



Kilncraigs, Greenside Street, Alloa, FK10 1EB (Tel.01259-450000)

## **Audit Committee**

**Thursday 5 December 2019 at 9.30 am**

**Venue: Council Chamber, Kilncraigs,  
Greenside Street, Alloa, FK10 1EB**



## **Audit Committee**

The remit of the Audit Committee is:

To ensure that the authority's assurance statements, including the annual governance statement, properly reflect the risk environment and any actions required to improve it.

In relation to the authority's internal audit functions:

- oversee its independence, objectivity, performance and professionalism
- support the effectiveness of the internal audit process
- promote the effective use of internal audit by approving the annual Internal Audit Plan

To consider the effectiveness of the authority's risk management arrangements and the control environment, reviewing the risk profile of the organisation and assurances that action is being taken on risk-related issues, including partnerships and collaborations with other organisations

To monitor the effectiveness of the control environment, including arrangements for ensuring value for money, supporting standards and ethics and for managing the authority's exposure to the risks of fraud and corruption

To consider the reports and recommendations of external audit and inspection agencies and their implications for governance, risk management or control

To support effective relationships between external audit and internal audit, inspection agencies and other relevant bodies, and encourage the active promotion of the value of the audit process

To review the financial statements, external auditor's opinion and reports to members, and monitor management action in response to the issues raised by external audit.

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**26 November 2019**

**A MEETING of the AUDIT COMMITTEE will be held within the Council Chamber, Kilncraigs, Greenside Street, Alloa, FK10 1EB, on THURSDAY 5 December 2019 at 9.30 am.**



**STUART CRICKMAR**  
**Strategic Director (Partnership & Performance)**

**B U S I N E S S**

	<b>Page no.</b>
1. Apologies	--
2. Declaration of Interests Members should declare any financial or non-financial interests they have in any item on this agenda, identifying the relevant agenda item and the nature of their interest in accordance with the Councillors' Code of Conduct. A Declaration of Interest form should be completed and passed to the Committee Officer.	--
3. Confirm Minutes of Meeting of the Audit Committee held on 26 September 2019 (Copy herewith)	05
4. Internal Audit Progress Report 2019/20 - report by the Internal Audit Manager (Copy herewith)	11
5. Council Financial Performance 2019/20 – August Outturn – report by the Chief Finance Officer (Copy herewith)	21
6. National Scrutiny Plan 2019/20 – report by the Strategic Director, Partnership and Performance (Copy herewith)	37
7. Corporate Risk and External Audit Actions – report by Strategic Director Partnership and Performance (Copy herewith)	65
8. Exceptions from the Application of Contract Standing Orders – report by the Strategic Director, Partnership and Performance (Copy herewith)	81
9. Annual Complaints report 2018/19 – report by Senior Manager, Legal and Governance (Copy herewith)	85

## Audit Committee – Committee Members (Membership 8 - Quorum 4)

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### Councillors

### Wards

Councillor	Dave Clark	(Convenor)	2	Clackmannanshire North	LAB
Councillor	Bill Mason	(Vice Convenor)	5	Clackmannanshire East	CONS
Councillor	Darren Lee		1	Clackmannanshire West	CONS
Councillor	Tina Murphy		1	Clackmannanshire West	SNP
Councillor	Helen Lewis		2	Clackmannanshire North	SNP
Councillor	Derek Stewart		3	Clackmannanshire Central	LAB
Councillor	Chris Dixon		4	Clackmannanshire South	IND
Councillor	Ellen Forson		4	Clackmannanshire South	SNP

The Council agreed that the Convenor of the Audit Committee will rotate between the 2 Opposition parties on an annual basis.



**MINUTES OF MEETING of the AUDIT COMMITTEE held within the Council Chamber,  
Kilncraigs, Greenside Street, ALLOA, FK10 1EB, on THURSDAY 26 SEPTEMBER 2019  
at 9.30 am.**

**PRESENT**

Councillor Dave Clark (Convenor)  
Councillor Martha Benny (S)  
Councillor Ellen Forson  
Councillor Darren Lee  
Councillor Helen Lewis  
Councillor Tina Murphy

**IN ATTENDANCE**

Stuart Crickmar, Strategic Director, Partnership and Performance  
Lindsay Sim, Chief Finance Officer  
Gordon O'Connor, Internal Audit Manager  
Ashley MacGregor, Team Leader  
Elizabeth Hutcheon, Management Accountancy Team Leader  
Chris Alliston, Senior Manager HR and Workforce Development  
Cherie Jarvie, Senior Manager Partnership and Transformation  
Derek Barr, Procurement Manager  
Michael Boyle, Improving Outcomes Business Manager  
Gordon Smail, External Auditors  
Tom Reid, External Auditors  
Lindsay Thomson, Senior Manager, Partnership and Performance (Clerk to the Committee)  
Melanie Moore, Committee Services

**AC(19)23      APOLOGIES**

Apologies for absence were received from Councillor Bill Mason and Councillor Derek Stewart. Councillor Martha Benny acted as substitute for Councillor Mason.

**AC(19)24      DECLARATIONS OF INTEREST**

None.

**AC(19)25      CONFIRM MINUTES OF MEETING HELD 20 JUNE 2019**

The minutes of the Meeting of the Audit Committee held on 20 June 2019 were submitted for approval.

**Decision**

Subject to the amendments, the minutes of the Meeting of the Audit Committee held on 20 June 2019 were agreed as a correct record and signed by the Convenor.

## **AC(19)26      INTERNAL AUDIT ANNUAL PROGRESS REPORT 2019/20**

The report, submitted by the Internal Audit Manager, provided an update on progress with completing the 2019/20 Internal Audit Plan.

### **Motion**

That Committee agrees the recommendations set out in the report.

Moved by Councillor Tina Murphy. Seconded by Councillor Helen Lewis.

### **Decision**

The Committee agreed to note progress being made in completing the 2019/20 Internal Audit Plan.

## **AC(19)27      COUNCIL FINANCIAL PERFORMANCE 2018/19**

The report, submitted by the Chief Finance Officer, provided an update on the financial performance for the Council, as at 31 March 2019 in respect of the General Fund (GF) revenue and capital spend and the achievement of approved savings and the Housing Revenue Account (HRA) revenue and capital spend.

### **Motion**

That Committee agrees the recommendations set out in the report.

Moved by Councillor Helen Lewis. Seconded by Councillor Darren Lee.

### **Decision**

Having commented on and challenged the report, the Committee agreed to note:

1. The improved position on General Fund revenue spend with an underspend of £(2,595)m including carry forwards for the year to 31 March 2019;
2. The Health and Social Care Partnership (H&SCP) overspend for the year of £0.613m;
3. The Housing Revenue Account (HRA) revenue surplus for the year of £(0.956m);
4. The Capital programme for both HRA and GF spend and carry-forwards, and
5. The improved achievement in delivering the £7.2m savings programme, of 87% at 31 March 2019 (85.7% December).

## **AC(19)28      FINANCIAL STATEMENTS 2018/19**

The report, submitted by the Chief Finance Officer, provided the Committee with the Audited Financial Statements for the financial year 2018/19 to 31 March 2019. The report highlighted the material changes that have been made to the draft financial statements during the audit period.

### **Motion**

That Committee agrees the recommendations set out in the report.

Moved by Councillor Ellen Forson. Seconded by Councillor Darren Lee.

## **Decision**

The Committee agreed to:

1. Approve the 2018/19 Financial Statements;
2. Approve the submission of the Financial Statements to the Controller of Audit no later than 30 September 2019, and
3. Note the contents of the report.

## **Action**

Chief Finance Officer

### **AC(19)29      ANNUAL REPORT TO THOSE CHARGED WITH GOVERNANCE AND THE CONTROLLER OF AUDIT FOR FINANCIAL YEAR ENDED 2018/19**

The report, submitted by the Chief Finance Officer, set out the findings arising from the work carried out by the External Auditors on the Audit of the 2018/19 Financial Statements.

## **Motion**

The Committee agrees the recommendations set out in the report.

Moved by Councillor Dave Clark. Seconded by Councillor Ellen Forson.

## **Decision**

The Committee:-

1. Note the content of the Independent Auditor's Report;
2. Approve the content of the Letter of Representation (ISA 580);
3. Note the significant audit findings within Exhibit 3 of the Internal Audit Report, and
4. Note the recommendations for improvement and the follow up on prior year recommendation with Appendix 1 of the Annual Audit Report.

## **Action**

Chief Finance Officer

### **AC(19)30      COUNCIL FINANCIAL PERFORMANCE 2019/20 – JUNE OUTTURN**

The report, submitted by the Chief Finance Officer, provided and update on the financial performance for the Council as at June 2019 in respect of the General Fund (GF) revenue and capital spend and the achievement of savings to date, for the current financial year, 2019/20. The paper also provided and update on the financial performance for the Council in respect of the Housing Revenue Account (HRA) revenue and capital spend, for the current financial year, 2019/20.

## **Motion**

That Committee agrees the recommendations set out in the report.

Moved by Councillor Ellen Forson. Seconded by Councillor Helen Lewis.

## **Decision**

Having commented on and challenged the report, the Committee agreed to note:

1. GF revenue spend is forecasting an overspend of £0.038m for the year to 31 March 2020;
2. The Health and Social Care Partnership (H&SCP) is forecasting an overspend for the year of £1.652m, which was reported to the Partnership and Performance Committee in August;
3. The forecast HRA forecasted revenue surplus over budgeted surplus for the years of £(0.369m) to March 2020, which was reported to Place Committee in September;
4. The Capital programme for both HRA and GF are currently forecasting an underspend, and
5. Progress to date in delivering the £4.810m savings programme currently 83.3%, as at the end of June 2019.

## **AC(19)31 REGULATION OF INVESTIGATORY POWERS (SCOTLAND) ACT 2000**

The report, submitted by the Strategic Director Partnership and Performance, updated the Committee on the outcome of a recent inspection of the Council's use of The Regulation of Investigatory Powers (Scotland) Act 2000 (RIPSA) by a representative of the Investigatory Powers Commissioner's Office (IPCO), the recommendations made and the actions required following on from that.

## **Motion**

That Committee agrees the recommendations set out in the report.

Moved by Councillor Ellen Forson. Seconded by Councillor Darren Lee.

## **Decision**

The Committee is asked to note:-

1. the outcome of the IPCO inspection, Appendix A; and
2. there were no authorisations granted under RIPSA in 2018, and that two authorisations were granted in 2017.

## **AC(19)32 EXCEPTIONS FROM THE APPLICATION OF CONTRACT STANDING ORDERS**

The report, submitted by the Strategic Director Partnership and Performance, provided detail to Committee on Exceptions to Contract Standing Orders submitted in the previous quarter.

## **Motion**

That Committee agrees the recommendation set out in the report.

Moved by Councillor Tina Murphy. Seconded by Councillor Darren Lee.

## **Decision**

Having commented on and challenged the report, the Committee agreed to note the report.



**AC(19)33      PROCUREMENT ANNUAL REPORT**

The report, submitted by the Strategic Director Partnership and Performance, updated the Committee on key procurement activity and statistical performance during the Financial Year 2018-19 and provided an overview of the resources that are available to deliver effective procurement.

There was a typographical error in paragraph 1.2 which should be “Financial Year 2018-19” and not “2017-18”

**Motion**

That Committee agrees the recommendation set out in the report.

Moved by Councillor Helen Lewis. Seconded by Councillor Darren Lee.

**Decision**

Having commented on and challenged the report, the Committee agreed to note the report.

Ends 1035 hours



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**Report to: Audit Committee**

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**Date of Meeting: 05 December 2019**

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**Subject: Internal Audit Progress Report 2019/20**

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**Report by: Internal Audit Manager**

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**1.0 Purpose**

- 1.1. This report provides an update on progress with completing the 2019/20 Internal Audit Plan.

**2.0 Recommendations**

- 2.1. The Committee is asked to note progress being made with completing the 2019/20 Internal Audit Plan.

**3.0 Progress With Completing 2019/20 Internal Audit Plan**

- 3.1. The Plan was agreed by Audit Committee on 25 April 2019. It set out 16 assignments to be completed by the team during the year.
- 3.2. To date, 5 assignments have been completed to final report stage. A further 9 are in progress or have been completed to draft report stage. A summary of progress is set out at Appendix 1. The Scope and Executive Summary of the reports finalised since the last meeting of Committee in September are at Appendix 2.

**4.0 Conclusions**

- 4.1. The team are making good progress with 2019/20 Internal Audit work. This will contribute to a balanced and evidenced based year end opinion on arrangements for risk management, governance, and control.

**5.0 Sustainability Implications**

- 5.1. None noted

**6.0 Resource Implications**

- 6.1. *Financial Details*

6.2. The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate. Yes ☐

6.3. Finance have been consulted and have agreed the financial implications as set out in the report. Yes ☐

6.4. *Staffing*

## 7.0 Exempt Reports

7.1. Is this report exempt? Yes ☐ (please detail the reasons for exemption below) No ☐

## 7.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1) **Our Priorities** (Please double click on the check box ☒)

7.2. Clackmannanshire will be attractive to businesses & people and ensure fair opportunities for all ☒  
Our families; children and young people will have the best possible start in life ☒  
Women and girls will be confident and aspirational, and achieve their full potential ☐  
Our communities will be resilient and empowered so that they can thrive & flourish ☐

(2) **Council Policies** (Please detail)

## 8.0 Equalities Impact

8.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?  
Yes ☐ No ☐

## 9.0 Legality

9.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes ☐

## 10.0 Appendices

10.1 Please list any appendices attached to this report. If there are no appendices, please state "none".

- **Appendix 1:** Internal Audit Plan: Progress at 27 November 2019.
- **Appendix 2:** Summary of Findings from Assignments Complete to Final Report – Not Previously Reported to Committee.

## 11.0 Background Papers

11.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

Yes ☐ (please list the documents below) No ☐

### Author(s)

NAME	DESIGNATION	TEL NO / EXTENSION
Gordon O'Connor	Internal Audit Manager	

### Approved by

NAME	DESIGNATION	SIGNATURE
Stuart Crickmar	Strategic Director Partnership & Performance	



## Internal Audit Plan 2019/20 – Progress at 27 November 2019

Planned Assignments (as per 2019/20 Internal Audit Plan)			
	Directorate	Assignment	Status
1.	All Directorates	Continuous Auditing	In Progress – Ongoing
2.	All Directorates	National Fraud Initiative	In Progress – Ongoing
3.	Place	Climate Change Act Public Body Duties Audit	Final Report Issued - Substantial Assurance
4.	All Directorates	Follow Up of Internal Audit Recommendations	In Progress – Ongoing
5.	All Directorates	Consultancy Work	In Progress - Ongoing
6.	Clackmannanshire and Stirling IJB	Risk Management	In Progress
7.	Central Scotland Valuation Joint Board	<ul style="list-style-type: none"> <li>• Payroll; and</li> <li>• Data Protection.</li> </ul>	Both In Progress
8.	Place	Procurement – Waste Services	Final Report Issued – Limited / Substantial Assurance
9.	Partnerships and Performance / All Directorates	Creditors Purchase to Pay Cycle (Purchase Order / Invoice Processing and Authorisation)	Final Report Issued – Substantial Assurance
10.	All Directorates	System Administration – Access Privileges to Key Corporate Systems	Final Report Issued – Substantial Assurance
11.	All Directorates	Savings Tracking	In Progress
12.	All Directorates	Business Continuity Planning	Final Report Issued – Substantial Assurance
13.	All Directorates	Building Security (Operational Buildings)	In Progress
14.	All Directorates	Workforce Planning	In Progress
15.	People	Social Work Information System – Project Planning, Management, and Implementation	Not Started
16.	Place	Housing Rents	Not Started





### Summary of Findings from Assignments Complete to Final Report – Not Previously Reported to Committee

Assignment	Directorate	Assurance
<b>Climate Change Act Public Body Duties Audit</b>	Place	<b>Substantial Assurance</b>
Scope	Final Report Executive Summary	
<p>The Climate Change (Scotland) Act 2009 (the Act), introduced the requirement for public bodies to report on their climate change duties.</p> <p>In line with the timescales from the Act, the Council's annual report has to be submitted to the Sustainable Scotland Network (SSN) by end November 2019.</p> <p>Our work focused on reviewing the reporting arrangements and the accuracy of the information in the report.</p>	<p>To ensure the consistency of returns across public bodies, the Annual Report format is a standard template split into five areas:</p> <ul style="list-style-type: none"> <li>• Profile of Reporting Body;</li> <li>• Governance, Management, and Strategy;</li> <li>• Emissions, Targets, and Projects;</li> <li>• Adaptation; and</li> <li>• Procurement.</li> </ul> <p>We were able to provide Substantial Assurance on the Council's reporting arrangements and the accuracy of the information set out in each section of the Annual Report.</p>	

Assignment	Directorate	Assurance
<b>Procurement – Waste Services</b>	Place	<b>Limited / Substantial Assurance</b>
Scope	Final Report Executive Summary	
<p>For a sample of Waste Services contracts Internal Audit reviewed:</p> <ul style="list-style-type: none"> <li>• Contract Strategy roles and responsibilities, including the steps followed to: identify requirement; engage with stakeholders; agree tender process and selection and award criteria; and tender evaluation;</li> <li>• financial controls, including budget setting and monitoring arrangements, and billing and invoice validation / approval procedures; and</li> <li>• contract management and monitoring arrangements.</li> </ul>	<p>In overall terms, we found that Waste Services staff were clear about their roles and responsibilities.</p> <p>We were, however, only able to provide <b>Limited Assurance</b> in relation to Contract Strategy roles and responsibilities. We recommended that a Commodity Strategy for Waste Services is developed.</p> <p>We were able to provide <b>Substantial Assurance</b> in relation to financial control arrangements. We were content there were robust budget setting and monitoring arrangements and Purchase Order / Invoice Authorisation and Certification arrangements in place.</p> <p>We also provided <b>Substantial Assurance</b> in relation to contract management and monitoring arrangements. The Team Leader (Waste, Roads, and Street Lighting) is taking steps to ensure that the monitoring of contractor performance, and regular performance meetings and reporting, are in place for all high value / risk contracts. We recommended that the agreed approach is documented in the Commodity Strategy.</p> <p>The findings at paragraph 3.6 of our report resulted in an Internal Audit recommendation, included in the action plan. These relate to:</p> <ul style="list-style-type: none"> <li>• the exemption to be reported to the Audit Committee at its December 2019 meeting (for the Treatment of Co-mingled Mixed Recyclate contract);</li> <li>• the two tender processes that are in progress (for the Treatment of Co-mingled Mixed Recyclate and Treatment on Inert Waste and Rubble contracts); and</li> <li>• agreeing the timetable for the Disposal of Bulky Waste tender process.</li> </ul> <p>We recognise these have already been identified by the Team Leader (Waste, Roads, and Street Lighting), and that work is in progress to rectify them. We included as recommendations to ensure that the actions identified are fully implemented.</p>	

Assignment	Directorate	Assurance
<b>Creditors Purchase To Pay Cycle (PO / Invoice Processing and Authorisation)</b>	Partnerships and Performance / All Directorates	<b>Substantial Assurance</b>
Scope	Final Report Executive Summary	
<p>We reviewed a sample of 30 transactions, across all Directorates, to ensure that Section 11 and 12 of the Financial Regulations were being complied with. This included testing to assess whether:</p> <ul style="list-style-type: none"> <li>• best value has been achieved;</li> <li>• the price and quantity of goods or services to be supplied are clearly stated on the order;</li> <li>• the order is within the authorising officer's delegated authority limit;</li> <li>• the invoice price matches the order price; and</li> <li>• the authorised signatory of the invoice is different from the authorised signatory of the order.</li> </ul> <p>The same sample was checked against the Council's Contract Register to assess the extent of on / off contract purchasing.</p>	<p>We reviewed a sample of 30 transactions across all Directorates. We concluded that, for 19 of these, Purchase Order and Invoice Authorisation and Certification arrangements were appropriate and in compliance with the Financial Regulations and Contract Standing Orders.</p> <p>For the remaining 11 transactions non-compliance issues included:</p> <ul style="list-style-type: none"> <li>• no Purchase Order raised;</li> <li>• Purchase Order raised after the invoice date;</li> <li>• Purchase Order included insufficient detail on quantities and prices;</li> <li>• rates charged not checked to contract terms; and</li> <li>• no evidence of a contract or formal agreement in place.</li> </ul> <p>We recommended that all Purchase Order and Invoice Authorisation and Certification officers are reminded of their roles and responsibilities, and of the requirement to comply with the Financial Regulations and Contract Standing Orders.</p> <p>We were content that there were no instances where Purchase Order / Invoice Authorisation and Certification approval limits had been exceeded. We found some discrepancies between delegated authorisation levels and the financial limits assigned in TechOne, and have recommended that these are reviewed.</p>	

Assignment	Directorate	Assurance
<b>System Administration – Access Privileges to Key Corporate Systems</b>	All Directorates	<b>Substantial Assurance</b>
Scope	Final Report Executive Summary	
<p>Internal Audit work focussed on assessing whether the following internal controls were operating effectively for the corporate finance system and all corporate IT systems which link to the TechOne Purchase Ledger:</p> <ul style="list-style-type: none"> <li>• clear roles and responsibilities for users with high privilege user access rights;</li> <li>• defined user account management arrangements for users with high privilege user access rights and individuals whose user profile combinations carry the greatest risk. We assessed whether users' access rights and profiles are being managed in line with each IT system's Access Control and Password Policy; and</li> <li>• segregation of duties relating to financial transactions, ensuring access to IT systems is restricted to appropriate levels.</li> </ul>	<p>This high level review focussed on ensuring that internal control weaknesses similar to those exploited at Dundee City Council (DCC) do not exist in relation to the high privilege users with access to TechOne, the corporate IT systems that interface with the TechOne purchase ledger, and BACS payment software.</p> <p>We reviewed the publicly available reports on the DCC fraud. From this, we identified seven key control weaknesses that were exploited. Our assessment of the effectiveness of these internal controls, based on the results of our audit fieldwork, in August 2019, is summarised in the table overleaf.</p> <p>We also focussed on providing assurance that the existing internal control framework was sufficient to minimise the risks associated with employee and insider threats.</p> <p>We provided <b>Substantial Assurance</b> in relation to the adequacy of the controls in place for System Administration – Access Privileges to Key Corporate Systems.</p> <p>We found that, in general, sound systems of control were in place. All staff consulted during the review were clear about their roles and responsibilities.</p> <p>We reviewed high privilege users' access rights to TechOne, the systems that interface with the TechOne purchase ledger, as well as the BACS payment software. We were content that no individual user has the same combination of high privilege access that had been exploited in DCC. That is high privilege access to TechOne (the supplier database and the purchase ledger), high privilege access to any of the systems that interface with the TechOne purchase ledger, and BACS access.</p> <p>We did, however, identify areas where there was scope to further improve the internal control framework. In particular, there was scope for reviewing TechOne permissions, and completing the current review of BACS user access.</p>	

## System Administration – Access Privileges to Key Corporate Systems – Specific Findings

	DCC Internal Control Weakness	Internal Control at Clackmannanshire Council	Internal Audit Conclusion
1.	IT employee with over 30 years' service who had extensive access to a large number of the Council's financial systems built up over many years.	We confirmed that no Council employee has high privilege access rights across TechOne, the systems that interface with the TechOne purchase ledger, and BACS payment software.	<b>Substantial Assurance</b>
2.	Employee combined knowledge of the systems, and systems access privileges, to insert false invoices into the purchase ledger for payment. These invoices appeared to have come through an interface from a sub-system and were payable to known suppliers. The sub-systems did not record these transactions.	For the corporate systems where payment files are uploaded onto TechOne we confirmed that control totals (number and value of payments in a payment file) are reviewed and verified at various stages of the payment process.  For the corporate system where payment files are uploaded directly to the BACS software, we have suggested that once the BACS file has been processed the BACS submitting officer provides the corporate system administrator with the details of the number and value of payments processed.	<b>Substantial Assurance</b>
3.	The employee was able to intercept the false invoices and divert payments to bank accounts within their control.	The payment files that are uploaded directly to TechOne do not include payee bank details as these are held on the supplier database on TechOne.  Previous Internal Audit work has provided assurance that there are processes in place for the creation of new suppliers and for making changes to existing supplier bank accounts by the Creditors Team. There is controlled access to add or amend supplier data.	<b>Substantial Assurance</b>
4.	The construction system was bespoke. The employee was involved in its development, and had extensive knowledge of the sub-system.	There are multiple corporate IT systems that interface with the TechOne purchase ledger. The majority of these systems, with the exception of FINCH, are commercial off the shelf packages.  We confirmed that no Council employee has high privilege access rights across TechOne, FINCH, and BACS payment software.	<b>Substantial Assurance</b>
5.	Segregation of duties – the employee had unrestricted access to a number of key systems across the purchase to pay cycle that allowed the insertion of fictitious invoices and malicious code into interfaces and the BACS payment system.	We confirmed that no Council employee has high privilege access rights across TechOne, the systems that interface with the TechOne purchase ledger, and BACS payment software.  There is scope to restrict TechOne permissions for one of the System Administrators, and two of the staff involved in the payments run process.  We found there to be adequate segregation of duties in processing and authorising the payment files for all of the systems that we reviewed.  We have recommended that the exercise to review and introduce a two stage input and approval process for BACS should be completed.	<b>Substantial Assurance</b>
6.	Interface reconciliations – interface reconciliations were ineffective. An effective interface reconciliation of the number and value of transactions interfaced may have allowed for earlier detection of the fraudulent activity.	For the corporate systems where payment files are uploaded onto TechOne we confirmed that control totals (number and value of payments in a payment file) are reviewed and verified at various stages of the payment process.  For the corporate system where payment files are uploaded directly to the BACS software, we have suggested that once the BACS file has been processed the BACS submitting officer provides the corporate system administrator with the details of the number and value of payments processed.	<b>Substantial Assurance</b>
7.	Systems documentation – there was a lack of systems documentation and mapping which articulated the flow of transactions and set out how the interfaces work.	Some corporate systems that interface with the TechOne purchase ledger do not have Access Control Policies in place that document the arrangements for managing users' access.  There is also a lack of procedural instructions outlining the steps to follow when exporting the payment file from the corporate system that interfaces with the TechOne purchase ledger.	<b>Substantial Assurance</b>

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**Report to: Audit Committee**

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**Date of Meeting: 5 December 2019**

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**Subject: Council Financial Performance 2019/20 – August Outturn**

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**Report by: Chief Finance Officer**

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## **1.0 Purpose**

- 1.1 This paper provides an update on the financial performance for the Council, as at August 2019, in respect of the:
- General Fund (GF) revenue and capital spend and the achievement of savings to date, for the current financial year, 2019/20.
  - Housing Revenue Account (HRA) revenue and capital spend, for the current financial year, 2019/20.

## **2.0 Recommendations**

- 2.1 The Committee is asked to approve referral to Council for approval of additional capital work to Kilncraig's roof up to £0.300m (para 6.3).
- 2.2 The Committee is asked to note the report, commenting and challenging as appropriate on:
- 2.2.1 GF revenue spend is forecasting an overspend of £0.699m for the year to 31<sup>st</sup> March 2020;
- 2.2.2 the Health and Social Care Partnership (H&SCP) is forecasting an overspend for the year of £1.708m;
- 2.2.3 the HRA forecasted revenue surplus over budgeted surplus for the year of £(0.345m) to March 2020, which was reported to Place Committee in November;
- 2.2.4 the Capital programme for both HRA and GF are currently forecasting an underspend, and
- 2.2.5 progress to date in delivering the £4.810m savings programme, currently forecast to achieve 81.3%, as at the end of August 2019.

### **3.0 Background**

- 3.1 This report summarises the forecasted financial position of the Council for the financial year ended 31<sup>st</sup> March 2020. This report consolidates all of the detailed financial data to provide a summary position. The report also provides details of individual Directorate positions.

### **4.0 General Fund Revenue**

- 4.1 At 31 August the General Fund is forecasting an overspend of £0.699m and H&SCP is forecasting an overspend of £1.708m, which brings the Council's overall position to an overspend of £2.407m for the year to March 2020. In October spending restraint was implemented to bring spend back in line with budget. Services have been asked to review all spend prior to authorisation.
- 4.2 **Appendix 1** provides the breakdown by each Directorate and centrally held Corporate Services along with the position for Partnerships and Sources of Funding.
- 4.3 A Finance report is submitted to each Directorate Committee for scrutiny. Detailed variances are contained within these reports which are available on the Council website.

### **5.0 Stirling & Clackmannanshire Health and Social Care Partnership (HSCP)**

- 5.1 The HSCP is forecasting an overspend of £1.708m. This includes £0.672m in year costs for 5 ordinarily resident cases that are in dispute.
- 5.2 **Appendix 2** provides detail of the forecast overspend and variance movement since last reported to this Committee in September.

### **6.0 General Fund Capital**

- 6.1 General Fund capital is forecasting an underspend of £(6.467)m to March 2020. This underspend mainly relates to the delay in the sign-off of the City Region Deal £(1.207)m resulting in a revised forecast for support costs, and the Kilncraigs BPRA payment of £(4.900)m which is expected to be made in October 2020 rather than the previous forecast of February 2020. This underspend will be carried forward into 2020/21 where required.
- 6.2 The early years programme is progressing well and on track to meet the August 2020 deadline for early years expansion. Budget will be reallocated as work is prioritised within the nurseries to meet the August 2020 deadline.
- 6.3 Committee is asked to refer to Council for approval essential capital work to Kilncraig's roof which is additional to the budgeted programme. This work is estimated to cost £0.270m with £0.030m for contingency and will be covered from underspends/slippage in existing projects within the programme.
- 6.4 **Appendix 3** provides a detailed breakdown of the projects within each asset plan with commentary on the reasons for any variances

## **Capital Receipts**

- 6.5 The opening unallocated capital receipts balance at the 1<sup>st</sup> April 2019 was £3.597m. In the year to date the Council has received receipts of £0.018m for the sale of vehicles, and are projecting to receive further receipts of £0.805m in the year from sale of surplus properties, taking the forecasted level of capital receipts to £4.42m. Additional properties are currently being prepared for sale and marketed from which further receipts are expected during the 2019/20 financial year.

## **7.0 2019/20 Savings Progress**

- 7.1 The 2019/20 budget incorporated approved savings of £4.810m.

**Appendix 4** indicates the forecast achievement by Directorate of those savings by 31 March 2020.

- 7.2 The appendix indicates that 81.3% of savings have or are likely to be achieved, with a further 18.7% at risk of not being achieved in 2019/20. This is a 2% reduction in achieved savings since last reported to Committee in September. The details of the movements are contained within the appendix.
- 7.3 Within Partnership & Performance unachievable savings (Red), there is £0.363m which relates to the Corporate redesign of the People Directorate. This is being held centrally to provide transparency of the saving achieved across all Directorates. Work is ongoing to realign budgets across Directorates as the restructure is finalised.

## **8.0 Financial Risks**

- 8.1 The forecasts provided above are based on information currently available and any expected future inflationary effects on prices, however, uncertainties around Brexit and the resultant impact on prices of procured and commissioned goods could start to have a direct financial impact in the later part of the year. The recent fluctuations in the value of the £ against the Euro and the US Dollar and from rises in wage inflation may start to filter through contract prices as they are passed on by contractors. We could also see direct price increases in commodities such as fuel, energy, communications, food etc. Forecasts will be updated as any price increases become apparent.

### **8.1.1 Revenues Service**

Within the Revenues service the areas of Council Tax, Universal Credit and Housing Benefit have significant levels of expenditure that could materially affect the outturns reported. Homeless housing benefit remains outwith the scope of Universal Credit at this point but should legislation change then the impact would be significant. These areas will continue to be reviewed on an ongoing basis and any changes will be included within forecasted outturns and reported to Committee.

## **8.2 Provisions**

At the 31 March 2019 the Council set aside sums in respect of future liabilities for Equal Pay, Insurance, PPP, and Legal Case - Ordinarily Resident. **Appendix 5** provides a summary of the movements to date and expected year end balance.

## **8.3 Contingent Liabilities**

The Council reported five Contingent Liabilities at 31 March 2019. These are areas where the Council may have a future obligation to make a payment however, the timescale and quantification is not known. The Council reported Contingent Liabilities in respect of: Equal Pay, Legal Case – Ordinarily Resident, a Health and Safety Case, Historic Sex Abuse and LGPS Pension Liability.

As at 31 August 2019 these Contingent Liabilities are still in existence and no further information is available to either remove or quantify any potential liability.

## **9.0 Housing Revenue Account (HRA)**

- 9.1 The HRA Revenue account is forecasting a surplus of £(5.239)m which is £(0.345)m above the budgeted surplus.
- 9.2 The HRA Capital Programme is forecasting an underspend for the year of £(0.016)m.
- 9.3 Further detail of the forecast positions for the HRA can be found in the outturn report presented to the Place Committee on the 7<sup>th</sup> November 2019.

## **10.0 Conclusions**

- 10.1 General Fund revenue spend is forecasting an overspend of £0.699m for the year to March 2020.
- 10.2 The Health and Social Care Partnership (H&SCP) is forecasting an overspend for the year of £1.708m.
- 10.3 The HRA revenue budget is forecasting a surplus over budget for the year of £(0.345)m to March 2020.
- 10.4 The GF Capital programme is forecasting an underspend of £(6.467)m.
- 10.5 The HRA Capital programme is forecasting an underspend of £(0.016)m.
- 10.6 Of the £4.810m approved savings programme 81.3% are forecast to be achieved as at the end of August 2019.



## 11.0 Sustainability Implications

- 11.1 There are no direct environmental sustainability implications arising from this report.

## 12.0 Resource Implications

### 12.1 *Financial Details*

- 12.2 The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate. Yes ☒

- 12.3 Finance has been consulted and has agreed the financial implications as set out in the report. Yes ☒

### 12.4 *Staffing*

- 12.5 There are no direct staffing implications arising from this report.

## 13.0 Exempt Reports

- 13.1 Is this report exempt? Yes ☐ (please detail the reasons for exemption below) No ☒

## 14.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

- (1) **Our Priorities** (Please double click on the check box ☒)

Clackmannanshire will be attractive to businesses & people and ensure fair opportunities for all	<input type="checkbox"/>
Our families; children and young people will have the best possible start in life	<input type="checkbox"/>
Women and girls will be confident and aspirational, and achieve their full potential	<input type="checkbox"/>
Our communities will be resilient and empowered so that they can thrive and flourish	<input type="checkbox"/>

- (2) **Council Policies** (Please detail)

## 15.0 Equalities Impact

- 15.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?  
Yes ☐ No ☒

## 16.0 Legality

- 16.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes ☒

## 17.0 Appendices

- 17.1 Please list any appendices attached to this report. If there are no appendices, please state "none".

Appendix 1- Council Summary Financial Outturn at August 2019

Appendix 2- HSCP Variance and movement at August 2019

Appendix 3- General Fund Capital Outturn at August 2019

Appendix 4- Summary Savings by Directorate at August 2019

Appendix 5- Provisions

## 18.0 Background Papers

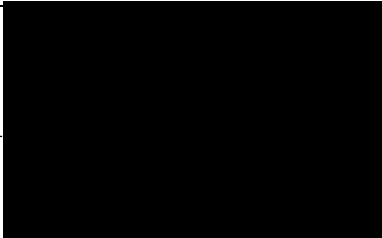
- 18.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

Yes ☐ (please list the documents below) No ☒

### Author(s)

NAME	DESIGNATION	TEL NO / EXTENSION
Elizabeth Hutcheon	Management Accountancy Team Leader	6214

### Approved by

NAME	DESIGNATION	SIGNATURE
Lindsay Sim	Chief Finance Officer	
Stuart Crickmar	Director of Partnership & Performance	

	<i>Annual Budget 2019/20 £'000</i>	<i>Forecast to March 2020 £'000</i>	<i>Variance Forecast to Budget £'000</i>
<b><u>Directorate</u></b>			
People	71,414	72,573	1,159
Place	18,204	17,485	(719)
Partnership & Performance	10,930	10,810	(119)
Corporate Services	8,593	8,971	379
	<u>109,141</u>	<u>109,840</u>	<u>699</u>
<b><u>Partnerships</u></b>			
Central Scotland Valuation	395	395	0
Health & Social Care Partnership	17,085	18,793	1,708
	<u>17,480</u>	<u>19,188</u>	<u>1,708</u>
<b><u>Sources of Funding</u></b>			
General Revenue Funding/Non-Domestic Rates	(96,778)	(96,778)	0
Council Tax	(22,988)	(22,988)	0
Council Tax Reduction Scheme	(3,626)	(3,626)	0
	<u>(123,392)</u>	<u>(123,392)</u>	<u>0</u>
Application of unapplied Capital receipt	(2,041)	(2,041)	0
Contribution from Earmarked Reserves	(1,188)	(1,188)	0
	<u>(126,620)</u>	<u>(126,620)</u>	<u>0</u>
Projected (Under)/Overspend	<u>0</u>	<u>2,408</u>	<u>2,408</u>



<b>Health &amp; Social Care Partnership</b>	<b>Variance Forecast to Budget at June</b>	<b>Variance Forecast to Budget at August</b>	<b>Movement in variance June to August</b>	<b>Narrative</b>
	<b>£'000's</b>	<b>£'000's</b>	<b>£'000's</b>	
<b>Employees</b>				
Employee Expenditure	(934)	(807)	127	Underspend due to vacancies as a result of service reductions (does not include impact of management restructure at this time). Movement due to recruitment in Disability daycare, Learning Disability assessment & care and Locality management.
<b>Long Term Care</b>				
Nursing Homes	665	755	90	Overspend represents approx 21 places over those budgeted, numbers are constant with 188 places being purchased.
Residential Homes	1,147	1,056	(91)	Overspend represents approx 10 places over those budgeted. Numbers are fairly stable with 65 places purchased. This overspend also includes indicative costs for five ordinary residence cases currently in dispute at a cost of £0.672m for 2019/20. The favourable movement is due to a reduction in the cost of some packages. Discussions are ongoing to resolve the overspend.
<b>Community Based Care</b>				
Care at Home	1,698	1,697	(1)	Current commitment to purchase 10,500 hours of care per week and overspend is equivalent to 1300 hours per week over and above budget. This position is consistent with no major swings in provision of service.
Day Care	110	108	(2)	Day care for approximately 42 service users of which 19 have complex needs, the forecast is stable at this time. This position is consistent with no major swings in provision of service.
Direct Payments	110	88	(22)	There are approximately 32 direct payments to service users. This is a demand led provision
Housing Aids and Adaptations	7	7	0	Demand driven within private sector homes.
Housing with Care	107	109	2	This budget is for Supported Accommodation that is paid to external providers, there have been additional placements this financial year in excess of the budget.
Respite	(51)	(43)	8	Day care service provided by Alzheimers Scotland and Scottish Autism, this is demand led.
<b>Misc Third Party Payments</b>				

Misc Third Party Payments	(782)	(729)	53	Includes growth budget of £1.152m to be reallocated over Long term care and Care at Home. Once this is realigned there will be an overspend on Third party payments of £0.370m, these are paid to voluntary organisations and NHS to provide advocacy and complex care.
<b>Supplies and Services</b>				
Premises Expenditure	62	62	0	Overspend due to 17/18 unachieved saving within disability day care
Supplies and Services	53	28	(25)	Increased spend on aids and statutory safety inspections on equipment, this is a reduction on previously forecast.
Transport Expenditure	4	6	2	Overspend on staff travel mainly on re-ablement team in the community
<b>Income</b>				
Income	(354)	(439)	(85)	Client income for contributions towards Residential Care and Care at Home. Budget to be realigned with Long term care and Care at home provision.
Resource Transfer (Health)	(190)	(190)	0	Includes Income from NHS, integration funding and contributions for complex care. Includes inflationary uplift. Income forecasted has reduced in relation to recharge for Chief Officer but this is offset by a reduction in employee costs. This budget will be realigned with Long Term care and Care at Home.
<b>Total</b>	<b>1,652</b>	<b>1,708</b>	<b>56</b>	

Appendix 3

Project ID	Project ID Description	Cluster Description	Amended Budget 2019/20	Expenditure	Projected Out-turn	Projected (Under)/Overspend	Notes	Carry Forward 20/21
			£	£	£	£		
Community Investment Strategy								
All Clackmannanshire Areas								
10041	Schools ICT Replacement - All Primaries	All Clackmannanshire Areas	90,000	109,295	90,000	(0)		
10042	Community Investment Grants	All Clackmannanshire Areas	100,000	16,538	50,000	(50,000)	Funding Approved to date £38k. Minimal new bids expected to be received before the end of the year.	
10156	City Deals	All Clackmannanshire Areas	1,307,000	0	100,000	(1,207,000)	Delay in signing of deal, majority of spend will require to be carried forward. Forecast of £100k for staff if deal signed 19/20	1,207,000
10174	Fitness Suite Replacement	All Clackmannanshire Areas	23,000	10,696	22,080	(920)	Year 1 (18/19) delieverd in 19/20, Year 2 now being ordered.	
	Corporate Buildings	All Clackmannanshire Areas	120,955	0	120,955	0	To be allocated as projects identified	
Total All Clackmannanshire Areas			1,640,955	136,529	383,035	(1,257,920)		
Alloa Cluster								
10000	Schools ICT Replacement - Alloa	Alloa Cluster	42,000	23,942	42,000	0		
10003	CCTV Equipment	Alloa Cluster	20,783	0	20,783	0		
10006	Park Primary School - School Development	Alloa Cluster	553,843	47,636	553,843	0	Invoice to be split across relevant properties, incorrectly coded.	
10007	School Interactive Display Replacement - Alloa	Alloa Cluster	80,000	20,070	80,000	0		
10008	Heritage Improvement	Alloa Cluster	23,590	0	23,590	0		
10010	Kilncraigs BPRA	Alloa Cluster	4,900,000	0	0	(4,900,000)	To be repaid in Oct 2020 based on final contract	4,900,000
10021	Sunnyside Primary School - School Development	Alloa Cluster	0	1,200	1,200	1,200		
10136	Speirs Centre	Alloa Cluster	72,492	0	24,419	(48,073)	Work competed under warranty, no cost to the council.	
10150	Bowmar Area Enhancements	Alloa Cluster	342	0	0	(342)		
10169	Kelliebank Depot Improvements	Alloa Cluster	24,564	0	24,564	(0)		
10183	Forthbank Recycling Centre Improvements	Alloa Cluster	200,000	5,426	80,000	(120,000)	Issues with Contractors, project will be delayed	120,000
Total Alloa Cluster			5,917,614	98,275	850,399	(5,067,215)		
Hillfoots Cluster								
10029	Street Lighting Improvements - Tillicoultry & Alva	Hillfoots Cluster	0	7,785	0	(0)		
10031	Schools ICT Replacement - Alva Academy	Hillfoots Cluster	42,000	23,409	42,000	(0)		
10032	Alva Community Campus/Locality Hub/Primary School	Hillfoots Cluster	11,464	4,078	11,464	0	Transfer back money to Craigbank, Menstrie and Park used last year to pay for additional costs at Alva Hub	
10034	Hillfoots Glen - Upgrading - Alva	Hillfoots Cluster	13,180	11,850	13,180	0	Additional costs incurred due to installation on difficult terrain. overspend offset by Bowmar Area Enhancement underspend	
10035	School Interactive Display Replacement - Alva	Hillfoots Cluster	79,000	20,070	79,000	0		
10036	Park, Play Area & Open Space Improvements - Hillfoots	Hillfoots Cluster	50,000	16,606	50,000	0		

<i>Project ID</i>	<i>Project ID Description</i>	<i>Cluster Description</i>	<i>Amended Budget 2019/20</i>	<i>Expenditure</i>	<i>Projected Out-turn</i>	<i>Projected (Under)/Overspend</i>	<i>Notes</i>	<i>Carry Forward 20/21</i>
			£	£	£	£		
10039	Village and Small Town - Dollar	Hillfoots Cluster	25,617	0	25,617	(0)		
10044	Alva Primary School - School Development	Hillfoots Cluster	0	0	0	0		
10118	Coalsnaughton Primary School - School Development	Hillfoots Cluster	4,530	7,654	4,449	(81)		
10119	Strathdevon Primary School - School Development	Hillfoots Cluster	0	0	30,000	30,000	DDA money to be added	
10121	Menstrie Nursery	Hillfoots Cluster	1,169,229	742,244	1,373,100	203,871	Legacy developer's contribution to be added	
10124	Tillicoultry Primary School - School Development	Hillfoots Cluster	4,000	978	4,000	0		
10140	Village and Small Town - Alva	Hillfoots Cluster	225,000	207,511	225,000	0		
10189	Village and Small Town - Menstrie	Hillfoots Cluster	0	0	0	0		
<b>Total Hillfoots Cluster</b>			<b>1,624,020</b>	<b>1,042,184</b>	<b>1,857,810</b>	<b>233,790</b>		
<b>Lornshill Cluster</b>								
10011	Schools ICT Replacement - Lornshill	Lornshill Cluster	41,000	30,624	41,000	(0)		
10012	Sauchie Hall Locality Hub	Lornshill Cluster	56,737	42,760	56,737	(0)		
10014	Craigbank Primary School Refurbishment	Lornshill Cluster	952,015	1,222,325	908,116	(43,899)		
10017	School Estate - Tullibody South Campus	Lornshill Cluster	4,131,869	3,064,798	4,308,508	176,639	Early Years funding to be allocated.	
10018	Village and Small Town - Tullibody	Lornshill Cluster	0	0	0	0	Invoice received project complete	
10019	Network Infrastructure Improvement	Lornshill Cluster	38,226	31,270	38,226	(0)		
10020	School Interactive Display Replacement - Lornshill	Lornshill Cluster	80,000	20,059	80,000	0	Lornshill cluster spend Tullibody South 2019 as part of rolling programme	
10023	Street Lighting Improvements - Tully/Clacks	Lornshill Cluster	0	0	0	0		
10024	Clackmannan Primary School Refurbishment/Locality Hub	Lornshill Cluster	744,646	318,166	744,646	(0)		
10043	Lochies Primary School - School Development	Lornshill Cluster	0	470	0	0		
10122	Deerpark Primary School - School Development	Lornshill Cluster	28,529	32,288	28,529	0		
10125	Banchory Primary School - School Development	Lornshill Cluster	14,197	485	30,000	15,803	Add legacy developer's contribution	
10127	St Serfs Primary School - School Development	Lornshill Cluster	32,480	2,152	32,480	0		
10132	Sauchie Nursery - School Development	Lornshill Cluster	102,000	0	20,000	(82,000)	minimal works at Sauchie. Transfer to Park and Menstrie £82k	
10149	Environmental Monies	Lornshill Cluster	858,819	1,634	858,819	0		
10164	Clackmannan CAP	Lornshill Cluster	93,000	0	70,000	(23,000)		
<b>Total Lornshill Cluster</b>			<b>7,173,518</b>	<b>4,767,031</b>	<b>7,217,061</b>	<b>43,543</b>		
<b>Total Community Investment Strategy</b>			<b>16,356,107</b>	<b>6,044,019</b>	<b>10,308,306</b>	<b>(6,047,801)</b>		
<b>Fleet Asset Management Strategy</b>								
<b>Fleet Asset Management Strategy</b>								
10062	Vehicle Replacement	Fleet Asset Management Strategy	1,767,414	635,925	1,767,414	(0)		
<b>Total Fleet Asset Management Strategy</b>			<b>1,767,414</b>	<b>635,925</b>	<b>1,767,414</b>	<b>(0)</b>		
<b>IT Asset Management Strategy</b>								
<b>IT Asset Management Strategy</b>								
10064	IT Infrastructure	IT Asset Management Strategy	144,000	52,314	144,000	0	Form 1 signed 11.10.19 storage £49k Form 1 signed 16.10.19 Blade Servers £30k GF and £10k charged to HRA	



<i>Project ID</i>	<i>Project ID Description</i>	<i>Cluster Description</i>	<i>Amended Budget 2019/20</i>	<i>Expenditure</i>	<i>Projected Out-turn</i>	<i>Projected (Under)/Overspend</i>	<i>Notes</i>	<i>Carry Forward 20/21</i>
			£	£	£	£		
10065	Telecare	IT Asset Management Strategy	0	0	0	0		
10066	Social Services Integrated System	IT Asset Management Strategy	193,405	0	0	(193,405)	Joint Project Board established with Stirling. Procurement options being explored	193,405
10067	Digital Transformation	IT Asset Management Strategy	25,703	-3,700	25,703	(0)		
10165	CCTV Kelliebank	IT Asset Management Strategy	0	0	0	0		
10187	Digital Infrastructure	IT Asset Management Strategy	400,000	0	400,000	0	Scoping start Sept, Works Q4	
10190	Social Services Adaptations	IT Asset Management Strategy	75,000	0	75,000	0		
Total IT Asset Management Strategy			838,108	48,614	644,703	(193,405)		
Land Asset Management Strategy								
Land Asset Management Strategy								
10061	SWF/Wheeled Bins	Land Asset Management Strategy	48,000	6,653	34,900	(13,100)		
Total Land Asset Management Strategy			48,000	6,653	34,900	(13,100)		
Property Asset Management Strategy								
Alloa Cluster								
10177	Boiler Replacement - Kilncraigs	Alloa Cluster	0	0	0	0		
10191	Town Centre Regeneration Fund	Alloa Cluster	683,000	0	683,000	0	Project out to tender Work expected to commence before end of year.	
10198	Boiler Replacement No 2 - Kilncraigs	Alloa Cluster	22,000	0	22,000	0	Form 1 signed Oct 19. Commitment to be moved cost centre	
Total Alloa Cluster			705,000	0	705,000	0		
Property Asset Management Strategy - non cluster								
10045	Statutory Compliance DDA Schools	Property Asset Management Strategy	10,270	18,852	16,000	5,730	To be moved to Lochies.	
10046	Compliance - Asbestos Removal (Schools)	Property Asset Management Strategy	20,000	0	20,000	(0)	To be moved to Banchory	
10180	Boiler Replacement - Ben Cleuch Centre	Property Asset Management Strategy	7,045	7,045	0	(7,045)		
	Bowmar Regeneration Funding	Alloa Cluster	350,000	0	350,000	0	Project will only proceed if funding is secured. Awaiting notification of bid.	
10182	Bowmar CSEP	Property Asset Management Strategy	40,000	0	40,000	0	Work completed invoice will be received in next 4 weeks	
Total Property Asset Management Strategy - non cluster			427,315	25,897	426,000	(1,315)		
Total Property Asset Management Strategy			1,132,315	25,897	1,131,000	(1,315)		
Roads Asset Management Strategy								
All Clackmannanshire Areas								
10176	Electric Vehicle Charge Points	All Clackmannanshire Areas	200,000	11,813	200,000	0		

<i>Project ID</i>	<i>Project ID Description</i>	<i>Cluster Description</i>	<i>Amended Budget 2019/20</i>	<i>Expenditure</i>	<i>Projected Out-turn</i>	<i>Projected (Under)/Overspend</i>	<i>Notes</i>	<i>Carry Forward 20/21</i>
			£	£	£	£		
		<b>Total All Clackmannanshire Areas</b>	<b>200,000</b>	<b>11,813</b>	<b>200,000</b>	<b>0</b>		
<b>Road Asset Management Strategy</b>								
10049	Flood Prevention	Road Asset Management Strategy	111,166	44,361	111,166	0		
10050	Cycle Routes	Road Asset Management Strategy	100,000	50	100,000	0		
10051	Carriageways	Road Asset Management Strategy	2,102,000	1,403,263	2,102,000	0		
10052	Footways	Road Asset Management Strategy	0	0	0	0		
10054	Bridge Improvements	Road Asset Management Strategy	99,886	279	99,886	0		
10055	Road Safety	Road Asset Management Strategy	0	28,908	0	0		
10056	Lighting Replacement	Road Asset Management Strategy	339,127	215,604	339,127	0		
10172	Parking Management Scheme	Road Asset Management Strategy	271,270	25,681	60,000	(211,270)	Project extended into 21/22	211,270
		<b>Total Roads Asset Management Strategy</b>	<b>3,223,449</b>	<b>1,729,959</b>	<b>3,012,179</b>	<b>(211,270)</b>		
		<b>Total Capital Programme</b>	<b>23,365,393</b>	<b>8,491,067</b>	<b>16,898,501</b>	<b>(6,466,892)</b>		6,631,675
<b>Income</b>								
<b>1476</b>	Government Grant		<b>(6,208,000)</b>		<b>(6,208,000)</b>	<b>0</b>		
<b>1476</b>	Specific Government Grant - CWSS		<b>(84,000)</b>		<b>(84,000)</b>	<b>0</b>		
<b>1476</b>	Clackmannan Regeneration		<b>(606,318)</b>		<b>(606,318)</b>	<b>0</b>		
<b>1476</b>	Dollar Development (81012)		<b>(20,000)</b>		<b>(20,000)</b>	<b>0</b>		
	Early Learning & Childcare Expansion Grant		<b>(2,775,841)</b>		<b>(2,775,841)</b>	<b>0</b>		
	Charge Place Scotland		<b>(200,000)</b>		<b>(200,000)</b>	<b>0</b>		
	Town Centre Regeneration funding		<b>(683,000)</b>		<b>(683,000)</b>	<b>0</b>		
	Bowmar Regeneration Funding		<b>(350,000)</b>		<b>(350,000)</b>	<b>0</b>		
	Total Capital Income		<b>(10,927,159)</b>	<b>0</b>	<b>(10,927,159)</b>	<b>0</b>		
	<b>Net Capital Programme</b>		<b>12,438,234</b>	<b>8,491,067</b>	<b>5,971,342</b>	<b>(6,466,892)</b>		<b>6,631,675</b>

Summary By Division	Approved savings 2019/20 £	Achieved/ Likely to be achieved £	At risk of not being achieved £	Unachievable £
People	1,626,314	1,398,224	18,090	210,000
Place	562,234	408,234	0	154,000
Partnership & Performance	2,621,731	2,106,675	25,000	490,056
<b>Total</b>	<b>4,810,279</b>	<b>3,913,133</b>	<b>43,090</b>	<b>854,056</b>
		81.3%	0.9%	17.8%
<b>Movement from previously reported</b>				
<b>Previous total</b>	<b>4,810,279</b>	<b>4,007,363</b>	<b>160,360</b>	<b>642,556</b>
		83.3%	3.3%	13.4%
<b>Movement</b>	<b>0</b>	<b>(94,230)</b>	<b>(117,270)</b>	<b>211,500</b>
<b>Detail of Movement</b>				
SSME01		(170,000)		170,000
SSPD01		60,000	(60,000)	
EDUSR02		18,770	(18,770)	
PLCMEF004		(3,000)		3,000
0014E1 CORP			(13,500)	13,500
Funding Officer			(25,000)	25,000
<b>Total movement</b>		<b>(94,230)</b>	<b>(117,270)</b>	<b>211,500</b>

## Provisions as at August 2019

## Appendix 5

Provision	Balance at 31st March 2019 £(000)	Notified Amounts paid in the year £(000)	Further Amounts expected to be utilised in the year £(000)	Anticipated Closing balance at 31st March 2020 £(000)
Equal Pay	4	0	4	0
Insurance	26	0	0	26
Legal Case – Ordinarily Resident	826	0	826	0
<b>Total</b>	<b>856</b>	<b>0</b>	<b>830</b>	<b>26</b>

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**Report to Audit Committee**

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**Date of Meeting: 5 December 2019**

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**Subject: National Scrutiny Plan 2019/20**

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**Report by: Strategic Director, Partnership & Performance**

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**1.0 Purpose**

- 1.1. The purpose of this report is to make the Audit Committee aware of the Strategic Scrutiny Group's national scrutiny plan for 2019/20 (Appendix 1).

**2.0 Recommendations**

- 2.1. It is recommended that the Audit Committee notes the National Scrutiny Plan 2019/20 prepared by the Strategic Scrutiny Group for local government.

**3.0 Considerations**

- 3.1. The National Scrutiny Plan is issued on behalf of the Strategic Scrutiny Group for local government (SSG). The SSG comprises Scotland's main public sector scrutiny bodies – the Accounts Commission, Audit Scotland, Education Scotland, the Care Inspectorate, Healthcare Improvement Scotland, the Scottish Housing Regulator, Her Majesty's Inspectorate of Constabulary in Scotland, Her Majesty's Fire Service Inspectorate, Her Majesty's Inspectorate of Prisons and the Inspectorate of Prosecution in Scotland.
- 3.2. The SSG supports the delivery of better coordinated, more proportionate and risk-based local government scrutiny. It is convened and chaired by the Accounts Commission. These scrutiny bodies work together through Local Area Networks (LANs) in each council area to share intelligence and relate this to their work.
- 3.3. The Plan, Appendix 1, summarises all planned and announced strategic scrutiny activity from September 2019, in each of Scotland's 32 councils. In every local area there is also a baseline of scrutiny activity of services or institutions, such as inspections of schools or care homes or the annual financial audit of public bodies.
- 3.4. For Clackmannanshire, the key area for scrutiny in 2019/20 is indicated as 'Engagement on service for people who are homeless' (Appendix1, page 8). This scrutiny activity will be carried out by the Scottish Housing Regulator.

- 3.5. Audit Scotland is also undertaking a range of national performance (Appendix 1 pages 13 and 14), which includes affordable housing, early learning and childcare follow up audit and equal pay in Scottish councils. Appendix 1, page 15 outlines scrutiny reviews relating to Housing Benefit to be undertaken by Audit Scotland.
- 3.6. Looking ahead to 2020/21 (Appendix 1, page 20), Audit Scotland will be reviewing a number of areas including digital progress in local government, the role of local authorities in supporting economic growth, legacy of the 2014 Commonwealth Games, outcomes for children with additional support needs, social care sustainability and waste management.
- 3.7. There are no direct financial implications associated with this report.

#### **4.0 Sustainability Implications**

- 4.1. There are no direct sustainability implications associated with this report.

#### **5.0 Resource Implications**

##### *5.1. Financial Details*

- 5.2. The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate. Yes ☒

- 5.3. Finance have been consulted and have agreed the financial implications as set out in the report. Yes ☒

##### *5.4. Staffing*

#### **6.0 Exempt Reports**

- 6.1. Is this report exempt? Yes ☐ (please detail the reasons for exemption below) No ☒

#### **7.0 Declarations**

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

- (1) **Our Priorities** (Please double click on the check box ☒)

Clackmannanshire will be attractive to businesses & people and ensure fair opportunities for all ☐

Our families; children and young people will have the best possible start in life ☐

Women and girls will be confident and aspirational, and achieve their full potential ☐

Our communities will be resilient and empowered so

that they can thrive and flourish



(2) **Council Policies** (Please detail)

None

**8.0 Equalities Impact**

8.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?

Yes ☐

No ☒ Not applicable in this instance.

**9.0 Legality**

9.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes ☒

**10.0 Appendices**

10.1 Please list any appendices attached to this report. If there are no appendices, please state "none".

Appendix 1 – National Scrutiny Plan: a summary of local government strategic scrutiny activity

**11.0 Background Papers**

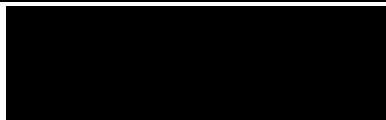
11.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

Yes ☐ (please list the documents below) No ☒

**Author(s)**

NAME	DESIGNATION	TEL NO / EXTENSION
Stuart Crickmar	Strategic Director Partnership & Performance	2127

**Approved by**

NAME	DESIGNATION	SIGNATURE
Stuart Crickmar	Strategic Director Partnership & Performance	





# National scrutiny plan

A summary of local government strategic scrutiny activity



Prepared on behalf of the Strategic Scrutiny Group  
September 2019

ACCOUNTS COMMISSION 

 AUDIT SCOTLAND

 improving policing  
across Scotland  
**HMICS**

 Healthcare  
Improvement  
Scotland

 Inspectorate of  
Prosecution in  
Scotland

 care  
inspectorate

 Education  
Scotland  
Foghlam Alba

 Scottish Housing  
Regulator

 **HMIPS**  
HM INSPECTORATE OF  
PRISONS FOR SCOTLAND

  
**HMFSI**

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# Contents



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Introduction	3
National scrutiny programme	6
Future work	20
Appendix. Strategic Scrutiny Group members	22

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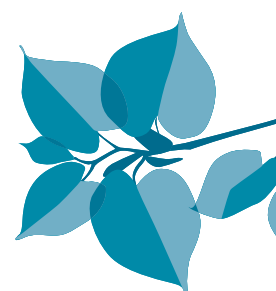
**Links**

-  PDF download
  -  Web link
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# Introduction

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**1.** The National Scrutiny Plan (NSP) is issued on behalf of the Strategic Scrutiny Group for local government (SSG). The SSG comprises Scotland's main public sector scrutiny bodies – the Accounts Commission, Audit Scotland, Education Scotland, the Care Inspectorate, Healthcare Improvement Scotland, the Scottish Housing Regulator, Her Majesty's Inspectorate of Constabulary in Scotland, Her Majesty's Fire Service Inspectorate, Her Majesty's Inspectorate of Prisons and the Inspectorate of Prosecution in Scotland. The SSG supports the delivery of better coordinated, more proportionate and risk-based local government scrutiny. It is convened and chaired by the Accounts Commission. Details of each organisation can be found in the [Appendix \(page 22\)](#). This plan is prepared by the SSG's Operational Scrutiny Group, which is chaired by the Care Inspectorate. Other members are Audit Scotland (on behalf of the Accounts Commission), Education Scotland and the Scottish Housing Regulator. These scrutiny bodies work together through Local Area Networks (LANs) in each council area to share intelligence and relate this to their work.

## What the plan covers

**2.** This NSP summarises all planned and announced strategic scrutiny activity from September 2019, in each of Scotland's 32 councils. In every local area there is also a baseline of scrutiny activity of services or institutions, such as inspections of schools or care homes or the annual financial audit of public bodies. In some cases where we note that no strategic scrutiny is planned for a council, this is often because they have already been subject to scrutiny activity.

**3.** This plan highlights the range and nature of scrutiny to be carried out during the year. For some programmes of work the plan does not set out each council where scrutiny will take place. This is because not all strategic scrutiny is announced on an annual basis. With an increasing focus on a risk-based and proportionate approach, scrutiny activity can also change during the year, particularly in response to any significant risks or events that require immediate investigation.

**4.** To ensure that this NSP is up to date and comprehensive, we will update it on a six-monthly basis in response to any significant changes in scrutiny activity. When the plan is updated we will inform LAN leads who will inform their councils.

## Background

**5.** The SSG was established in February 2008, bringing together bodies scrutinising local authorities. Its work is underpinned by the obligations of the Public Service Reform (Scotland) Act 2010 and by the five principles of scrutiny:

- public focus
- independence
- proportionality
- transparency
- accountability.

**6.** The SSG established a shared risk assessment (SRA) process in 2008 as the vehicle for scrutiny bodies to share intelligence and agree scrutiny risks in each of Scotland's 32 councils. The process has been successful in providing a focus for scrutiny bodies to work closer together and for more coordinated engagement between councils and scrutiny bodies.

**7.** The way that scrutiny bodies plan their scrutiny programmes has changed significantly over the last few years. This is, in part, as a response to the increasingly complex landscape in which councils deliver their services, changes in the roles of scrutiny bodies over time, new audit and inspection methodologies and changing drivers for scrutiny.

**8.** Recognising these changes, we carried out a fundamental review of the SRA process during 2018. As part of the review we consulted with local authorities on how best we could take forward the SRA and scrutiny coordination. The feedback we received highlighted overwhelming support for scrutiny bodies continuing to discuss individual councils and their performance. However, it also raised areas for improvement, including:

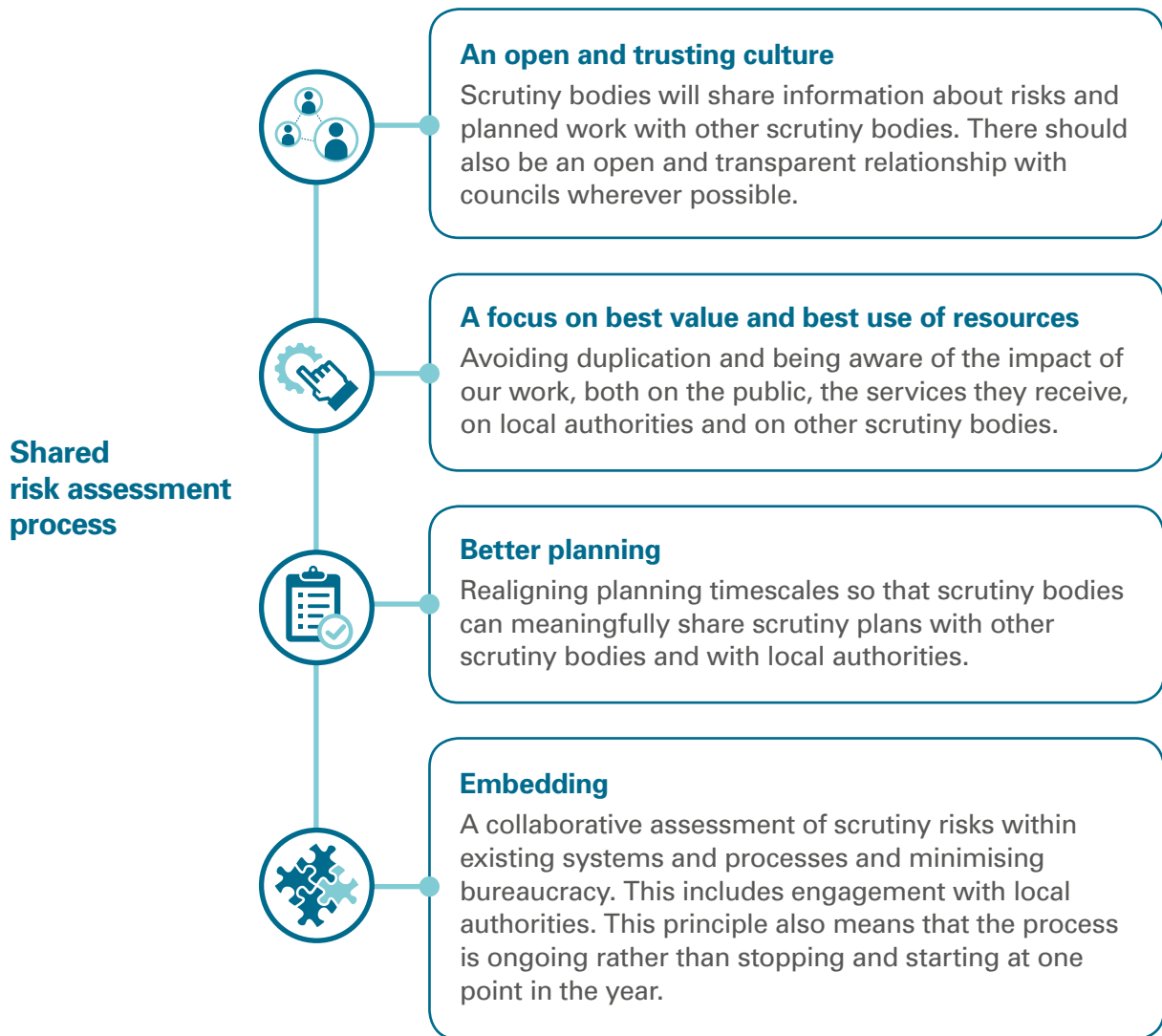
- a need for more regular discussion and sharing of local intelligence and mixed views on the value of local outputs from LANs
- improving scrutiny planning and coordination at a national level.

## Revised SRA

**9.** We have introduced a revised approach to SRA, designed to ensure that it provides the greatest value for both scrutiny bodies and councils by:

- promoting the best possible shared understanding of scrutiny risks
- coordinating scrutiny activity most effectively
- maximising opportunities for scrutiny bodies to collaborate
- supporting better engagement between scrutiny bodies and councils.

**10.** The most significant changes in the SRA process are a greater focus on national planning and coordination of scrutiny programmes and better sharing of intelligence. Scrutiny bodies have agreed that the following principles underpin our revised approach to the SRA.



# National scrutiny programme




## Developing scrutiny programmes

**11.** Each scrutiny body involved in the SSG adopts a similar approach to developing their scrutiny programmes. Fundamentally this involves taking account of national priorities, risks, data and intelligence. However there are other factors which can have a significant impact on programmes of scrutiny activity. These include, unforeseen service failures, the impact of major reforms and legislation, such as EU withdrawal, or direct requests from ministers.


**12.** Collectively we continue to use the SRA process to inform the nature, ordering and scope of our scrutiny programmes. Through the SRA process we consider the relative strengths and areas for improvement of individual councils and their partnerships. In making our risk assessments we take into account how robustly self-evaluation is carried out and what the results of self-evaluation are telling us.

**13.** Our scrutiny programmes are also informed by both local and national responses to the common risks facing local government and its partnerships. These risks include:

- an increasingly challenging financial outlook caused by factors such as rising demand for services, demographic change, tight and uncertain budget settlements and commitments to national policy priorities
- the impact of the UK's departure from the EU
- the ability to ensure there are the skills and capacity required to manage and deliver services
- the ability to demonstrate the impact from public sector reform
- failure to capitalise on the opportunities that new technology offers to transform public services and improve outcomes for people.

**14.** In June 2019, the Scottish Government launched its [National Performance Framework](#)  (NPF), providing a focus for the delivery of public services. The risks set out above may impact on how local government and its partners contribute to the outcomes in the NPF. The NPF is something that will underpin our scrutiny activities.

## Coordination and collaboration

**15.** Scrutiny bodies continue to follow the principles from the Crerar report, to better coordinate our work and look for opportunities for collaborative scrutiny. A wide range of our work is carried out collaboratively, for example joint inspections of services for children and adults and inspections of the Scottish Attainment Challenge authorities. The SSG is committed to this approach and plans to explore broader opportunities for scrutiny collaboration around important issues facing councils and the public, where all scrutiny bodies have an interest. For example, in 2019 the SSG published [\*Principles for community empowerment\*](#) , based on work with councils and other partners to understand this developing area and how they could incorporate it in scrutiny programmes.


**16.** The group plans further collaborative work where this can add most value. As with all partnership working, there are practical challenges in making collaborative scrutiny work successfully, but we see the potential for this to make a significant positive impact. As these opportunities evolve and develop we will update councils and their partnerships through LAN engagement and future revisions to this plan.


## Scrutiny programme 2019/20

Council	Scrutiny activity	Scrutiny body/bodies	Fieldwork/ engagement dates
<b>Aberdeen City</b>	Inspection of justice social work services	Care Inspectorate and Her Majesty's Inspectorate of Constabulary in Scotland	January to March 2020
	Career information, advice and guidance services	Education Scotland	September to December 2019
	Engagement on Gypsy Traveller minimum site standards	Scottish Housing Regulator	2019/20
<b>Aberdeenshire</b>	Best Value Assurance Report	Audit Scotland	February to April 2020 Report to Accounts Commission: October 2020
	Career information, advice and guidance services (follow-up)	Education Scotland	February 2020
	Engagement on: service quality; services for people who are homeless; Gypsy Traveller minimum site standards	Scottish Housing Regulator	2019/20
<b>Angus</b>	Engagement on services for people who are homeless	Scottish Housing Regulator	2019/20
<b>Argyll and Bute</b>	Best Value Assurance Report	Audit Scotland	Beginning October 2019 Report to Accounts Commission: April 2020
	Inspection of community learning and development services (further inspection)	Education Scotland	Before end of March 2020 (TBC)
	Engagement on services for people who are homeless	Scottish Housing Regulator	2019/20
<b>Clackmannanshire</b>	Engagement on services for people who are homeless	Scottish Housing Regulator	2019/20
<b>Dumfries and Galloway</b>	Inspection of justice social work services	Care Inspectorate and Her Majesty's Inspectorate of Constabulary in Scotland	October to December 2019
	Career information, advice and guidance services	Education Scotland	October 2019
	Engagement on: services for people who are homeless; Gypsy Traveller minimum site standards	Scottish Housing Regulator	2019/20


Cont.




Council	Scrutiny activity	Scrutiny body/bodies	Fieldwork/engagement dates
	Local area inspection of fire services	HM Fire Services Inspectorate	July to September 2019
Dundee City	Best Value Assurance Report	Audit Scotland	February to April 2020 Report to Accounts Commission: September 2020
	Fieldwork for <a href="#"><i>Improving outcomes for young people through school education</i></a> 	Audit Scotland	September 2019
	Engagement on: services for people who are homeless; gas safety	Scottish Housing Regulator	2019/20
East Ayrshire	No planned scrutiny		
East Dunbartonshire	Career information, advice and guidance services	Education Scotland	September to December 2019
	Engagement on services for people who are homeless	Scottish Housing Regulator	2019/20
East Lothian	Supported and validated self-evaluation – community justice partnerships	Care Inspectorate	January to March 2020
	Engagement on: services for people who are homeless; Gypsy Traveller minimum site standards	Scottish Housing Regulator	2019/20
East Renfrewshire	Joint inspection of strategic planning	Care Inspectorate and Healthcare Improvement Scotland	January to March 2020
	Engagement on services for people who are homeless	Scottish Housing Regulator	2019/20
Edinburgh	Best Value Assurance Report	Audit Scotland	February to April 2020 Report to Accounts Commission: August 2020
	Career information, advice and guidance services (follow-up)	Education Scotland	September 2019
	Engagement on services for people who are homeless	Scottish Housing Regulator	2019/20
	Local area inspection of fire services	HM Fire Services Inspectorate	2019/20
Cont.			

Council	Scrutiny activity	Scrutiny body/bodies	Fieldwork/engagement dates
<b>Eilean Siar</b>	Career information, advice and guidance services	Education Scotland	September to December 2019
	Inspection of community learning and development services (further inspection)	Education Scotland	Before end of March 2020 (TBC)
	Engagement on services for people who are homeless	Scottish Housing Regulator	2019/20
<b>Falkirk</b>	Best Value Assurance Report	Audit Scotland	April to June 2020 Report to Accounts Commission: November 2020
	Career information, advice and guidance services	Education Scotland	September to December 2019
	Engagement on services for people who are homeless	Scottish Housing Regulator	2019/20
<b>Fife</b>	Fieldwork for <a href="#"><i>Improving outcomes for young people through school education</i></a> 	Audit Scotland	September 2019
	Engagement on services for people who are homeless	Scottish Housing Regulator	2019/20
<b>Glasgow</b>	Inspection of community learning and development services (further inspection)	Education Scotland	Before end of March 2020 (TBC)
	Engagement on services for people who are homeless	Scottish Housing Regulator	2019/20
<b>Highland</b>	Best Value Assurance Report	Audit Scotland	Fieldwork complete Report to Accounts Commission: November 2019
	Inspection of community learning and development services (further inspection)	Education Scotland	Before end of March 2020 (TBC)
	Engagement on: services for people who are homeless; Gypsy Traveller minimum site standards	Scottish Housing Regulator	2019/20
<b>Inverclyde</b>	Inspection of justice social work services	Care Inspectorate and Her Majesty's Inspectorate of Constabulary in Scotland	Fieldwork completing in September 2019
	Career information, advice and guidance services (follow-up)	Education Scotland	October 2019

Cont.

Council	Scrutiny activity	Scrutiny body/bodies	Fieldwork/engagement dates
	Engagement on: services for people who are homeless; planned stock transfer	Scottish Housing Regulator	2019/20
Midlothian	Joint inspection of services for children and young people in need of care and protection	Care Inspectorate, Education Scotland, Healthcare Improvement Scotland and Her Majesty's Inspectorate of Constabulary in Scotland	January to March 2020
	Engagement on: service quality; services for people who are homeless; Gypsy Traveller minimum site standards	Scottish Housing Regulator	2019/20
Moray	Best Value Assurance Report	Audit Scotland	Beginning November 2019 Report to Accounts Commission: May 2020
	Inspection of community learning and development services (further inspection)	Education Scotland	Before end of March 2020 (TBC)
North Ayrshire	Best Value Assurance Report	Audit Scotland	January to April 2020 Report to Accounts Commission: June 2020
	Career information, advice and guidance services	Education Scotland	January to March 2020
	Engagement on services for people who are homeless	Scottish Housing Regulator	2019/20
North Lanarkshire	Engagement on services for people who are homeless	Scottish Housing Regulator	2019/20
Orkney Islands	Joint inspection of services for children and young people in need of care and protection	Care Inspectorate, Education Scotland, Healthcare Improvement Scotland and Her Majesty's Inspectorate of Constabulary in Scotland	Fieldwork completing in September 2019
	Engagement on service quality	Scottish Housing Regulator	2019/20
Perth & Kinross	No planned scrutiny		
Renfrewshire	Fieldwork for <a href="#"><i>Improving outcomes for young people through school education</i></a> 	Audit Scotland	September 2019

Cont.

Council	Scrutiny activity	Scrutiny body/bodies	Fieldwork/engagement dates
<b>Scottish Borders</b>	Best Value Assurance Report	Audit Scotland	Fieldwork complete Report to Accounts Commission: October 2019
	Services for older people (progress review)	Care Inspectorate and Healthcare Improvement Scotland	October to December 2019
	Engagement on Gypsy Traveller minimum site standards	Scottish Housing Regulator	2019/20
<b>Shetland Islands</b>	Fieldwork for <a href="#"><i>Improving outcomes for young people through school education</i></a> 	Audit Scotland	September 2019
	Supported and validated self-evaluation – community justice partnerships	Care Inspectorate	October to December 2019
	Engagement on: service quality; services for people who are homeless	Scottish Housing Regulator	2019/20
<b>South Ayrshire</b>	No planned scrutiny		
<b>South Lanarkshire</b>	Joint inspection of services for children and young people in need of care and protection	Care Inspectorate, Education Scotland, Healthcare Improvement Scotland and Her Majesty's Inspectorate of Constabulary in Scotland	October to December 2019
<b>Stirling</b>	Career information, advice and guidance services (follow-up)	Education Scotland	February 2020
	Engagement on: service quality; services for people who are homeless	Scottish Housing Regulator	2019/20
<b>West Dunbartonshire</b>	Engagement on: services for people who are homeless; Gypsy Traveller minimum site standards	Scottish Housing Regulator	2019/20
<b>West Lothian</b>	Joint inspection of strategic planning	Care Inspectorate and Healthcare Improvement Scotland	January to March 2020
	Engagement on services for people who are homeless	Scottish Housing Regulator	2019/20

**17.** The following paragraphs include details about the purpose of each scrutiny programme in the table above, and the rationale for focusing on individual councils. It also includes details of other scrutiny activity affecting councils where fieldwork sites have not yet been identified.

## **The Accounts Commission/Audit Scotland**

### **Best Value**

**18.** Best Value is part of an integrated annual audit process. Each council will receive a public Best Value Assurance Report (BVAR) at least once in a five-year period that presents an overall picture of the council, drawn from a range of audit activity and the work of other scrutiny bodies.

**19.** The Accounts Commission's current approach to Best Value auditing in councils began in October 2016. The five-year rolling programme of BVARs, which is reviewed and refreshed annually by the Accounts Commission, ensures a BVAR is published on every council by the end of 2021. The results of the SRA process make a significant contribution to the audit intelligence that informs decisions about the programme, both in terms of the sequencing and timing of audits and the focus of audit work at individual councils. BVARs bring together an overall picture of the council drawn from a range of audit activity and the work of other scrutiny bodies.

**20.** Audit Scotland will publish the following two reports to complete the Account's Commission's programme of seven BVARs in 2019: Scottish Borders Council (October 2019) and The Highland Council (November 2019). By the end of 2019, BVARs will have been reported covering 19 councils. Following consideration of ongoing intelligence from auditors, a further seven BVARs will be reported in 2020 during the fourth year of the programme. The councils included in the programme were chosen to reflect:


- a spread of councils (size and location)
- a spread of auditors to smooth the pressures on auditors
- current intelligence on risk profiles gathered from local auditors through annual audit planning and local area network discussions.










**21.** The scope and timing of the work to be carried out will be discussed with each council.

### **National performance audits**

**22.** Audit Scotland is carrying out several performance audits covering local government in 2019/20. These are part of a programme agreed by the Accounts Commission and Auditor General for Scotland. The programme is informed by the Accounts Commission's strategic audit priorities, public sector audit risks and policy developments, as well a wide range of policy monitoring and external engagement.

**23.** The need for any engagement with individual councils will be determined during the scoping stage of each audit. Audit teams will discuss the reasons for selection and the type of work to be undertaken with relevant councils. Where

possible, we have included this information below. Further details on each of the audits in the performance audit programme for 2019/20 and beyond are available [here](#).  The 2019/20 programme includes audits covering:

- **[Affordable housing](#)** : This audit will report progress against the Scottish Government's affordable housing target to date, consider what impact it has had and identify opportunities for improvement in delivering affordable housing in the longer term. The audit report will be published in spring 2020. Detailed case studies in Aberdeenshire, Argyll and Bute, Edinburgh and South Lanarkshire councils will be carried out in 2019/20.
- **[Early learning and childcare follow up audit](#)** : Audit Scotland is carrying out the second in a series of three audits to understand and assess progress with the expansion to funded ELC. This audit is examining progress in planning for the expansion since our [previous report](#) . This includes progress in planning to ensure there is sufficient workforce, infrastructure and private and third sector provider capacity in place to deliver the expansion. We are also examining progress in planning for how the expansion will be evaluated. The audit report will be published in early 2020.
- **[Improving outcomes for young people through school education](#)** : This audit looks at school education to assess whether outcomes are improving for young people, whether the Scottish Government, councils and their partners collectively have a clear and coherent approach to improving these outcomes, how public money is being used for this and how effectively the Scottish Government, councils and their partners are evaluating performance and taking action to improve these outcomes for young people. Fieldwork for this audit will take place in Renfrewshire, Shetland, Dundee and Fife councils during August and September 2019.
- **[Revenue financing of assets](#)** : This audit will assess how the Scottish Government has managed this investment programme nationally. It is also looking at how the Scottish Government, the Scottish Futures Trust and Hub Companies have supported the public bodies delivering individual projects.
- **[Scotland's City Region and Growth Deals](#)** : Audit Scotland is carrying out the first of two performance audits looking at these Deals. This will focus on the rationale, development and management arrangements for the deals and identify early progress and risks and is due to publish in November 2019. A second audit will re-visit the Deals later to look at longer-term progress.
- **Supporting economic growth**: Building on the Auditor General's 2016 report on the [role of the enterprise agencies in supporting economic growth](#) , this audit will consider the issues and risks to other areas of the economic development landscape. This includes local economic development and regeneration activity in councils, and the role of the Business Gateway service.
- In 2019/20, impact reports on the 2017 [Equal pay in Scottish councils](#)  performance audit, and the [Self-directed support: 2017 progress report](#)  will be published.

### **Housing benefit risk assessments**

**24.** The Accounts Commission has responsibility for the audit of housing benefit services in Scotland and Audit Scotland carries out a programme of performance audit work every year. The structural changes to the social security landscape, both at UK and Scottish level, are presenting significant implications for councils. In this context the Commission has decided to take a more strategic approach to the housing benefit performance audit from 2019/20. This changes the balance between reports on the risks at individual councils to more cross-cutting thematic reviews that look at risks across councils.

**25.** Audit Scotland continues to review the relative performance of all councils' housing benefit services throughout the year, and is taking a more risk-based and proportionate approach to changes in performance at an individual council. Audit Scotland will discuss council selection with councils' auditors prior to final decisions on reviews. The reviews planned for 2019/20 are:

- two thematic reviews: overpayments, resourcing models
- two reviews of individual councils: risk-based selection based on most current information.

### **Care Inspectorate**

**26.** The Care Inspectorate's authority to inspect social services is laid out in Part 5 of the Public Services Reform (Scotland) Act 2010. It carries out inspections jointly with partners that include; Education Scotland, Healthcare Improvement Scotland and Her Majesty's Inspectorate of Constabulary. Joint inspections are carried out at the request of Scottish Ministers in accordance with an approved timetable.

**27.** There is an expectation that partnerships will have carried out some self-evaluation of their work, and each inspection will take account of the partnership's assessment of its own effectiveness. A self-evaluation framework based on the EFQM Excellence Model has been developed to support partnerships in assessing their own work. If approved by Scottish ministers, the new model for joint inspections of services for adults in an integrated context will make use of the self-assessment template issued to integration authorities by the Scottish Government.

**28.** The Care Inspectorate's proposed work programme for 2019/20 is outlined below. Its plan could be subject to change at any point to reflect changing circumstances and emerging risks.

### **Joint inspections of services for children and young people in need of care and protection**

**29.** These inspections come from a recommendation from the child protection improvement programme. The Care Inspectorate leads these inspections and carries them out in partnership with Education Scotland, Healthcare Improvement Scotland and Her Majesty's Inspectorate of Constabulary in Scotland. Five joint inspection of services for children and young people in need of care and protection will be carried out in 2019/20 as part of a national scrutiny programme. The Community Planning Partnership areas selected are determined by the SRA process.



### **Joint inspections – strategic planning**

**30.** Joint inspections of strategic planning are carried out under responsibilities in the Public Bodies (Joint Working) (Scotland) Act. The Care Inspectorate and Healthcare Improvement Scotland are jointly responsible for carrying out these inspections. They will also include input from Audit Scotland. Two joint inspections will be carried out in 2019/20 plus a progress review from joint inspection of services for older people. The health and social care partnerships selected are determined by a combination of intelligence from the SRA process and other intelligence held by the scrutiny partners. Inspections have been focused towards partnerships which have not been inspected previously under a joint inspection of services for older people.

**31.** The Care Inspectorate and Healthcare Improvement Scotland are in discussion with the Scottish Government about jointly developing a new inspection methodology to provide assurance about whether integrated health and care is improving experiences and outcomes for individuals. This builds on the joint inspections of strategic planning. This new approach is being developed under direction of a Ministerial Strategic Steering Group in Integration to meet responsibilities under the Public Bodies (Joint Working) (Scotland) Act. It is expected that pilot inspections will begin in 2020. Criteria for selecting health and social care partnerships to be inspected are still to be determined.

### **Inspections of justice social work services (with a focus on community payback)**



**32.** These inspections are in response to a ministerial direction to provide assurance on the readiness of partners for PASS (Presumption Against Short Sentences) as part of the Scottish Government's community justice strategy. The Care Inspectorate will carry out inspections of justice social work services with input from Her Majesty's Inspectorate of Constabulary in Scotland. The annual programme will include three councils that are determined on the basis of national statistics and intelligence, including information from Community Justice Scotland.

### **Supported and validated self-evaluation – community justice partnerships**

**33.** This work is in response to a ministerial direction to support the strategy for community justice. The Care Inspectorate will support and validate self-evaluation (VSE) in two council areas. Council areas will volunteer to be included in the programme and the Care Inspectorate will discuss its selection method with the justice high level advisory group.

## **Education Scotland**


**34.** Her Majesty's Chief Inspector of Education decides on the scale and priorities of Education Scotland's scrutiny programme in agreement with the Cabinet Secretary for Education and Skills. The annual programme of scrutiny activity is published in June each year and sets out intended activity across all education sectors.

**35.** HM Inspectors' of Education powers to inspect educational establishments and services are set out in the [Education \(Scotland\) Act 1980](#)  and its [Annual Programme of Scrutiny](#)  is published on the Education Scotland website.



**36.** Between October 2017 and February 2019, HM Inspectors of Education evaluated the work of nine local authorities to improve learning, raise attainment and narrow the poverty-related attainment gap. The nine local authorities designated as challenge authorities within the Scottish attainment challenge are:

- Clackmannanshire Council
- Dundee City Council
- East Ayrshire Council
- Glasgow City Council
- Inverclyde Council
- North Ayrshire Council
- North Lanarkshire Council
- Renfrewshire Council
- West Dunbartonshire Council.

**37.** This programme was carried out under the terms of Section 9 of the Standards in Scotland's Schools etc. Act 2000. Reports on all nine authorities have now been published. A report summarising the findings from this programme ([\*How well are the Scottish Attainment Challenge authorities improving learning, raising attainment and closing the poverty-related attainment gap?\*](#))  was published in June 2019.

### **Joint inspections of services for children and young people in need of care and protection**

**38.** HM Inspectors of Education will collaborate with other scrutiny partners on the programme of joint inspections of services for children and young people in need of care and protection led by the Care Inspectorate. These inspections focus on the difference community planning partners are making to:

- the lives of children and young people in need of care and protection
- the lives of children and young people for whom Community Planning Partnerships have corporate parenting responsibilities.

### **Career information, advice and guidance services**

**39.** HM Inspectors of Education will evaluate and report on the quality of careers information advice and guidance services delivered by Skills Development Scotland across five council areas. These inspections will conclude the commitment to inspect the Careers Information Advice and Guidance services of all local authorities within a five year programme.

**40.** In addition, Education Scotland will carry out five follow-up visits of careers information advice and guidance services delivered by Skills Development Scotland. Where Education Scotland identifies that the quality of education is not good enough it undertake further inspection activity. The timescale for carrying out this activity is specified in the inspection report.

### **Community learning and development services**

**41.** HM Inspectors of Education will carry out five further inspections of community learning and development services. Specific dates will be agreed with each local authority to take account of activity by other scrutiny bodies taking place within the local authority. Where Education Scotland identifies that the quality of education is not good enough it undertake further inspection activity. The timescale for carrying out this activity is specified in the inspection report.

### **National thematic inspections**

**42.** Details of national thematic inspections will be announced in due course. Where these involve HM Inspectors' engagement with local authorities, we will take account of other existing commitments as outlined in the National Scrutiny Plan.

### **Scottish Housing Regulator (SHR)**

**43.** The SHR's objective is to safeguard and protect the interests of persons who are or who may become tenants of social landlords or recipients of services provided by social landlords (including people who are or who may become homeless and Gypsy Travellers). To deliver its objective, the SHR monitors, assesses and intervenes where appropriate, in relation to the performance of housing activities of council landlords.

**44.** Councils are required to comply with the Scottish Government's Social Housing Charter. The charter contains a total of 16 outcomes and standards that social landlords should aim to achieve (outcomes and standards in relation to homelessness duties apply to all councils and for Gypsy Travellers only to councils that manage sites for Gypsy Travellers). Each year councils complete an Annual Report on Charter (ARC) which sets out their progress against a set of charter indicators.

**45.** Each year the SHR carries out an annual risk assessment which monitors and assesses each local authority's performance of its housing activities. It uses information provided in the ARC as well as other information, such as that supplied by councils to the Scottish Government (for example, data on homelessness applications). This allows the SHR to determine any further engagement that it needs with councils for further assurance that they are complying with statutory and regulatory requirements and serving the interests of tenants and service users. This will be set out in published engagement plans for each council.

**46.** Engagement plans set out the reason for further engagement and the nature of that engagement. This can range from requiring further information, to regular monitoring of performance, or carrying out a detailed inquiry. The SHR may engage with a council about one, or more, of four broad areas:

- Service quality (for example gas safety)
- Services for people who are homeless
- Compliance with minimum site standards for Gypsy Travellers
- Other (for example gas safety).

### New regulatory framework



**47.** The SHR's new framework came into force on 1 April 2019. It contains a requirement for each council to assure itself that it has complied with all regulatory requirements in relation to the performance of its housing activities and thereafter to provide a statement of assurance to the SHR. The statement must be submitted by 31 October each year and be approved by the relevant committee of the council prior to submission.

**48.** In 2019/20, the SHR will visit a small number of councils to review processes for gaining assurance of compliance with regulatory requirements. It will decide which councils to visit at the start of November 2019, with visits to be completed by February 2020.

### Other scrutiny activity impacting on local government


**49.** Both Her Majesty's Fire Services Inspectorate and Her Majesty's Inspectorate of Constabulary in Scotland carry out local area-based inspection activity that involves contact with councils.

#### Her Majesty's Fire Services Inspectorate (HMFSI)

**50.** HMFSI undertakes a programme of inspections throughout the Scottish Fire and Rescue Service (SFRS) delivery areas, to examine local service delivery across Scotland. These inspections will examine, among other things, local scrutiny and engagement between the SFRS and councils. As part of its business plan programme for 2019/20, HMFSI intends to inspect service delivery in Dumfries and Galloway and City of Edinburgh. In addition, within its business plan, HMFSI has a programme of thematic review inspections planned, but this work is unlikely to result in contact with local authorities. However, HMFSI may also carry out ad hoc inspections in response to specific events, which could involve contact with local authorities. Further details are available on its [website](#)  and in its [Scrutiny Plan 2016–21](#) .

#### Her Majesty's Inspectorate of Constabulary in Scotland (HMICS)

**51.** HMICS is committed to assessing the quality of policing service experienced by communities across the country and reporting publicly on how well Police Scotland is delivering against local priorities. It does this through its programme of Local Policing+ inspections. These local police inspections cover partnership working and, in particular, local scrutiny and engagement between Police Scotland and councils and the local Community Planning Partnership and Community Safety Partnership. They also include a 'plus' element, which aims to investigate national issues through a local lens.

**52.** In 2019/20, HMICS will not be carrying out an inspection into a specific local police division. Rather it will examine a number of significant policing issues and see how those issues are addressed in different parts of Scotland. Further details are available in its [Annual Scrutiny Plan 2019–20](#) .

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# Future work

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**53.** In the main, scrutiny bodies publish details of the councils and partnerships that they will be auditing and inspecting on an annual basis. Predominantly this is because the programmes are responsive to emerging risks. In some cases, longer-term plans are also published, as outlined below.

## **Audit Scotland/Accounts Commission**

**54.** The final year of the Account's Commission's five-year Best Value programme is 2021. The remaining six councils where BVARs will be published in 2021 are:

- Shetland Islands Council
- Comhairle nan Eilean Siar
- East Dunbartonshire Council
- South Ayrshire Council
- Angus Council
- Aberdeen City Council.

The Accounts Commission is considering the future approach to auditing Best Value in councils beyond 2021.

**55.** Audit Scotland's five-year rolling programme of national performance audits currently covers the period up to 2023/24. Further details on each of the audits in the performance audit programme are available [here](#) . Performance audit work that will begin to be carried out but reported in 2020/2021 includes:

- digital progress in local government
- supporting economic growth: the role of local authorities
- legacy of the 2014 Commonwealth Games
- outcomes for children with additional support needs
- social care sustainability
- waste management.

## Care Inspectorate

### Inspection of adult support and protection (ASP) arrangements

**56.** Inspection of adult support and protection (ASP) arrangements are carried out by direction of the Cabinet Secretary in response to findings of the ASP thematic review published in 2018. They are designed to raise the profile of adult support and protection commensurate with the priority given to child protection. The Care Inspectorate leads these inspections and carries them out in partnership with Healthcare Improvement Scotland and Her Majesty's Inspectorate of Constabulary in Scotland.

**57.** The programme will include visits to all 26 local authority areas not inspected in the 2018 thematic review, over a two year period. The programme is expected to commence in autumn 2019, with the scheduling of council areas to be determined in conjunction with a programme reference group. The order in which these inspections will be carried out has not yet been agreed.

### Inspection to provide assurance about whether integrated health and care is improving experiences and outcomes for individuals

**58.** The Care Inspectorate and Healthcare Improvement Scotland are jointly developing a new inspection methodology to provide assurance about whether integrated health and care is improving experiences and outcomes for individuals. This will replace joint inspections of strategic planning. This new approach is being developed under direction of a Ministerial Steering Group on Integration to meet responsibilities under Public Bodies (Joint Working) (Scotland) Act. It is expected that pilot inspections will begin in 2020, with criteria for selecting council areas to be inspected still to be determined.

## Education Scotland

**59.** Over the course of the year, HM Inspectors of Education will give due consideration to the outcomes of its inspections of schools, settings, and services which are the responsibility of the each local authority. It will respond to identified risk as appropriate. Where a scrutiny response is required, Education Scotland will take account of other scrutiny partners' existing commitments as outlined in the National Scrutiny Plan.

## Scottish Housing Regulator

**60.** The SHR uses thematic work to look in depth at specific areas of local authorities' work. Thematic work also informs the SHR's advisory guidance and risk assessments and lets it share positive practice. From 2020/21 the SHR plans to develop a programme of thematic work with a clear focus on its priorities:

- homelessness
- affordable rents
- value for money
- tenant and resident safety.

# Appendix

## Strategic Scrutiny Group members



### Operational group members shown in bold

Accounts Commission	The Accounts Commission is a non-departmental public body. The Accounts Commission is the public's independent watchdog for local government in Scotland. Its role is to examine how Scotland's 32 councils manage their finances, help these bodies manage their resources efficiently and effectively, promote Best Value and publish information every year about how they perform.
<b>Audit Scotland</b>	<b>Audit Scotland is a statutory body providing services to the Accounts Commission and the Auditor General for Scotland. Working together, they ensure that public sector bodies in Scotland are held to account for the proper, efficient and effective use of public funds.</b>
<b>Care Inspectorate</b>	<b>The Care Inspectorate is a non-departmental public body. The Care Inspectorate's purpose is to provide assurance and protection for people who use care, social work and children's services.</b>
<b>Education Scotland</b>	<b>Education Scotland is an executive agency. It is the Scottish Government's national development and improvement agency for education. It is charged with providing support and challenge to the education system, from early years to adult learning, in line with the government's policy objectives.</b>
Healthcare Improvement Scotland	Healthcare Improvement Scotland is a health body. Its function is to improve the quality of the care and experience of every person in Scotland every time they access healthcare by supporting healthcare providers.
Her Majesty's Fire Service Inspectorate	Her Majesty's Fire Service Inspectorate in Scotland exists to provide independent, risk-based and proportionate professional inspection of the Scottish Fire and Rescue Service. Its purpose is to give assurance to the Scottish public and Scottish ministers that the service is working in an efficient and effective way, and to promote improvement in the service. Through this, the Inspectorate provides external quality assurance to the service, and provides support to the service in delivering its functions.

Her Majesty's Inspectorate of Constabulary in Scotland	Her Majesty's Inspectorate of Constabulary in Scotland provides independent scrutiny of both Police Scotland and the Scottish Police Authority. Its approach is to support Police Scotland and the Authority to deliver services that are high quality, continually improving, effective and responsive to local needs. It can inspect other UK police services that operate in Scotland and is a member of the National Preventive Mechanism, inspecting police custody centres to monitor the treatment and conditions for detainees.
Her Majesty's Inspectorate of Prisons for Scotland	Her Majesty's Chief Inspector of Prisons for Scotland provides oversight and scrutiny of the 15 prisons in Scotland, by way of inspection and monitoring, in order to report on the conditions in prison and the treatment of prisoners. Monitoring is conducted by volunteer independent prison monitors, who are required to visit every prison every week, to respond to prisoners' requests and to monitor conditions. It also has responsibility for inspecting court custody cells and the conditions in which prisoners are transported.
Inspectorate of Prosecution in Scotland	<p>The Inspectorate of Prosecution in Scotland is headed by HM Chief Inspector who reports directly to the Lord Advocate.</p> <p>The aim of the inspectorate is to enhance the quality of service and public confidence in the Crown Office and Procurator Fiscal Service through independent inspection and evaluation.</p>
<b>Scottish Housing Regulator</b>	<b>The Scottish Housing Regulator is a non-ministerial department. Its statutory objective is to safeguard and promote the interests of people who are or may become homeless, tenants of social landlords, or recipients of housing services provided by social landlords.</b>

# National scrutiny plan

## A summary of local government strategic scrutiny activity

This report is available in PDF and RTF formats, along with a podcast summary at:

[www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk) 

If you require this publication in an alternative format and/or language, please contact us to discuss your needs: 0131 625 1500

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[www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk) 



**Report to                      Audit Committee****Date of Meeting:      5<sup>th</sup> December 2019****Subject:                      Corporate Risk and External Audit Actions****Report by:                      Strategic Director – Partnership & Performance****1.0      Purpose**

- 1.1. This report provides the 2019/20 half year update on Clackmannanshire Council's Corporate Risk Log (Appendix A). Progress updates are then provided on Audit Scotland's recommendations following their audit of 2018/19 accounts (Appendix B).

**2.0      Recommendations**

- 2.1. That Committee notes the report, commenting and challenging as appropriate.

**3.0      Considerations****3.1.      Purpose of Risk Management**

- 3.1.1. The Council has several key goals regarding how it will care for and support the people and area of Clackmannanshire. In order to plan how we will achieve these goals, we must also consider the internal and external challenges with the potential to prevent or hinder their achievement. An effective risk management approach ensures that the Council is aware of such factors and, where appropriate, takes action to reduce or remove risks to ensure the success of its initiatives. The purpose of risk management is not to prevent activities from taking place, but to ensure that all relevant factors are taken into account in their planning and execution so that the best possible outcomes are realised.
- 3.1.2. Council officers and services deal with a wide variety of operational risks to individuals, communities and internal management processes on a daily basis. A corporate risk management approach, however, must take a wider, more strategic view and consider the implications of short-, medium- and long-term concerns, as well as (often complex) inter-dependencies. The hierarchy of risk logs from teams, services, directorates (and partnerships), up to the corporate log should ensure that each level has holistic oversight of the most significant issues which must be monitored and managed.
- 3.1.3. Various steps are taken to integrate the corporate risk assessment process with key functions, such as Internal Audit, Legal & Democracy, Human Resources (including Organisational Development and Health & Safety), Equalities, Communications, Emergency Planning, Asset Management, Sustainability, etc. Though External Audit's main focus is financial management, Audit Scotland's revised Best Value Assurance approach aims to enhance assessment of wider areas, such as performance and change management, to present a more comprehensive audit opinion. For the same reason, this report presents corporate risk alongside external audit recommendations to ensure that both internal and external views and factors are summarised and considered together.

## **3.2. Corporate Risk Management Process**

- 3.2.1. The corporate risk log is owned by the Strategic Leadership Group, and the Strategic Director – Partnership & Performance is responsible for the corporate Risk Management approach. The Council follows a systematic risk process, reporting corporate and service risks to Committee on a regular basis. The process is assessed via internal and external governance and audit mechanisms, and peer-reviewed by other local authorities.
- 3.2.2. Each corporate risk review involves gathering information from internal and external sources (environmental scanning) and review of the log by a range of different individuals and groups. Meetings are held with risk owners and delegated officers to:
- Review changes and developments in existing corporate and service risks (progress, controls and scores, and consider escalation/demotion);
  - Analyse dependencies, 'knock-on effects' and wider perspectives (discussing with both the approach/action owner, and those who must adhere/deploy/react);
  - Investigate emerging externally-identified risks for local relevance (local audit/inspection, other authorities, national themes and Association of Local Authority Risk Managers);
  - Evaluate emerging internally-identified risks (ad hoc or through Internal Audits, self-assessments or the Annual Governance Statement process).
- 3.2.3. Risks with implications across multiple services, or assessed as significant for any specific area, are considered for escalation to the corporate log, where they are managed until their severity reduces. Risks are recorded on the Pentana Performance Management System and linked to outcomes, actions (or overall plans/strategies) and existing controls (policies, procedures, scrutiny, etc.). It would be impossible to remove all risk from our operations as most functions have inherent risks, as do most changes, but not developing and improving also involves risk. Thus, never taking risks could also mean failing to fulfil statutory duties, comply with new legislation or take advantage of improvement opportunities/new technologies, etc. The aim, therefore, is not to be 'risk averse' but 'risk aware'.
- 3.2.4. We identify our approach to managing each risk as:
- |            |  |
|------------|--|
| Treat:     | we will take action to reduce the risk;                                |
| Tolerate:  | actions within our control have been completed and plans are in place; |
| Transfer:  | the risk will be passed to another party, such as insurers;            |
| Terminate: | the activity that is causing the risk will be ceased.                  |

## **3.3. Development & Improvement**

- 3.3.1. Over the last year, changes have been made to the Corporate Risk & Integrity Forum, now taking place quarterly at the Extended Strategic Leadership Group, with updates from ad hoc attendees, depending on the current risk profile. This strengthens focus on risk, visibility, ownership and input at a senior level, and provides flexibility to address the most significant risks at any time, ensuring timely steps are taken to minimise negative impact on the achievement of outcomes. The risk strategy is also under review and will be presented once approved (risk guidance is included with year-end reports, for information).
- 3.3.2. With the new Local Outcomes Improvement Plan (LOIP) and Corporate Plan in place, and management appointments and re-structuring progressing, a full strategic corporate risk assessment will be conducted, followed by service and team reviews. This will fully refresh and align risk logs to the Council and Alliance's aims. In future, corporate risks will be reported as part of the Corporate Plan, alongside progress on key strategies and the Local Government Benchmarking Framework, to provide a holistic answer to the questions: 'how are we performing?', 'what are we doing about it?' and 'what might get in the way?'.

### **3.4. Corporate Risk Log – Appendix A**

- 3.4.1. As seen in the current risk profile, periods of transition commonly involve a number of related risks while changes in leadership/structures are embedded, and other processes reviewed. As well as internal issues, wider political, social and economic factors also present uncertainties. In particular, the EU Withdrawal risk is still fluctuating, so can only be reported as at the time of writing (with a verbal update at Committee).
- 3.4.2. The other main changes to the log at the 2019/20 half year stage are:
- a single, increased, risk on Poverty/Inequality being created by combining the previous separate risks regarding Changing Demographics and Welfare Reform;
  - a reduction in the likelihood of Health & Safety Breach, Harm to Child(ren) and Industrial Unrest (with the latter to the extent that this will now be removed from the log); and
  - an increase in the likelihood of Public Health Emergency.
- 3.4.3. Further detail on each of these is provided below, as well as other cases, where mitigating actions or other factors have changed risks' severity, though not with the materiality to change the score itself. In others, completed mitigating actions are balanced with external changes, or increased knowledge of organisational vulnerability, resulting in no net change to the score. Reviews also include assessing the appropriateness of leads/owners, and some of these have been amended in light of new Senior Manager responsibilities.

#### **Approach: Treat**

- 3.4.4. As highlighted in our External Audit report, though there has been progress, Financial Resilience, Organisational Transformation and Governance remain key areas of focus. While there is evidence that Welfare Reform is a significant issue, with further expected negative impacts on individuals and local economic resilience, this has been re-assessed, with the conclusion that it is a cause, amongst others, of a wider risk to the area. Changing Demographics has, therefore, been refocussed on the wider risk of Poverty and Inequality, in line with Corporate Plan and LOIP priorities, with aspects of the Welfare Reform risk (which will now be removed) being incorporated, and the score increased.
- 3.4.5. As noted above, at the time of writing, the situation in relation to EU Withdrawal is still changeable. Though a General Election has been called, the outcome in relation to this issue is still unknown, and there are already impacts regarding outwards migration of EU nationals, the value of the pound, and the substantial time spent by authorities on preparations. A further update will be provided at Committee, if appropriate.
- 3.4.6. Focus also remains on Health & Safety compliance, with continued policy development and evidence that the staff training and support provided is positively influencing behaviours. Work continues around Extremism, with developments in security protocols, plans, training and information for staff. As reflected in the LOIP, Child Protection is always a key priority, and workforce/accountability issues are now being mitigated, with a resulting reduction in the score. Addressing the Attainment Gap is also a significant Council and Alliance priority, with continuing implementation of Scottish Attainment Challenge actions.
- 3.4.7. The Serious Organised Crime score remains consistent, despite training and awareness-raising sessions with Police Scotland, due to ever-increasing knowledge of vulnerabilities, such as around human trafficking and the Waste sector. Implementation of the newly approved Strategic Workforce Plan and the Corporate Transformation Programme will reduce the Workforce Planning risk, and IT System Failure will be reduced by capacity and capability improvements, and cloud-based technologies. During organisational transition, Information Management is also key, with new regulations and digital transformation implications, and roll-out of controls and support continues.

## Approach: Tolerate

- 3.4.8. Risks which must be tolerated are generally those where the cause/likelihood is less controllable (often Business Continuity-related), where we must focus more on response than prevention. All Business Continuity plans are being reviewed as part of EU Withdrawal preparations, and the Council and Forth Valley Local Resilience Partnership continue to strengthen resilience in relation to Public Utilities. Projections from Australian data suggest that there is a strong likelihood of a flu pandemic this year which, alongside capacity issues recently experienced by the NHS, increase this risk's score.
- 3.4.9. 2018 was a clear example of Climate Change impacts materialising in both the summer and winter, therefore, it can no longer be expected that the risk of Severe Weather will fluctuate seasonally. Plans are in place, with ongoing development by local resilience groups. The conclusion of national multi-year pay negotiations earlier in the year reduces the risk of strike action. Though re-structuring and other proposals have the potential to cause unrest, Trade Unions are being actively engaged in order to mitigate this, and it is felt that this risk should now be removed from the corporate log and reconsidered at a service level.

## 3.5. External Audit Actions – Appendix B

- 3.5.1. Though this report follows relatively closely after the External Audit final report to committee on the 2018/19 audit, and most target dates are not until next year, the action plan is over a third complete already. It is important to monitor progress closely, and these actions are reported alongside corporate risk to ensure links are made between key assessments of strategy and governance from both internal and external sources. As would be expected, some of the more strategic recommendations from Audit Scotland's assessment link directly to some of the most significant corporate risks.
- 3.5.2. Actions regarding the Capital Programme, Budget Scrutiny and Best Value are closely aligned to the corporate risks on Financial Resilience, Organisational Transformation and Governance. These risks, and particularly the latter, as well as the Serious Organised Crime risk are also relevant to the Fraud Arrangements and National Fraud Initiative actions. The Housing Rents Reconciliation action is slightly more operational in nature but, again, relates to the efficiency and effectiveness of financial management mechanisms. Work has begun on all actions, and further updates will be provided to Audit Committee as part of the next corporate risk report.

## 4.0 Sustainability Implications

- 4.1. There are no direct sustainability implications arising from this report.

## 5.0 Resource Implications

- 5.1. *Financial Details – There are no direct financial implications arising from this report.*
- 5.2. The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate. Yes ✓
- 5.3. Finance have been consulted and have agreed the financial implications as set out. Yes ✓
- 5.4. *Staffing – There are no direct staffing implications arising from this report.*

## 6.0 Exempt Reports

- 6.1. Is this report exempt? Yes (please detail the reasons for exemption below) No ✓

## 7.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

- (1) **Our Priorities** (Please double click on the check box ☒)  
Clackmannanshire will be attractive to businesses & people and ensure fair

- opportunities for all ✓
- Our families; children and young people will have the best possible start in life ✓
- Women and girls will be confident and aspirational, and achieve their full potential ✓
- Our communities will be resilient and empowered so that they can thrive and flourish ✓

(2) **Council Policies** (Please detail)

**8.0 Equalities Impact**

- 8.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations? Yes ✓ No

**9.0 Legality**

- 9.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes ✓

**10.0 Appendices**

- 10.1 Please list any appendices attached. If there are no appendices, please state "none".

**Appendix A – Corporate Risk Log**

**Appendix B – External Audit Actions**

**11.0 Background Papers**

- 11.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered) Yes (please list the documents below) No ✓

**Author(s)**









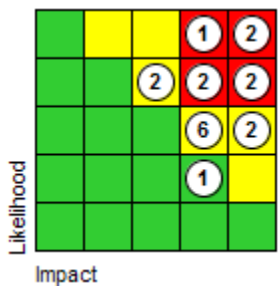
NAME	DESIGNATION	TEL NO / EXTENSION
Judi Richardson	Performance & Information Adviser	2105





































**Approved by**

NAME	DESIGNATION	SIGNATURE
Stuart Crickmar	Strategic Director Partnership & Performance	



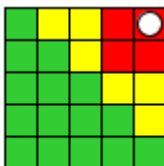
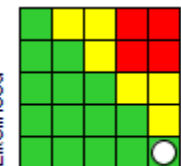




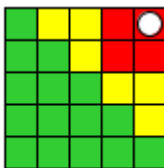
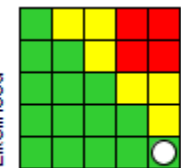
# Appendix A - Corporate Risk Log

Summary of Changes	Distribution of Scores
<p>At the 2019/20 half year stage (out of a total of 18 risks):</p> <p><b>Status</b></p> <p> 7 risks are red (6 in previous report – 2018/19 year end)</p> <p> 10 risks are amber (11 in previous report)</p> <p> 1 risk is green (1 in previous report)</p> <p><b>Approach</b></p> <p>14 risks are being <b>Treated</b> (14 in previous report)</p> <p>4 risks must be <b>Tolerated</b> (4 in previous report)</p> <p><b>Change in Scores Since Last Review</b></p> <p> 3 risks have increased</p> <p> 11 risks remain the same</p> <p> 2 risks have reduced</p> <p> No risks have been newly added to the log</p> <p> 2 risks will be removed from the log after this report</p>	



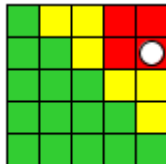
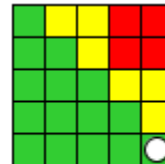
Code	Title	Score	Status	Approach	Change
COU CRR 008	Insufficient Financial Resilience	25		Treat	
COU CRR 034	Insufficient Pace and Scale of Organisational Transformation	25		Treat	
COU CRR 005	Impact of Poverty, Inequality & Changing Demographics	20		Treat	
COU CRR 045	Unknown Terms of EU Withdrawal	20		Treat	
COU CRR 012	Health & Safety Breach	20		Treat	
COU CRR 033	Major Governance Failure	16		Treat	
COU CRR 040	Failure of Public Utility Supply	16		Tolerate	
COU CRR 032	Council & Community Impact of Welfare Reform	15		Treat	
COU CRR 038	Failure to Prevent Extremism and/or Radicalisation	15		Treat	
COU CRR 011	Harm to Child(ren)	12		Treat	
COU CRR 048	Increasing Attainment Gap	12		Treat	
COU CRR 037	Failure to Address Serious Organised Crime	12		Treat	
COU CRR 047	Inadequate Workforce Planning	12		Treat	
COU CRR 046	IT System Failure	12		Treat	
COU CRR 009	Information Not Managed Effectively	12		Treat	
COU CRR 022	Public Health Emergency	12		Tolerate	
COU CRR 031	Failure to Prepare for Severe Weather Events	12		Tolerate	
COU CRR 023	Industrial Unrest	8		Tolerate	



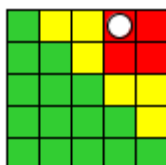
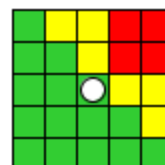
## Approach Treat



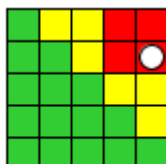
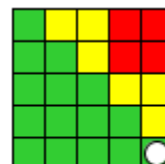
		<b>Insufficient Financial Resilience</b>	Senior Manager Finance & Revenues	Current Score	25	Target Score	5
Risk	The Council does not have a balanced budget to meet essential service demands, customer needs, or external agendas.			<div><div></div><div>Likelihood</div><div>Impact</div></div> <div><div></div><div>Likelihood</div><div>Impact</div></div>			
Potential Impact	Reputational and legal implications and severe, extended loss of service provision. Possibility of Alliance, Health & Social Care and other partners also experiencing budget pressures contributes to potential impact, given the interdependencies.						
Note	The cumulative funding gap to 2023 has been reduced from £23.5m to £20.5m as reported to Council in October 2019. Although this has reduced, there is a continuing need for service redesign to ensure service delivery. Given the significant savings already achieved, it is extremely challenging to identify new proposals, and significant priority is being given to progressing the Council's organisational redesign and transformational change.						
Related Actions	Audit of 2018/19 Accounts by Audit Scotland		COU EXA 189	Existing Controls	Budget Strategy & Monitoring		
	Use the agreed strategic change framework to implement a whole organisation redesign		EXA BVA 1A0		Procurement Strategy		
	Balance drive for savings with need for change support & make more use of external assistance		EXA BVA 4F0		Change Management Board		

		<b>Insufficient Pace and Scale of Organisational Transformation</b>	Chief Executive	Current Score	25	Target Score	5
Risk	The Council fails to proactively drive the fundamental redesign of services and organisational planning/development with the speed required to address the funding gap due to ineffective change management.			<div><div></div><div>Likelihood</div><div>Impact</div></div> <div><div></div><div>Likelihood</div><div>Impact</div></div>			
Potential Impact	Failure to maintain the required level of provision for statutory services. The corporate business improvement programme does not establish sustainable service delivery and a sustainable cost base for the future.						
Note	Councils Transformation strategy was agreed by Council in March 2019 and a redesign delivery framework followed in August 2019. This framework incorporates activity in three key areas: empowering families and communities; embedding council vision and values and raising the profile of Clackmannanshire locally, regionally, nationally and internationally. Regular updates are provided to Council on progress of key activities set out in the framework. This includes significant transformation activities proposed as part of the Councils 2020/21 budget setting process. Transformation Programme Manager now in post, with recruitment of other key posts ongoing.						
Related Actions	Establish a Programme Management Office to support organisational redesign		EXA BVA 1B0	Existing Controls	Communications Strategy		
	Establish a governance process and structure to drive, oversee and monitor the change process		EXA BVA 1C0		Business Planning Process		
	Carry out a programme of training in leading and managing transformational change		EXA BVA 4F1		Union & Member Comms Forums		



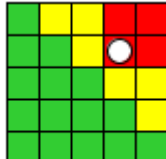
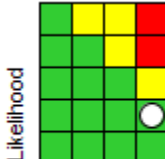




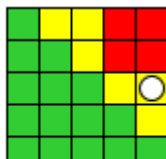
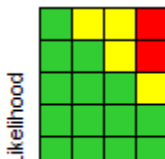
		Impact of Poverty, Inequality & Changing Demographics	Chief Executive	Current Score	20	Target Score	5
Risk	Services are not appropriately redesigned based on changing needs in relation to the ageing population, health, complexity of care or socio-economic factors, specifically poor outcomes associated with welfare reform, poverty and/or inequality.			<div><div><div>Likelihood</div><div>Impact</div></div><div></div></div> <div><div><div>Likelihood</div><div>Impact</div></div><div></div></div>			
Potential Impact	Inappropriate allocation of resources & assets, misalignment of corporate objectives to need, inability to demonstrate Best Value, and possible financial and reputational consequences of responding to unplanned situations.						
Note	LOIP sets out new partnership outcomes, based on demographic & demand analysis. 8 local priorities in the Health & Care Strategic Plan will strengthen community & place-based services. Key priorities are to reduce children living in poverty; to develop inclusive growth and to empower families and communities in Clackmannanshire. Plans and actions are in place, or are developing, to address these key priorities. Data, research and evidence based approaches routinely informs decision-making, and work is ongoing to develop plans following the completion of the Clacks Effect research in late 2018. This risk has been increased to reflect local planning assumptions arising from EU Withdrawal.						
Related Actions	Clackmannanshire Alliance Local Outcome Improvement Plan 2017-27			CPP LOI	Existing Controls	Customer Consultation & Engagement	
	Implement Health & Care Partnership Strategic Delivery Plan			CRR HSC SDP		Budget Strategy & Monitoring	



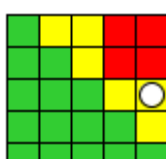
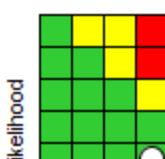
		Unknown Terms of EU Withdrawal	Chief Executive	Current Score	20	Target Score	9
Risk	The Council is unable to prepare for the potential impact of Brexit due to uncertainty around the terms of withdrawal, future relationships with European Union nations, or the timing of withdrawal (possible extension of Article 50 period).			<div><div><div>Likelihood</div><div>Impact</div></div><div><div>Likelihood</div><div>Impact</div></div></div>			
Potential Impact	Inability to assess/mitigate/prepare for impact on migration, trade, regulation, security, or wider impacts across sectors (see Brexit Update to Council, 25-Oct-18). Also differing geographical impacts for Clacks (economic resilience) and Scotland (food/drink) than UK. Local impact most likely workforce, economy/procurement & value/funding of goods & services.						
Note	Work is ongoing to assess and monitor the potential impacts of EU withdrawal based on the Scottish and UK planning assumptions. Information has been shared with employees, elected members and with communities on potential impacts and to plan mitigations. Information for employees and communities has been shared on the Council website. Work in partnerships with resilience partners, COSLA and SOLACE is ongoing. The Councils resilience planning and preparations for Business Continuity have been further developed and enhanced in recent months.						
Actions				Controls	Brexit Update Reports to Council		



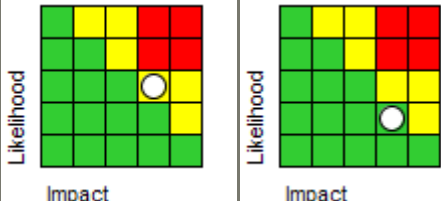
		Health & Safety Breach	Chief Executive		Current Score	20	Target Score	5
Risk	Incident or statutory breach results in injury or death of staff member or customer due to lack of awareness or non-compliance with policies and procedures. Incidents may also arise from third parties actions, outwith Council control.				<div><div><div>Likelihood</div><div>Impact</div></div></div> <div><div><div>Likelihood</div><div>Impact</div></div></div>			
Potential Impact	The effects on individuals and their families, financial penalties (including Health & Safety Executive intervention fees), criminal proceedings, adverse publicity, increased insurance or damage to Council assets.							
Note	Some progress is being made in changing the culture around operations. H&S policy suite is nearly complete, and evidence of briefings with staff is starting to improve, although still not uniformly shared across all services.							
Related Actions	Health & Safety action plan, based on recommendations from Gallagher Bassett			CRR P&P HR1	Existing Controls	Health & Safety Management System		
	Governance improvement actions across all services			CRR P&P LD1		Health & Safety Managers' Handbook		



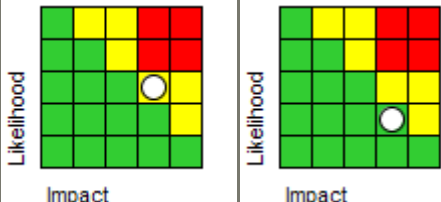




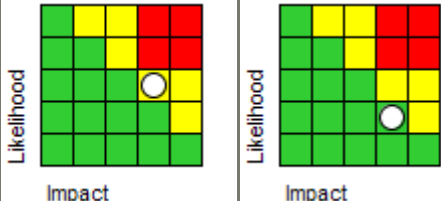
		<b>Major Governance Failure</b>	Senior Manager Legal & Governance	Current Score	16	Target Score	8
Risk	A significant failure of compliance with statutory duties due to a lack of awareness or understanding of corporate policies or codes of conduct, or through non-adherence, including through management or elected member override of controls.						
Potential Impact	Significant reputational damage, injury or loss of life, legal action, financial loss or disruption to service delivery. Staffing changes and re-design reaffirm need to closely monitor & manage compliance with statutory requirements & good practice.			Likelihood		Impact	
Note	This risk remains high. New committee structures have been in place since August 2018. Standing Orders & Scheme of Delegation will be revised by the end of the financial year to reflect new appointments & responsibilities.			Impact			
Related Actions	Audit of 2018/19 Accounts by Audit Scotland		COU EXA 189	Existing Controls	Scheme of Delegation		
	Annual Internal Audit & Fraud Programme		COU IAF		Governance & Audit Processes		
	Governance improvement actions across all services		CRR P&P LD1		Committee Structures & Remits		

		<b>Council &amp; Community Impact of Welfare Reform</b>	Strategic Director - Partnership & Performance	Current Score	15	Target Score	5
Risk	The welfare reform agenda increases deprivation in the area, removes £8 to £10 million from the local economy and requires the Council to provide additional services and support due to a national priority of reducing welfare expenditure.						
Potential Impact	Reversal of efforts to reduce deprivation and improve economic development in the area, as well as reputational, budget and staffing implications of providing new services (impact of the transfer to Universal Credit cannot yet be quantified).			Likelihood		Impact	
Note	This risk will be removed from the register as it has been combined with the risk regarding Changing Demographics to form a single risk regarding continued Poverty and Inequality in the area.			Impact			
Related Actions	Targeted early interventions to address poverty & invest in long term outcomes for young people		LOI LP1 108	Existing Controls	Scottish Welfare Fund (Crisis Grants)		
	Develop an Inclusive Economic Growth Strategy with focus on developing a skilled workforce		LOI LP1 203		Discretionary Housing Payments		




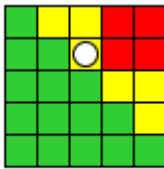
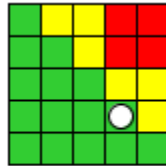
		<b>Failure to Prevent Extremism and/or Radicalisation</b>	Senior Manager Partnership & Transformation	Current Score	15	Target Score	4
Risk	Radicalisation of someone from the area results in terrorist incident (or other malicious attack), causing physical or financial harm to individuals or groups (here or elsewhere), or fear of such an incident affects quality of life.						
Potential Impact	Casualties/fatalities, property/infrastructure damage, need for evacuation/temporary housing or wider economic damage. Financial harm to individuals, businesses or the Council. Disruption to services or reputational/legal implications.			Likelihood		Impact	
Note	Continue to implement CONTEST delivery plan through work with our partners. Internal audit was completed in 2018 with substantial assurance provided. Training on Prevent Professional Concerns and development workshops delivered by Scottish Government attended by key staff in March 2019.			Impact			
Related Actions	Actions from Internal Audit of CONTEST, Prevent & Serious Organised Crime Readiness		CRR P&P SP2	Existing Controls	CONTEST Plan & Working Groups		
					WRAP Training (High Priority Staff)		
					Forth Valley Resilience Partnership		

		<b>Harm to Child(ren)</b>	Strategic Director - People	Current Score	12	Target Score	8
Risk	A lack of capacity or stability in key roles reduces the Council's ability to fulfil statutory requirements and intervene to prevent the serious harm of a child/children.						
Potential Impact	Effects of injury or death on individual, family, friends & staff members, reputational & legal implications, with associated costs, as well as impact of reputational damage & negative publicity on morale, workforce development and sustainability.						
Note	The level of likelihood has now decreased due to various reasons (increased staff capacity, progress with staff training and development, clarity in child protection accountabilities) though the level of potential impact remains the same.						
Related Actions	Develop and Implement a new Corporate Parenting Strategy for 2018/2021		LOI LP1 102	Existing Controls	Public Protection Forum		
	Children's Services Plan 2017-2020		PPL CSP		Child Protection Committee		
	People Directorate Business Plan		PPL DBP		Child Protection Procedures		


		<b>Increasing Attainment Gap</b>	Chief Education Officer	Current Score	12	Target Score	8
Risk	The Council fails to reduce the educational attainment gap between pupils from more and less deprived areas due to financial pressures, workforce issues, or wider economic, demographic and poverty-related issues.						
Potential Impact	Reputational damage, implications for inspection & funding, and continued poor school leaver destinations, participation & young people reaching potential, longer-term impacts on social mobility, poverty, life chances and economic growth.						
Note	Programmes have been reviewed, with some ceasing & others redesigned. Improving Outcomes Principal Teachers are in post, and the Pupil Equity Fund plan aligned to the Attainment Challenge. A Collaborative Research Strategy is in place, the Tapestry Partnership is delivering a bespoke programme and the Early Intervention Team has been redesigned.						
Related Actions	Deliver Attainment Challenge actions and ensure barriers to learning are identified & addressed		LOI LP1 201	Existing Controls	National Improvement Framework		
	People Directorate Business Plan		PPL DBP		Education Senior Management Team		
	Scottish Attainment Challenge Action Plan 2018/19		PPL EDU SAC		Scottish Attainment Challenge		

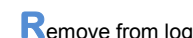
		<b>Failure to Address Serious Organised Crime</b>	Senior Manager Partnership & Transformation	Current Score	12	Target Score	8
Risk	Public bodies fail to address organised crime involving drugs, violence, fraud, corruption, money laundering and/or human trafficking (with women and girls particularly vulnerable), due to a lack of preventative processes or information sharing.						
Potential Impact	Physical or financial harm to individuals, businesses, communities or the Council. Direct or indirect disruption to Council services and associated reputational and/or legal implications.						
Note	Police Scotland self-assessment completed and Internal Audit report reported substantial assurance. IT/Web security enhanced, staff training provided & CONNECT information on general, cyber, personal & building security. Key services attended training delivered by Police Scotland in May 2019. Progress monitored by Corporate Risk & Integrity Forum.						
Related Actions	Serious Organised Crime action plan, based on Police Scotland self-assessment		COU SOC	Existing Controls	Let Scotland Flourish Strategy		
	Implement Council CONTEST Delivery Plan, based on the Government's CONTEST Strategy		CRR P&P SP1		National Fraud Initiative		
	Actions from Internal Audit of CONTEST, Prevent & Serious Organised Crime Readiness		CRR P&P SP2		Serious Organised Crime Delivery Plan		



		<b>Inadequate Workforce Planning</b>	Senior Manager HR & Workforce Development	Current Score	12	Target Score	3
Risk	Due to a lack of workforce planning, the Council fails to adequately develop its workforce to ensure that skills, knowledge and structures are appropriate, sustainable, financially viable, and compatible with our corporate vision.			<div>Likelihood</div>  <div>Impact</div>		<div>Likelihood</div>  <div>Impact</div>	
Potential Impact	Lack of intelligence on opportunities & threats around workforce development, resulting in under-investment in workforce and increasing disconnect between the people and skills we have, versus the people and skills we need for the future.						
Note	Council approved the Strategic Workforce Plan (2019-22) in June 2019. This identifies the key workforce development priorities for the Council, and establishes a detailed plan of work for the next three years (via the annexed workforce development delivery plan). As we move through implementation, the likelihood of this risk occurring will reduce.						
Actions	Implement the Workforce Plan 2019-22 once approved by Council			CRR P&P HR3	Controls	Strategic Workforce Plan	
		<b>IT System Failure</b>	Senior Manager Partnership & Transformation	Current Score	12	Target Score	9
Risk	Full or partial loss of network/hardware/software/telecoms technologies (temporary or prolonged) due to cyber attack/other emergency, failure to manage maintenance/backups/suppliers/contracts, or lack of investment in systems/staff/training (i.e. failure of IT services to uphold priorities of Confidentiality, Integrity and Availability).			<div>Likelihood</div>  <div>Impact</div>		<div>Likelihood</div>  <div>Impact</div>	
Potential Impact	Financial impact from loss of productivity, service disruption (inc. statutory/vulnerable groups), inability to communicate, harm to staff/customers (access to records/Potentially Violent Persons register) & legal/regulatory/reputational implications.						
Note	Ongoing improvements to infrastructure to reduce likelihood of failure and improve ability to recover. Lack of staff resource to progress key projects to update/replace vulnerable systems. Continued risk from legacy systems which are reaching end of life and which are likely to fail security compliance requirements in near future or which require high levels of support. Projects are in place to modernise most of these but risk will remain until systems are replaced.						
Related Actions	Develop & deliver the Council's Digital Transformation Strategy			CRR P&P IT1	Existing Controls	Service Level Agreements & Contracts	
	Complete actions from IT Asset Management Plan			CRR P&P IT2		Business Continuity Plans	
		<b>Information Not Managed Effectively</b>	Senior Manager Legal & Governance	Current Score	12	Target Score	8
Risk	Information is not protected due to lack of compliance with information sharing, data protection, records management or IT principles/protocols (Confidentiality, Integrity & Availability), or poor management of information leads to inefficiency (duplication across multiple systems) and decisions based on poor quality/inaccurate business intelligence.			<div>Likelihood</div>  <div>Impact</div>		<div>Likelihood</div>  <div>Impact</div>	
Potential Impact	Legal/reputational/financial implications from breaches, inefficiencies costing time/money, non-completion of (possibly statutory) duties. Loss of productivity, impacting morale, or uninformed decision-making if information not available/used.						
Note	Ongoing work and education around technical and operational controls (inc. Clacks Academy mandatory training. Cyber Essentials achieved. Ongoing consolidation of systems. Council reorganisation brings negative impacts to management of information. Terms of Reference for Information Governance Group approved by ESLG. Digital Strategy approved.						
Related Actions	GDPR Implementation Project Plan			COU GDP	Existing Controls	Data Sharing Agreements	
	Develop & deliver the Council's Digital Transformation Strategy			CRR P&P IT1		Records Management Working Group	
	Develop a programme of digitisation to support redesign and service change			EXA BVA 1A4		GDPR Guidance & Training	

## Approach Tolerate

		<b>Failure of Public Utility Supply</b>	Strategic Director - Partnership & Performance	Current Score	16	Existing Controls
Risk	Loss of gas, electricity, water or communications over a significant area due to failure of a provider's infrastructure as a result of a local or national event.			 Likelihood	 Impact	Business Continuity Plans
Potential Effect	Fatality, injury or health risk, requirement to evacuate & find alternative accommodation, including for vulnerable people. Disruption to businesses, with potentially large costs, and impact on contact with health, care and emergency services.					Emergency Response Plan
Note	Risk remains high due to infrastructure & power interdependencies, particularly outage recovery time (now believed to be minimum 7 days). Priority for Resilience community, particularly due to Councils' duty of care. Planning & work ongoing.					Major Incident Procedures
		<b>Public Health Emergency</b>	Chief Executive	Current Score	12	Existing Controls
Risk	Significant numbers of Council staff and customers become ill due to the occurrence of a public health emergency, such as a flu pandemic, with spread potentially exacerbated through failure to vaccinate or follow hygiene protocols.			 Likelihood	 Impact	Business Continuity Plans
Potential Effect	Short- & long-term health implications for public & staff (inc. absence if ill or caring for others). Disruption to support & front-line services, inc. to already vulnerable groups. Consideration required of minimal service provision requirements.					Pandemic Flu Plan
Note	Scottish government focussing on pandemic flu, with significant training programme planned this year through the NHS. Current resources at full capacity. Potential pandemic due based on Australian figures for 2019. Brexit could have an adverse impact in relation to NHS supplies/capacity and workforce issues.					Major Incident Procedures
		<b>Failure to Prepare for Severe Weather Events</b>	Strategic Director of Place	Current Score	12	Existing Controls
Risk	Inability to respond to severe weather events due to lack of appropriate planning & equipment (e.g. 4x4 vehicles). Most likely flooding from rain/coastal surge, winter weather or heatwave (increasing frequency & severity due to climate change).			 Likelihood	 Impact	Business Continuity Plans
Potential Effect	Widespread community dislocation, damage to property, businesses, roads & utility infrastructure (inc. telecoms & power), or inability of staff to get to workplace. Increased workload in numerous services, impact on delivery, reputation & finances.					Winter & Flood Management Plan
Note	Increased resilience - 2 community resilience groups established, multi agency winter preparedness meeting early October with relevant services and external partners.					Local Resilience Partnership
		<b>Industrial Unrest</b>	Chief Executive	Current Score	8	Existing Controls
Risk	Industrial action by Council staff, partners or suppliers arises, normally in relation to local or national budget-related changes to terms and conditions, or restructuring.			 Likelihood	 Impact	Business Continuity Plans
Potential Effect	Immediate effects on service delivery & those dependent on services, with financial and reputational damage, and residual impact on staff morale & productivity. In case of partners/suppliers may have to support or reduce activity/service delivery.					Trade Union Comms Protocol
Note	With the national pay award settled earlier in the year this risk has reduced. There is potential that unions will challenge the redesign and transformation programme but it is hoped this would be minimal given involvement of unions at initiation and business case stages. Recommended that this risk is removed from the Corporate Log and reconsidered at service level.					Local Resilience Partnership







## Appendix B - External Audit Actions

### Audit of 2018/19 Accounts by Audit Scotland

Overall Progress 

36%

From External Audit report to Clackmannanshire Council Audit Committee on 26-Sep-19.

Housing Rents Reconciliation			Management Accountancy Team Leader			EXA 189 001	
Observation	This year the council did not prepare a year-end reconciliation between the housing rents system and the financial ledger systems. Officers made a journal posting of £0.14 million to ensure the financial ledger agreed to the housing rents system. We are concerned about the absence of year-end accounting reconciliations and related follow-up.						
Risk	The purpose of regular accounting reconciliations is to identify errors or unknown items close to the time that they occur. If regular reconciliations are not performed and reconciling differences investigated there is a risk that potential frauds or errors are not identified timeously or investigated effectively.						
Recommendation	Regular reconciliations should be performed and reconciling differences investigated						
Progress	<div><div></div>10%</div>	Status	<div></div>	Expected Outcome	<div></div>	Due Date	31-Mar-2020

Accountancy has worked closely with the Revenues team to reconcile the rent system to the financial system on a monthly basis. There was no cumulative reconciliation throughout the year but differences between both systems are investigated and adjusted on a monthly basis. Mostly these differences are due to timing with corrections taking place and being reconciled in future months. Accountancy has started a cumulative reconciliation for 2019/20.



Capital Programme			Senior Manager Finance & Revenues			EXA 189 002	
Observation	We recommended last year (2017/18) that the council presses on with work to improve the management of its capital programme. The council had planned to produce a capital strategy in 2018/19 setting out its priorities for the next five to ten years and to better align capital planning and spending. The council now expects to publish a capital strategy in 2019/20.						
Risk	Recurring underspending could lead to slippage in the capital programme which in turn could adversely affect service delivery and the achievement of the Council's strategic priorities						
Recommendation	The council should implement a capital strategy which clearly sets out how it will manage and deliver its capital programme in the medium and longer term						
Progress	<div><div></div>10%</div>	Status		Expected Outcome		Due Date	31-Mar-2020



During 2019/20 the Capital operations group has been re-established, meeting every 6 weeks. The Group is attended by members of all services to encourage cross council working and provide a strategic overview of the capital outturn. The group also reviews the financial outturn position, considers new project bids and reviews completed projects. Foundation work is underway to develop a capital strategy and this will be taken forward by the group.



Budget Scrutiny				Management Accountancy Team Leader; Senior Manager Finance & Revenues		EXA 189 003	
Observation	We reported last year (2017/18) that there was no final outturn report for councillors setting out details of the financial performance of the council in 2017/18. Management agreed that for 2018/19 a draft outturn report would be presented to the June 2019 audit committee. This did not happen. Officers explained that this was due to information not being available in time to meet the timetable for submitting committee papers. Officers have indicated that the outturn report will be presented to the September 2019 audit committee						
Risk	The council's finances are not adequately scrutinised and services are not held to account for their spending						
Recommendation	The council should ensure it has clear year-end budgeting review arrangements in place						
Progress	<div><div>100%</div></div>	Status	<div><div></div></div>	Expected Outcome	<div><div></div></div>	Due Date	30-Jun-2020

Due to Committee deadlines it was not possible to report the final outturn to the June Audit Committee. A high level outturn position was noted within the management commentary in the draft accounts along with draft reserves position. This has been updated to reflect the final position of the council. The final outturn paper was presented alongside the final financial accounts at the September Audit Committee, the next Audit Committee after June. Timelines will be reviewed for the 19/20 outturn to ensure timely consideration.



Fraud Arrangements				Senior Manager Legal & Governance		EXA 189 004	
Observation	The council needs to update its arrangements for the prevention and detection of fraud and corruption. This includes updating relevant policies and strategies and ensuring staff are aware how to report suspected fraud. The council is developing a new fraud prevention policy.						
Risk	There is an increased risk of undetected fraud.						
Recommendation	The council should review and update its fraud arrangements and policies and ensure these are clearly communicated to staff						
Progress	<div><div>0%</div></div>	Status		Expected Outcome		Due Date	31-Mar-2020
The Annual Governance review for 2018/19 also identified that the council's current approaches for managing fraud are not consolidated. The responsibility for fraud has been allocated to the Senior Manager for Legal and Governance in the revised structure. Our Partnership and Performance Business Plan includes a commitment to updating the fraud policy and raising concerns at work policy and process to produce a comprehensive approach. Deployment of the new policies will be measured through next year's annual governance review process.							

National Fraud Initiative				Internal Audit Manager			EXA 189 005	
Observation	The NFI exercise has identified 782 matches, of which 160 are deemed to be high risk matches recommended for investigation. High risk matches are those most likely to indicate possible fraud or irregularity. To date the council has investigated 64 matches of varying risk levels, which is just eight per cent of all matches.							
Risk	Potential fraud or irregularity is not investigated.							
Recommendation	The council should ensure its review of high risk NFI matches is concluded as a priority and report the outcome of NFI activity to the audit committee (Audit report states Responsible Officer: Internal Audit Manager & Strategic Directors but single owner assigned above)							
Progress	<div><div>65%</div></div>	Status		Expected Outcome		Due Date	31-Dec-2019	
Core NFI matches are being followed up on a prioritised basis. All 45 of the high risk Housing Benefit matches have been completed with one referred for investigation to the DWP. The Council also participates in an NFI exercise to identify wrongly claimed Council Tax Single Persons Discount. Priority has been given to this area as recovery of those applied in error provides direct income to the Council. To date 416 of the 626 matches have been investigated, identifying 64 fraud / errors totalling £80,351.								

Best Value			Chief Executive			EXA 189 006	
Observation	The June 2019 BVAR Progress report found that the council has laid the foundations for improvement but still has much to do to implement and embed the changes required for service and financial sustainability. At its meeting in August 2019 the council agreed an action plan to progress the recommendations contained in the BVAR Progress report.						
Risk	The council does not make the progress required to secure its financial position.						
Recommendation	The council should address the recommendations of the BVAR Progress report in its work to implement and embed the changes required for service and financial sustainability (Audit report states Responsible Officer: Strategic Leadership Team but single owner assigned above)						
Progress	<div><div>33%</div></div>	Status		Expected Outcome		Due Date	31-Mar-2020
The council has welcomed the comments reported in the follow up report recognising progress to date and is committed to taking forward the actions within the action plan, continuing to build on the progress made so far since the initial report in January 2018. Since June 2019, significant progress has been made on the development of a transformation plan, which is on track to be presented as part of the upcoming budget. Place and Partnership & Performance have completed management redesigns with work ongoing within the People portfolio. As reported by the Chief Executive in her Organisational Redesign Update, further progress is ongoing on transformational proposals in conjunction with partners.							





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**Report to: Audit Committee**

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**Date of Meeting 5<sup>th</sup> December 2019**

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**Subject: Exceptions from the Application of Contract Standing Orders**

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**Report by Strategic Director Partnership & Performance**

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**1.0 Purpose**

- 1.1 It is a requirement of Contract Standing Orders that exceptions should be reported to the next available Audit Committee. The purpose of this paper therefore is to provide detail on Exceptions to Contract Standing Orders submitted in the previous quarter.

**2.0 Recommendations**

- 2.1 The Committee is asked to note the report, commenting and challenging as appropriate

**3.0 Considerations**

- 3.1 Contract Standing Orders (CSO's) apply to all contracts entered into by Council officers. In some circumstances however, exceptions may be granted.
- 3.2 The appropriate senior manager must record their reasons in writing in the form of an exception report for a decision, which must be submitted to the Strategic Director, Partnership and Performance, for consideration.

The Strategic Director is required to consult with the Chief Finance Officer (S95) and Procurement Manager before taking any action that binds the Council. It is a requirement that any such exception shall be reported retrospectively in full to the next Audit Committee, including the reasons that fully justify the exception. A summary of CSO exemptions will also be provided as part of the Annual Procurement report to the Audit Committee.

- 3.3 Two exceptions were considered in this period:
- 3.3.1 to permit the appointment of Regen to continue to undertake disposal of co-mingled dry recyclate materials (contents of blue waste bins) over a six month period to the value of £162,000.

**Granted**

The justification for this exception is where the purchase is required in order that the Council may meet its statutory obligations. The collection of waste is

a statutory obligation therefore postponement of the service is not an option. The Council collects around 70 tonnes of this waste per week and is not licenced to stockpile this material in the interim.

Regen have been handling disposal of our waste material for a significant period of time (at least 5 years). A new dynamic purchasing system for the provision of this service was introduced through Scotland Excel in February 2019.

The exemption (until February 2020) provides leeway to enable a robust tender process to be undertaken through Scotland Excel. Regen are one of the providers within the Scotland Excel Framework and therefore meet the technical specification required.

### **Conditions of Grant**

A robust tender process through the Scotland Excel Framework should be started immediately and completed for a start date of 11 February 2020.

- 3.3.2 to permit the appointment of Arthur J Gallagher Insurance Brokers Ltd to supply insurance broker services for a period of 1 year at an estimated cost of £6,000. Ref 2/6/1748

### **Granted**

The justification for this exception is, the Council are due to tender for our Insurance services effective from April 2020, the broker provides expert knowledge and support during this process. The Council's insurance contract has a value of approximately £4m for the life of the contract, to complete the tender process within the required timescale we need to start the tender work in September 2019.

The brokers provide specialist support reviewing the contracts and tender submissions during this process to ensure the Council has the required cover to minimise the risk to the Council.

The Council have worked with Arthur J Gallagher Insurance Brokers Ltd for a number of years giving them detailed knowledge of our insurance processes, activities and functions of departments, which will be critical during the tender process. We have a good working relationship with the supplier.

Going through a tender process this year we see an increase in cost of this service and the Broker has maintained its pricing

### **Conditions of Grant**

A competitive tender through Crown Commercial Insurance Services II RM3731 should be undertaken immediately after the completion of the Council Insurance Service tender in April 2020

## **4.0 Sustainability Implications**

- 4.1 There are no direct sustainability implications arising from the recommendations in this report.

## **5.0 Resource Implications**

- 5.1 Financial Details - there are no direct implications for the Council's budget arising from this report
- 5.2 Staffing - there are no direct implications for the Council's establishment arising from this report

## **6.0 Exempt Reports**

- 6.1 Is this report exempt? Yes ☐ (please detail the reasons for exemption below) No ☒

## **7.0 Declarations**

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

- (1) **Our Priorities** (Please double click on the check box ☒)

Clackmannanshire will be attractive to businesses & people and ensure fair opportunities for all ☒  
Our families; children and young people will have the best possible start in life ☒  
Women and girls will be confident and aspirational, and achieve their full potential ☐  
Our communities will be resilient and empowered so that they can thrive & flourish ☐

- (2) **Council Policies (Please detail)**

Contract Standing Orders

Financial Regulations

## **8.0 Equalities Impact**

- 8.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?

N/A

## **9.0 Legality**

- 9.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes ☒

## **10.0 Appendices**

- 10.1 Please list any appendices attached to this report. If there are no appendices, please state "none".

None

## **11.0 Background Papers**

11.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

No ☒ (please list the documents below)

**Author(s)**

NAME	DESIGNATION	TEL NO / EXTENSION
Derek Barr	Procurement Manager	2017

**Approved by**

NAME	DESIGNATION	SIGNATURE
Stuart Crickmar	Strategic Director Partnership & Performance	

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**Report to Audit Committee**

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**Date of Meeting: 5<sup>th</sup> December 2019**

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**Subject: Annual Complaints Report 2018/19**

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**Report by: Senior Manager, Legal and Governance**

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**1.0 Purpose**

- 1.1. This report presents an overview of performance in relation to complaints handling during 2018/19.

**2.0 Recommendations**

- 2.1. It is recommended that Committee note, comment on and challenge the performance of Council services in handling complaints.

**3.0 Considerations**

- 3.1. Complaints are central to corporate governance. As well as providing valuable feedback about the quality of services, complaints can also provide an early warning of critical or systemic service failures.
- 3.2. According to the Scottish Public Services Ombudsman (SPSO):
- 3.3. “Handled well, complaints provide a low cost and important source of feedback and learning for organisations to help drive improvement and restore a positive relationship with customers who feel let down by poor service. Handled badly, they erode public confidence and trust in public services.”
- 3.4. It is important therefore that our organisation culture recognises and truly values complaints - *Be the customer*.

**Complaints Handling Procedure**

- 3.5. Our Complaints Handling Procedure (CHP) mirrors the SPSO Local Authority Model Complaints Handling Procedure, which was introduced in 2012. Local authorities have a duty to comply with the SPSO model (there are also variants for Social Work and Integrated Joint Boards). Compliance is monitored by Audit Scotland in conjunction with the SPSO and in line with the principles of the Shared Risk Assessment arrangements.

- 3.6. The CHP applies to all complaints received by the Council, and consists of 2 stages:

Stage one (frontline response) aims to respond quickly (within five working days) to straightforward complaints that require little or no investigation.

Stage Two is appropriate where:

- the customer is dissatisfied with the frontline response or refuses to engage at the frontline stage;
  - the complaint is not simple and straightforward and therefore requires investigation; or
  - the complaint relates to a serious, high-risk or high-profile issue
- 3.7. If, after the Council has fully investigated the complaint, the customer is still not satisfied with the decision or the way the Council has dealt with the complaint, then it can be referred on to the SPSO.
- 3.8. Under the model CHP, councils are required to publish annual performance information against a number of indicators, including complaint volumes, outcomes and timeliness. They are also required to show how they are learning from complaints by:
- identifying the root cause of complaints;
  - taking action to reduce the risk of recurrence;
  - recording the details of corrective action taken, and
  - systematically reviewing complaints performance to improve service delivery.
- 3.9. The Complaints Performance Report for 2018/19 is shown in appendix 1.

### **Improvement Actions**

- 3.10. Dealing with complaints can be time consuming, so it is essential that administrative processes underpinning our CHP are as efficient as possible. To this end, a business case has been drafted for the replacement of our existing IT system for handling complaints, Councillor and MP enquiries, and Freedom of Information requests. This will make it easier to ensure that complaints are being captured, that they are being processed efficiently and that we are learning from them.
- 3.11. Our relatively low rate of complaints received per hundred thousand population (see Appendix, table 1), suggests that we may not be capturing all complaints. We are enhancing training in complaints identification and handling to try to ensure that complaints are being recorded and dealt with appropriately.
- 3.12. The SPSO is to issue a revised MCHP for local authorities in December 2019, for implementation April 2020. The revised MCHP combines and revises the previous (separate) local authority and Social Work MCHPs.

## 4.0 Sustainability Implications

- 4.1. There are no sustainability implications arising directly from this report.

## 5.0 Resource Implications

### 5.1. *Financial Details*

- 5.2. The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate. Yes ☒

- 5.3. Finance have been consulted and have agreed the financial implications as set out in the report. Yes ☒

### 5.4. *Staffing*

## 6.0 Exempt Reports

- 6.1. Is this report exempt? Yes ☐ (please detail the reasons for exemption below) No ☒

## 7.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

- (1) **Our Priorities** (Please double click on the check box ☒)

Clackmannanshire will be attractive to businesses & people and ensure fair opportunities for all	<input type="checkbox"/>
Our families; children and young people will have the best possible start in life	<input type="checkbox"/>
Women and girls will be confident and aspirational, and achieve their full potential	<input type="checkbox"/>
Our communities will be resilient and empowered so that they can thrive and flourish	<input type="checkbox"/>

- (2) **Council Policies** (Please detail)

Customer Charter

## 8.0 Equalities Impact

8.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?

Yes ☒ No ☐

## 9.0 Legality

9.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes ☒

## 10.0 Appendices

10.1 Please list any appendices attached to this report. If there are no appendices, please state "none".

Appendix: Annual Complaints Performance Report 2018/19

## 11.0 Background Papers

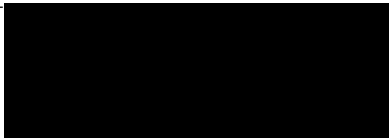
11.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

Yes ☐ (please list the documents below) No ☒

### Author(s)

NAME	DESIGNATION	TEL NO / EXTENSION
Rose Hetman	Strategy & Performance Adviser	2052

### Approved by

NAME	DESIGNATION	SIGNATURE
Lindsay Thomson	Senior Manager Legal & Governance	





# Clackmannanshire Council

## Annual Complaints Performance Report 2018/19

Clackmannanshire Council aims to provide the highest possible quality of service to our customers, but we recognise that sometimes things can go wrong and we fail to meet expectations. We value all complaints and use information from them to help us improve our services.

We manage complaints in line with the Scottish Public Services Ombudsman (SPSO) Local Authority Model Complaints Handling Procedure, which consists of 2 stages:

**Stage 1:** (Frontline Resolution) covers straightforward complaints that require little or no investigation, and should be responded to within 5 working days;

**Stage 2:** (Investigation) concerns complaints that have not been successfully resolved at Stage 1, or more complex or serious complaints that require investigation. Stage 2 complaints should be answered within 20 working days.

The Scottish Public Services Ombudsman has produced guidance on [How to complain about a public service](#).

This report presents the Council's performance in relation to complaints handling from 1st April 2018 until 30th March 2019, against the 8 key performance indicators defined by the SPSO.

### Scottish Public Services Ombudsman Performance Indicators

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**Indicator 1 Complaints received per thousand population**

Description	2016/17	2017/18	2018/19	
			Clacks	Scotland
1 Number of formal complaints received by the Council per thousand population	3.6	3.6	3.2	10.36

**Indicator 2 Complaints closed at stage one and stage two as a percentage of all complaints closed**

Description	2016/17	2017/18	2018/19	
			Clacks	Scotland
2a Number of complaints closed at stage one as % all complaints	85.1%	85.8%	86.8%	87.1%
2b Number of complaints closed at stage two as % all complaints	14.9%	14.2%	11.9%	9.7%
2c Number of complaints closed at stage two after escalation as % all complaints	n/a	n/a	1.3%	3.1%

**Indicator 3 Number of complaints upheld/partially upheld/not upheld at each stage as a percentage of complaints closed in full at each stage**

Description	2016/17	2017/18	2018/19	
			Clacks	Scotland
3a Number of complaints upheld at stage one as % of all complaints closed at stage one	24.2%	21.7%	28.2%	49.7%
3b Number of complaints not upheld at stage one as % of all complaints closed at stage one	46.3%	52.9%	51.1%	34.6%
3c Number of complaints partially upheld at stage one as % of all complaints closed at stage one	29.5%	21.0%	20.6%	14.8%
3d Number of complaints upheld at stage two as % of all complaints closed at stage two	15.4%	21.0%	11.1%	37.5%
3e Number of complaints not upheld at stage two as % of all complaints closed at stage two	61.5%	23.1%	55.6%	44.1%
3f Number of complaints partially upheld at stage two as % of all complaints closed at stage two	23.1%	57.7%	33.3%	18.4%
3g Number of escalated complaints upheld at stage two as % of all escalated complaints closed at stage two	n/a	n/a	0.0%	28.2%
3h Number of escalated complaints not upheld at stage two as % of all escalated complaints closed at stage two	n/a	n/a	100%	47.4%
3i Number of escalated complaints partially upheld at stage two as % of all escalated complaints closed at stage two	n/a	n/a	n/a	24.1%

**Indicator 4 Average time in working days for a full response to complaints at each stage**

Description	2016/17	2017/18	2018/19	
			Clacks	Scotland
4a Average time in working days to respond to complaints at stage one	7.7	12	5	7.1
4b Average time in working days to respond to complaints at stage two	20.3	33.1	24.7	29.9
4c Average time in working days to respond to complaints after escalation	n/a	n/a	9	23.0

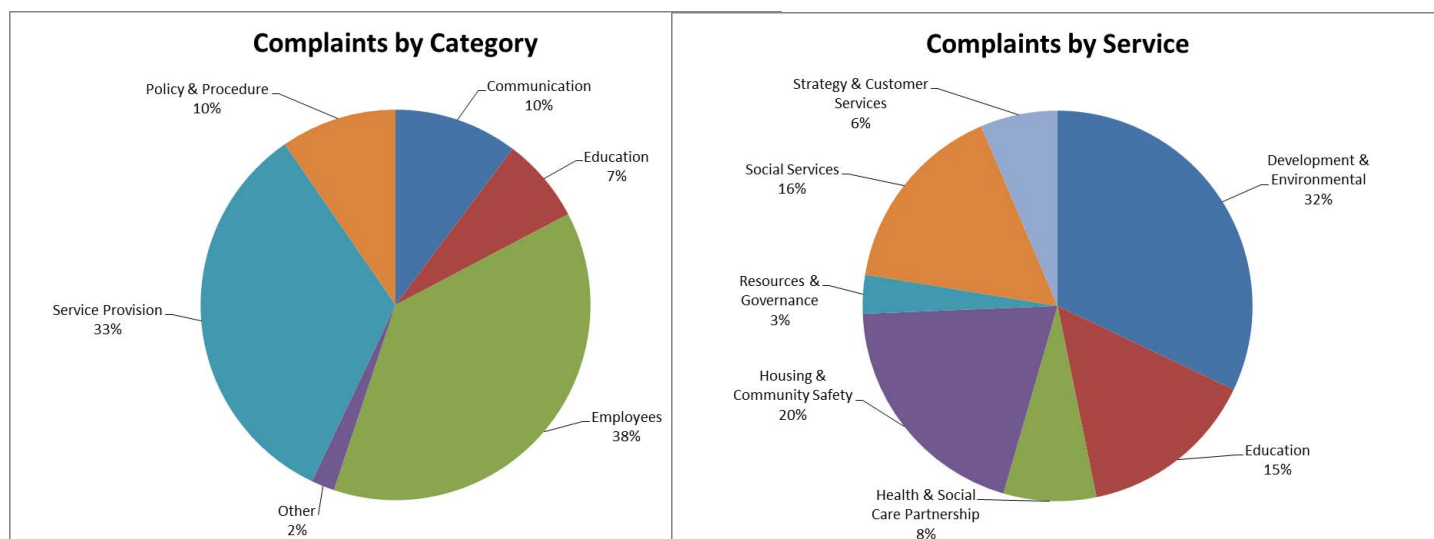
**Indicator 5 Number and percentage of complaints at each stage which were closed in full within the set timescales of 5 and 20 working days**

Description	2016/17	2017/18	2018/19	
			Clacks	Scotland
5a Number of complaints closed at stage one within 5 working days as % of total number of stage one complaints	69.1%	65.6%	77.1%	65.0%
5b Number of complaints closed at stage two within 20 working days as % of total number of stage two complaints	80.8%	84.6%	50.0%	58.2%
5c Number of escalated complaints closed within 20 working days as a % of total number of escalated stage two complaints	n/a	n/a	100%	67.4%

**Indicator 6 Number and percentage of complaints at each stage where an extension to the 5 or 20 working day timeline has been authorised**

Description	2016/17	2017/18	2018/19	
			Clacks	Scotland
6a Number of complaints closed at stage one where extension was authorised, as % all complaints at stage one	6.7%	8.3%	7.6%	3.8%
6b Number of complaints closed at stage two where extension was authorised, as % all complaints at stage two	7.7%	3.8%	27.8%	10.1%

## Why people complain



## Complaints referred to the SPSO

During 2018/19, 8 complaints against Clackmannanshire Council were considered by the SPSO (out of over 1,200 complaints against local authorities). The outcome of the complaints against Clackmannanshire Council were:

## Complaints received by service

Subject Group	
Education	3
Social Work	4
Subject unknown or Out of Jurisdiction	1
<b>Total</b>	<b>8</b>

## Outcome of complaints closed

Stage	Outcome Group	
Advice	Not duly made or withdrawn	2
	Premature	1
Early Resolution	Out of jurisdiction (discretionary)	1
	Proportionality	1
<b>Total</b>		<b>5</b>

## **Explanation of terms**

Not duly made or withdrawn	Complaint was withdrawn or resolved, insufficient information provided or contact lost.
Premature	Enquiry or complaint submitted to the ombudsman too early – i.e. before it has completed the Council's complaints process.
Out of jurisdiction	Complaint is outwith the scope of the ombudsman, for legal or technical reasons.
Proportionality	An investigation by the SPSO would be unlikely to achieve any practical benefit. The complaint may have been passed back to the Council.

