
2018/19 SCRUTINY PLAN

1.0 SUMMARY

1.1 This report presents the proposed 2018/19 Scrutiny Plan.

2.0 RECOMMENDATIONS

2.1 Members are requested to:

- Agree and approve the 2018/19 Scrutiny Plan.
- Endorse the Chief Internal Auditor's (CIA) proposal to reschedule the 2018/19 audit of roads maintenance into the 2019/20 internal audit plan.
- Advise the CIA of their interest in attending scrutiny training if an appropriate course is made available.
- Endorse the CIA's proposal to conduct a review of lessons learned after the completion of the 2018/19 scrutiny plan to identify areas for improvement.

3.0 DETAIL

3.1 At the Audit and Scrutiny Committee in March 2018 the Committee approved the Scrutiny Framework which incorporates a section on 'Developing the Scrutiny Work Programme'. This confirmed that the Committee, on an annual basis, will seek ideas for scrutiny by inviting all members and senior officers to suggest potential topics. Topics are then assessed by the CIA using the prioritisation process set out in the framework with those assessments informing the draft scrutiny plan for the year. The framework confirms that the draft plan, with copies of the assessments, will be provided to members of the Committee for comment and feedback as part of the plan approval process.

3.2 Invitations were sent to all elected members and senior officers by the Council's Chief Executive on 22 March 2018 with a deadline for response set of 30 April 2018. A total of 8 proposals were received in that period and each of those have been assessed using the prioritisation process. Full copies of these assessments are included as appendices to this report however a summary is included in the table below:

Topic	Stage 1	Stage 2 Priority	Stage 3 Score	Summary
Three weekly refuse collection	Fail	N/A	N/A	The 2018/19 Internal Audit annual plan has a review of waste management scheduled for Q3, with an indicative high level scope of <i>'review of new refuse process and reporting and monitoring arrangements'</i> . Whilst this won't cover everything a scrutiny review would it is considered sufficient

				duplication to mean scrutiny would not add value at the current time.
Road budget allocation	Pass	High	81	The topic considers whether the Council is using the additional 2018/19 budget allocation to roads maintenance in a manner which focuses on the strategic priorities of the Council and whether decisions on expenditure reflect best value and best practice. The proposal is focused on ensuring that investment in the roads infrastructure reflects how critical the roads of Argyll and Bute are to delivering growing communities, reversing population decline and delivering the Council's economic strategy.
Road resurfacing	Pass	High	81	<p>The topic considers the Council's approach to road resurfacing and whether it is having a positive impact on the road condition index (RCI). In particular it considers whether:</p> <ul style="list-style-type: none"> the policy shift to focus maintenance works on "amber" rather than "red" condition roads and more surface dressing is effective / impacting on RCI there other types of road surfacing/approaches to road resurfacing the Council should be considering the use of technical data to determine priorities is working for local communities.
Gaelic Medium Units / Schools	Fail	N/A	N/A	The Council approved a Gaelic language plan in March 2018. Whilst Gaelic has been taught for considerably longer it is considered appropriate to allow the plan to take effect before considering scrutiny. Therefore it is considered that scrutiny would not be appropriate at the current time.
Housing / Planning – Tackling Depopulation / economic growth	Pass	Medium	51	The topic identifies a potential performance issue directly relating to approved business outcomes and an overarching corporate outcome despite there being a range of initiatives aimed at delivering these outcomes. There may also be a lack of clarity over links between these initiatives and

				<p>measurable progress. Consequently scrutiny may be productive in terms of seeking ways of improving the links between operational activity and progress or improvement. Furthermore the proposer highlights housing and planning as possible areas of focus and references the local development plan and council tax as levers to secure improvement. The proposal also seeks to review the activity of other councils to identify whether there are areas of good practice which we could learn from.</p>
Officer/ Member Relations	Fail	N/A	N/A	<p>The 2018/19 internal audit plan includes audits of member services and organisational culture. Officer member relations will, to some extent, be incorporated in the organisational culture audit and the management of member queries will be considered as part of the member services audit. This was explained to the topic proposers by the CIA and they were content with that approach being adopted.</p>
Live Argyll	Fail	N/A	N/A	<p>An audit of Live Argyll's governance arrangements is included in the 2018/19 internal audit plan. Live Argyll only commenced in October 2017. An audit focusing on ensuring the ALEO is putting the governance arrangements in place to allow it to manage its affairs and ensure the Council can comply with 'Following the Public Pound' is considered appropriate and proportionate. It is too early for scrutiny to make a meaningful impact on Live Argyll's performance, especially as currently there will be no meaningful baseline against which to measure performance.</p>
Money Skills Argyll	Pass	Medium	51	<p>Money Skills Argyll is a £3.75m project which has experienced a wide range of areas of concern relating to the regarding the delivery model, funding model, and engagement with delivery partners. Whilst the Council is reimbursed for the costs associated with the project via the Big Lottery Fund there is</p>

				clear reputational risk to the Council if the project fails. It is also considered that the Council has a wider responsibility to ensure best value is delivered through the use of public funds. It is also considered that a critical friend approach to the project could identify valuable lessons to be learned by the Council when contemplating projects of a similar nature in future.
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3.5 The table above shows that four reviews passed through stage of the process. In order of overall score these were:

1. Road budget allocation (81)
2. Road resurfacing (81)
3. Money Skills Argyll (51)
4. Housing/Planning - Tackling Depopulation / economic growth (51)

3.6 The two topics with the highest score both relate to roads maintenance and due to the demand on council officers time during a scrutiny review, it would not be appropriate to conduct more than one scrutiny review within the same service area within an annual cycle. Consideration was given to combining the two topics into one review however as the topics are different in nature it is considered better to keep them as two distinct reviews. Combining them would also create a scrutiny topic that is too large, especially for the first round of scrutiny reviews. Due to the current financial challenges and budget pressures, it was considered that the scrutiny review on road resurfacing, which will include whether budget could be used more effectively, may have a greater impact/scrutiny outcome than a review of the road budget allocation. Therefore it was determined that the road resurfacing topic was the more relevant of the two at the current time.

3.7 A roads maintenance audit is included in the 2018/19 internal audit plan with the high level scope of '*Follow up from previous audit report in 2014/15, and review control environment and policies and procedures*'. This is scheduled for Q4 (provisionally February/March) with this timing agreed with the Development & Infrastructure DMT during the creation of the 2018/19 internal audit plan. This timing was agreed to avoid audit work overlapping with the Roads and Amenity Services implementation of the new control and information HUB. For the same reason scheduling scrutiny work earlier than Q4 would be challenging. Performing an audit review and scrutiny work at the same time within a service would create a considerable pressure on the service and is likely to be counterproductive to service delivery. For this reason the CIA is recommending the roads maintenance audit be postponed until 2019/20.

3.8 The Money Skills Argyll and Housing/Planning - Tackling Depopulation / economic growth topics were scored exactly the same. The Housing/Planning topic is considered the wider reaching and more complex scrutiny review. As this is the first year of the new scrutiny approach, it would be sensible for the initial reviews to be less complex in nature to allow the capacity for scrutiny to be established and developed. The Housing/Planning topic will be carried forward for consideration alongside other suggested topics when drafting the 2019/20 scrutiny plan.

3.9 On the basis of paragraphs 3.6 – 3.8 the CIA is recommending the 2017/18 scrutiny plan incorporates scrutiny of:

- Money Skills Argyll (provisionally to be performed in Q3)
- Road resurfacing (provisionally to be performed in Q4)

3.10 The Council are in the early stages of rolling out and performing scrutiny. The scrutiny officers who will be involved are all staff within the audit team and, whilst they have a general understanding of what scrutiny means and the difference between scrutiny and audit, they would benefit from formal training to enhance that understanding, ensure they appreciate their role in scrutiny and increase their confidence in conducting scrutiny reviews including a firmer understanding of how to scope and carry out a review. Similarly elected members have some knowledge of what a scrutiny review would look like but may benefit from a clearer understanding of the difference between audit and scrutiny, their role in the scrutiny process and the input that may be expected of them.

3.11 The CIA is currently engaging with the Council's procurement team to ascertain the availability and quality of external training, but at this stage no firm plans are in place. The training is likely to be over one or possibly two days in either Helensburgh or Lochgilphead. It is hoped the course could be held in August once elected members return from the summer recess. Invitations would be extended to all members of the Audit and Scrutiny Committee and all audit team staff. It would be helpful if the members of the Committee could advise the CIA of their interest in attending such a course should it be made available.

3.12 After the completion of the first two scrutiny reviews it would be beneficial to reflect upon the process adopted and seek feedback from officers and elected members to identify lessons learned which would lead to improvements in future scrutiny work.

4.0 CONCLUSION

4.1 This report further formalises the Council's approach to scrutiny and provides guidance to council officers and elected members on the Council's approach to scrutiny.

5.0 IMPLICATIONS

5.1	Policy:	None
5.2	Financial:	There will be a cost associated with the provision of a scrutiny training course. As this will be put out for competitive tender an indicative cost has not been detailed in this paper. The cost will be met from within the existing audit and scrutiny budget.
5.3	Legal:	None
5.4	HR:	None
5.5	Equalities:	None
5.6	Risk	Formalising the approach to scrutiny should

		contribute to overall risk assurances levels within the Council
5.7	Customer Service	None

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APPENDICES

1. Three weekly refuse collection prioritisation process
2. Road budget allocation prioritisation process
3. Road resurfacing prioritisation process
4. Gaelic Medium Units/Schools prioritisation process
5. Depopulation / economic growth prioritisation process
6. Officer / Member relations prioritisation process
7. Live Argyll prioritisation process
8. Money Skills Argyll prioritisation process