

AUDIT AND RISK MANAGEMENT COMMITTEE

Meeting of Tuesday 17 May 2016
at 10:30am in Council Offices, English Street, Dumfries

Present

Members

Gillian Dykes (Chairman)	- Mid and Upper Nithsdale
Patsy Gilroy (Vice-Chairman)	- Dee
Graham Bell	- North West Dumfries
Archie Dryburgh	- Annandale East and Eskdale
Alistair Geddes	- Mid Galloway
David J McKie	- North West Dumfries
George N Prentice	- Castle Douglas and Glenkens
Willie Scobie	- Stranraer and North Rhins
Davie Stitt	- Abbey
Ted Thompson	- Lochar
Andrew S Wood	- Mid and Upper Nithsdale

Officials

Rhona Lewis	- Head of Legal and Democratic Services
Lillian Cringles	- Head of Social Work/Chief Social Work Officer
Paula Doherty	- Principal Benefit Officer
Andrew Ewart	- Treasury/Insurance Officer
Kevin Geraghty	- Chief Internal Auditor
James Pocock	- NGB Programme Manager
Claire Thomson	- Governance Officer
Sue White	- Principal Health and Safety Adviser

In Attendance

Antony Clark	- Audit Scotland
James Gray	- PwC

Lorna Meahan
Director Corporate Services

1 SEDERUNT AND APOLOGIES

11 Members present

2 DECLARATIONS OF INTEREST

NONE declared

3 MINUTE OF MEETING OF 28 JANUARY 2016**Decision****NOTED**

PROCEDURE - The Chairman, with the agreement of Members, advised that she intended to take item 9 (Internal Audit Reports Issued) next to allow the Head of Social Work to speak to the Out of Region Residential Placements. In addition, the Head of Legal and Democratic Services advised that the Internal Audit report issued on Performance Management - Use of Customer Satisfaction Information was withdrawn to allow for more detailed information to be provided to meet the request for the report by this Committee. This was agreed. Decisions are recorded in the order set out in the agenda calling the meeting.

4 LOCAL AREA NETWORK - LOCAL SCRUTINY PLAN 2016/17 - REPORT BY DIRECTOR CORPORATE SERVICES**Decision**

4.1 Having received a briefing from Audit Scotland on the Local Area Network lead, **CONSIDERED** the Local Scrutiny Plan 2016/17 for Dumfries and Galloway Council, attached as an Appendix to this report; and

4.2 **AGREED** to receive a presentation by the Director Communities on progress with the Improvement Plan and to seek assurance that issues are being addressed and prioritised and performance is improving.

5 INTERIM MANAGEMENT LETTER FROM PWC ON 2015/16 AUDIT OF DUMFRIES AND GALLOWAY COUNCIL - REPORT BY HEAD OF FINANCE & PROCUREMENT**Decision****NOTED**

5.1 that no issues had been raised in the External Auditor's interim management letter; and

5.2 that this Committee would be updated on progress against all outstanding external audit action points as part of the Auditors ISA260 report in September 2016.

6 HEALTH AND SAFETY PROGRESS REPORT - REPORT BY DIRECTOR CORPORATE SERVICES

Decision

6.1 **REVIEWED** the overall summary of performance for the Corporate Health & Safety Action Plan for the period 1 October 2015 - 31 March 2016 (Appendix 1 of the report);

6.2 **SCRUTINISED** the exception reporting at Appendix 2 of the report which detailed activities that were not on target; and

6.3 **APPROVED** the refreshed Corporate Health and Safety Plan for 2016-19 referred to at paragraphs 3.15 and Appendix 4 of the report.

7 HOUSING BENEFIT AND COUNCIL TAX REDUCTION - RISK-BASED VERIFICATION (RBV) POLICY - REPORT BY DIRECTOR COMMUNITIES

Decision

7.1 **ENDORSED** the approach (paragraph 3.3 of the report) being taken to improve the efficiency of gathering verification of evidence for Housing Benefit (HB) and Council Tax Reduction (CTR) claims;

NOTED

7.2 the approach (paragraph 3.7 of the report) taken ensured current best practice was being applied to the verification of evidence;

7.3 the legal frameworks (paragraph 3.10 of the report) that allowed Dumfries and Galloway Council to adopt this practice; and

7.4 **ENDORSED** the approach (paragraph 3.6 of the report) being taken to improve the service provided to customers of Dumfries and Galloway Council.

8 DUMFRIES AND GALLOWAY COUNCIL DRAFT ANNUAL GOVERNANCE STATEMENT 2015/16 - REPORT BY DIRECTOR CORPORATE SERVICES

Decision

8.1 **REVIEWED** the draft Annual Governance Statement for 2015/16 (Appendix to the report) and suggested the following additions and amendments:-

- the request for interpretation of definitions within the Schemes of Delegation to Committees and Officers;
- the need for an ongoing review of the authority's decision-making framework;

- the inclusion of reputational and financial risks to the Council in respect of major capital projects, such as a flood prevention scheme, waste management strategy, Dumfries Learning Town, Stranraer regeneration whilst acknowledging the responsibility of strategic Committees to scrutinise issues within their remit;
- greater clarity on the responsible reporting Committee/governing body on issues such health and social care integration;

8.2 **DELEGATED** to the Head of Legal and Democratic Services to arrange the necessary revisions to the draft Annual Governance Statement following this Committee; and

8.3 **NOTED** that the draft Annual Governance Statement for 2015/16 would be subject to further review and revision by Corporate Management Team and thereafter submitted for approval to the Policy and Resources Committee on 16 June 2016. The Annual Governance Statement would then form part of the unaudited financial accounts presented to Full Council on 28 June 2016.

9 INTERNAL AUDIT REPORTS ISSUED - REPORT BY DIRECTOR CORPORATE SERVICES

Decision

APPROVED the action plans set out in the finalised internal audit reports on Out of Region Residential Placements, Main Financial Systems - Revenue Budgeting, and Main Financial Systems - Treasury Management, **NOTING** the new style of reporting and action plan.

10 PERFORMANCE AGAINST INTERNAL AUDIT ACTION PLANS - REPORT BY DIRECTOR CORPORATE SERVICES

Decision

NOTED

10.1 the progress made in implementing internal audit recommendations as detailed in the Appendix of the report; and

10.2 that a third extension request had been made on the timescale for the development and approval of a policy addressing sensitive personal data being stored on email, which was anticipated to be September 2016.

11 OUTTURN AGAINST THE 2015-16 INTERNAL AUDIT PLAN AND CONTROLS ASSURANCE STATEMENT - REPORT BY DIRECTOR CORPORATE SERVICES

Decision

NOTED

11.1 the progress made on the 2015-16 internal audit plan as detailed in Appendix 1 of the report; and

11.2 the Controls Assurance Statement for 2015-16 (Appendix 2 of the report) which gave a positive assurance on the Council's internal control arrangements for the year.

12 INTERNAL AUDIT - STRATEGIC PLAN 2016-19 AND ANNUAL PLAN 2016-17 - REPORT BY DIRECTOR CORPORATE SERVICES

Decision

APPROVED the strategic internal audit plan for 2015-19 and the annual plan for 2016-17 (Appendix to the report), with the caveat that consideration of the response from the Chairman of the Economy, Environment and Infrastructure Committee in relation to the progression on the waste management strategy be considered at the next meeting of the Committee.

13 ANY OTHER BUSINESS DEEMED URGENT BY THE CHAIRMAN DUE TO THE NEED FOR A DECISION

Decision

NOTED that there was no business deemed urgent by the Chairman due to the need for a decision.