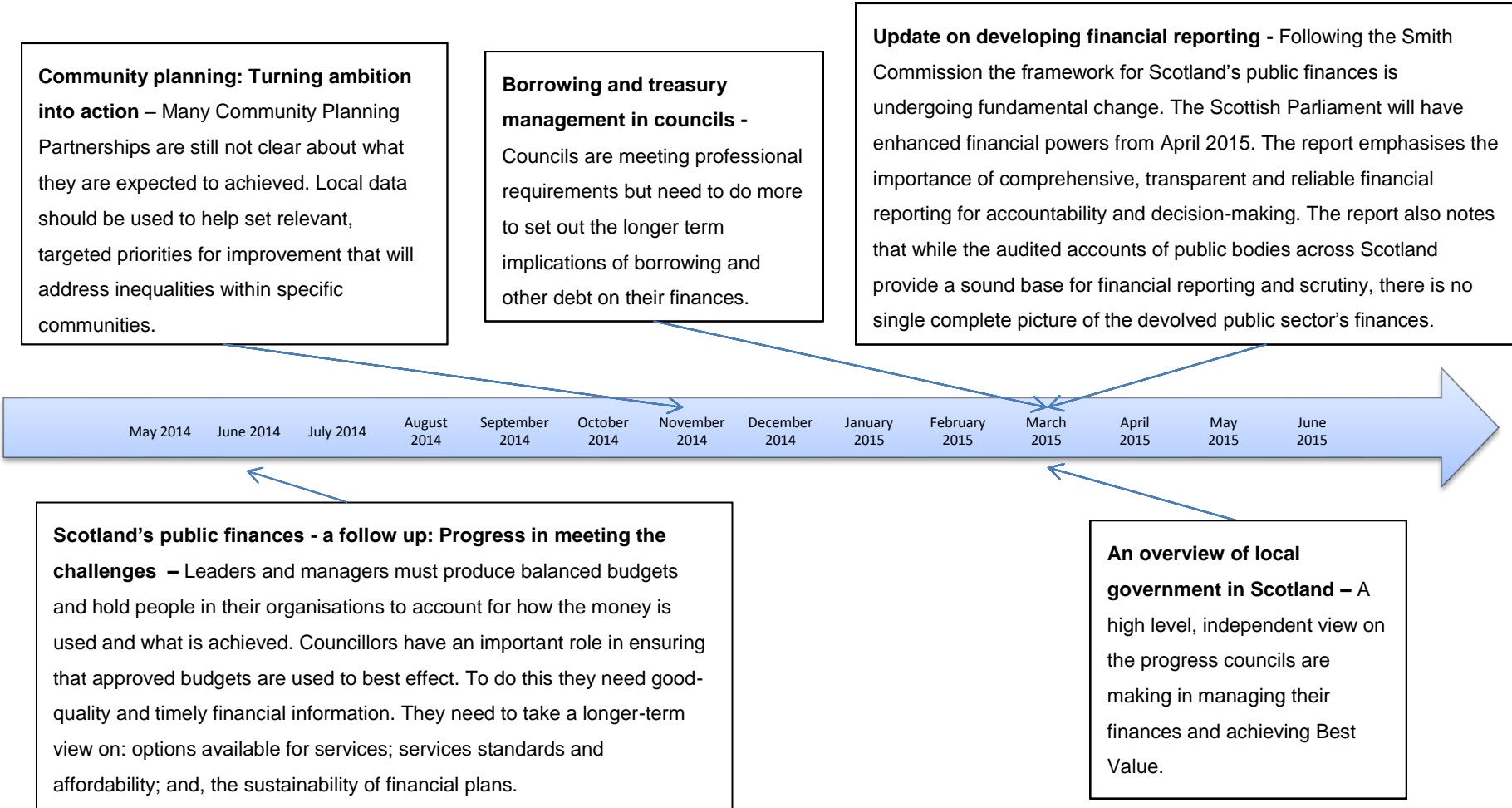
Audit Risk	Planned assurance procedure	Results and conclusions
<p><b>Severance payments</b></p> <p>There is a lot of structural change to be managed in addition to senior staff changes and over 100 staff leaving under voluntary severance in 2014/15.</p> <p>There is a risk that the financial liabilities associated with these severances will not be completely or accurately reflected in the financial statements or the remuneration report. There is also a risk that any payment may not be fully supported by appropriate authorisation and a business case.</p>	<ul style="list-style-type: none"> <li>• Substantive testing of a sample of severance payments to ensure that they are appropriately authorised and reported to committee and represent best value</li> <li>• Review of the classification, completeness and accuracy of liabilities, within the financial statements, associated with the severance scheme.</li> <li>• Review of the associated disclosures within the financial statements including the remuneration report</li> </ul>	<ul style="list-style-type: none"> <li>• 227 packages were agreed during 2014/15 and we tested a sample of exit packages and confirmed they were approved by a director.</li> <li>• We examined assessments of payback periods and checked that all pension costs were included and accurate.</li> <li>• We conclude that the authorisation and best value assessments were completed appropriately and accounts disclosures accurately recorded.</li> </ul>
<p><b>Common Good</b></p> <p>The revaluation reserve in the Common Good accounts is an historic balance, which council officers are unable to fully substantiate. There may be a technical accounting error in the allocation of the reserves between Unrestricted Funds and the Revaluation Reserve.</p>	<ul style="list-style-type: none"> <li>• Ongoing discussion with finance staff during planning and controls work.</li> <li>• Detailed review of the allocation of common good reserves between unrestricted and revaluation elements during financial statements audit.</li> </ul>	<ul style="list-style-type: none"> <li>• Officers provided updated figures which we reviewed and confirmed restated balances were correct.</li> </ul>

Audit Risk	Planned assurance procedure	Results and conclusions
<b>Risks identified from the auditor’s wider responsibility under the Code of Audit Practice</b>		
<p><b>Financial position and funding gap</b> Officers estimate that over the medium term to 2017/18 annual recurring savings of £30 million are required. The initial phase of The Better Council Change Programme (2014-2017) is anticipated to realise savings of £8.4 million over the medium term. There are additional financial risks arising from pay pressures and growing demand pressures on key service areas</p> <p>There is a risk that savings targets are not met and the ongoing need to deliver savings may have an impact on services and the delivery of strategic priorities.</p>	<ul style="list-style-type: none"> <li>• Review of detailed budget papers.</li> <li>• On-going discussion with council officers.</li> <li>• Review of progress/ achievement against savings plans and the budgeted financial outturn.</li> </ul>	<ul style="list-style-type: none"> <li>• Officers provided details of scenario planning for the period up to 2017/18 as evidence of future financial planning</li> <li>• Updates on the Better Council Change Programme were provided to members in year noting proposed actions for key savings areas.</li> <li>• We reviewed these papers and assessed the council’s overall financial planning arrangements as effective and its financial position is sustainable.</li> </ul>
<p><b>Performance management</b> A suite of performance measures is still to be developed to support the new council plan 2014-2017, A Better Future, A Better Council</p> <p>There is a risk that the performance against the new council plan is not transparent.</p>	<ul style="list-style-type: none"> <li>• We will review the scorecard and assess whether it represents a fair and balanced reflection of performance.</li> </ul>	<ul style="list-style-type: none"> <li>• Performance scorecards have been developed for CMT and the Leadership Board has received highlights focusing on the significant projects. However it is difficult to see clearly those projects where there has been little progress.</li> </ul> <p><b>Appendix IV – action plan point 4</b></p>

# Appendix II - Summary of local audit reports 2014/15



# Appendix III - Summary national reports 2014/15



## Appendix IV - Action plan

No.	Para	Issue/risk/Recommendation	Management action/response	Responsible officer	Target date
1	66	<p><b>Convener of the Audit, Scrutiny and Petitions Board</b></p> <p>The convener of the Audit, Scrutiny and Petitions Board is currently a member of the administration when best practice would be for the convener to be from the opposition.</p> <p>We recommend that this position is reviewed in the medium term and that the administration following the local government elections in 2017 adopt a policy of having the convener of the main audit and scrutiny board from the opposition.</p>	<p>The March 2015 Local Government Overview Report was included in papers for the Audit, Scrutiny and Petitions Board in June 2015.</p> <p>The next local government elections will not take place until 2017. The Head of Corporate Governance will raise with the incoming administration the Audit Scotland recommendations on convener of audit committees.</p>	Head of Corporate Governance	May 2017
2	90	<p><b>Register of interests</b></p> <p>Register of interests for members are available on the council website but the register for chief officers is not.</p> <p>We recommend that all register of interests are made available on the Renfrewshire Council website.</p>	<p>The council will consider the recommendation taking into account good practice in other public sector organisations and the interaction of public disclosure with other relevant legislation and regulation.</p>	Director of Finance and Resources	Dec 2015



No.	Para	Issue/risk/Recommendation	Management action/response	Responsible officer	Target date
3	98	<p><b>ALEO performance</b></p> <p>Renfrewshire Leisure Limited was expanded as a newly established Leisure and Cultural Trust in July 2015.</p> <p>Reporting arrangements on the ALEO performance should be reviewed to ensure that the council exercises routine monitoring, overall scrutiny and undertakes periodic review of its ALEO arrangements.</p>	<p>The council agreed in December 2014 revised reporting arrangements for the new Trust which would take effect once it was established. These arrangements will now come into effect, with performance of the Trust being monitored through reports to the Leadership Board</p>	<p>Head of Policy &amp; Performance</p>	<p>Sept 2015</p>
4	104	<p><b>Health and social care integration</b></p> <p>There are many governance and operational arrangements to be agreed prior to the implementation date of 1 April 2015 and regulations have still to be issued by the Scottish Government.</p> <p>Once regulations are issued plans should be reviewed for progress and resource pressures</p>	<p>Risk log in place and monitored for progress and emerging risks.</p> <p>Plans are in place for all tasks to ensure implementation by 1 April 2016.</p>	<p>Chief Executive Director of Finance and Resources Chief Officer of the Renfrewshire Health and Social Care Partnership.</p>	<p>April 2016</p>

No.	Para	Issue/risk/Recommendation	Management action/response	Responsible officer	Target date
5	126	<p><b>Progress reports on council plan</b></p> <p>The council plan <i>A Better Future, A Better Council</i> includes over 170 actions. Updates to members focus on key messages only.</p> <p>We recommend that the council considers a revised form of reporting which captures the range of performance across 170 actions. This might include an overall assessment of achievement against the total number of actions and illustrations of actions achieved as well as those not achieved.</p>	<p>As part of the heads of service changes, a new Head of Policy and Commissioning was appointed in June 2015, who will be reviewing performance management arrangements.</p>	<p>Head of Policy and Commissioning</p>	<p>March 2016</p>