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AUDIT AND SCRUTINY COMMITTEE MONDAY, 10 MAY 2021

A MEETING of the AUDIT AND SCRUTINY COMMITTEE will be held VIA MICROSOFT TEAMS on MONDAY, 10 MAY 2021 at 10.15 am. Arrangements are in place to stream the meeting for public viewing. Further information and a link is provided on the Council's website.

J. J. WILKINSON,
Clerk to the Council,

4 May 2021

BUSINESS		
1.	Apologies for Absence.	
2.	Order of Business.	
3.	Declarations of Interest.	
4.	Minute. (Pages 3 - 8) Minute of Meeting of the Audit and Scrutiny Committee held on 8 March 2021 to be approved and signed by the Chairman. (Copy attached.)	2 mins
5.	Action Tracker (Pages 9 - 10) To note progress made on the Action Tracker (Copy attached).	5 mins
AUDIT BUSINESS		
6.	Audit and Scrutiny Annual Report (Pages 11 - 28) Consider report by the Chair of Audit and Scrutiny Committee providing Members with the Audit and Scrutiny Annual Report 2020/21. (Copy attached)	15 mins
7.	Internal Audit Work to March 2021 (Pages 29 - 38) Consider a report by Chief Officer Audit & Risk on findings from recent work carried out by Internal Audit. (Copy attached).	10 mins
8.	Internal Audit Annual Assurance Report 2021/21 (Pages 39 - 50) Consider report by Chief Officer Audit & Risk on the annual assurance and audit opinion to Management and Audit and Scrutiny Committee arising from Internal Audit activity. (Copy attached).	20 mins
9.	Counter Fraud Annual Report 2021/21 (Pages 51 - 56)	15 mins

	Consider report by Chief Officer Audit & Risk on the Council's counter fraud responsibilities and an update on the fraud prevention, detection and investigation activity during the year to 31 March 2021. (Copy attached).	
10.	Annual Governance Statement 2020/21 and Annual Assurance Statement 2020/21 to the Scottish Housing Regulator (Pages 57 - 80) Consider report by the Chief Executive on the Annual Governance Statement 2020/21 and Annual Assurance Statement 2020/21 to the Scottish Housing Regulator. (Copy attached).	15 mins
11.	Risk Management Annual Report 2020/21 (Pages 81 - 86) Consider report by Chief Officer Audit & Risk on findings on progress made to deliver the Council's Risk Management Strategy. (Copy attached).	15 mins
12.	Any Other Audit Items Previously Circulated.	
13.	Any Other Audit Items which the Chairman Decides are Urgent.	
	SCRUTINY BUSINESS	
14.	Grasscutting and Biodiversity - Effectiveness of Biodiversity Plans (Pages 87 - 94) Consider report by Service Director Assets & Infrastructure. (Copy attached).	10 mins
15.	A & I Support to Common Ridings & Local Festival (Pages 95 - 106) Consider report by Service Director, Assets & Infrastructure. (Copy attached).	20 mins
16.	Any Other Scrutiny Items Previously Circulated.	
17.	Any Other Scrutiny Items which the Chairman Decides are Urgent.	

NOTES

1. Timings given above are only indicative and not intended to inhibit Members' discussions.
2. Members are reminded that, if they have a pecuniary or non-pecuniary interest in any item of business coming before the meeting, that interest should be declared prior to commencement of discussion on that item. Such declaration will be recorded in the Minute of the meeting.

Membership of Committee:- Councillors S. Bell (Chairman), H. Anderson, J. A. Fullarton, J. Greenwell, N. Richards (Vice-Chairman), E. Robson, H. Scott, E. Thornton-Nicol, S. Scott, Mr M Middlemiss and Ms H Barnett

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SCOTTISH BORDERS COUNCIL AUDIT AND SCRUTINY COMMITTEE

MINUTES of Meeting of the AUDIT AND SCRUTINY COMMITTEE held via Microsoft Teams on Monday, 8 March 2021 at 10.15 am

Present:- Councillors S. Bell (Chairman), H. Anderson, J. A. Fullarton, J. Greenwell, N. Richards, E. Robson, H. Scott, S. Scott, E. Thornton-Nicol; Ms H. Barnett and Mr M. Middlemiss.

In Attendance:- Executive Director (Finance & Regulatory Services), Chief Officer Audit and Risk, Clerk to the Council, Democratic Services Officer (F. Henderson); Mr A. Haseeb, Mr J. Steen and Ms G. Woolman – Audit Scotland

CHAIRMAN

The Chairman opened the meeting and welcomed Members of the Audit and Scrutiny Committee and members of the public to the Scottish Borders Council's open on-line meeting. The meeting was being held remotely in order to adhere to guidance on public meetings and social distancing currently in place, due to the COVID-19 pandemic.

1.0 **MINUTE.**

There had been circulated copies of the Minute of 15 February 2021.

DECISION

APPROVED for signature by the Chairman.

2.0 **ACTION TRACKER**

There had been circulated copies of the Action Tracker for the Audit and Scrutiny Committee. The Chief Officer, Audit & Risk, advised that there were a number of completed Actions which were due to be removed from the Tracker. There would be a presentation later in the Agenda on the Counter Fraud Controls Assessment and the Digital Strategy had been presented to Council on 25 February 2021. Information on the Digital Office and Digital Maturity had been forwarded to Members the previous week. The Executive Director, Finance & Regulatory Services, confirmed that NHS Borders had been contacted and funding received for this year for the community equipment service. Ms Stacey further advised that following today's meeting the Action Tracker would be updated.

DECISION

NOTED the Action Tracker.

ORDER OF BUSINESS

The Chairman varied the order of business as shown on the agenda and the Minute reflects the order in which the items were considered at the meeting.

3.0 **TREASURY MANAGEMENT AND INVESTMENT STRATEGY 2021/22**

There had been circulated copies of a report by the Executive Director, Finance & Regulatory Services, which enabled the Committee to undertake their scrutiny role in relation to their Treasury Management activities of the Council. It presented the proposed Treasury Management Strategy for 2021/22 for consideration prior to Council Approval. The report explained that the Treasury Management Strategy was the framework which ensured that the Council operated within prudent, affordable limits in compliance with the

CIPFA Code. The Strategy for 2021/22 which required to be submitted to Council on 19 March 2021 was included in the report at Appendix 1 and reflected the impact of the financial planning totals issued by the Council's management team for 2021/22 onwards on the prudential and treasury indicators for the Council. The report detailed the Treasury Management Strategy 2021/22 and the financial implications. The Executive Director, Mr Robertson, presented highlights of the report including the summary of the proposed indicators within the Strategy and the significant changes from the 2020/21 Strategy. The report detailed the projected external borrowing for the next 5 financial years and then at each 5 year interval up to 2050/51. Alongside this, the Operational Boundary and Authorised Limit were also shown. It was noted that from 2031-32, the first year out-with the current 10 year Capital Plan, a 10 year average capital expenditure, and annual borrowing requirement of £10.5m, had been assumed. Further explanations were given on debt write-off ; "lender option borrower option" for amending loan rates; movement in CFR; authorised limit for debt; the long term affordability of the capital plan and revenue consequences, including that for new schools; and the authorised limit for external debt. Members discussed whether the recommendations in the report should be amended to reflect the narrowing gap between capital financial requirements and the authorised limit for external debt. Discussion on this item was suspended to allow time for consideration of any amendments. On returning to the item, Councillor Robson, seconded by Councillor H. Scott, proposed adding a codicil "noted the narrowing of the gap between capital financial requirements and authorised limit for external debt and recommended Council gave full consideration to this." Councillor Richards proposed that no amendment be made to the recommendation, but received no seconder, therefore his motion fell.

DECISION

- * **AGREED to RECOMMEND to COUNCIL that treasury management activity in the year to 31 March 2020 had been carried out in compliance with the approved Treasury Management Strategy and Policy as detailed in the report and in Appendix 1 to the report, but noted the narrowing of the gap between capital financial requirements and authorised limit for external debt and recommended Council gave full consideration to this.**

4. RISK MANAGEMENT IN SERVICES

- 4.1 The Service Director, Young People, Engagement and Inclusion, Mrs Lesley Munro, joined the meeting and gave a presentation to the Committee on the strategic risks facing the various services within Young People, Engagement and Inclusion and also the corporate risks she managed on behalf of the Council's Corporate Management Team. These corporate risks included Mental/Emotional Wellbeing, C&YP/Learners Placements, and the Education System. Details were then given of the Risk registers for each service within Young People, Engagement and Inclusion which were developed and were owned by Service Managers; these were: Community Learning and Development, Early Years, Educational Psychology Services and Schools. Mrs Munro explained the internal controls and governance in place to manage and mitigate those risks. Specific consideration had to be given to the impact of Covid-19 on schools and young people, with several risk having been developed with mitigating actions identified and these were being amended in line with Scottish Government Guidance and the changing National picture in relation to the return of children and young people to schools.
- 4.2 With regard to external placements, this was a long standing risk to the Service but a complex situation, being a low number of young people with the highest level of need. To manage this risk, the focus was on individuals to ensure they received the best support. There would never be a zero target for this risk, as it was likely there would always be the need for some young people to go out-with the region to receive support. The Borders would always be considered first but the specific needs of the child, not just education but whole family and respite care, etc. would be taken into account. Staff training was also addressing some needs. The education system had been tested most over the last year, with the fire at Peebles High School and the impact of Covid. Enhancements to the digital learning platform meant that risk was being managed differently so the loss of buildings

had not had such a great impact. Each school had undertaken an audit of each pupil's household to ascertain if there were any difficulties either with having a suitable device or a suitable broadband connection, putting in place funding as appropriate or "my-fi" units. If there continued to be issues, then these pupils were invited to come in to school to work.

- 4.3 Members then asked a number of questions with regard to risks and their mitigations. Reference was made to emotional wellbeing in terms of not meeting face to face and the levels of reported anxiety amongst pupils and staff being higher than previously reported. Mrs Munro advised that the risk had changed in terms of visibility of young people and the move of response services online through Quarriers, which did give wider access as it was not restricted to the school day. That was part of the ongoing work on the support framework. Staff had identified that some young people needed strong support at a very early stage to minimise the risk of a crisis situation developing with a need for clinical intervention. A lot of young people were having to address what was happening in the world when they did not have the usual support in place physically so this was being addressed virtually. Further work was underway on the type of risks and their impact e.g. previously schools closed due to snow but now with Inspire Learning, this would not have as much impact. With regard to Community Learning and Development, Mrs Munro was due to meet with the Service Director, Customer & Communities, to discuss how best the service could be used to support communities holistically. Locality support hubs had been a useful resource in response to Covid, targeting specific client groups, but they were now being reviewed to widen out their reach.
- 4.4 For Early Years, there had been success in "grow your own". In year 1, there had been 12 Modern Apprentices who had gone on to get jobs. A team was dedicated to quality not just for SBC nurseries but also those in the private sector to ensure all were working to standard. Recruitment into Educational Psychology was an issue nationally. It was hoped to have 10 placements in education through the Kickstart programme. There was discussion around violence in schools and what violence was – Mrs Munro advised that it was difficult to measure violence and the difference between deliberate violence and violence when dealing with pupils learning difficulties and high levels of anxiety. The trend however was on the downward scale. The Chairman thanked Mrs Munro for her very comprehensive presentation and responses to questions.

DECISION

NOTED the presentation on Young People, Engagement and Inclusion risk.

5. COUNTER FRAUD CONTROLS ASSESSMENT

With reference to paragraph 12 of the Minute of 28 September 2020, there had been circulated copies of a report by the Chief Officer Audit & Risk to make the Committee aware of the findings and necessary actions arising from the Integrity Group's assessment of counter fraud controls associated with the covid-19-emerging-fraud-risks. The Council was committed to minimising the risk of loss due to fraud, theft or corruption and to taking appropriate action against those who attempt to defraud the Council, whether from within the authority or from outside. The primary responsibility for the prevention, detection and investigation of fraud rested with Management, supported by the Corporate Fraud and Compliance Officer. Internal Audit provided advice and independent assurance on the effectiveness of processes put in place by Management. Part of the Audit and Scrutiny Committee's role was to oversee the framework of internal financial control including the assessment of fraud risks and to monitor counter fraud strategy, actions and resources. The report detailed the background, self-assessment findings and necessary actions and financial implications.

DECISION

AGREED to:

- (a) acknowledge the findings from the Integrity Group's assessment of counter**

fraud controls associated with the covid-19-emerging-fraud-risks; and

- (b) endorse the necessary actions to enhance the Council's resilience to fraud, as set out in the relevant sections in the body of the report and summarised in the Action Plan contained in Appendix 1 to the report.**

6. INTERNAL AUDIT WORK TO JANUARY 2021

With reference to paragraph 2 of the Minute of 23 June 2020, there had been circulated copies of a report by the Chief Officer Audit and Risk which provided details of the recent work carried out by Internal Audit and the recommended audit actions agreed by Management to improve internal controls and governance arrangements. The work Internal Audit had carried out during the period 1 January 2021 to 19 February 2021 associated with the delivery of the approved Internal Audit Annual Plan 2020/21 was detailed in the report. A total of 5 final Internal Audit reports had been issued. There were no recommendations though some identified areas of improvement being addressed through Management actions associated with 3 of the reports. An Executive Summary of the final Internal Audit reports issued, including audit objective, findings, good practice, recommendations (where appropriate) and the Chief Officer Audit and Risk's independent and objective opinion on the adequacy of the control environment and governance arrangements within each audit area, was shown in Appendix 1 to the report. The SBC Internal Audit function conformed to the professional standards as set out in Public Sector Internal Audit Standards (PSIAS) (2017) including the production of this report to communicate the results of the reviews.

DECISION

- (a) APPROVED the Internal Audit planned activity proposed to be deferred from 2020/21 to 2021/22 for inclusion in Internal Audit Annual Plan 2021/22.**
- (b) NOTED:-**
- (i) the final assurance reports issued in the period from 1 January to 19 February 2021 associated with the delivery of the approved Internal Audit Annual Plan 2020/21;**
- (ii) the Internal Audit Assurance Work in Progress and Internal Audit Consultancy and Other Work carried out in accordance with the approved Internal Audit Charter.**
- (c) ACKNOWLEDGED the assurance provided on internal controls and governance arrangements in place for the areas covered by this Internal Audit work.**

7. AUDIT SCOTLAND- COVID 19: WHAT IT MEANS FOR PUBLIC AUDIT IN SCOTLAND

There had been circulated copies of a briefing paper which explained that, during 2020 public bodies came under exceptional pressure as they managed the impact of the COVID -19 pandemic. Late December 2020 and early January 2021 saw significant restrictions being re-imposed across Scotland and at that stage it was unclear how long the restrictions would be in place. The pandemic had impacted significantly on the timelines for producing annual accounts at public bodies and for audit work due to pressures on capacity and productivity in all organisations, which would be exacerbated during 2021. The briefing highlighted Audit Scotland's principles, what had been delivered during the pandemic so far, the financial audit and performance audit.

DECISION

NOTED.

8. EXTERNAL ANNUAL AUDIT PLAN 2020/21 FOR THE COUNCIL (AUDIT SCOTLAND)

There had been circulated copies of the Local Government in Scotland Overview 2020 prepared by Audit Scotland. The Annual Audit Plan contained an overview of the planned

scope and timing of the audit which was carried out in accordance with International Standards on Auditing (ISAs). Mr Steen, Audit Scotland, presented the report which detailed the challenging and complex landscape in which local government and its partners were operating and the need to plan for and implement changes to allow them to meet the needs and improve the outcomes of communities in an increasingly challenging context. The main audit risks were highlighted, along with materiality values and Best Value recommendations.

**DECISION
NOTED.**

9 EXTERNAL ANNUAL AUDIT PLAN 2020/21 FOR THE PENSION FUND

There had been circulated copies of the Scottish Borders Council Pension Fund Annual Audit Plan 2020/21. Mr Habeeb, Audit Scotland, presented the plan, which was similar in nature to the plan for the Council, and highlighted the main audit risks.

**DECISION
NOTED.**

10. INTERNAL AUDIT CHARTER

There had been circulated copies of a report by the Chief Officer Audit and Risk which provided the Committee with the updated Internal Audit Charter for approval. The Charter defined the terms of reference for the Internal Audit function to carry out its role to enable the Chief Officer Audit & Risk to prepare an annual internal audit opinion on the adequacy of the Council's overall control environment. The definition of Internal Auditing within the Public Sector Internal Audit Standards (PSIAS) was "Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes." In accordance with the PSIAS, the purpose, authority and responsibility of the Internal Audit activity must be formally defined in an Internal Audit Charter, consistent with the Definition of Internal Auditing, the Code of Ethics and the Standards. The Chief Officer Audit & Risk, as the Chief Audit Executive at Scottish Borders Council, must periodically review the Internal Audit Charter and present it to senior management (Corporate Management Team) and the board (Audit and Scrutiny Committee) for approval. The report detailed the background, the internal audit charter and the financial implications.

DECISION

AGREED to approve the updated Internal Audit Charter as contained in Appendix 1 to the report.

11. INTERNAL AUDIT STRATEGY AND INTERNAL AUDIT ANNUAL PLAN 2021/22

- 11.1 There had been circulated copies of a report by the Chief Officer Audit and Risk which sought approval to the proposed Internal Audit Strategy and Internal Audit Annual Plan 2021/22 to enable the Chief Officer Audit & Risk to prepare annual opinions on the adequacy of the overall control environment for Scottish Borders Council, Scottish Borders Pension Fund, and Scottish Borders Health and Social Care Integration Joint Board. The report explained that the SBC Internal Audit function followed the professional standards as set out in Public Sector Internal Audit Standards (PSIAS) effective 1 April 2013 (updated 2017) which required the Chief Audit Executive (CAE), the Council's Chief Officer Audit & Risk, to establish risk-based plans to determine the priorities of the Internal Audit activity, consistent with the organisation's goals. The plans also required to be sufficiently flexible to reflect the changing risks and priorities pertaining to each organisation. A fundamental role of the Council's Internal Audit function was to provide senior management and members with independent and objective assurance which was designed to add value and improve the organisation's operations. In addition, the CAE

was also required to prepare an Internal Audit annual opinion on the adequacy of the organisation's overall control environment.

- 11.2 The report presented the background to the Internal Audit Strategy at Appendix 1 to the report and outlined the strategic direction for how Internal Audit would achieve its objectives, which are set out in the Internal Audit Charter, in conformance with PSIAS. It guides the Internal Audit function in delivering high quality internal audit services to the Council, Pension Fund and IJB. The Chief Officer Audit & Risk and the Principal Internal Auditor had developed the proposed Internal Audit Annual Plan 2021/22 at Appendix 2. It set out the range and breadth of audit activity and sufficient work within the audit programme of work to enable the CAE to prepare an Internal Audit annual opinion. Key components of the audit planning process included a clear understanding of the organisation's functions, associated risks, and assurance framework. In response to a question, Mrs Stacey gave further details on her role as Chief Internal Auditor for the Health & Social Care Integration Joint Board and the reliance placed on the internal audit work carried out both by the Council and NHS Borders. Internal audit principles, the Charter and Strategy were equally applied to all the different clients. Mrs Stacey further confirmed that External Audit would be looking at the accounting treatment of capital expenditure and revenue consequences, which complemented the Internal audit work looking at the capital planning framework which assigned investment priorities in the budget.

DECISION

APPROVED the Internal Audit Strategy (Appendix 1) and Internal Audit Annual Plan 2021/22 (Appendix 2).

The meeting concluded at 1.55 p.m.

SCOTTISH BORDERS COUNCIL

ACTION SHEET MASTER COPY

AUDIT and SCRUTINY COMMITTEE 2020/21

Notes:-

1. Paragraphs Marked with a * require full Council approval before action can be taken
2. Items for which no actions are required are not included

TITLE	DECISION REQUIRING ACTION	DIRECTORATE/ SECTION	RESPONSIBLE OFFICER	STATUS
22 October 2020				
Annual Assurance Statement 2019/20 to the Scottish Housing Regulator	It was requested and noted that future reports would contain more detail with regard to actions taken. A private Members' briefing would also be arranged to update Ward Councillors on progress with the occupancy agreement for Tweedside Park residents.	Customer & Communities	Jenni Craig	In hand.
23 November 2020				
Internal Audit Work to October 2020	AGREED to request that the Executive Director Finance & Regulatory write to the Chief Executive NHS Borders to encourage sign-off at the earliest opportunity of the SLA relating to the Community Equipment Service.	Finance & Regulatory	David Robertson	In hand.

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AUDIT AND SCRUTINY COMMITTEE ANNUAL REPORT 2020/21

Report by the Chair of the Audit and Scrutiny Committee

AUDIT AND SCRUTINY COMMITTEE

10 May 2021

1 PURPOSE AND SUMMARY

- 1.1 The purpose of this report is to provide members with the Audit and Scrutiny Committee Annual Report 2020/21 which presents the Committee's performance in relation to its Terms of Reference and the effectiveness of the Committee in meeting its purpose, relating to its Audit functions.**
- 1.2 It is important that the Council's Audit and Scrutiny Committee fully complies with best practice guidance on Audit Committees to ensure it can demonstrate its effectiveness as a scrutiny body (Audit functions) as a foundation for sound corporate governance for the Council.
- 1.3 The CIPFA Audit Committees Practical Guidance for Local Authorities and Police 2018 Edition (hereinafter referred to as CIPFA Audit Committees Guidance) includes the production of an annual report on the performance of the Audit and Scrutiny Committee against its remit (Audit functions) for submission to the Council. The Audit and Scrutiny Committee Annual Report 2020/21 (Appendix 1) is presented for consideration. Scottish Borders Council continues to be a lead authority in adopting this best practice.
- 1.4 The Audit and Scrutiny Committee carried out self-assessments of Compliance with the Good Practice Principles Checklist and Evaluation of Effectiveness Toolkit from the CIPFA Audit Committees Guidance during the Informal Session on 8 March 2021 facilitated by the Chief Officer Audit & Risk. The self-assessments are appended to this report as Appendix 2 (Good Practice Principles) and Appendix 3 (Effectiveness) for consideration. The outcome of the self-assessments was a high degree of performance against the good practice principles and a high/medium degree of effectiveness, with areas of further improvement identified.

2 RECOMMENDATIONS

- 2.1 I recommend that the Audit and Scrutiny Committee:**
- a) Approves the Audit and Scrutiny Committee Annual Report 2020/21 (Appendix 1) which incorporates its self-assessments (Appendices 2 and 3) using the CIPFA Audit Committees Guidance; and**
 - b) Agrees that the Audit and Scrutiny Committee Annual Report 2020/21 should be presented to the Council.**

3 BACKGROUND

- 3.1 It is important that the Council's Audit and Scrutiny Committee fully complies with best practice guidance on Audit Committees to ensure it can demonstrate its effectiveness as a scrutiny body (Audit functions) as a foundation for sound corporate governance.
- 3.2 The Chartered Institute of Public Finance and Accountancy (CIPFA) issued an updated guidance note Audit Committees Practical Guidance for Local Authorities and Police 2018 Edition (hereinafter referred to as CIPFA Audit Committees Guidance). It incorporates CIPFA's 2018 Position Statement: Audit Committees in Local Authorities and Police which sets out CIPFA's view of the role and functions of an Audit Committee.
- 3.3 The CIPFA Audit Committees Guidance includes the production of an annual report on the performance of the Audit and Scrutiny Committee against its remit of Audit functions for submission to the Council. The Audit and Scrutiny Committee Annual Report 2020/21 (Appendix 1) is presented for consideration. Scottish Borders Council continues to be a lead authority in adopting this best practice.
- 3.4 The Audit and Scrutiny Committee carried out self-assessments of Compliance with the Good Practice Principles Checklist and Evaluation of Effectiveness Toolkit from the CIPFA Audit Committees Guidance during the Informal Session on 8 March 2021 facilitated by the Chief Officer Audit & Risk. The self-assessments are appended to this report as Appendix 2 (Good Practice Principles) and Appendix 3 (Effectiveness) for consideration.
- 3.5 The outcome of the self-assessments for the Committee was a high degree of performance against the good practice principles and a high/medium degree of effectiveness, recognising that regular training is important to enable them to fulfil their remit effectively. The Committee has identified the following further improvements to its effectiveness (Audit functions):
 - Gain insights on the efficacy of the Council's risk management framework through benchmarking with other organisations; and
 - Target its monitoring and scrutiny of the Best Value Action Plan delivery, to enhance the arrangements for ensuring value for money.
- 3.6 The Audit and Scrutiny Committee Annual Report 2020/21 is designed both to provide assurance to full Council and to provide some further actions for the Committee to improve its effectiveness (Audit functions).

4 IMPLICATIONS

4.1 Financial

There are no direct financial implications associated with this report.

4.2 Risk and Mitigations

- (a) The role of the Audit and Scrutiny Committee (Audit functions) includes the high level oversight of the effectiveness of the Council's systems of internal financial control, internal control and governance, including risk management.
- (b) There is a risk that the Audit and Scrutiny Committee does not fully comply with best practice guidance thus limiting its effectiveness as a scrutiny body (Audit functions) as a foundation for sound corporate governance. The completion of the annual self-assessment and identification and implementation of improvement actions as evidenced through this Annual Report will mitigate this risk.

4.3 **Integrated Impact Assessment**

This is a routine good governance report for assurance purposes, not a new or revised policy or strategy for decision and, as a result, completion of an integrated impact assessment is not an applicable consideration.

4.4 **Acting Sustainably**

There are no direct economic, social or environmental issues with this report.

4.5 **Carbon Management**

There are no direct carbon emissions impacts as a result of this report.

4.6 **Rural Proofing**

This report does not relate to new or amended policy or strategy and as a result rural proofing is not an applicable consideration.

4.7 **Changes to Scheme of Administration or Scheme of Delegation**

No changes to the Scheme of Administration or Scheme of Delegation are required as a result of this report.

5 **CONSULTATION**

- 5.1 The members of the Audit and Scrutiny Committee were engaged in the annual self-assessment process during the Informal Session on 8 March 2021 facilitated by the Chief Officer Audit & Risk.

Approved by

Cllr Stuart Bell, Chair of the Audit and Scrutiny Committee

Author(s)

Name	Designation and Contact Number
Jill Stacey	Chief Officer Audit & Risk Tel: 01835 825036

Background Papers:

Previous Minute Reference: Audit and Scrutiny Committee 22 October 2020;
Scottish Borders Council 5 November 2020

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**SCOTTISH BORDERS COUNCIL
AUDIT AND SCRUTINY COMMITTEE
ANNUAL REPORT FROM THE CHAIRMAN – 2020/21**

This annual report has been prepared to inform the Scottish Borders Council of the work carried out by the Council's Audit and Scrutiny Committee during the financial year. The content and presentation of this report meets the requirements of the CIPFA Audit Committees Guidance 2018 to report to full Council on a regular basis on the Committee's performance in relation to the terms of reference and the effectiveness of the Committee in meeting its purpose relating to its Audit functions.

Meetings

The Audit and Scrutiny Committee has met 6 times during the financial year relating to its Audit functions which included meetings on 23 June, 28 September, 22 October, 23 November 2020, 15 February and 8 March 2021 to consider reports pertinent to the audit cycle. As and when required immediately prior to the formal meeting, an Informal Session was arranged to enable the members of the Committee to meet privately and separately with the auditors to raise any matters pertinent to the annual audit cycle of reporting or to discuss matters relevant to their learning and development. The Committee covered scrutiny business at the meetings on 23 June, 28 September, 22 October and 23 November 2020 and also met on 10 December 2020 and 14 January 2021 to consider items relating to the Scrutiny Programme of Work.

The remit of the Audit and Scrutiny Committee (Audit functions) is to have high level oversight of the Council's and the Pension Fund's framework of internal financial control, corporate governance, risk management systems and associated internal control environment. To fulfil this remit, it sought assurance on the adequacy and effectiveness of Council's and the Pension Fund's systems of corporate governance and internal control for efficient operations and for the highest standards of probity and public accountability. It did this through material it received from Internal Audit, External Audit, other external scrutiny, audit and inspection agencies, and assurances from Management. It focused entirely on matters of risk management, internal control and governance, giving specialist advice to the Council on the value of the audit process, on the integrity of financial reporting and on governance arrangements, and acted as a bridge between the Council and other stakeholders.

The Committee scrutinised the Annual Report and Accounts of the Council and of the Pension Fund at appropriate times in accordance with its terms of reference, which also includes promotion of the highest standards of conduct and professional and ethical behaviour. The Audit Committee also reviewed the Annual Governance Statement in order to assess whether it properly reflects the risk environment and whether the content is consistent with its evaluation of the internal controls and governance arrangements based on evidence received during the year.

The Committee approved the terms of reference for Internal Audit (Internal Audit Charter) and the Internal Audit Strategy and Annual Plan. It considered Internal Audit's executive summaries of reports findings, audit opinions, good practice and recommendations and monitored their implementation on a regular basis. It monitored Internal Audit's performance including progress against the annual plan, conformance with Public Sector Internal Audit Standards 2017 (PSIAS), and quality assurance and improvement plan (QAIP) within Internal Audit mid-term performance and annual assurance reports, and considered the statutory annual audit opinion within the Internal Audit Annual Assurance Report.

It also reviewed the External Audit Strategies and Plans including arrangements for effective liaison between External and Internal Audit, considered External Audit reports including the Annual Reports to Members and the Controller of Audit on the annual audits of the Council and of the Pension Fund, reviewed the main issues arising from the External Audit of the Council's statutory accounts and those of the Pension Fund, and monitored the implementation of agreed actions arising.

The Committee considered the effectiveness of the risk management process throughout the Council by way of an Annual Report which set out the risk management activity and the next steps to refine practices. It received presentations by Executive / Service Directors, as part of a scheduled programme with a new format, on the strategic risks facing their Services and the internal controls and governance in place to manage those risks to demonstrate how risk management is embedded within Services.

The Committee considered the adequacy and effectiveness of the Council's counter fraud arrangements by way of an Annual Report, which set out the counter fraud activity and progress with improvement actions, and received assurances from the Auditors on fraud risks and controls.

The Committee undertook the scrutiny role for the development of future Treasury Management strategy prior to its presentation to Council for approval. It also received mid-term and annual reports on the extent of compliance with the approved Treasury Management strategy and an analysis of the performance against the targets set. During the year it recommended the Treasury Management strategy and performance monitoring reports for Council approval.

The Minutes of Audit and Scrutiny Committee meetings were presented for approval by the Council, and any exceptional items or recommendations were referred to the Council in accordance with the remit of the Committee.

Membership

The Membership of the Audit and Scrutiny Committee is part of the approved Scottish Borders Council's Scheme of Administration (approved 28 September 2017; amended 25 February 2021) namely "Nine members of the Council not on the Executive Committee" and "...considering Audit matters (for that part of the meeting only) two additional members appointed from an external source as non-voting members." Two non-voting external members were appointed from the community to October 2021, one as a reappointment, following a recruitment and selection process carried out during autumn 2018 approved by the Council. This enhances the independence of the Audit and Scrutiny Committee's role in the scrutiny process of internal controls and governance and complies with best practice on independence as set out in CIPFA 'Audit Committees' Guidance (2018).

The Committee membership during the year was Councillors S Bell (Chairman), H Anderson, K Chapman (to June 2020), J Fullerton, J Greenwell (from September 2020), S Hamilton (Vice Chairman to June 2020), N Richards (Vice Chairman from September 2020), E Robson (from September 2020), H Scott, S Scott, E Thornton-Nicol, Ms H Barnett and Mr M Middlemiss.

Those present at the virtual meetings which considered Audit matters was as follows:

Member	23 Jun 2020	28 Sept 2020	22 Oct 2020	23 Nov 2020	15 Feb 2021	8 Mar 2021
Cllr S Bell (Chair)	√	√	√	√	√	√
Cllr H Anderson	√	√	√	√	√	√
Cllr K Chapman	√					
Cllr J Fullerton	√	√	√	√	√	√
Cllr J Greenwell		√	√	√	√	√
Cllr S Hamilton	√					
Cllr N Richards	√	√	√	√	√	√
Cllr E Robson			√	√	√	√
Cllr H Scott	√	√	√	√	√	√
Cllr S Scott	√	√		√	√	√
Cllr E Thornton-Nicol	√	√	√	√	√	√
Ms H Barnett	√	√		√		√
Mr M Middlemiss	√	√	√	√	√	√

Every meeting of the Audit and Scrutiny Committee in 2020/21 which considered Audit matters was quorate (i.e. at least four Elected Members present).

The Executive Director Finance and Regulatory, the Chief Officer Audit & Risk, and external auditors attend all Committee meetings; other senior officers attend Committee meetings on request. The Democratic Services section has provided a Committee Officer as the minute secretary.

Skills and Knowledge

Given the wider corporate governance remit of Audit and Scrutiny Committees within local government and the topics now covered by the external and internal audit functions, it is noteworthy that there is a range of skills, knowledge and experience that Audit and Scrutiny Committee members bring to the committee to fulfil its Audit functions, not limited to financial and business management. This enhances the quality of scrutiny and discussion of reports at the meetings. No one committee member would be expected to be expert in all areas.

The Informal Sessions provide the space for Committee members to reflect on their skills and knowledge, and to identify other learning and development to fulfil their role. For example:

- 22 October 2020 – To provide an opportunity for Members to discuss matters with the External Auditors in private and to obtain feedback on its performance.
- 23 November 2020 – To discuss actions to address areas of improvement identified in the Audit and Scrutiny Committee Annual Report 2019/20 and identify other learning and development requirements.
- 15 February 2021 – To consider the completion of the Scrutiny tool for Elected Members within the recently published Digital Progress in Local Government.

Self-Assessment of the Committee

The annual self-assessment was carried out by members of the Audit and Scrutiny Committee on 8 March 2021 during an Informal Session facilitated by the Chief Officer Audit & Risk using the 'Good Practice Principles Checklist' and 'Evaluation of Effectiveness Toolkit' from the CIPFA 'Audit Committees Guidance'. This was useful for Members to ensure the Committee can demonstrate its effectiveness as a scrutiny body (Audit functions) as a foundation for sound corporate governance for the Council.

The outcome of the self-assessments for the Committee was a high degree of performance against the good practice principles and a high/medium degree of effectiveness, recognising that regular training is important to enable them to fulfil their remit effectively. The Committee has identified the following further improvements to its effectiveness:

- Gain insights on the efficacy of the Council's risk management framework through benchmarking with other organisations; and
- Target its monitoring and scrutiny of the Best Value Action Plan delivery, to enhance the arrangements for ensuring value for money.

Assurance Statement to the Council

The Audit and Scrutiny Committee provides the following assurance to the Council:

- The Council has received the Minutes of the Audit and Scrutiny Committee meetings throughout the year.
- The Audit and Scrutiny Committee has operated in accordance with its agreed terms of reference, and accordingly with the audit committee principles in CIPFA Position Statement, relating to its Audit functions. It did this through material it received from Internal Audit, External Audit, other audit and inspection bodies, and assurance from Management. It focussed entirely on matters of risk management, internal control and governance, giving specialist advice to the Council on the value of the audit process, on the integrity of financial reporting, and acted as a bridge between the Council and its stakeholders.

- For all audit reports, the Audit and Scrutiny Committee considered whether it was satisfied that an adequate Management response was in place to ensure action would be taken to manage risk and address concerns on internal controls and governance arrangements.
- There is effective engagement of committee members including challenge and questions relating to the business on the agendas. Recommendations are made by the Audit and Scrutiny Committee which are monitored through an Action Tracker to ensure these are acted upon within reasonable timescales to address concerns raised by the Committee.
- The Audit and Scrutiny Committee has received and considered material to fulfil its scrutiny role on treasury management activity in advance of the treasury management strategy and monitoring reports being presented for Council approval.
- The Audit and Scrutiny Committee has reflected on its performance during the year in respect of its Audit functions, and has identified areas for further improvements to its effectiveness.

Recommendation of amendments to the Terms of Reference for the Audit and Scrutiny Committee

None.

Councillor Stuart Bell
Chairman of Audit and Scrutiny Committee
April 2021

CIPFA ‘audit committees’ Practical Guidance for Local Authorities and Police 2018 Edition

Scottish Borders Council Audit and Scrutiny Committee – self-assessment of Good Practice at 8 March 2021

Audit committee purpose and governance	Yes/Partly /No	Comments
Does the authority have a dedicated audit committee?	Yes	Scheme of Administration approved by the Council 28 September 2017 (amended 25 February 2021) includes the remit of the Audit and Scrutiny Committee.
Does the audit committee report directly to full council?	Yes	Council approves Minute of each Audit and Scrutiny Committee meeting.
Do the terms of reference clearly set out the purpose of the committee in accordance with CIPFA’s Position Statement?	Yes	Review has been completed by Chief Officer Audit & Risk against CIPFA ‘audit committees’ Practical Guidance for Local Authorities and Police 2018 (CIPFA guidance 2018 ‘audit committees’).
Is the role and purpose of the audit committee understood and accepted across the authority?	Yes	Scheme of Administration is published on the shared X:drive. References to Audit and Scrutiny Committee role and reports are made to Senior Officers at Management Team meetings on a regular basis and to Corporate Management Team in advance of each Audit and Scrutiny Committee meeting by Chief Officer Audit & Risk.
Does the audit committee provide support to the authority in meeting the requirements of good governance?	Yes	<p>The Audit and Scrutiny Committee is a key part of the Council’s governance framework as outlined in the SBC Local Code of Corporate Governance approved by the Council on 28 June 2018.</p> <p>The Audit and Scrutiny Committee Annual Report is presented to and approved by the Council each year. SBC continues to adopt this best practice. As part of its annual self-assessment 2020/21 the Audit and Scrutiny Committee has evaluated the improvements implemented during the year to enhance its scrutiny and challenge role.</p>
Are the arrangements to hold the committee to account for its performance operating satisfactorily?	Yes	<p>The Audit and Scrutiny Committee annually reviews its terms of reference as part of it carrying out an annual self-assessment of performance against best practice checklists.</p> <p>The Audit and Scrutiny Committee Annual Report is presented to the Council. It sets out the activities to enable stakeholders to understand how the Audit and Scrutiny Committee has discharged its duties and identifies areas of improvement to fulfil its remit. SBC continues to adopt this best practice.</p>

CIPFA ‘audit committees’ Practical Guidance for Local Authorities and Police 2018 Edition

Scottish Borders Council Audit and Scrutiny Committee – self-assessment of Good Practice at 8 March 2021

Functions of the committee	Yes/Partly /No	Comments
Do the committee’s terms of reference explicitly address all the core areas identified in CIPFA’s Position Statement?		
<ul style="list-style-type: none"> • good governance 	<input type="text" value="Yes"/>	Included in Audit functions nos. 1, 3, 10 & 11
<ul style="list-style-type: none"> • assurance framework, including partnerships and collaboration arrangements 	<input type="text" value="Yes"/>	Implicit in all aspects of Audit functions. Explicit references to service delivery models/supply chain in Audit functions 1, 2 & 3
<ul style="list-style-type: none"> • internal audit 	<input type="text" value="Yes"/>	Included in Audit functions nos. 5, 6 & 7
<ul style="list-style-type: none"> • external audit 	<input type="text" value="Yes"/>	Included in Audit functions nos. 8 & 9
<ul style="list-style-type: none"> • financial reporting 	<input type="text" value="Yes"/>	Included in Audit functions nos. 4 & 12
<ul style="list-style-type: none"> • risk management 	<input type="text" value="Yes"/>	Included in Audit function no. 2
<ul style="list-style-type: none"> • Value for money or best value 	<input type="text" value="Yes"/>	Included in Audit functions nos. 3 & 11 (implicit in 11 e.g. assurance of effective and efficient operations)
<ul style="list-style-type: none"> • Counter-fraud or corruption 	<input type="text" value="Yes"/>	Included in Audit functions nos. 1 & 11
<ul style="list-style-type: none"> • Supporting the ethical framework 	<input type="text" value="Yes"/>	Ethics references included in Audit functions nos. 3 & 6

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Scottish Borders Council Audit and Scrutiny Committee – self-assessment of Good Practice at 8 March 2021

Functions of the committee (cont'd)	Yes/Partly /No	Comments
Is an annual evaluation undertaken to assess whether the committee is fulfilling its terms of reference and that adequate consideration has been given to all core areas?	<input type="checkbox"/> Yes	The Audit and Scrutiny Committee annually reviews its terms of reference as part of it carrying out an annual self-assessment of performance against best practice checklists.
Has the audit committee considered the wider areas identified in CIPFA's Position Statement and whether it would be appropriate for the committee to undertake them?	<input type="checkbox"/> Yes	The Audit and Scrutiny Committee reviews and monitors treasury management arrangements in accordance with the CIPFA Treasury Management Code of Practice (Audit function no. 10).
Where coverage of core areas has been found to be limited, are plans in place to address this?	<input type="checkbox"/> Yes	The Assurance Framework and the Audit Cycle that define the programme of work for the Audit and Scrutiny Committee are included in the Induction training pack along with Essential Questions for the Committee members to ask those charged with governance when considering the relevant reports as part of the Audit Cycle (under the three topics of Internal Control, Risk Management, and Governance).
Has the committee maintained its non-advisory role by not taking on any decision-making powers that are not in line with its core purpose?	<input type="checkbox"/> Yes	The Committee conducts its business as reflected in Scheme of Administration through its membership and functions referred.

CIPFA 'audit committees' Practical Guidance for Local Authorities and Police 2018 Edition

Scottish Borders Council Audit and Scrutiny Committee – self-assessment of Good Practice at 8 March 2021

Membership and support	Yes/Partly /No	Comments
<p>Has an effective audit committee structure and composition of the committee been selected?</p> <p>This should include:</p> <ul style="list-style-type: none"> • separation from the executive • an appropriate mix of knowledge and skills among the membership • a size of committee that is not unwieldy • consideration has been given to the inclusion of at least one independent member 	<div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 0 auto;">Yes</div>	<p>The membership of the Audit and Scrutiny Committee, set out in the Council's Scheme of Administration, comprises nine members of the Council not on the Executive Committee, and (for part of the meetings considering Audit matters) two non-voting additional members appointed from an external source. The latter helps to enhance the robustness and independence of the Audit and Scrutiny Committee's operations.</p>
<p>Have independent members appointed to the committee been recruited in an open and transparent way and approved by the full council?</p>	<div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 0 auto;">Yes</div>	<p>There is an open recruitment and selection process to appoint external members of the Audit and Scrutiny Committee outwith the cycle of local elections to facilitate continuity management of membership (Selection Committee and appointment for 3 years to October 2021 approved by Council).</p>
<p>Does the chair of the committee have appropriate knowledge and skills?</p>	<div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 0 auto;">Yes</div>	<p>The Chair of the Audit and Scrutiny Committee is an experienced elected member and meets regularly with the Chief Officer Audit & Risk.</p>
<p>Are arrangements in place to support the committee with briefings and training?</p>	<div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 0 auto;">Yes</div>	<p>There is a comprehensive Induction Programme for those appointed to the Audit and Scrutiny Committee including: Outline of Corporate Governance; role of the Audit and Scrutiny Committee; role of Internal and External Audit; Assurance Framework; and Audit Cycle. Informal Sessions have been held to coincide with the Audit Cycle to help Committee members to enhance their knowledge or to meet privately with the Auditors.</p>
<p>Has the membership of the committee been assessed against the core knowledge and skills framework and found to be satisfactory?</p>	<div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 0 auto;">Yes</div>	<p>A formal assessment against the Knowledge and Skills Framework was carried out as part of the self-assessment in March 2019 with the conclusion of satisfactory skills and knowledge.</p>
<p>Does the committee have good working relations with key people and organisations, including external audit, internal audit and the chief financial officer?</p>	<div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 0 auto;">Yes</div>	<p>Members, in particular the Chair of the Audit and Scrutiny Committee, utilise opportunities as required to meet with the key people involved in the Council's governance e.g. Leader of the Council, Chief Executive, Executive Director Finance & Regulatory, External Auditor and Chief Officer Audit & Risk.</p>
<p>Is adequate secretariat and administrative support to the committee provided?</p>	<div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 0 auto;">Yes</div>	<p>A Committee Officer is assigned to the Audit and Scrutiny Committee.</p>

CIPFA 'audit committees' Practical Guidance for Local Authorities and Police 2018 Edition

Scottish Borders Council Audit and Scrutiny Committee – self-assessment of Good Practice at 8 March 2021

Effectiveness of the committee	Yes/Partly /No	Comments
Has the committee obtained feedback on its performance from those interacting with the committee or relying on its work?	Yes	Feedback from external auditors, Audit Scotland, was obtained during the Informal Session October 2020 on how the committee is performing. Those directors who'd presented to the Committee during the year provided feedback on their interaction with the Committee.
Are meetings effective with a good level of discussion and engagement from all members?	Yes	As reflected in the Minutes of the Committee.
Does the committee engage with a wide range of leaders and managers, including discussion of audit findings, risks and action plans with the responsible officers?	Yes	Executive/Service Directors are requested to attend the Audit and Scrutiny Committee as appropriate for the business being considered by the Committee to ensure action findings and action plans are acted upon. Executive/Service Directors have made presentations to the Committee on the risks and mitigations associated with their areas of responsibility.
Does the committee make recommendations for the improvement of governance, risk and control and are these acted on?	Yes	Recommendations are made by the Committee to Council in accordance with the business considered by the Committee. An Action Tracker is used to monitor that these are implemented satisfactorily.
Has the committee evaluated whether and how it is adding value to the organisation?	Yes	As part of its annual self-assessment 2020/21 it evaluated how effectively it had fulfilled its Audit functions using the toolkit 'Evaluating the Effectiveness of the Audit Committee' (CIPFA guidance 2018 'audit committees').
Does the committee have an action plan to improve any areas of weakness?	Yes	Actions to address areas of improvement 2019/20 and other learning and development requirements were discussed during the Informal Session November 2020. The Committee has recognised where it could further improve as part of its annual self-assessment 2020/21, recognising that regular training is important to enable them to fulfil their remit.
Does the committee publish an annual report to account for its performance and explain its work?	Yes	The Audit and Scrutiny Committee Annual Report is presented to the Council each year. It sets out the activities to enable stakeholders to understand how the Committee has discharged its duties. SBC continues to adopt this best practice.

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Areas where the Audit Committee can add value by supporting improvement	Examples of how the audit committee can add value and provide evidence of effectiveness	Self-evaluation, examples, areas of strength and weakness	Overall assessment 5-1 See key below
1. Promoting the principles of good governance and their application to decision making	Supporting the development of a local code of governance. Providing robust review of the Annual Governance Statement (AGS) and the assurances underpinning it. Working with key members/governors to improve their understanding of the AGS and their contribution to it. Supporting reviews/audits of governance arrangements. Participating in self-assessments of governance arrangements. Working with partner audit committees to review governance arrangements in partnerships.	Committee is aware the Local Code of Corporate Governance is used for annual self-assessment, and scrutinised AGS prior to its inclusion in Annual Report and Accounts. Chair met regularly with Chief Executive / Executive Director Finance & Regulatory. Committee supports the role of audit in improving internal control and governance. Committee considers national reports and uses self-assessment toolkits. Chair met Audit Committees' Chairs of IJB and NHS Borders to support improvement.	5 (2019/20 5)
2. Contributing to the development of an effective control environment.	Actively monitoring the implementation of recommendations from auditors. Encouraging ownership of the internal control framework by appropriate managers. Raising significant concerns over controls with appropriate senior managers.	Committee received periodic progress reports from Auditors e.g. follow-up activity. Committee recommended (November 2019) that CMT determine an escalation process to address those Audit recommendations not completed within the agreed timescale. Action Tracker used to monitor completion of Committee recommendations.	5 (2019/20 5)
3. Supporting the establishment of arrangements for the governance of risk and for effective arrangements to manage risks.	Reviewing risk management arrangements and their effectiveness, e.g. risk management benchmarking. Monitoring improvements. Holding risk owners to account for major/strategic risks.	Committee considered update on Risk Management activity within Annual Report. Risk management benchmarking is required to identify any areas of improvement. Committee received presentations by various Executive/Service Directors, as per agreed schedule, on their key risks and mitigations to hold Management to account.	4 (2019/20 5)

Areas where the Audit Committee can add value by supporting improvement	Examples of how the audit committee can add value and provide evidence of effectiveness	Self-evaluation, examples, areas of strength and weakness	Overall assessment 5-1 See key below
4. Advising on the adequacy of the assurance framework and considering whether assurance is deployed efficiently and effectively.	Specifying its assurance needs, identifying gaps or overlaps in assurance. Seeking to streamline assurance gathering and reporting. Reviewing the effectiveness of assurance providers, e.g. internal audit, risk management, external audit.	Committee considered Annual Strategies, Plans and Reports received from Auditors and have highlighted areas for assurance, and received national reports for assurance. Committee seeks information on how internal and external audit interact with each other.	4 (2019/20 4)
5. Supporting the quality of the internal audit activity, particularly by underpinning its organisational independence.	Reviewing the audit charter and functional reporting arrangements. Assessing the effectiveness of internal audit arrangements, providing constructive challenge and supporting improvements. Actively supporting the quality assurance and improvement programme (QAIP) of internal audit.	Committee approved the Internal Audit Charter, noting PSIAS requirements. Committee approved the Internal Audit Strategy and Plan, and considered regular Reports raising queries and endorsing recs. Committee received QAIP and PSIAS conformance, including outcomes of EQA process, within Internal Audit reports.	5 (2019/20 5)
6. Aiding the achievement of the authority's goals and objectives through helping to ensure appropriate governance, risk, control and assurance arrangements.	Reviewing how the governance arrangements support the achievement of sustainable outcomes. Reviewing major projects and programmes to ensure that governance and assurance arrangements are in place. Reviewing the effectiveness of performance management arrangements.	Auditors provided assurance reports on governance arrangements for transformation (including Fit for 2024 Programme), sustainability, and performance management, including lessons learned and best practice. Reliance placed on the Executive Committee that fulfils performance-monitoring role.	4 (2019/20 4)
7. Supporting the development of robust arrangements for ensuring value for money.	Ensuring that assurance on value for money arrangements is included in the assurances received by the audit committee. Considering how performance in value for money is evaluated as part of the AGS.	Auditors provided assurance on value for money arrangements. AGS sets out the Governance Framework including arrangements for best value. Committee actively monitored progress with delivery of Best Value Action Plan (more progress required by the Council).	4 (2019/20 4)

Areas where the Audit Committee can add value by supporting improvement	Examples of how the audit committee can add value and provide evidence of effectiveness	Self-evaluation, examples, areas of strength and weakness	Overall assessment 5-1 See key below
8. Helping the authority to implement the values of good governance, including effective arrangements for countering fraud and corruption risks.	Reviewing arrangements against the standards set out in the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA, 2014). Reviewing fraud risks and the effectiveness of the organisation's strategy to address those risks. Assessing the effectiveness of ethical governance arrangements for both staff and governors.	Committee considered update on Counter Fraud improvements within Annual Report, and requested self-assessment against Covid fraud risks using template in national report. Auditors provided assurance reports on fraud risks and counter fraud controls. Committee considered national reports on fraud risks and mitigations.	4 (2019/20 4)
9. Promoting effective public reporting to the authority's stakeholders and local community and measures to improve transparency and accountability.	Improving how the authority discharges its responsibilities for public reporting; for example, better targeting at the audience, plain English. Reviewing whether decision making through partnership organisations remains transparent and publicly accessible and encourages greater transparency. Publishing an annual report from the committee.	Committee scrutinised annual accounts and reports prior to publication and audit, and commented on the format/content for users. Chair previously met Audit Committees' Chairs of IJB and NHS Borders to understand assurance arrangements to avoid duplication. Committee's Annual Report presented to Council and published for transparency.	5 (2019/20 5)

Assessment key	
5	Clear evidence is available from a number of sources that the committee is actively supporting improvements across all aspects of this area. The improvements made are clearly identifiable.
4	Clear evidence from some sources that the committee is actively and effectively supporting improvement across some aspects of this area.
3	The committee has had mixed experience in supporting improvement in this area. There is some evidence that demonstrates their impact but there are also significant gaps.
2	There is some evidence that the committee has supported improvements, but the impact of this support is limited.
1	No evidence can be found that the audit committee has supported improvements in this area.

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INTERNAL AUDIT WORK TO MARCH 2021

Report by Chief Officer Audit and Risk

AUDIT AND SCRUTINY COMMITTEE
10 May 2021

1 PURPOSE AND SUMMARY

- 1.1 The purpose of this report is to provide members of the Audit and Scrutiny Committee with details of the recent work carried out by Internal Audit and the recommended audit actions agreed by Management to improve internal controls and governance arrangements.**
- 1.2 The work Internal Audit has carried out in the period from 20 February to 31 March 2021 associated with the delivery of the approved Internal Audit Annual Plan 2020/21 is detailed in this report. A total of 3 final Internal Audit reports have been issued. There was 1 recommendation made associated with 1 of the reports (1 Medium-rated).
- 1.3 An Executive Summary of the final Internal Audit reports issued, including audit objective, findings, good practice, recommendations (where appropriate) and the Chief Officer Audit and Risk's independent and objective opinion on the adequacy of the control environment and governance arrangements within each audit area, is shown in Appendix 1 to this report.
- 1.4 The SBC Internal Audit function conforms to the professional standards as set out in Public Sector Internal Audit Standards (PSIAS) (2017) including the production of this report to communicate the results of the reviews.

2 RECOMMENDATIONS

- 2.1 I recommend that the Audit and Scrutiny Committee:**
- a) Notes the final assurance reports issued in the period from 20 February to 31 March 2021 associated with the delivery of the approved Internal Audit Annual Plan 2020/21;**
 - b) Acknowledges the assurance provided on internal controls and governance arrangements in place for the areas covered by this Internal Audit work; and**
 - c) Notes the Internal Audit Consultancy and Other Work carried out in accordance with the approved Internal Audit Charter.**

3 PROGRESS REPORT

- 3.1 The Internal Audit Annual Plan 2020/21 was approved by the Audit and Scrutiny Committee on 9 March 2020 and the re-assessed Plan approved on 23 November 2020. Internal Audit has carried out the following work in the period from 20 February to 31 March 2021 associated with the delivery of the Plan to meet its objective of providing an opinion on the efficacy of the Council’s risk management, internal control and governance.
- 3.2 The SBC Internal Audit function conforms to the professional standards as set out in Public Sector Internal Audit Standards (PSIAS) (2017) including the production of this report to communicate the results of the reviews.

Internal Audit Reports

- 3.3 Internal Audit issued final assurance reports on the following subjects:
- Business World ERP System Key Controls
 - Learning Disabilities Services Financial Management
 - Information Governance
- 3.4 An Executive Summary of the final Internal Audit assurance reports issued, including audit objective, findings, good practice and recommendations (where appropriate), and the Chief Officer Audit and Risk’s independent and objective opinion on the adequacy of the control environment and governance arrangements within each audit area, is shown in Appendix 1.

The definitions for Internal Audit assurance categories are as follows:

Level	Definition
Comprehensive assurance	Sound risk, control, and governance systems are in place. These should be effective in mitigating risks to the achievement of objectives. Some improvements in a few, relatively minor, areas may be required.
Substantial assurance	Largely satisfactory risk, control, and governance systems are in place. There is, however, some scope for improvement as current arrangements could undermine the achievement of objectives or leave them vulnerable to error or misuse.
Limited assurance	Risk, control, and governance systems have some satisfactory aspects. There are, however, some significant weaknesses likely to undermine the achievement of objectives and leave them vulnerable to an unacceptable risk of error or misuse.
No assurance	The systems for risk, control, and governance are ineffectively designed and operated. Objectives are not being achieved and the risk of serious error or misuse is unacceptable. Significant improvements are required.

Internal Audit Consultancy and Other Work

- 3.6 Internal Audit staff have been involved in the following for the Council to meet its aims and objectives, and its roles and responsibilities in accordance with the approved Internal Audit Charter:
- a) Provide ‘critical friend’ internal challenge and quality assurance through engagement in meetings of programmes and projects involving major change (Fit for 2024, Information Governance Group, Contract and Supplier Management Implementation Group, Social Work Performance Board, and Social Work Review Delivery Group).
 - b) Learning and development during the research stage of new audit areas for all Internal Audit team members and through joining virtual audit forums and meetings.

Recommendations

- 3.7 Recommendations in reports are suggested changes to existing procedures or processes to improve the controls or to introduce controls where none exist. The grading of each recommendation reflects the risk assessment of non-implementation, being the product of the likelihood of the risk materialising and its impact:

High: Significant weaknesses in existing controls, leaving the Council or Service open to error, fraud, financial loss or reputational damage, where the risk is sufficiently high to require immediate action within one month of formally raising the issue. Added to the relevant Risk Register and included in the relevant Assurance Statement.

Medium: Substantial weaknesses in existing controls, leaving the Council or Service open to medium risk of error, fraud, financial loss or reputational damage requiring reasonably urgent action within three months of formally raising the issue.

Low: Moderate weaknesses in existing controls, leaving the Council or Service open to low risk of error, fraud, financial loss or reputational damage requiring action within six months of formally raising the issue to improve efficiency, effectiveness and economy of operations or which otherwise require to be brought to attention of senior management.

Outwith the report, Internal Audit informs operational managers about other matters as part of continuous improvement.

- 3.8 The table below summarises the number of Internal Audit recommendations made during 2020/21:

	2020/21 Number of Recs
High	0
Medium	1
Low	0
Sub-total reported this period	1
Previously reported	7
Total	8
Recommendations agreed with action plan	8
Not agreed; risk accepted	0
Total	8

4 IMPLICATIONS

4.1 Financial

There are no costs attached to any of the recommendations in this report.

4.2 Risk and Mitigations

- (a) During the development of the Internal Audit Annual Plan 2020/21 and at the start of each audit engagement, to capture potential areas of risk and uncertainty more fully, key stakeholders have been consulted and risk registers have been considered.
- (b) If audit recommendations are not implemented, there is a greater risk of loss and/or reduced operational efficiency and effectiveness, and Management may not be able to demonstrate effective management of risks through improved internal controls and governance.

4.3 Integrated Impact Assessment

This is a routine good governance report for assurance purposes, required under the Local Authority Accounts (Scotland) Regulations 2014 and the professional standards as set out in Public Sector Internal Audit Standards (PSIAS) (2017). It does not relate to new/amended policy/strategy and as a result an integrated impact assessment is not an applicable consideration.

4.4 **Acting Sustainably**

There are no direct economic, social or environmental issues in this report.

4.5 **Carbon Management**

No direct carbon emissions impacts arise as a result of this report.

4.6 **Rural Proofing**

This report does not relate to new or amended policy or strategy and as a result rural proofing is not an applicable consideration.

4.7 **Changes to Scheme of Administration or Scheme of Delegation**

No changes are required as a result of this report.

5 CONSULTATION

5.1 The Executive/Service Directors relevant to the Internal Audit reports issued have signed off the relevant Executive Summary within Appendix 1.

5.2 The Corporate Management Team, Executive Director Finance & Regulatory, Chief Legal Officer (and Monitoring Officer), Service Director HR & Communications, Clerk to the Council, and Communications team have been consulted on this report and any comments received have been taken into account.

Approved by

Jill Stacey, Chief Officer Audit and Risk Signature

Author(s)

Name	Designation and Contact Number
Jill Stacey	Chief Officer Audit and Risk Tel 01835 825036
Sue Holmes	Principal Internal Auditor Tel 01835 825556

Background Papers: Appropriate Internal Audit files

Previous Minute Reference: Audit and Scrutiny Committee 15 February 2021

Note – You can get this document on tape, in Braille, large print and various computer formats by using the contact details below. Information on other language translations can also be given as well as provision of additional copies.

Contact us at Internal Audit intaudit@scotborders.gov.uk

APPENDIX 1

Report	Summary of key findings and recommendations	Recommendations			Status
		H	M	L	
<p>Audit Plan Category: Financial Governance</p> <p>Subject: Business World Key Controls</p> <p>No: 073/004</p> <p>Date issued: 19 April 2021 Draft; 30 April 2021 Final</p> <p>Level of Assurance for the specific areas tested:</p> <ul style="list-style-type: none"> • Procure to Pay – Substantial (with exception of GL07s – Limited) • Sales to Cash – Substantial • Payroll – Comprehensive / HR - Substantial • Record to Report – Substantial • System Roles / User Access – Limited • Systems Documentation and Training Materials – Substantial 	<p>This Business World ERP System Key Internal Controls review is an integration of 4 audits included within our Internal Audit Annual Plan 2020/21 relating to the work streams (Procure to Pay; Sales to Cash; HR & Payroll, including Pension Payments; and Record to Report).</p> <p>The purpose of the review was to test the end to end processes and internal controls in place during the period April 2020 to end January 2021 which are intended to:</p> <ul style="list-style-type: none"> • Ensure complete and accurate processing of transactions with suppliers and customers; • Ensure complete and accurate processing of payments to current and former employees; and • Record transactions and payments in an appropriate manner for the purposes of budgetary control, and financial reporting. <p>The scope of the audit included:</p> <ul style="list-style-type: none"> • Test processes and internal controls in place in order to confirm that controls continue to operate as previously assessed; • Review any changes to processes or controls in recognition of the ongoing Business World system work delivered by CGI; • Review other functionality implemented during 2020/21; and • Follow up on previous Internal Audit recommendations. <p>The Business World ERP System Masterfile records (Supplier, Customer, Employee) contain financial and personal data and it is essential that any changes to Masterfile records in terms of creation, amendment or deletion are tightly controlled and restrictions around access are applied.</p>	0	0	0	Management have confirmed acceptance of the factual accuracy of the report and its findings.

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Report	Summary of key findings and recommendations	Recommendations			Status
		H	M	L	
<p>Subject: Business World Key Controls (Cont'd)</p>	<p>Substantive testing of the Supplier Masterfile data indicated that amendments were processed by those authorised to undertake those tasks and those changes are generally supported by appropriate documentation. Procedures have also been adapted for obtaining and verifying supplier details due to restrictions imposed during the Covid-19 pandemic. Since our previous year's audit there have been improvements in reviewing the number of inactive suppliers within the system.</p> <p>The testing of Procure to Pay transactional processing evidenced that valid transactions are being accurately and correctly recorded. A recommendation made in our 2019/20 audit was that the report identifying retrospective orders should be actioned on a monthly basis. The Procurement Team now focus on order compliance as a whole and retrospective orders are now reported monthly as part of the bigger picture of order compliance. There has been a significant improvement in the level of retrospective orders from 14% of total orders in April 2020 to 7% in December 2020.</p> <p>In respect of the continued use of the GL07 payment process for payments that have been authorised in sub-systems for which no interface with Business World system exists, the Action Plan to provide alternative solutions is progressing. There were originally 10 areas using GL07s; 3 areas are no longer using GL07s and there are 7 areas where improvements and alternative solutions are still required. Work is underway and we will continue to monitor progress with the Action Plan and implementation of alternative solutions.</p> <p>Our testing of Sales to Cash transactional processing focused on refunds and write offs and showed no areas of concern. The recommendation in our previous report that the aged debt report should be reviewed shows this action is complete and aged debt reporting is now live within the Business World system.</p>				

Report	Summary of key findings and recommendations	Recommendations			Status
		H	M	L	
Subject: Business World Key Controls (Cont'd)	<p>The testing of Payroll evidenced that employee validation, exception reporting and standing data showed no areas of concern. Our review of 116 overpayments from April 2020 to March 2021 totalling £92k shows that £74k has been recovered to date. Whilst reminders have been regularly issued to Line Managers on the timely submission of payroll notifications, 47% of the total number of overpayments (54), equating to 68% of the total value (£63k), is due to late or no notifications.</p> <p>Further HR functionality rolled out during 2020/21 included Training and Staff Appraisal modules as well as HR Contracts and Letters and HR Forms. The options for an HR Dashboard have not yet been fully considered for this functionality.</p> <p>Sufficient functionality currently exists within the Record to Report module to assist Service Managers with budget monitoring and forecasting. The roll out of Financial Information Centre (FIC) is due to commence in April 2021 (delayed from last year). Our review of the processes undertaken for the change to the Council's main bank account indicate no areas of concern.</p> <p>System roles within BW are designed to provide an appropriate separation of duties to ensure officers have appropriate and correct permissions to carry out their tasks. Whilst some changes and improvements have been made, the role review is not yet complete.</p> <p>Our 2019/20 Internal Audit report on Business World ERP System Key Controls dated 3 June 2020 consisted of 8 recommendations (5 Medium Risk; 3 Low Risk). Follow up of these shows 7 are now completed and we have been able to see evidence of improvements made. The one remaining relates to the BW system calculation of VAT on invoices (P2P, low risk).</p> <p>We have made no further recommendations.</p>				

Report	Summary of key findings and recommendations	Recommendations			Status
		H	M	L	
<p>Audit Plan Category: Contingency</p> <p>Subject: Learning Disabilities Services Financial Management</p> <p>No: 181/999/001</p> <p>Date issued: 18 February 2021 Draft; 30 April 2021 Final</p> <p>Level of Assurance: Limited</p>	<p>This review was added to the Plan utilising Contingency days following a request by Corporate Management Team (CMT). The purpose was to assess the financial management, monitoring and reporting processes to provide assurance on budgetary control.</p> <p>The following examples of good practice were found:</p> <ul style="list-style-type: none"> • A consistent and effective approach is taken regarding the monitoring of contracts. • There is good collaboration between LDS, the Contracts & Procurement team and Financial Services. <p>LDS, by its nature, is reactive and demand led by service Users. There is an obvious requirement for financial forecasting to be completed to ensure adequate budget is available. The added complication within this financial year has been the reduced contracted provision of services, and additional costs incurred by the requirement to provide service Users with support within their homes. This all adds pressure to deliver service savings.</p> <p>The contract monitoring and reporting is consistent with Council policy, and there is additional work being completed by the LDS Manager to identify why SBC has higher contract costs than similar councils for the same provision of service.</p> <p>Internal Audit are able to provide limited assurance. Risk, control, and governance systems have some satisfactory aspects. There are, however, some significant weaknesses surrounding the content provided in financial reporting to CMT to demonstrate budgetary control, including the delivery of savings.</p> <p>We made the following recommendation:</p> <ul style="list-style-type: none"> • The LDS Manager should have greater clarity of what client volume and complexity of needs can be afforded within the available budget, including the delivery of savings. A project plan timeline and measures for delivery of savings should be developed and implemented. (Medium) 	0	1	0	<p>Management have accepted the factual accuracy of the report and its findings, and the LDS Manager and Finance are already working together to improve planning and reporting to address the recommendation.</p> <p>Internal Audit will monitor the implementation of the recommendation during 2021/22 through the planned Internal Audit work on the Fit for 2024 Transformation Programme and follow-up activity, specifically on the preparation of Service Plans.</p>

Report	Summary of key findings and recommendations	Recommendations			Status
		H	M	L	
<p>Audit Plan Category: Corporate Governance</p> <p>Subject: Information Governance</p> <p>No: 236/014</p> <p>Date issued: 09 April 2021 Draft; 16 April 2021 Final</p> <p>Level of Assurance: Substantial</p>	<p>The purpose of the review was to examine the Information Governance Framework including roles and responsibilities, review policy development and implementation, assess compliance with legislation, and provide annual assurance to the Senior Information Risk Owner and Data Protection Officer.</p> <p>The Information Governance Group (IGG) continued to meet quarterly throughout the year with formal agendas and minutes scheduled around the 4 themes below, and risks are reviewed.</p> <p>Information Governance: There has been some progress with improvement actions, which are monitored through a Tracker presented to the IGG quarterly (latest one February 2021).</p> <p>Records Management: The updated Records Management Plan is expected to be submitted to the Keeper of Scotland's Records (the Keeper) in October 2021.</p> <p>Information Security and Information Sharing: The PSN accreditation was approved in September 2020 by the Cabinet Office. The existence of data sharing agreements is recorded on the Information Asset Registers maintained within Services, which are reviewed by the Information Management team.</p> <p>Data Protection and Information Access: Subject Access Requests (SARs) and Freedom of Information requests (FOIs) still pose a significant burden on resources due to tight timescales, though management of these requests has improved.</p> <p>Internal Audit are able to provide Substantial assurance. Largely satisfactory risk, control, and governance systems are in place. There is, however, some scope for improvement as current arrangements could undermine the achievement of objectives, specifically to ensure that the mandatory training completion rate is achieved and refresh awareness of Information Management issues within the Council. There are Management actions underway, therefore no recommendations were made.</p>	0	0	0	<p>Management have accepted the factual accuracy of the report and its findings.</p> <p>The intention is to present the Final Internal Audit Report on Information Governance to the next meeting of the Information Governance Group in May 2021.</p>

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INTERNAL AUDIT ANNUAL ASSURANCE REPORT 2020/21

Report by Chief Officer Audit & Risk

AUDIT AND SCRUTINY COMMITTEE

10 May 2021

1 PURPOSE AND SUMMARY

- 1.1 The purpose of this report is to present to the Audit and Scrutiny Committee the Internal Audit Annual Assurance Report for the year to 31 March 2021, which includes the Chief Officer Audit & Risk's independent assurance opinion on the adequacy of the Council's overall control environment.**
- 1.2 The Public Sector Internal Audit Standards (PSIAS) require that the Chief Audit Executive (CAE), the Council's Chief Officer Audit & Risk, provides an annual internal audit opinion and report on the adequacy and effectiveness of the Council's governance, risk management and internal controls to support the preparation of the Annual Governance Statement. This is in support of the overall governance arrangements of the Council, as set out in the Local Code of Corporate Governance.
- 1.3 The Remit of the Audit and Scrutiny Committee, relevant to the content of this report, indicates that it should: ensure an adequate framework of internal control, risk management and governance throughout the Council; and monitor and review the performance of Internal Audit, conformance to the Public Sector Internal Audit Standards and code of ethics.
- 1.4 To meet the requirements of the PSIAS the Internal Audit Annual Assurance Report 2020/21, at Appendix 1, includes the annual Internal Audit opinion, provides details of the Internal Audit activity and performance during the year to fulfil its role, and summarises the outcomes of assessments of the Internal Audit service against the PSIAS.

2 RECOMMENDATIONS

- 2.1 I recommend that the Audit and Scrutiny Committee:**
- a) Considers the Internal Audit Annual Assurance Report 2020/21 (Appendix 1) and assurances contained therein; and**
 - b) Provides any commentary thereon, including any further actions required by Management.**

3 BACKGROUND

- 3.1 The Local Authority Accounts (Scotland) Regulations 2014 that came into force on 10 October 2014 require a local authority to operate a professional and objective internal auditing service. This service must be provided in accordance with recognised standards and practices in relation to internal auditing. Recognised standards and practices are those set out in the *Public Sector Internal Audit Standards: Applying the IIA International Standards to the UK Public Sector* (PSIAS). The standards require Internal Audit to have suitable operational independence from the organisation.
- 3.2 The Public Sector Internal Audit Standards (PSIAS) 2017 require that:
“The chief audit executive must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement.
The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management and control.
The annual report must incorporate:
- the opinion;
 - a summary of the work that supports the opinion; and
 - a statement on conformance with the Public Sector Internal Audit Standards and the results of the quality assurance and improvement programme.”
- 3.3 The Remit and Terms of Reference of the Audit and Scrutiny Committee, relevant to the content of this report, indicates that it should:
- Ensure an adequate framework of internal control, risk management and governance throughout the Council, and consider annual assurance reports.
 - Monitor and review the performance of Internal Audit, conformance to the Public Sector Internal Audit Standards and code of ethics.

4 INTERNAL AUDIT ANNUAL ASSURANCE REPORT 2020/21

- 4.1 The Internal Audit Annual Assurance Report 2020/21, at Appendix 1, includes the Chief Officer Audit & Risk’s independent and objective opinion regarding the adequacy and effectiveness of the Council’s governance, risk management and internal controls. It also provides details of the Internal Audit activity that supports the opinion and of the performance during the year to fulfil its role, and summarises the outcomes of assessments of the Internal Audit service against the PSIAS.
- 4.2 The Internal Audit Annual Assurance Report 2020/21 provides assurances in relation to the Council’s corporate governance framework that is a key component in underpinning delivery of the corporate priorities within the Council’s Corporate Plan and has been used to inform the Annual Governance Statement 2020/21.

5 IMPLICATIONS

5.1 Financial

- (a) It is anticipated that efficiencies will arise either as a direct or indirect result of Management implementing the recommendations made by Internal Audit during or prior to 2020/21 through improved internal controls and governance arrangements.
- (b) The net cost of the Internal Audit service was £265k (2019/20 £257k). The majority of service expenditure relates to staff costs

(99%) for resources comprising Chief Officer Audit & Risk (50% recharged to Midlothian Council to reflect the shared Internal Audit services arrangement), Principal Internal Auditor, one Senior Internal Auditor, and three Internal Auditors. These resources are for the provision of Internal Audit services to Scottish Borders Council, the Scottish Borders Council Pension Fund, and the Scottish Borders Health and Social Care Integration Joint Board.

5.2 Risk and Mitigations

- (a) The PSIAS require Internal Audit to evaluate the effectiveness of the Council's Risk Management arrangements and contribute to improvements in the process. Each Internal Audit engagement has been risk-based and, where appropriate, has tested the specific Service's management of risk.
- (b) Internal Audit provides assurance to the Corporate Management Team and the Audit and Scrutiny Committee on the adequacy and effectiveness of internal controls, governance and risk management within the Council, highlights good practice and recommends improvements. Key components of the audit planning process include a clear understanding of the Council's functions, associated risks, and range and breadth of audit areas for inclusion within the Annual Plan. There is effective liaison between Internal Audit and the Corporate Risk Officer on an on-going basis to ensure that risks are considered in every audit and that risk reviews take account of findings and improvements arising from Internal Audit work.
- (c) Continuous improvements in internal controls and governance arrangements can be demonstrated through Management-initiated actions complemented by the implementation of Audit recommendations.
- (d) It is anticipated that further improvements in the management and mitigation of risks will arise as a direct result of Management implementing the Internal Audit recommendations made during the year or outstanding from previous years which will enable Management to demonstrate further improvement in internal controls and governance arrangements.
- (e) Delivery of the Internal Audit services in conformance with the PSIAS will enable the Council to meet the requirements of the Local Authority Accounts (Scotland) Regulations 2014 to consider the findings of assessments as part of the consideration of the system of internal control required by regulation 5.

5.3 Integrated Impact Assessment

This is a routine good governance report for assurance purposes, required under the Local Authority Accounts (Scotland) Regulations 2014 and the professional standards as set out in Public Sector Internal Audit Standards (PSIAS) (2017). This report does not relate to new or amended policy or strategy and as a result an integrated impact assessment is not an applicable consideration.

5.4 Acting Sustainably

There are no direct economic, social or environmental issues in this report.

5.5 Carbon Management

There are no direct carbon emissions impacts as a result of this report.

5.6 Rural Proofing

This report does not relate to new or amended policy or strategy and as a result rural proofing is not an applicable consideration.

5.7 Changes to Scheme of Administration or Scheme of Delegation

No changes to the Scheme of Administration or Scheme of Delegation are required as a result of this report.

6 CONSULTATION

6.1 As the Chief Officer Audit & Risk is required to give an independent opinion on the Council’s governance, risk management and internal controls, full consultation on Appendix 1 is not appropriate.

6.2 The Corporate Management Team has been advised to take into account the work of Internal Audit and the independent opinion on the adequacy and effectiveness of the Council’s governance, risk management and internal controls when completing the annual self-evaluation and assurance process for the Council’s Annual Governance Statement 2020/21.

6.3 The Corporate Management Team, the Executive Director Finance & Regulatory, the Chief Legal Officer (Monitoring Officer), the Service Director HR & Communications, the Clerk to the Council and the Communications team have been consulted on this cover report and any comments received have been incorporated.

Approved by

Jill Stacey, Chief Officer Audit & Risk Signature

Author(s)

Name	Designation and Contact Number
Jill Stacey	Chief Officer Audit & Risk Tel 01835 825036

Background Papers: Appropriate Internal Audit files

Previous Minute Reference: Audit and Scrutiny Committee 23 June 2020

Note – You can get this document on tape, in Braille, large print and various computer formats by using the contact details below. Information on other language translations can also be given as well as provision of additional copies.

Contact us at Internal Audit intaudit@scotborders.gov.uk

Chief Officer Audit & Risk's Annual Assurance Report and Opinion 2020/21 for Scottish Borders Council

1 Introduction

- 1.1 It is Management's responsibility to design and maintain proper risk management, governance and internal control processes and systems to ensure probity in systems and operations, including the prevention, detection and resolution of fraud and irregularities. Management is also responsible for checking that the arrangements and controls are operating effectively. These are known as the first and second lines, which are not fixed but evolve as the Council changes.
- 1.2 Internal Audit, as the third line, is an independent appraisal function established for the review of the internal control system as a service to Scottish Borders Council. It objectively examines, evaluates and reports on the adequacy of internal control as a contribution to the proper, economic, efficient and effective use of resources and the management of risk.
- 1.3 The Internal Audit activity adds value to the organisation (and its stakeholders) when it considers strategies, objectives, and risks; strives to offer ways to enhance governance, risk management and control processes; and objectively provides relevant assurance.
- 1.4 The Objectives of Internal Audit are set out in its Charter: As part of Scottish Borders Council's system of corporate governance, Internal Audit's purpose is to support the Council in its activities designed to achieve its declared objectives and to do so:
- In support of the Council's vision, values and priorities.
 - As a contribution to the Council's corporate management of risk.
 - As an aid to ensuring that the Council and its elected members, employees and contracted third parties are operating within the law and relevant regulations.
 - As a contribution towards establishing and maintaining a culture of honesty, integrity, openness, accountability and transparency throughout the Council in all its activities and transactions.
 - As a contribution towards ensuring that financial statements and other published performance information are accurate and reliable.
- 1.5 The Public Sector Internal Audit Standards (PSIAS) (2017) requires that:
 "The chief audit executive (the Council's Chief Officer Audit & Risk) must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement.
 The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.
 The annual report must incorporate:
- the opinion;
 - a summary of the work that supports the opinion; and
 - a statement on conformance with the Public Sector Internal Audit Standards and the results of the quality assurance and improvement programme."
- 1.6 This Annual Report provides the annual internal audit opinion and summarises the work carried out by Internal Audit during the year to 31 March 2021 that underpins the opinion in accordance with the Internal Audit Charter, Strategy and Annual Plan 2020/21. The report also summarises the outcomes of assessments of the Internal Audit service against the Public Sector Internal Audit Standards (PSIAS).

2 Opinion on the systems of Internal Control and Governance

- 2.1 My opinion is that the systems of internal control, governance and risk management within the Council are operating satisfactorily. The opinion is based on our reviews and knowledge and our ability to gain assurance from compliance/service support functions (such as health and safety, IT client, information management, finance and procurement, HR, business continuity) that are key components of the Council's assurance framework.
- 2.2 A common theme from Internal Audit findings during the year was evidence from a number of Services of keeping their policies and procedures up-to-date, including some that were developed or adapted quickly to support service delivery during the pandemic. It is recognised that it is a complex task for an organisation as diverse as the Council to ensure that its policies, procedures and guidelines associated with its service delivery are kept up-to-date, though this is of particular importance during a period of change.
- 2.3 Internal Audit reports during the year confirm improvements in internal controls, governance, and risk management through Management-initiated actions complemented by their implementation of Internal Audit recommendations.
- 2.4 Reasonable assurance can be provided on the adequacy of the internal controls and governance arrangements in place. There is adequate awareness and observation of the Council's Local Code of Corporate Governance (approved June 2018) and key governance documents, including: Scheme of Administration (approved September 2017; amended February 2021); Procedural Standing Orders (approved February 2021); Scheme of Delegation (approved March 2018; amended June 2020); Financial Regulations (approved November 2018); Procurement & Contract Standing Orders (approved January 2021); and Codes of Conduct for Councillors and for Employees.
- 2.5 The Chief Officer Audit & Risk facilitates the annual review of the Council's governance arrangements against its Local Code of Corporate Governance carried out by a self-evaluation working group of officers from across the Council's services. The checking of evidence by Internal Audit to demonstrate compliance has highlighted the need to update the Local Code of Corporate Governance. This will ensure it reflects the appropriate framework for effective governance of the Council's affairs and facilitates the exercise of its functions to deliver best value. The annual review also assesses progress on implementing actions to address the prior year's identified areas of improvement, including those arising from the Best Value Assurance Report (October 2019). This is part of the process to produce the Annual Governance Statement.
- 2.6 The Council recognises that Risk Management is an integral part of all activities and has Corporate and Service Risk Registers in place, which are subject to regular review by those Managers who are allocated the responsibilities for managing individual risks (though the risk register review schedule was disrupted during 2020). The Audit and Scrutiny Committee received presentations from Executive/Service Directors on key risks and mitigations during the year and a Risk Management Annual Report outlining activity against the risk management strategy, to fulfil their role of oversight of how risks are managed. Committee reports contain information on the risks and mitigations relevant to the subject matter to support decision-making.
- 2.7 Further improvements in internal controls, governance, and risk management have been agreed by Management, as highlighted in Internal Audit reports and recommendations made during the year or outstanding from previous years. There is an opportunity for Senior Management to monitor audit actions on a consistent and regular basis and to oversee the implementation of Internal Audit recommendations to demonstrate continuous improvement.

3 Internal Audit Annual Plan 2020/21 Delivery

- 3.1 Internal Audit staff resources have been adversely affected during the year. Most notably the whole team have been and continue to be working from home due to the ongoing response to the Covid-19 pandemic. This has impacted on how Internal Audit work has been delivered, though this has been facilitated by the use of MS Teams and access to network drives and business applications. The scopes of two audits (Schools, and Social Work Locality Payments) were adjusted as establishment visits were not undertaken due to Covid-19 pandemic restrictions. There has been no impairment to the independence or objectivity of the Internal Audit function arising from the change to remote working, the change in approach to some assurance work, or from consultancy work during the year.
- 3.2 Adjustments were made to the Internal Audit Plan: Additional audits were added to the Plan to carry out assurance work on new risks associated with the Covid-19 emergency response; some assurance work was re-phased; and some audits have been deferred to 2021/22. The revised Internal Audit Annual Plan 2020/21 was approved by the Audit and Scrutiny Committee on 23 November 2020. The following Audits from the 2020/21 Plan have been deferred to 2021/22:
- ICT Strategy (ICT Governance)
 - Mental Health Services - Adults & Children (Internal Controls)
 - Homelessness - Temporary Accommodation (Internal Controls)
 - Waste & Recycling Services (Internal Controls)
 - Parks & Environment (Internal Controls)
 - Roads Asset Management (Asset Management)
- 3.3 The Audit and Scrutiny Committee on 8 March 2021 agreed to that the following further Audits from the 2020/21 Plan be deferred to 2021/22:
- Community Justice (Internal Controls)
 - Jedburgh / Hawick Conservation Area Regeneration Scheme (CARS) (Legislative & Compliance)
 - Sustainable Environment (Legislative & Compliance)
- 3.4 The level of Actual Audit days was higher than plan (113%). This can be mainly attributed to 2020/21 being a 53-week year for time-recording purposes, and less than planned days for overheads such as annual leave, management and supervision, and personal learning and development, partly due to the change to ways of working and less travel time.
- 3.5 The range and breadth of Internal Audit work that has been performed during the year, which is listed below, is sufficient to inform the Internal Audit assurance opinion.

Corporate Governance Audits

- 3.6 To provide assurances in relation to the Council's corporate governance framework that is a key component in underpinning delivery of the corporate objectives and priorities within the Council's Corporate Plan, reviews included:
- Corporate Governance (Assessment of progress on implementation of improvement actions within the Annual Governance Statement including Best Value Assurance Report actions (BVAR), Annual Evaluation against Local Code of Corporate Governance as part of the Annual Assurance Process, and support for the Audit and Scrutiny Committee's learning and development).
 - Information Governance (Review of the framework including roles and responsibilities, policy development and implementation, assess compliance with legislation, and provide annual assurance to Senior Information Risk Owner and Data Protection Officer).

- Performance Management (Validation of the Council's Performance Indicators to ensure accuracy of data submitted on an annual basis to the Improvement Service as part of the Local Government Benchmarking Framework).
- Corporate Transformation Programme - Fit for 2024 (Review the governance and accountability arrangements of the corporate transformation programme structure, including processes for benefit (financial and other) identification, tracking and realisation (return on investment and value for money) and evaluation of outcomes and lessons learned).
- Contract Management - Strategic Contracts (Review of the Council's Contract Management Framework to ensure that there are adequate and effective controls in place over Contract Monitoring arrangements throughout the Council, including sports trusts and strategic arrangements with third parties).
- Business Planning, Budget Setting, Monitoring and Reporting (Ensure business plans are aligned to Council priorities, that the systems and procedures for preparing, monitoring and controlling the budget, including efficiency savings, are robust, that the roles and responsibilities of budget holders are clear, and there is transparency of reporting to Elected Members).
- People Planning (Review of approach to people development in alignment with business and financial planning processes to provide skills, knowledge and competency requirements for service delivery to meet the Council's objectives – carry out as part of audit on Business Planning, Budget Setting, Monitoring and Reporting).

Financial Governance Audits

3.7 To provide assurance on the internal financial controls in place and substantive testing of transactions to ensure completeness and accuracy of data in core financial systems, reviews included:

- Business World ERP System Key Controls (An integration of 4 audits to assess key controls of the Business World system for Payroll and HR, Sales to Cash, and Procure to Pay processes and core General Ledger and Management Reporting (Record to Report), assess System Access, test sample of transactions from various data sets).
- Treasury Management (Assess whether treasury functions are administered effectively and in compliance with policy, strategy, codes of practice and indicators).
- Revenues – Council Tax and NDR (Ensure that the billing, collection and recovery processes and procedures for Council Tax and NDR are robust and adequately applied).

ICT Governance Audits

3.8 To provide assurances that computer systems are secure, reliable and conform to nationally agreed standards, reviews included:

- ICT Operational Computer Systems (Review the change request processes in place to ensure they are fit for purpose to support service delivery).
- ICT Cyber Essentials (Review the self-evaluation and evidence associated with Cyber Essential requirements).

Internal Controls Audits

3.9 To provide assurances in relation to a range of the Council's internal controls in areas identified by Management, reviews included:

- Schools (Review of internal financial controls and business administrative procedures in place to ensure the efficient and effective use of resources in the school establishments).

- Physical Disabilities Services (Assess the adequacy of controls to provide ability aids and equipment and other services through partners to meet the needs of people with physical disabilities. Ensure there is sound budgetary control in place).
- Foster and Kinship Carer Payments (Review the controls in place to ensure payments to foster and kinship carers' payments are accurately and correctly calculated and acted upon).
- Community Equipment Service (Assess the adequacy of operational processes and practices in place to meet the needs of users to ensure the efficient and effective operation and delivery of the Community Equipment Service).
- Social Work Locality Payments (Review of the internal financial controls and business administrative procedures in place to ensure the efficient and effective use of resources, including evaluation of the systems and processes).
- Benefits Assessments - Scottish Welfare Fund (Assess the adequacy of operational processes in place to administer the payment of Crisis Grants and Community Care Grants for the Scottish Welfare Fund (SWF) and that they are effective, appropriate and consistent).

Asset Management Audits

- 3.10 To provide assurances that Council assets are safeguarded and properly accounted for, and used economically, efficiently and effectively, reviews included:
- Asset Registers (Review of systems, processes and controls that are in place to ensure complete and accurate records of all Property, Fleet, and IT assets that underpin Asset Management Plans to deliver Council's strategies, plans and priorities, including the data migration and transition to utilising Technology Forge Cloud).
 - Capital Investment (Review the governance arrangements in place for capital planning and investment including strategic asset management plans to ensure these are aligned to Council priorities and business requirements – carry out as part of audit on Business Planning, Budget Setting, Monitoring and Reporting).

Legislative and Other Compliance Audits

- 3.11 To test compliance with the terms of the funders' service level agreements or legislative requirements, reviews included:
- EU Funded Programmes - LEADER and EMFF (Perform annual audits of EU grant-funded programmes for 2014-2020, Liaison Entre Actions de Développement de l'Économie Rurale (LEADER) and the European Maritime Fisheries Fund (EMFF), under the terms of Service Level Agreements (SLAs) to assess compliance with the requirements of the SLAs and the relevant EC Regulations).

Consultancy Work

- 3.12 In its 'critical friend' role, Internal Audit provided internal challenge and advice to Managers through engagement in a number forums as the Council continues to transform its services (for example: Fit for 2024 Transformation Programme Board; Social Work Performance Board; Social Work Charging; Corporate Landlord; Contract and Supplier Management Portal implementation; and Information Governance Group).
- 3.13 During the year Internal Audit responded to a number of requests for ad hoc advice and assistance on internal controls, risk management and governance. One significant activity was providing advice for policy development (School Fund, Petty Cash/Purchase Cards).
- 3.14 Internal Audit considered and applied National Reports that give rise to introducing best practice arrangements or lessons learned from other local authorities or other public sector bodies, thus adding value to the Council.

Other Work

- 3.15 Internal Audit responded to specific control issues highlighted by Managers during the year by incorporating those aspects within specific audit scopes. There were two significant pieces of contingency work requested by the Management:
- Business Support Grants, including Community Council payments and Newly Self-Employed Grant payments (Ensure that applications are made in accordance with current Scottish Government legislation and payments are made in a timely manner).
 - Education Maintenance Allowance (EMA) Process (Ensure compliance with EMA legislation, policies and procedures and that all required documentation and attendance records are fully maintained and updated in order that payments made are accurate and timely. Focus on the policies, procedures and processes required for the administration of the EMA).
- 3.16 Resources were deployed in the delivery of the Follow-up work to monitor progress with implementation of Internal Audit recommendations and ensure that Management Actions have been timeously and effectively implemented, to check that these have had the desired effect to manage identified risks, and to demonstrate continuous improvement in internal control and governance.
- 3.17 Internal Audit evaluated fraud prevention controls and detection processes on an on-going basis to ensure fraud risk is considered in every audit, and provided intelligence via data sharing requests from Police Scotland as part of the wider assurance framework on counter fraud and crime controls. The Principal Internal Auditor co-ordinated the submission of the few remaining NFI data sets in January 2021 in accordance with the notified timetable and specifications, following the retirement of the Corporate Fraud and Compliance Officer in December 2020.

Non SBC Work

- 3.18 The Council's Internal Audit service provided independent assurance work relating to the systems of internal control, corporate governance and risk management arrangements of Scottish Borders Pension Fund and Scottish Borders Health and Social Care Integration Joint Board. Separate Internal Audit annual assurance opinions are reported to their respective Senior Management and Boards, based on the work delivered in accordance with Annual Plans that have been approved by their respective Senior Management and Boards.
- 3.19 The shared Internal Audit services arrangement between Midlothian and Scottish Borders Councils continued to be delivered during 2020/21, albeit via remote working. The SBC Chief Officer for Audit & Risk fulfils the roles of Chief Internal Auditor for Midlothian Council and for Midlothian Health and Social Care Integration Joint Board, and provides the strategic leadership for the effective delivery of Internal Audit services to those client organisations through approved plans and reports to their respective Senior Management and Boards. There are positive outcomes from the shared knowledge and expertise on the identification and assessment of best practice across all those organisations. The Principal Internal Auditors in each Council are in regular contact to share tools and techniques designed to improve the operational practices of Internal Audit service delivery and to support learning and development of the respective teams. There is good liaison between Internal Audit staff across the two Councils to share knowledge of risks and controls relating to specific audits, and to engage in virtual forums as part of their learning and development. An Interim Internal Auditor who has extensive Internal Audit knowledge and experience of internal controls and governance of Councils and Health and Social Care Integration Joint Boards has been deployed under a contract for services to supplement the Midlothian Council team resources. The shared Internal Audit services arrangement will continue in 2021/22.

4 Public Sector Internal Audit Standards and Quality Assurance & Improvement Plan

- 4.1 The professional standards as set out in Public Sector Internal Audit Standards (PSIAS) (2017) include:
- Definition of Internal Auditing;
 - Code of Ethics;
 - Attribute Standards (Purpose, Authority and Responsibility; Independence and Objectivity; Proficiency and Due Professional Care; Quality Assurance and Improvement Programme);
 - Performance Standards (Managing the Internal Audit Activity; Nature of Work; Engagement Planning; Performing the Engagement; Communicating Results; Monitoring Progress; and Communicating the Acceptance of Risks).
- 4.2 The Public Sector Internal Audit Standards (PSIAS) requires the annual internal self-assessment against the PSIAS to be subject to an External Quality Assessment (EQA) every five years, by appropriately qualified and independent reviewers. The findings of the SBC EQA, completed by North Lanarkshire Council in early January 2021, assessed the function as 'fully conforms' with the requirements within the 13 Assessment Areas of the Definition of Internal Auditing, the Code of Ethics, Attribute Standards and Performance Standards (consistent with the internal self-assessment 2019/20). The findings and the main areas for improvement highlighted in the Final EQA Report were reported to the Audit and Scrutiny Committee on 15 February 2021.
- 4.3 The PSIAS requires the chief audit executive, the Council's Chief Officer Audit & Risk, to carry out an annual internal self-assessment against the PSIAS, develop a quality assurance and improvement plan (QAIP) based on the outcome, and report the results of the QAIP to senior management and elected members. An internal self-assessment 2020/21 of Internal Audit practices against the Standards was carried out in February/March 2021, as required by the PSIAS. Some further enhancements were identified and progress was reviewed on the implementation of the improvements identified in the EQA.
- 4.4 The following improvements that were added to the QAIP arising from the EQA and the 2020/21 internal self-assessment have been implemented in recent months:

(a) Introduce an Annual Declaration by Internal Audit staff as an enhancement to SBC's Appraisal process to reflect behaviour in compliance with Seven Principles of Public Life and code of ethics to ensure Internal Audit independence and objectivity is not impaired (no.1 EQA).
(b) Update the Audit Programme template to include information on the outcome of the opportunity referenced for the Internal Audit team to declare any conflicts of interest (no.2 EQA).
(c) Amend the Internal Audit Annual Assurance Report 2020/21 to include assurance/specific reference as to whether there had been no/any impairment during the year to the organisational independence of the function (including no/any scope or resource limitations) (no.3 EQA).
(d) Add specific references within the Internal Audit Strategy and Annual Plan 2021/22 to explain more fully the planning process to better comply with expected good practice, including formally documenting the results of the annual risk assessment, more information about other sources of assurance, and/or undertaking and referencing assurance-mapping work (no.5 EQA).
(e) Amend the Audit Programme to document proposed testing approach for individual audit assignments to ensure that the intended approach/testing is fully/more clearly documented prior to audit testing commencing (no.6 EQA).
(f) Amend the Audit Review Form to provide more consistent evidence of any issues that were identified and rectified (no.7 EQA).
(g) Update the Internal Audit Charter to include the following explicit references: the PSIAS Mission Statement; a high level reference to statutory officers; compliance with the Seven Principles of Public Life; the professional qualifications and competences of the Chief Audit Executive; the aims of the Internal Audit Strategy, and the risk-based Internal Audit planning process; and

arrangements to ensure Internal Audit independence and objectivity is not impaired (no.8 2020/21 internal self-assessment).

The remaining improvement action in the QAIP arising from the EQA and 2020/21 internal self-assessment is as follows:

(1) Review the performance management arrangements with a view to ensuring a balanced suite of performance indicators are established, monitored and reported as appropriate. This should include consideration of seeking more formal feedback from clients / stakeholders as part of performance management arrangements (no.4 EQA).

This improvement action will be implemented during 2021 and progress will be reported to the Audit and Scrutiny Committee within the Internal Audit Mid-Term Performance Report 2021/22.

Jill Stacey BA(Hons) ACMA CGMA
Chief Officer Audit & Risk
20 April 2021

COUNTER FRAUD ANNUAL REPORT 2020/21

Report by Chief Officer Audit & Risk

AUDIT AND SCRUTINY COMMITTEE

10 May 2021

1 PURPOSE AND SUMMARY

- 1.1 This report provides the Audit and Scrutiny Committee with details of the Council's counter fraud responsibilities and an update on the fraud prevention, detection and investigation activity during the year to 31 March 2021.**
- 1.2 The Council is committed to minimising the risk of loss due to fraud, theft or corruption and to taking appropriate action against those who attempt to defraud the Council, whether from within the authority or from outside.
- 1.3 The primary responsibility for the prevention, detection and investigation of fraud rests with Management, supported by the Integrity Group. Internal Audit provides advice and independent assurance on the effectiveness of processes put in place by Management. Part of the Audit and Scrutiny Committee's role is to oversee the framework of internal financial control including the assessment of fraud risks and to monitor counter fraud strategy, actions and resources.
- 1.4 In 2018, a revised Counter Fraud Policy statement and a 3-year Counter Fraud Strategy were endorsed by this Committee and approved by the Council to continue to refine its approach to tackling fraud with a focus on prevention and detection and promotion of anti-fraud culture across the Council, taking account of reducing resources. Counter fraud activity in line with the Policy is outlined in this annual report.
- 1.5 Assurances about the effectiveness of the Council's existing systems and arrangements for the prevention, detection and investigation of fraud can be taken from the outcomes contained within this report.

2 RECOMMENDATIONS

- 2.1 I recommend that the Audit and Scrutiny Committee:**
- a) Considers the counter fraud work undertaken in support of the Council's counter fraud policy and strategy; and**
 - b) Notes the outcomes of the counter fraud activity 2020/21.**

3 BACKGROUND

- 3.1 The size and nature of the Council's services, as with other large organisations, puts the Council at risk of loss due to fraud, theft or corruption. The Council's Counter Fraud Policy states the roles and responsibilities in tackling fraud; the primary responsibility for the prevention, detection and investigation of fraud rests with Management.
- 3.2 Establishing a counter fraud culture is fundamental to ensuring an effective response to fraud, theft, corruption or crime and the leadership part played by Corporate Management Team and Senior Management is key to establishing counter fraud behaviours within the organisation, its partners, suppliers and customers.
- 3.3 The Integrity Group is a forum which has representatives from across the Council's Services to support Management to fulfil their responsibilities in tackling fraud. Its purpose is to improve the Council's resilience to fraud, corruption, theft and crime. It oversees the policy framework, agrees and monitors the implementation of improvement actions, raises awareness as a method of prevention, and performs self-assessments against best practice. It is supported by the Corporate Fraud and Compliance Officer.
- 3.4 Internal Audit is required to give independent assurance on the efficacy of processes put in place by Management to manage the risk of fraud.
- 3.5 Part of the Audit and Scrutiny Committee's role is to oversee the framework of internal financial control including the assessment of fraud risks and to monitor counter fraud strategy, actions and resources.
- 3.6 Tackling fraud is not a one-off exercise; it is a continuous process across all parts of the Council because the service delivery processes it underpins are continuous. Tackling fraud is an integral part of good governance within the Council and demonstrates effective financial stewardship and strong public financial management.

4 COUNTER FRAUD ACTIVITY 2020/21

- 4.1 The planned counter fraud activity by the Corporate Fraud & Compliance Officer was adversely affected during the year due to the ongoing response to the Covid-19 pandemic. Most notably the Corporate Fraud & Compliance Officer was deployed to a critical service full time from the end of May to the middle of August 2020, and part-time thereafter until his retirement in early December 2020.
- 4.2 Business continuity priority was given to the Council's participation in the National Fraud Initiative (NFI) during the emergency response and recovery phases. NFI is a UK wide counter fraud exercise led by the Cabinet Office and Audit Scotland. It uses data analytic techniques to compare information about individuals held by different public bodies, and on different systems, to identify circumstances (data matches) that might suggest the existence of fraud or error. The Chief Officer Audit & Risk acts as the Council's Key Contact for NFI. Prior to December 2020, the Corporate Fraud and Compliance Officer coordinated the submission of the required NFI data sets from various Council systems in accordance with the notified timetable and specifications, with input from relevant staff and managers in Services across the Council. As an interim measure, the Principal Internal Auditor was granted access to the NFI portal and co-ordinated the submission of the few remaining NFI data sets in January 2021 in accordance with the notified timetable and specifications; these being new datasets associated with the economic support activity in response to Covid-19.

- 4.3 In response to previous year's engagement with the Corporate Fraud & Compliance Officer, Management in Roads and Infrastructure introduced the requirement for staff to complete the fraud awareness and gifts, hospitality and interests eLearning modules, reflecting the higher risk in the Service that contracts with and spends tens of millions of pounds with internal and external contractors. This has resulted in over 80% completion of both these modules to date. In response to Internal Audit recommendations, a new procurement framework for SBc Contracts is progressing well to comply with the Council's procurement procedures.
- 4.4 In response to a recommendation by the Audit and Scrutiny Committee at its meeting on 28 September 2020, the Integrity Group of officers considered all three Audit Scotland counter fraud reports as part of their counter fraud role and responsibilities, and carried out an assessment of counter fraud controls associated with the covid-19-emerging-fraud-risks. The findings of the Integrity Group's assessment of Scottish Borders Council's counter fraud controls and necessary actions to enhance the Council's resilience to fraud were reported to the Audit and Scrutiny Committee on 8 March 2021, and were acknowledged and endorsed by the committee.
- 4.5 The Council supports Police Scotland in their criminal investigations by checking addresses and confirming or providing occupiers names and addresses. There were 428 Police Scotland address checks in 2020/21 (474 in 2019/20). This information is provided under section 21 (paras 2 & 3) Data Protection Act 2018.
- 4.6 The recent Internal Audit review of key controls within the Business World ERP System confirms reasonable assurance can be placed on the system-based controls and associated workflows, including separation of duties, relating to Masterfile records and transactions with suppliers and customers, and current and former employees.
- 4.7 The efficacy of the Council's arrangements for the prevention, detection and investigation of fraud and corruption is predicated on the ongoing awareness of and compliance with the approved policies, procedures and guidelines by staff when carrying out their duties and on the vigilance of staff in identifying and reporting any irregularities.

5 OUTCOMES OF COUNTER FRAUD ACTIVITY 2020/21

- 5.1 All frauds and irregularities greater than £5,000 must be reported to Audit Scotland. There were no known frauds greater than £5,000 during 2020/21 that resulted in loss to the Council; however there were many attempted frauds relating to business support grant funding administered on behalf of the Scottish Government, that were prevented through the vigilance of staff checking the eligibility and supporting evidence.
- 5.2 Email phishing continues to be the most frequent method of attempted fraud. The actual number of phishing emails are not recorded; however, senders are routinely blocked and reported to the Council's IT provider, CGI. Measures to quarantine suspicious emails are in place. Staff are regularly reminded of the dangers posed by phishing.
- 5.3 Mandate Fraud is the second most attempted fraud against Scottish Borders Council whereby fraudsters send forged emails or letters requesting changes to bank details and purporting to be from suppliers. Payments team and other staff are aware of increased risk and are extra vigilant to prevent any financial loss from this type of attempted fraud.

6 COUNTER FRAUD NEXT STEPS 2021/22

- 6.1 Continue to participate in the National Fraud Initiative 2020/2021. Data matches will be reviewed by relevant staff and managers in Services across the Council, as permitted by available time and resources.
- 6.2 Review the people planning options for counter fraud resources including recruitment to the Corporate Fraud & Compliance Officer post.
- 6.3 The Integrity Group will monitor the implementation of the improvement actions arising from the Counter Fraud Controls Assessment, carry out a review of the minimum policy framework for managing the risk of fraud, and raise fraud awareness as a method of prevention.
- 6.4 Progress plans to incorporate the fraud awareness, bribery, and gifts, hospitality and interests eLearning modules within the training matrices for Services across the whole Council to enable an approach for e-learning targeted at specific groups.

7 IMPLICATIONS

7.1 Financial

Effective internal control systems are designed to prevent and detect fraud and this contributes to safeguarding the Council's financial resources, for delivery of services, as part of protecting the public purse. The Corporate Fraud and Compliance Officer 1.0 FTE post is included within the Audit & Risk budget. Any additional costs arising from enhanced fraud risk mitigation will have to be considered and prioritised against other pressures in the revenue budget.

7.2 Risk and Mitigations

The process of identifying fraud risks is based on the principles of the Corporate Risk Management Policy and Framework. Evaluation and monitoring of fraud risks and mitigations are facilitated through the Integrity Group. Oversight is provided by the Audit and Scrutiny Committee.

7.3 Integrated Impact Assessment

Equality, diversity and socio-economic factors are accommodated by way of all alleged frauds being investigated and pursued in accordance with the appropriate legislation. This is a routine good governance report for assurance purposes, not a new or revised policy or strategy for decision and, as a result, completion of an integrated impact assessment is not an applicable consideration.

7.4 Acting Sustainably

There are no direct economic, social or environmental issues with this report.

7.5 Carbon Management

There are no direct carbon emissions impacts as a result of this report.

7.6 Rural Proofing

This report does not relate to a new or amended policy or strategy and as a result rural proofing is not an applicable consideration.

7.7 Changes to Scheme of Administration or Scheme of Delegation

No changes to the Scheme of Administration or Scheme of Delegation are required as a result of this report.

8 CONSULTATION

- 8.1 The Integrity Group has been consulted on this report as part of fulfilling its role in enhancing the Council's resilience to fraud.
- 8.2 This report has been presented to the Corporate Management Team, who play a key leadership role in establishing counter fraud behaviours within the organisation, its partners, suppliers and customers.
- 8.3 The Executive Director Finance & Regulatory, Chief Legal Officer (and Monitoring Officer), Service Director HR & Communications, Clerk to the Council, and Communications team have been consulted on this report and any comments received have been incorporated.

Approved by

Jill Stacey
Chief Officer Audit & Risk

Signature

Author(s)

Name	Designation and Contact Number
Jill Stacey	Chief Officer Audit & Risk Tel: 01835 825036

Background Papers: Scottish Borders Council's Counter Fraud Policy Statement and Counter Fraud Strategy

Previous Minute Reference: Audit and Scrutiny Committee 23 June 2020

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ANNUAL GOVERNANCE STATEMENT 2020/21 AND ANNUAL ASSURANCE STATEMENT 2020/21 TO THE SCOTTISH HOUSING REGULATOR

Report by Chief Executive

AUDIT AND SCRUTINY COMMITTEE

10 May 2021

1 PURPOSE AND SUMMARY

- 1.1 This report proposes that the Audit and Scrutiny Committee considers and approves the Annual Governance Statement 2020/21 and the Annual Assurance Statement 2020/21 in respect of landlord services provided by the Council.**
- 1.2 The CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government' (2016) urges local authorities to review the effectiveness of their existing governance arrangements against their Local Code of Corporate Governance, and prepare a governance statement in order to report publicly on the extent to which they comply with their own code on an annual basis, including how they have monitored the effectiveness of their governance arrangements in the year, and on any planned changes for the coming period.
- 1.3 Part of the Audit and Scrutiny Committee's remit (Audit function) is to assess the effectiveness of internal controls, risk management, and governance arrangements.
- 1.4 The Annual Governance Statement 2020/21 at Appendix A, in compliance with the CIPFA/SOLACE Framework, provides details of the Council's Governance Framework, the annual Review of Framework undertaken, Improvement Areas of Governance, and overall opinion.
- 1.5 In 2019, the Scottish Housing Regulator ("the Regulator") revised its Regulatory Framework. This placed a new requirement on all social landlords to submit an Annual Assurance Statement to the Regulator by the end of October each year. The section 8 of the Annual Assurance Statement 2020/21 of the Service Director Customer and Communities, at Appendix B, is designed to meet this requirement of the Scottish Housing Regulator.

2 RECOMMENDATIONS

- 2.1 I recommend that the Audit and Scrutiny Committee:**
 - a) Considers the details of the Annual Governance Statement 2020/21 (Appendix A) to ensure it reflects the risk environment and governance in place to achieve objectives, and acknowledges the actions identified by Management to improve internal controls and governance arrangements; and**

- b) Approves that the Annual Governance Statement 2020/21 (Appendix A) be published in the Council's Statement of Accounts 2020/21.**
- c) Considers the details of the Annual Assurance Statement 2020/21 in respect of landlord services provided by the Council (Appendix B), the further self-assessment information (Appendix 1), and Scottish Borders Council Annual Assurance Statement 2020/2021 to the Scottish Housing Regulator (Appendix 2), and acknowledges the actions identified by Management to improve arrangements; and**
- d) Approves that the Annual Assurance Statement 2020/21 in respect of landlord services provided by the Council (Appendix B) be submitted to the Scottish Housing Regulator along with the Summary Statement of Self-Assessment of Compliance against Regulatory Framework (Appendix 1) and Scottish Borders Council Annual Assurance Statement 2020/2021 to the Scottish Housing Regulator (Appendix 2).**

3 BACKGROUND

- 3.1 Scottish Borders Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.
- 3.2 The Council approved a revised Local Code of Corporate Governance on 28 June 2018, on recommendation by this Committee, consistent with the principles and requirements of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government' (2016) which helps to ensure proper arrangements continue to be in place to meet these responsibilities.
- 3.3 Fundamentally Corporate Governance is about openness, integrity and accountability. It comprises the systems and processes, and cultures and values by which the authority is directed and controlled and through which it accounts to, engages with and, where appropriate, leads its communities.
- 3.4 The CIPFA/SOLACE Framework urges local authorities to review the effectiveness of their existing governance arrangements against their Local Code, and prepare a governance statement and report compliance on an annual basis.
- 3.5 Part of the Audit and Scrutiny Committee's remit (Audit function) is to assess the effectiveness of internal controls, risk management, and governance arrangements in place. This includes to 'Be satisfied that the authority's assurance statements, including the Annual Governance Statement, properly reflect the risk environment and any actions required to improve it, and demonstrate how governance supports the achievements of the authority's objectives'¹.

4 ANNUAL GOVERNANCE STATEMENT 2020/21

- 4.1 In March 2021 the officer Governance Self-Assessment Working Group (the 'Group') undertook via MS Teams the annual self-assessment of the effectiveness of internal control and governance arrangements and compliance against the Local Code for the year ended 31 March 2021. The Chief Officer Audit & Risk led on this process as part of HIA² role to be champion for sound governance.
- 4.2 The Group has evaluated progress with implementation of prior year improvement actions, which included the recommended improvements within the Best Value audit report.
- 4.3 The Annual Governance Statement 2020/21 (Appendix A), in compliance with the CIPFA/SOLACE Framework, provides details of the Council's Governance Framework, the annual Review of Framework undertaken, Improvement Areas of Governance, and overall opinion.
- 4.4 The Annual Governance Statement 2020/21 is informed by the self-assessment of compliance against the Local Code by the officer Governance Self-Assessment Working Group, the work of Internal Audit, External Audit and Inspection agencies, and annual assurance statements received from the Executive / Service Directors and the Monitoring Officer. The annual assurance statements from the two Executive Directors reflected the interim arrangements to share the Chief Executive's responsibilities during the period from October 2020 to March 2021 whilst the recruitment and appointment of a new Chief Executive was underway.

¹ CIPFA guidance note for local authorities 'Audit Committees' (2018)

² CIPFA 'the role of the head of internal audit in public service organisations' (2019)

5 ANNUAL ASSURANCE STATEMENT 2020/21 IN RESPECT OF LANDLORD SERVICES PROVIDED BY THE COUNCIL

- 5.1 In 2019, the Scottish Housing Regulator (“the Regulator”) revised its Regulatory Framework. This placed a new requirement on all social landlords to submit an Annual Assurance Statement to the Regulator by the end of October each year. This statement must either confirm that the Governing Body or appropriate Committee is assured that the landlord is complying with all relevant regulatory requirements and standards, or highlight any material areas of non-compliance and how the landlord will address these.
- 5.2 As Scottish Borders Council is a housing stock transfer local authority, it is subject to submitting a Statement that is considerably less involved than an asset-owning authority. However, the Council is responsible for Homelessness Services provision in the Scottish Borders and must give assurance in this area.
- 5.3 Section 8 of the Service Director Customer and Communities’ Annual Assurance Statement 2020/21, at Appendix B, is designed to meet this requirement of the Scottish Housing Regulator. It confirms the Council’s level of compliance with all of the relevant requirements set out at Chapter 3 of the Regulatory Framework, to include:
- all relevant standards and outcomes in the Scottish Social Housing Charter in respect of any tenants, homeless persons, and other person who are in receipt of housing services; and
 - legal obligations associated with housing and homelessness services, equality and human rights, and tenant and resident safety.
- 5.4 Section 8 of the Service Director Customer and Communities’ Annual Assurance Statement 2020/21 is informed by the self-assessment of compliance against the Regulatory Framework by the Homelessness Services Manager, and the work of Audit and Inspection bodies. More information is contained in Appendix 1 ‘Summary Statement of Self-Assessment of Compliance against Regulatory Framework’. A version of the Annual Assurance Statement for submission to the Scottish Housing Regulator is attached as Appendix 2 ‘Scottish Borders Council Annual Assurance Statement 2020/2021 to the Scottish Housing Regulator’.

6 IMPLICATIONS

6.1 Financial

There are no direct financial implications arising from this report.

6.2 Risk and Mitigations

The Annual Governance Statement 2020/21 details areas where additional work would further enhance the internal control environment, or improve risk management, and corporate governance arrangements.

The Service Director Customer and Communities’ Annual Assurance Statement 2020/21 in respect of landlord services provided by the Council details areas where additional work would further enhance the arrangements to meet the Regulatory Framework.

6.3 Integrated Impact Assessment

This is a routine good governance report for assurance purposes, required under the Local Authority Accounts (Scotland) Regulations 2014. This report does not relate to new or amended policy or strategy and as a result an integrated impact assessment is not an applicable consideration.

6.4 **Acting Sustainably**

Core principle of good governance “C. Defining outcomes in terms of sustainable economic, social, and environmental benefits” is included within the CIPFA/SOLACE Framework ‘Delivering Good Governance in Local Government’ (2016). The officer Governance Self-Assessment Working Group considered examples of evidence to demonstrate local compliance with all the Framework’s seven core principles of good governance, supporting principles and a range of specific requirements.

6.5 **Carbon Management**

There are no direct carbon emissions impacts as a result of this report.

6.6 **Rural Proofing**

This report does not relate to a new or amended policy or strategy and as a result rural proofing is not an applicable consideration.

6.7 **Changes to Scheme of Administration or Scheme of Delegation**

No changes to the Scheme of Administration or Scheme of Delegation are required as a result of this report.

7 CONSULTATION

7.1 The Corporate Management Team has been engaged in the governance annual assurance process 2020/21 and has been consulted on this report to enable its comments to be incorporated.

7.2 The Executive Director Finance & Regulatory, Chief Legal Officer (and Monitoring Officer), Service Director HR & Communications, Clerk to the Council, and Communications team have been consulted on this report and any comments received have been incorporated.

Approved by

Chief Executive

Signature

Author(s)

Name	Designation and Contact Number
Jill Stacey	Chief Officer Audit & Risk Tel: 01835 825036

Background Papers: CIPFA/SOLACE framework ‘Delivering Good Governance in Local Government’; Scottish Borders Council Local Code of Corporate Governance

Previous Minute Reference: Audit and Scrutiny Committee 23 June 2020

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Annual Assurance Statement 2020/2021
Summary Statement of Self-Assessment of Compliance against Regulatory Framework

<u>Annual Assurance Statement Statutory Guidance Requirement</u>	<u>Self-Assessment of Compliance</u>
Assurance & Notification	
<p>Prepare an Annual Assurance Statement in accordance with SHR published guidance, submit it to SHR between April and the end of October each year, and make it available to tenants and other service users.</p>	<p>The Scottish Borders Council Annual Governance Statement (AGS), forms a section of the SBC Annual Report and Statement of Accounts which is considered annually by the Council's Audit and Scrutiny Committee. The 'Scottish Borders Council Annual Assurance Statement 2020/2021 to the Scottish Housing Regulator' is reported under section 8 of the 2020/2021 'Service Director Customer and Communities Assurance Statement on Internal Control and Governance', which informs the Annual Governance Statement 2020/2021 by the Chief Executive which is being considered by the Council's Audit and Scrutiny Committee at its meeting on 10 May 2021.</p> <p>This Summary Statement of Self-Assessment of Compliance against Regulatory Framework supplements the 2020/2021 'Service Director Customer and Communities Assurance Statement on Internal Control and Governance'.</p> <p>The 'Annual Assurance Statement 2019/20 to the Scottish Housing Regulator' by the Service Director Customer and Communities was considered and approved by Scottish Borders Council's Audit and Scrutiny Committee at its meeting on 22 October 2020 and subsequently submitted to the Scottish Housing Regulator as required: https://scottishborders.moderngov.co.uk/documents/s46566/Item%2010%20-%20Cover%20report%20SBC%20Annual%20Assurance%20Statement%202019-20%20Landlord%20Services.pdf</p>
<p>Notify the SHR during the year of any material changes to the assurance in our Annual Assurance Statement.</p>	<p>SBC will notify the SHR during the year of any material changes as soon as possible.</p>

<p>Each landlord must have assurance and evidence that it is meeting all of its legal obligations associated with housing and homelessness services, equality and human rights, and tenant and resident safety.</p>	<p>The Council is responsible for homelessness services provision in the Scottish Borders. As at 31 March 2021, this included the ownership and management of 18 properties, and the management of 94 properties leased from RSLs, for use as temporary accommodation for homeless people. In addition, the Council works together with an independent private business, Tweedside Caravan Park, to provide 10 pitches and related amenities for use by Gypsy/Travellers at Tweedside Caravan Park in Innerleithen.</p> <p>The overall arrangements in respect of the Council’s legal obligations associated with housing and homelessness services, equality and human rights, and tenant and resident safety, appear to be operating satisfactorily although there some areas of work to be completed for full compliance with the revised Regulatory Framework:</p> <ul style="list-style-type: none"> • Gypsy/Traveller site – The Council’s designated site for Gypsy/Travellers within Scottish Borders at Tweedside Caravan Park, Innerleithen does not yet meet the Scottish Government’s minimum standards for Gypsy/Traveller sites. The Council is continuing to engage with Tweedside Caravan Park and with the Scottish Housing Regulator in order to ensure that the standards are met. It should be noted that the nature of the site arrangement in Scottish Borders presents unique challenges as the site is managed by an independent private business who lease the site from the Council and run the site as a commercial enterprise. • Homelessness Services - Largely satisfactory risk, control, and governance systems are in place. There is, however, some scope for improvement as current arrangements could undermine the achievement of objectives. A ‘Self-Assessment and Service Improvement Action Plan’ is in place which is currently being reviewed and updated by officers in light of COVID-19 impacts. The ‘Self-Assessment and Service Improvement Action Plan’ includes a specific action in relation to customer involvement. <p>The Council’s ‘Internal Audit Annual Plan 2019/2020’ which was agreed at the Council’s Audit and Scrutiny Committee on 11 March 2019 committed to a “Review of controls in place to ensure the achievement of statutory obligations for the Homelessness service, including a focus on prevention and support.” The corresponding Internal Audit report was completed in February 2020 and reported to Audit and Scrutiny Committee on 9 March 2020 as part of item 4 ‘Internal Audit Work to February 2020’:</p> <p>https://scottishborders.moderngov.co.uk/ieListDocuments.aspx?CId=343&MId=4567</p>
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<p>Notify the SHR of any tenant and resident safety matters which have been reported to, or are being investigated by the Health and Safety Executive, or reports from regulatory or statutory authorities, or insurance providers, relating to safety concerns.</p>	<p>The fire safety space standards requirements for Gypsy/Travellers sites have been incorporated into the draft occupancy agreement which is currently being negotiated with Tweedside Caravan Park via their agent.</p> <p>There are no other tenant or resident safety matters which have been reported to, or are being investigated by the Health and Safety Executive, or reports from regulatory or statutory authorities, or insurance providers, relating to safety concerns.</p>
<p>Make our Engagement Plan easily available and accessible to its tenants and service users, including online.</p>	<p>The SHR's Engagement Plan with SBC is located on the Council's website at https://www.scotborders.gov.uk/info/20048/homeless/933/scottish_social_housing_charter_and_Charter_performance_ _Gypsy/Travellers_-_Rights_and_responsibilities_ _Scottish_Borders_Council_(scotborders.gov.uk)</p>
<p>Scottish Social Housing Charter Performance</p>	
<p>Submit an Annual Return on the Charter (ARC) to the SHR by 31 May* each year in accordance with the SHR's published guidance.</p> <p>(* On 18 March 2020, in response to the COVID-19 pandemic, the Scottish Housing Regulator made a temporary adjustment to the 2020 deadline extending it from the end of May to the end of July.)</p>	<p>The Council submitted its ARC for 2019/2020 to the SHR on 22 July 2020.</p>
<p>Involve tenants, and where relevant other service users, in the preparation and scrutiny of performance information. It must:</p> <ul style="list-style-type: none"> • Agree its approach with tenants. • Ensure it is effective and meaningful – that the chosen approach gives tenants a real and demonstrable say in the assessment of performance 	<p>Work continues to improve the involvement of tenants and other service users in the preparation and scrutiny of performance information, and to agree the format of performance reporting with tenants and other service users, ensuring that it is accessible for them, and to give them a way to feed back their views on the style and form of the reporting. The 'Self-Assessment and Service Improvement Action Plan' includes a specific action in relation to customer involvement.</p>

<ul style="list-style-type: none"> • Publicises the approach to tenants • Ensure that it can be verified and be able to show that the agreed approach to involving tenants has happened • Involve other service users in an appropriate way, having asked and had regard to their needs and wishes. 	
<p>Report its performance in achieving or progressing towards the Charter outcomes and standards to its tenants and other service users (no later than October each year**). It must agree the format of performance reporting with tenants, ensuring that it is accessible for tenants and other service users, with plain and jargon-free language.</p> <p>When reporting its performance to tenants and other service users it must:</p> <ul style="list-style-type: none"> • Provide them with an assessment of performance in delivering each of the Charter outcomes and standards which are relevant to the landlord. • Include relevant comparisons – these should include comparisons with previous years, with other landlords and with national performance. • Set out how and when the landlord intends to address areas for improvement. • Give tenants and other service users a way to feed back their views on the style and form of the reporting. <p>(** On 31 August 2020, in response to the COVID-19 pandemic the Scottish Housing Regulator made a temporary adjustment to the 2020 deadline extending it from October to December.)</p>	<p>Reports on the Council’s performance in achieving or progressing towards the Charter outcomes and standards can be found on the Council’s website at https://www.scotborders.gov.uk/info/20048/homeless/933/scottish_social_housing_charter and Charter performance Gypsy/Travellers - Rights and responsibilities Scottish Borders Council (scotborders.gov.uk). These website pages are currently being updated.</p> <p>A report on the Council’s performance in achieving or progressing towards the Charter outcomes and standards in relation to temporary accommodation for homeless people was sent to all current occupants of homelessness temporary accommodation on 22 December 2020.</p> <p>Work remains to be done to involve tenants and other service users in the preparation and scrutiny of performance information, and to agree the format of performance reporting with tenants and other service users, ensuring that it is accessible for them, and to give them a way to feed back their views on the style and form of the reporting. The ‘Self-Assessment and Service Improvement Action Plan’ includes a specific action in relation to customer involvement.</p>

<p>Make the SHR's report on the landlord's performance easily available to its tenants, including online.</p>	<p>The SHR's information about SBC, including information about performance, can be found at Scottish Borders Council Scottish Housing Regulator</p>
<p>Tenants and Service Users Redress</p>	
<p>Make information on reporting significant performance failures, including the SHR's leaflet, available to its tenants.</p>	<p>The SHR's leaflet is available on the Council's website at: https://www.scotborders.gov.uk/info/20048/homeless/229/how_to_appeal_or_complain</p>
<p>Provide tenants and other service users with the information they need to exercise their right to complain and seek redress, and respond to tenants within the timescales outlined in its service standards, in accordance with guidance from the Scottish Public Services Ombudsman (SPSO).</p> <p>Ensure it has effective arrangements to learn from complaints and from other tenant and service user feedback, in accordance with SPSO guidance.</p>	<p>Information on how to make a complaint, in accordance with SPSO guidance, and complaints performance reports are available on SBC's website at: https://www.scotborders.gov.uk/info/20016/have_your_say/155/make_a_complaint</p> <p>Supporting procedures are on SBC's intranet at: http://intranet.scotborders.gov.uk/yourjob/Pages/complaints-procedure.aspx</p>
<p>Whistleblowing</p>	
<p>Have effective arrangements and a policy for whistleblowing by staff and governing body/elected members which it makes easily available and which it promotes.</p>	<p>The Council's 'Procedure on the Disclosure of Unlawful or Improper Actions – otherwise known as "Whistle Blowing"' is Appendix 2 in the Council's 'Code of Conduct for Employees of Scottish Borders Council' which is located at http://intranet.scotborders.gov.uk/yourjob/Pages/human-resources/policy-procedures-guidelines.aspx</p>

Equality and Human Rights	
Have assurance and evidence that it considers equality and human rights issues properly when making all of its decisions, in the design and review of internal and external policies, and in its day-to-day service delivery.	The Council's Integrated Impact Assessment (IIA) Process enables the development or review of projects, policies, strategies, functions & services that meet the demands of Equality legislation and do not discriminate. The Integrated Impact Assessment (IIA) Process and Supporting Guidance is located at http://intranet.scotborders.gov.uk/yourjob/Pages/equality-impact-assessments.aspx
To comply with these duties, landlords must collect data relating to each of the protected characteristics for their existing tenants, new tenants, people on waiting lists, governing body members and staff. Local authorities must also collect data on protected characteristics for people who apply to them as homeless. Landlords who provide Gypsy/Traveller sites must collect data on protected characteristics for these service users.	<p>Relevant data on protected characteristics is collected on homelessness applications in accordance with the Scottish Government's HL1, HL3 and Prevent1 case management database frameworks.</p> <p>Provision for the collection of relevant data on protected characteristics for service users who use the Gypsy/Traveller site at Tweedside Caravan Park is made within the draft Management Agreement which is currently being negotiated with Tweedside Caravan Park via their agent.</p>

Scottish Borders Council Annual Assurance Statement 2020/2021 to the Scottish Housing Regulator

This Annual Assurance Statement was reported under section 8 of the 2020/2021 Service Director Customer and Communities Assurance Statement on Internal Control and Governance, which informed the Annual Governance Statement 2020/2021 by the Chief Executive which was considered and approved by the Council's Audit and Scrutiny Committee at its meeting on 10 May 2021.

We confirm that in respect of landlord services provided by the Council we have seen and considered sufficient evidence to give us assurance that the Council complies with the regulatory requirements as laid out in Chapter 3 of the Scottish Housing Regulator's Regulatory Framework, including:

- all relevant standards and outcomes in the Scottish Social Housing Charter in respect of any tenants, homeless persons, and other person who are in receipt of housing services; and
- legal obligations associated with housing and homelessness services, equality and human rights, and tenant and resident safety.

Although there are a few areas of work to be completed for full compliance with the Scottish Housing Regulator's revised Regulatory Framework, the overall arrangements in respect of landlord services provided by the Council are operating satisfactorily.

To ensure full compliance with the Regulatory Framework further improvement actions are being implemented as follows:

- Gypsy/Traveller site – The Council's designated site for Gypsy/Travellers within Scottish Borders at Tweedside Caravan Park, Innerleithen does not yet meet the Scottish Government's minimum standards for Gypsy/Traveller sites. The Council is continuing to engage with Tweedside Caravan Park and with the Scottish Housing Regulator in order to ensure that the standards are met.
- Homelessness Services - Largely satisfactory risk, control, and governance systems are in place. There is, however, some scope for improvement as current arrangements could undermine the achievement of objectives. A 'Self-Assessment and Service Improvement Action Plan' is in place which is currently being reviewed and updated by officers in light of COVID-19 impacts.

Signed _____
Jenni Craig, Service Director – Customer and Communities

Signed _____
Councillor Stuart Bell, Chairman of Audit and Scrutiny Committee

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Annual Governance Statement 2020/21**Introduction**

The Annual Governance Statement explains how the Council has complied with the terms of the CIPFA/SOLACE Framework (2016) for the year ended 31 March 2021, sets out the Council's governance arrangements and systems of internal control, and reports on their effectiveness. The statement also covers relevant governance matters as they affect those entities included as part of the Council's Group Accounts.

Scope of Responsibility

Scottish Borders Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for. The Council also has a statutory duty of Best Value under the Local Government in Scotland Act 2003 to make arrangements to secure continuous improvement and performance, while maintaining an appropriate balance between quality and cost; and in making these arrangements and securing that balance, to have regard to economy, efficiency and effectiveness.

In discharging this overall responsibility, elected members and senior officers are responsible for putting in place proper arrangements for the governance of Scottish Borders Council's affairs and facilitating the exercise of its functions in a timely, inclusive, open, honest and accountable manner. This includes setting the strategic direction, vision, culture and values of the Council, effective operation of corporate systems, processes and internal controls, engaging with and, where appropriate, lead communities, monitoring whether strategic objectives have been achieved and services delivered cost effectively, and ensuring that appropriate arrangements are in place for the management of risk.

The system can only provide reasonable and not absolute assurance of effectiveness.

Framework for Good Governance

The overall aim of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government' (Spring 2016) is to ensure that: resources are directed in accordance with agreed policy and according to priorities; there is sound and inclusive decision making; and there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities.

The CIPFA/SOLACE Framework defines the seven core principles of good governance, namely:

- A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law;
- B. Ensuring openness and comprehensive stakeholder engagement;
- C. Defining outcomes in terms of sustainable economic, social, and environmental benefits;
- D. Determining the interventions necessary to optimise the achievement of the intended outcomes;
- E. Developing the entity's capacity, including the capability of its leadership and the individuals within it;
- F. Managing risks and performance through robust internal control and strong public financial management; and
- G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

The Council's Local Code of Corporate Governance, which is consistent with the principles and recommendations of the CIPFA/SOLACE Framework and the supporting guidance notes for Scottish authorities (November 2016), was approved by Council on 28 June 2018.

The Governance Framework

The key elements of the Council's governance arrangements, as set out in the Council's Local Code of Corporate Governance, include:

A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting rule of law

The roles and responsibilities of elected members and officers and the processes to govern the conduct of the Council's business are defined in procedural standing orders, scheme of administration, scheme of delegation, and financial regulations which are regularly reviewed and revised where appropriate.

Codes of conduct are in place for, and define the high ethical values and standards of behaviour expected from, elected members and officers to make sure that public business is conducted with fairness and integrity.

The Monitoring Officer is responsible for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with.

The Council seeks feedback from the public through its complaints and comments procedures for Corporate and Social Work (statutory) service areas, responds to the outcomes, as appropriate, and reports the results annually.

Professional advice on the discharge of statutory social work duties is provided to the Council by the Chief Social Work and Public Protection Officer (CSWO). The CSWO promotes values and standards of professional practice and acts as the 'agency decision maker' taking final decisions on a range of social work matters including adoption, secure accommodation, guardianship, etc.

B. Ensuring openness and comprehensive stakeholder engagement

Council meetings are held in public unless there are good reasons for not doing so on the grounds of confidentiality. When meetings are held remotely they are live-streamed to ensure public access.

Unless confidential, decisions made by Council, the Executive Committee or other Committees are documented in the public domain. All decisions are explicit about the criteria, rationale and considerations used. The impact and consequences of all decisions are clearly set out.

The Council seeks community views on a wide range of issues and undertakes regular consultation and engagement with citizens and service users, for example via Citizen Space. The Scottish Borders CPP Community Engagement Framework (2015) sets out principles for engagement and the Toolkit shares best practice methods.

C. Defining outcomes in terms of sustainable economic, social, and environmental benefits

The Community Planning Partnership, of which the Council is a partner, has a Community Plan approved in May 2018 (the Local Outcomes Improvement Plan (LOIP)) supplemented by 5 Locality Plans which were developed through Area Partnerships in 2019. The Council's vision, strategic objectives and priorities underpinned by the Strategic Assessment are reflected in the Corporate Plan 2018-2023 which suggests where individuals, families, businesses, partners and communities can "play their part" to improve outcomes for the Scottish Borders #YourPart.

Asset management planning (which continues to be developed) and capital investment is structured to consider and balance the combined economic, social and environmental impact of policies and plans when taking decisions about service provision. The Council has put arrangements in place to comply with key elements of the Community Empowerment Act.

Integrated impact assessments as well as environmental, sustainability and rural implications are considered during the decision making process to promote fair access to services.

D. Determining the interventions necessary to optimise the achievement of the intended outcomes

Decision makers receive detailed information indicating how intended outcomes would be achieved together with the implications associated with the proposals covering financial, risks and mitigations, integrated impact assessment, acting sustainably, carbon management, rural proofing, and changes to schemes, by way of the compulsory sections of the Committee report.

In determining how services and other courses of action should be planned and delivered the Council is increasingly engaging with internal and external stakeholders. Community benefit is an important consideration in the procurement of goods and services.

The Council fosters effective relationships, collaborative working and contractual arrangements with other public, private, and voluntary organisations in delivering services that meet the needs of the local community as stated in the Council's Corporate Plan.

E. Developing the entity's capacity, including the capability of its leadership and the individuals within it

The corporate management structure consists of the Chief Executive and nine Executive/Service Directors. The roles of officers are defined in agreed job profiles. Staff performance is reviewed on an annual basis in accordance with the new appraisal process that was launched during the year.

The Chief Executive is responsible and accountable to the Council for all aspects of management including promoting sound governance, providing quality information/support to inform decision-making and scrutiny, supporting other statutory officers, and building relationships with all Councillors.

The Elected Members Induction Programme is periodically supplemented by additional training and an annual programme of learning and development and briefings. Members appointed to certain committees have also received specific training related to the responsibilities on these committees e.g. licensing, planning, audit, pensions, employment.

F. Managing risks and performance through robust internal control and strong public financial management

The Council which has overall responsibility for directing and controlling the organisation has approved an Executive / Scrutiny model of decision making. The Executive Committee is the key decision-making and monitoring committee and the Audit and Scrutiny Committee (Scrutiny function) for reviewing policy decisions.

The Council has a risk management policy and approach whose main priorities are the robust systems of identification, evaluation and control of risks which threaten the Council's ability to meet its objectives to deliver services to the public.

The Executive Director Finance & Regulatory (the Section 95 officer) is responsible for the proper administration of all aspects of the Council's financial affairs including ensuring appropriate advice is given to the Council on all financial matters.

The Council's system of internal financial control is based on a framework of financial regulations, regular management information, administrative procedures (including segregation of duties), management supervision and a system of delegation and accountability.

The Council has a proactive, holistic approach to tackling fraud, theft, corruption and crime, as an integral part of protecting public finances, safeguarding assets, and delivering services effectively.

A Medium Term Financial Strategy, and associated Risk Register, and plans for revenue (5-year) and capital (10-year) based on corporate priorities are developed, led by the Corporate Management Team, and presented for approval by Council prior to the end of March each year.

Revenue and Capital Budget Monitoring reports are presented to the Executive Committee on a quarterly basis for monitoring and control purposes including the annual outturn. The Management Commentary in the Statement of Accounts provides financial and other performance information regarding the operation of the Council, its wider achievements and areas for development.

G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability

The independent and objective audit opinion of the Chief Officer Audit & Risk (Chief Audit Executive) is stated within the Internal Audit Annual Assurance Report. This is based on work carried out by an in-house team in conformance with the Public Sector Internal Audit Standards to fulfil statutory Internal Audit provision.

The Council responds to the findings and recommendations of Internal Audit, External Audit, Scrutiny and Inspection bodies including associated Action Plans for improvement. The Audit and Scrutiny Committee (Audit function) is integral to overseeing independent and objective assurance and monitoring improvements in internal control and governance.

Quarterly Performance Reports are presented to the Executive Committee for monitoring and control of the achievement of strategic priorities and key performance indicators.

The Annual Accounts and Report sets out the financial position in accordance with relevant accounting regulations.

Review of Adequacy and Effectiveness of the Council's Governance Framework

The Covid-19 pandemic clearly had an impact on business as usual in the delivery of services during the response and recovery phases in 2020/21, and this continues. The logistics of delivering services in a radically different way, in order to keep staff, elected members and service users safe, and adhere to social distancing and self-isolation measures at the same time, meant significant changes in when and where services were provided, deployment of a large number of staff to undertake alternative duties for a period of time, rapidly modernised IT support, and significant partnership working across the community. This was achieved using amended governance arrangements, new ways of decision-making (Council-approved additions to Standing Orders), leadership and implementation including virtual meetings, systems remote access, and regular staff briefings.

An annual review of the adequacy and effectiveness of the Council's overall governance framework has been carried out, taking into account the above context. The output is this Annual Governance Statement which is presented to the Audit and Scrutiny Committee.

The review was informed by assurances from the: Governance Self-Assessment Working Group; Executive/Service Directors; Internal Audit annual opinion and recommendations; comments and recommendations made by External Auditors and other external scrutiny bodies and inspection agencies; and findings and recommendations within the Accounts Commission's Best Value Assurance Report for Scottish Borders Council (published October 2019).

The conclusion from the review activity outlined above is that in 2020/21 the Council continued to demonstrate improvements to its governance arrangements by way of progressing the implementation of actions associated with the 10 improvement areas of governance within the previous year's annual governance statement. It is acknowledged that the impact of the Council's response to the Covid-19 pandemic has provided the opportunity to progress many developments and in some instances accelerate their implementation; however, it has also brought an increased demand on staff and progress on some improvement actions has been delayed.

Progress updates on the implementation of the Best Value Audit Implementation Plan that underpins the seven recommendations (nos. 1-7) have been presented to the Audit and Scrutiny Committee on 28 September 2020 and 15 February 2021. Good progress overall has been made on implementing the 40 specific actions, which make up the Best Value Audit Implementation Plan, with 30% of them completed. In respect of the other three improvement areas of governance (nos. 8-10), there have been developments during the year. Specifically, the refresh of the remit and make-up of the Board that governs the implementation of the Fit for 2024 transformation programme, the strategic policy research and planning to influence the review of the Performance Management Framework, and review and updates of some service and corporate policies, procedures and guidelines. These improvement areas of governance are not fully implemented and therefore continue to be noted in the section below, with enhancements added relating to nos. 8-10.

Improvement Areas of Governance

The collective review activity outlined above has identified the following areas where further improvement in governance arrangements can be made. It has been noted that some of the specific underpinning actions might need to be reset and ways to achieve the outcomes may need to change.

The remainder of the actions in the Best Value Audit Implementation Plan to address the recommendations (1-7 below) in order to demonstrate Best Value:

- 1) Embed a culture of Continuous improvement by implementing a corporate approach to self-evaluation and benchmarking.
- 2) Seek to improve partnership working with NHS Borders in order to support the strategic objectives of the Integration Joint Board.
- 3) Improve how the Community Planning Partnership involves communities and the third sector, through greater involvement in local decision-making and by accelerating implementation of the Community Empowerment Act.
- 4) Establish a structured programme of ongoing staff consultation and engagement.
- 5) Update its people plan for 2017-21 and ensure longer-term workforce plans are reflected in service and financial plans.
- 6) Support members' Continuing Professional Development by tailoring training to meet their individual needs and use technology to make training more accessible.
- 7) Ensure performance reports to members and the public are more comprehensive, balanced and that they cover service performance and the delivery of the Fit for 2024 programme.

Progress updates on the implementation of the remainder of the actions in the Best Value Audit Implementation Plan will continue to be presented to the Audit and Scrutiny Committee.

In addition, further enhancements to the other improvement actions (8-10 below) that are not specifically covered by the above in order to enhance governance and internal controls:

- 8) Focus the Fit for 2024 programme to ensure the Council builds on all transformational benefits that the pandemic has presented including digital advancements.
- 9) Produce detailed Service Plans to complete the links from the Corporate Plan to the individuals' appraisals and refresh the Performance Management Framework to include oversight by Directorates to ensure performance monitoring and reporting is accurate, robust and timely.
- 10) Full development of the Policy Register to enable oversight and monitoring of the ongoing review of policies, procedures and guidelines to ensure they are fit for purpose and meet current legislation.

These actions to enhance the governance arrangements in 2021/22 will be driven and monitored by the Corporate Management Team on a regular basis in order to inform the next annual review. Internal Audit work planned in 2021/22 is designed to test compliance and improvements.

Conclusion and Opinion on Assurance

The conclusion from the review activity outlined above and our opinion is that reasonable assurance can be placed upon the adequacy and effectiveness of Scottish Borders Council's systems of internal control and governance. Although areas for further improvement have been identified, the annual review demonstrates sufficient evidence that the Council's Local Code of Corporate Governance is operating effectively and that the Council complies with that Local Code in all significant respects. Systems are in place to regularly review and improve governance and systems of internal control.

Netta Meadows
Chief Executive
mm 2021

Councillor Shona Haslam
Leader of the Council
mm 2021

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SCOTTISH BORDERS COUNCIL

2020/21

**SERVICE DIRECTOR CUSTOMER AND COMMUNITIES
ASSURANCE STATEMENT ON INTERNAL CONTROL AND GOVERNANCE**

To: Chief Executive

- 1 I am aware of the requirement to review the effectiveness of existing internal control and governance arrangements on an annual basis and to publicise the Annual Governance Statement to reinforce good Corporate Governance practice, and as part of that process that the Executive/Service Directors sign an annual statement on the internal control and corporate governance arrangements in place in their directorates.
- 2 I can confirm that I have considered my area of responsibility to deliver the services and meet Council objectives and priorities. I have reviewed the risks associated with the achievement of those objectives, the performance management and compliance frameworks, and the roles, responsibilities and delegated powers of me as Service Director Customer & Communities to deliver the specific services.
- 3 The assurance I provide on the standard of governance arrangements relates to the seven core principles of good governance within the CIPFA/SOLACE 'Delivering Good Governance in Local Government' (the 'Framework' 2016 Edition), which the Council fully supports in its Local Code of Corporate Governance, namely:
 - A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law;
 - B. Ensuring openness and comprehensive stakeholder engagement;
 - C. Defining outcomes in terms of sustainable economic, social, and environmental benefits;
 - D. Determining the interventions necessary to optimise the achievement of the intended outcomes;
 - E. Developing the entity's capacity, including the capability of its leadership and the individuals within it;
 - F. Managing risks and performance through robust internal control and strong public financial management; and
 - G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability.
- 4 The assurance I provide also relates to my responsibilities set out with the Council's Financial Regulations for ensuring the security, custody and control of all resources including employees, plant and equipment, buildings and furnishings, materials, cash and stores appertaining to my area of responsibility including, where appropriate, but not limited to:
 - i. Financial Planning and Budgetary Control – Revenue and Capital
 - ii. Income
 - iii. Grant Applications and Claims
 - iv. Risk Management

- v. Prevention of Fraud, Theft or Corruption
- vi. Asset Management, and Security
- vii. Contracts and Procurement of Goods, Services & Works
- viii. Payment of Invoices
- ix. Salaries, Wages, Travel, Subsistence and Other Expenses
- x. Imprest Accounts
- xi. Private Property and Voluntary Funds
- xii. Trading Organisations

5 My opinion is based upon my knowledge of the extent of compliance with the seven core principles of Corporate Governance and Financial Regulations in my area of responsibility, the nature of findings and recommendations arising from relevant Internal Audit reviews and Management action taken to address the issues, and the findings and recommendations made by External Audit and other Inspection Agencies that relate to services provided by my Service Directorate either directly, or jointly through partnership working, or indirectly through contracting and procurement arrangements.

6 My opinion takes into account the changes associated with the Corporate Management Team structure in place from January 2020, including areas of responsibility that are new to me and the handover / transition arrangements that have been / are being undertaken.

7 This assurance statement also covers my responsibilities to comply with the regulatory requirements as laid out in Chapter 3 of the Scottish Housing Regulator's Regulatory Framework, to include:

- all relevant standards and outcomes in the Scottish Social Housing Charter in respect of any tenants, homeless persons, and other persons who are in receipt of housing services; and
- legal obligations associated with housing and homelessness services, equality and human rights, and tenant and resident safety.

I can confirm on-going competency of those Officers concerned with provision of advice and support on homelessness and other housing services relevant to the Council as a housing stock transfer authority and the adequacy of homelessness practices across the Council to ensure compliance with the Regulatory Framework. I would draw your attention to the following improvement actions, which are required to achieve full compliance with the Framework which I have considered when preparing the assurance I am required to give:

- Gypsy/Traveller site – The Council's designated site for Gypsy/Travellers within Scottish Borders at Tweedside Caravan Park, Innerleithen does not yet meet the Scottish Government's minimum standards for Gypsy/Traveller sites. The Council is continuing to engage with Tweedside Caravan Park and with the Scottish Housing Regulator in order to ensure that the standards are met.
- Homelessness Services - Largely satisfactory risk, control, and governance systems are in place. There is, however, some scope for improvement as current arrangements could undermine the achievement of objectives. A 'Self-Assessment and Service Improvement Action Plan' is in place which is currently being reviewed and updated by officers in light of COVID-19 impacts.

Although there are a few areas of work to be completed for full compliance with the Scottish Housing Regulator's revised Regulatory Framework, the overall arrangements in respect of landlord services provided by the Council are operating satisfactorily.

More information is contained in Appendix 1 'Summary Statement of Self-Assessment of Compliance against Regulatory Framework'.

A version of the Annual Assurance Statement for submission to the Scottish Housing Regulator is attached as Appendix 2 'Scottish Borders Council Annual Assurance Statement 2020/2021 to the Scottish Housing Regulator'. In order to meet Scottish Housing Regulator Requirements this document must be signed by the Chair of the Committee.

I confirm that I have seen and considered sufficient evidence to give me this assurance.

Apart from the above, I can confirm that internal control and governance arrangements in my Service Directorate are operating effectively.

Signed

Name Jenni Craig, Service Director Customer & Communities

Date 27 April 2021

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RISK MANAGEMENT ANNUAL REPORT 2020/21

Report by Chief Officer Audit & Risk

AUDIT AND SCRUTINY COMMITTEE

10 May 2021

1 PURPOSE AND SUMMARY

- 1.1 The purpose of this report is to provide Members with an overview of Scottish Borders Council's responsibilities in respect of risk management and an update on the risk management activity during 2020/21.**
- 1.2 Effective Risk Management is one of the foundations of effective Corporate Governance and is recognised as such in the Council's Local Code of Corporate Governance. Compliance with the principles of sound Corporate Governance requires the Council to adopt a coherent approach to the management of risks that it faces every day. Better and more assured risk management will bring many benefits to the Council and the people it serves.
- 1.3 Management have the primary responsibility to systematically identify, analyse, evaluate, control and monitor risks to the achievement of the Council's objectives. Internal Audit is required to give independent assurance on the effectiveness of all internal controls and other arrangements put in place by Management to manage risk. Part of the Audit and Scrutiny Committee's role (Audit function) is to scrutinise the framework of internal financial control, risk management and governance throughout the Council to ensure its adequacy.
- 1.4 In 2018, a revised Risk Management Policy statement and a 3-year Risk Management Strategy were endorsed by this Committee and approved by the Council to continue to refine its approach to managing risks with a focus on quality of reporting to enable sufficient Senior Management monitoring and oversight.
- 1.5 This annual report shows that the Council continues to refine its approach to Risk Management and embed these key aspects into the management practices of the Council, and outlines progress made during 2020/21 in delivering the Risk Management Strategy to achieve Policy objectives.

2 RECOMMENDATIONS

- 2.1 I recommend that the Audit and Scrutiny Committee**
- a) Acknowledges that it is satisfied with the arrangements for managing risks at the Council to ensure their on-going effectiveness in support of the Council's risk management policy and strategy; and**
 - b) Considers whether any further action is required.**

3 BACKGROUND

- 3.1 Effective Risk Management is one of the foundations of effective Corporate Governance as stated in the Council's Local Code of Corporate Governance (approved by Council, June 2018). Compliance with the principles of sound corporate governance requires the Council to adopt a coherent approach to the management of the risks that it faces every day. Common sense serves to underline the message that better and more assured risk management will bring many benefits to the Council and the people it serves.
- 3.2 The Roles and Responsibilities are set out in the Council's Risk Management Policy. Management have the primary responsibility to systematically identify, analyse, evaluate, control and monitor risks that potentially endanger or have a detrimental effect upon the achievement of the Council's objectives and its people, property, reputation and financial stability whether through core service delivery or through a programme of change. Management continue to be supported by the Corporate Risk Officer to apply the risk management process with risk registers at Corporate and Service levels that are then uploaded to Pentana, the Council's performance management system.
- 3.3 The Risk Management Policy states that risk registers should be reviewed on a quarterly basis to ensure effective monitoring of current risks and mitigating actions. This also presents an opportunity to add newly identified risks or archive risks which are no longer relevant.
- 3.4 Internal Audit is required to give independent assurance on the effectiveness of all internal controls and other arrangements put in place by Management to manage risk, and to make recommendations designed to improve the management and mitigation of risks, in particular where there is exposure to significant financial, strategic, reputational and operational risk to the achievement of the Council's objectives.
- 3.5 Part of the Audit and Scrutiny Committee's role (Audit function) is to scrutinise the framework of internal financial control, risk management and governance throughout the Council to ensure its adequacy.

4 RISK MANAGEMENT ACTIVITY 2020/21

- 4.1 The planned risk management activity supported by the Corporate Risk Officer was adversely affected during the year due to the ongoing response to the Covid-19 pandemic, with quarterly risk reviews suspended. Most notably the Corporate Risk Officer was deployed since the end of March 2020 to support Management to proactively anticipate and identify risks to delivery of its essential services. Plans and mitigations were agreed and put in place in the response and recovery phases during 2020 so that the Council continued to support the most vulnerable individuals and businesses within its communities and to ensure that services continued to be delivered in the safest way possible for all stakeholders.
- 4.2 Temporary part-time business support resources were secured in August 2020 when the Corporate Risk Officer post became vacant. The initial focus was on the review and update of the Corporate Risk Register, which was presented to CMT in October 2020. Recruitment to the Corporate Risk Officer post on a full-time basis in December 2020 enabled the resumption of further risk review activity, with the initial priority on the programme of work being to catch-up on the backlog of Service risk register reviews. An update of the Corporate Risk Register was presented to CMT in March 2021 along with a status update on Service risk register reviews, indicating that 32 of 40 Service Risk Registers have been reviewed.

- 4.3 The learning from Directors' and Managers' involvement in the response and recovery phases has been referenced within Corporate and Service Risk Registers, where relevant. Specifically, in terms of the influence the Covid-19 pandemic has had on these risks, whether this has resulted in opportunities, or more frequently, threats, and the new controls introduced or further mitigation actions planned.
- 4.4 In addition to the Corporate and Service Risk Register reviews detailed above, the Corporate Risk Officer facilitated risk workshops on request by Management to develop 7 new Risk Registers relating to programmes which are reflective of the ever-changing responsibilities, partnerships, projects and legislative dimensions to which the Council is exposed; for example, Borderlands, Elections, Fit for 2024 Programme, and Sustainable Development. It should be noted that the development of new Risk Registers takes substantially more time than it does to carry out reviews of established Risk Registers, and are more iterative in nature thus reflecting the design and implementation stages of these complex programmes.
- 4.5 New reports, generated from the Pentana system, have been developed to improve the quality of risk reporting. These reports form the basis of Risk Management presentations to the Audit and Scrutiny Committee and provide a dashboard summary of risks and how they are managed.
- 4.6 During 2020/21 various Executive/Service Directors representing the diverse range of Council Services made presentations to the Audit and Scrutiny Committee at their meetings on the strategic risks facing their respective Services and the internal controls and governance in place to manage / mitigate those risks to demonstrate how risk management is embedded within Services. This approach provided the opportunity to the Elected and External Members of the Committee, as part of their oversight remit, to gain a fuller understanding of how Management are discharging their risk management responsibilities in practice and to enable them to hold Management to account on the application of the Risk Management Policy requirements. The style and content of the presentations changed from February 2020, following a request from the Chair of the Committee for the presentations to be more focused on how individual risks are managed and controlled. This new approach has proven to be successful, with Members providing positive feedback following each of the presentations, which were delivered as listed below:

Director	Date of Meeting
Executive Director Finance & Regulatory	February 2020
Chief Social Work and Public Protection Officer	March 2020
Service Director Customer & Communities	September 2020
Executive Director Corporate Improvement & Economy	November 2020
Service Director HR & Communications	February 2021
Service Director Young People, Engagement and Inclusion	March 2021
Service Director Assets & Infrastructure	May 2021

- 4.7 Risk management advisory and support services were provided by the Corporate Risk Officer to Live Borders and the Scottish Borders Health and Social Care Integration Joint Board using the same systematic approach as part of their respective business or strategic planning processes.
- 4.8 Liaison with Internal Audit on an on-going basis to ensure that risk is considered in every assurance audit and risk reviews take account of improvements arising from audit work continues to take place. The Corporate Risk Officer receives all Final Internal Audit Reports.
- 4.9 The Chief Officer Audit & Risk is a mandatory consultee for all Committee reports, which provides the opportunity to check that full risk information is provided. Due to resource capacity and sometimes time pressures this is carried out on a sample basis. New guidance was added to the Committee Reports Guidance document to enable report writers to complete the Risk and Mitigations section correctly with reference to relevant risk registers and with sufficient detail to ensure that decision makers are cognisant of the risks associated with the proposals/decisions to be taken.

Conclusion

- 4.10 The above demonstrates that the management of risks is being embedded and is recognised as an essential part of management practice, which is the key objective of the Corporate Risk Management Policy. It is an essential part of decision-making and should help to ensure that decisions are taken and risks are fully understood.

5 RISK MANAGEMENT NEXT STEPS 2021/22

- 5.1 The Risk Review Programme of Work for the Corporate Risk Officer in 2021/22 is being developed on a quarterly rolling basis to incorporate the cycle of Corporate Risk Register reviews, relevant Service Risk Register reviews, and development of New Risk Registers in collaboration with Management. The risk review approach will initially focus on the remaining 8 Service Risk Registers concurrent with the development of service plans, as an opportunity to amalgamate/integrate risks and risks registers, to ensure they reflect objectives, plans and current management structures.
- 5.2 The implementation of improvements arising from the Risk Management Health Check that was carried out in early 2020, will resume. This was designed as a thorough review of the current risk management framework to assess its efficacy and how well embedded these arrangements are within the Council and partner organisations. The results of the Risk Management Health Check questionnaire, which was distributed through Citizen Space for all Risk Owners to complete, will be analysed, areas of improvement will be identified, and actions will be implemented.
- 5.3 Reviews of the Council's Risk Management Policy and Strategy will be carried out taking account of findings from the Risk Management Health Check 2020 and from the Internal Audit review of the risk management framework, which is scheduled in the first quarter of 2021/22. Any changes to reflect refinements in the approach will be brought to the Audit and Scrutiny Committee for endorsement prior to approval by Council.
- 5.4 It is the intention to review the Risk Management training course for Managers, which was last reviewed in 2018. The training will be delivered through eLearning and MS Teams to ensure that Managers have the skills to continue to identify, evaluate, monitor and control risks in line with the Corporate Risk Management Policy and Framework.

- 5.5 Risk Management training for Elected Members will be scheduled to ensure they have an overview of the risk management framework that is applied within the Council. Elected Members are encouraged to seek out the Risk and Mitigations section of Committee reports that they are asked to approve. Challenge is welcomed to ensure that the Elected Members are satisfied that the risks to the decisions they are being asked to make are fully considered and appropriately mitigated.
- 5.6 Improved Pentana system functionality has provided the opportunity for Service Managers to monitor their Service Plan Actions, Performance Indicators, Risks and Audit Actions through dedicated portals, creating a valuable management information tool that needs to be fully exploited. The reintroduction of Service Plans across the Council and the planned refresh of the Performance Management Framework provides an opportunity to enable the integration of Risk Management and Internal Audit assurance within the business planning and performance monitoring processes in support of the Council demonstrating continuous improvement.

6 IMPLICATIONS

6.1 Financial

There are no financial implications as a direct result of the report. The Corporate Risk Officer resource costs are contained within budgets. Any additional costs arising from enhanced risk mitigation will have to be considered and prioritised against other pressures in the revenue budget.

6.2 Risk and Mitigations

The report sets to assure the Audit and Scrutiny Committee that the Council is undertaking its risk management responsibilities adequately. It also allows the Committee to fulfil their remit as set out in the Corporate Risk Management Policy.

6.3 Integrated Impact Assessment

This is a routine good governance report for assurance purposes, not a new or revised policy or strategy for decision and, as a result, completion of an integrated impact assessment is not an applicable consideration.

6.4 Acting Sustainably

No direct economic, social or environmental issues with this report.

6.5 Carbon Management

No direct carbon emissions impacts as a result of this report.

6.6 Rural Proofing

This report does not relate to new or amended policy or strategy and as a result rural proofing is not an applicable consideration.

6.7 Changes to Scheme of Administration or Scheme of Delegation

No changes to the Scheme of Administration or Scheme of Delegation are required as a result of this report.

7 CONSULTATION

- 7.1 This report has been presented to the Corporate Management Team who play a key leadership role in ensuring the identification and effective management of the risks relating to the Council's core business, transformation and partnership activities, and in embedding these key aspects into the management practices of the Council.

- 7.2 The Executive Director Finance & Regulatory, Chief Legal Officer (Monitoring Officer), Service Director HR & Communications, Clerk to the Council, and Communications team have been consulted on this report and any comments received have been incorporated in the final report.

Approved by

Jill Stacey, Chief Officer Audit & Risk **Signature**

Author(s)

Name	Designation and Contact Number
Jill Stacey	Chief Officer Audit & Risk
Emily Elder	Corporate Risk Officer

Background Papers: Scottish Borders Council's Corporate Risk Management Policy Statement and Corporate Risk Management Strategy

Previous Minute Reference: Audit and Scrutiny Committee 23 June 2020

Note – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. Emily can also give information on other language translations as well as providing additional copies.

Contact us at Emily.Elder@scotborders.gov.uk



GRASSCUTTING AND BIODIVERSITY – EFFECTIVENESS OF BIODIVERSITY PLANS

Report by Service Director Assets & Infrastructure

AUDIT & SCRUTINY

10 MAY 2021

1 PURPOSE AND SUMMARY

- 1.1 This paper provides information, as requested, on the existing greenspace management and maintenance operations, including grasscutting regimes, carried out by the Parks & Environment Section. It also summarises the ongoing work to deliver 'biodiversity plans' by Scottish Borders Council and the opportunities and challenges presented therein.
- 1.2 Scottish Borders Council's Parks & Environment Section provides operational grounds maintenance services across the public realm, including civic spaces, parks, cemeteries and churchyards, footpaths, sports facilities, play facilities, general amenity areas, schools, industrial estates and woodlands. The Service is also responsible for management and maintenance of public toilets, street cleansing and litter bins and manages Council-let allotment sites.

2 GREENSPACE MAINTENANCE AND GRASSCUTTING REGIMES

- 2.1 The management and maintenance of our greenspace is the responsibility of the various Area teams within the Parks & Environment Section. Operational Maintenance is run from five Main Depots – Peebles, Galashiels, Hawick, Kelso & Duns - with four Satellite Depots at Coldstream, Eyemouth, Newcastleton & Jedburgh. Across these locations there are five Forepersons, seven tractor drivers & forty-six operatives. Grasscutting operations are undertaken using the following machinery;

Tractors with mowers	7
Ride-on mowers	17
Pedestrian mowers	29
Strimmers	34

- 2.2 The current operational activities undertaken in the management of the Council's greenspace were introduced as part of the Neighbourhoods Review in 2018. The aim of the review was to deliver a more economically efficient, environmentally friendly service. The following outlines the various grasscutting regimes;

- High Amenity grass areas - cut on a 10-working day cycle (with grass cut & lifted)
- Sports pitches - cut on a 10-working day cycle (grass arisings left on site)
- Amenity grass areas - cut on a 20-working day cycle (grass arisings left on site)
- Low Amenity and Biodiversity grass areas - cut once or twice per year

2.3 Other maintenance operations include:

- Annual maintenance of shrubs and perennial plants
- Trees and woodland areas are formally inspected on an Area by Area basis once every 5-years. Additional ad-hoc inspections are undertaken, as required, on a safety basis, i.e. following severe high winds
- A weed killing programme is undertaken throughout the Borders in the Spring each year, when approx. 350km of urban footpaths are treated. Additional ad-hoc weed killing is done thereafter as required
- Parks & Environment are now also undertaking the grass maintenance for 109km of countryside footpaths

2.4 The following is a breakdown of the assets maintained by the Parks & Environment section;

Service	Quantity
Amenity Grass maintenance	424ha
High Amenity Grass maintenance	3.2ha
Low Amenity Grass maintenance	28ha
Beds - Shrub, Rose, Herbaceous	12ha
Woodland	100ha
Cemeteries	154
Allotments	82 plots
Countryside Footpath grass maintenance	109km

3 BIODIVERSITY

3.1 The following tries to capture the breadth and range of Biodiversity planning and management that is carried out across the Council. Under the Nature Conservation (Scotland) Act 2004, public bodies in Scotland have a duty to further the conservation of biodiversity. The Council has a range of functions that can help deliver the Biodiversity duty.

3.2 The Biodiversity strategic function is retained by the Heritage & Design section of the Policy and Implementation Department, which leads the co-ordination of the Local Biodiversity Action Plan Partnership.

3.3 A broad range of biodiversity planning and management is carried out across the Council and further information can be found in the Council's Biodiversity duty report:
https://www.scotborders.gov.uk/downloads/file/2211/biodiversity_duty_delivery_report,

- 3.4 The Council co-ordinates the Community Plan partnership and the Local Biodiversity Action Plan Partnership. The Council is a long-standing and original member of the Tweed Forum which has a catchment management planning focus and works closely with the Southern Upland Partnership, a south-Scotland NGO with a focus on rural communities and renewables, and with Borders Forest Trust. A further series of implementation projects have been developed by the Council to deliver biodiversity offsets arising from major wind farms.
- 3.5 The Access Team manage Lindean Loch Site of Special Scientific Interest near Selkirk in a manner which enhances the biodiversity and public enjoyment of the site. A breeding bird survey is undertaken each year.
- 3.6 Coldstream Cemetery is being developed by the Council. The design objective is to create a cemetery on the edge of the town that will be attractive, provide an appropriate setting for burials, be sustainably managed and largely planted with native species. The site is being enclosed by a native hedge and there will be a grass maintenance regime that favours meadow grassland species, as well as a simple SUDs scheme planted with native species. It is hoped that the design and the location will together result in an attractive spot for contemplation and memorials.
- 3.7 As outlined in section 2, the Parks & Environment Section has been continuously reviewing its operations. Many grass areas have been identified where either no, or a single, cut is carried out resulting in hugely beneficial habitat opportunities for a wider variety of biodiversity to exist. Following ongoing discussion with stakeholders, such as Tweed Forum and Buglife, the Council are about to start trialling a new regime of 'cut and lift' of grasscuttings which is beneficial to the creation of impoverished soils which support the natural colonisation of pollinator friendly plants. Some illustrative photos are included in the Appendix.
- 3.8 After 2019, Scottish Borders Council ceased the provision of annual bedding across the region as part of the Neighbourhoods Review. Alternative planting proposals have been developed with communities involving more sustainable planting and removing the Council's use of peat based compost in the process.
- 3.9 Tree risk management is ongoing with Tree Safety Surveys and major works contracted out to third parties. The procurement of this work includes requirements for biodiversity supporting measures, such as retention of tree stumps as habitat creation. The identification of both protected and sensitive wildlife habitats, such as bat roosts and badger setts, is part of the survey activity.
- 3.10 A bid in 2017 to the Tesco 'Bags for Life' for funding to improve biodiversity across the Scottish Borders resulted in an award of £10,000. The funding was used to support local groups with their own biodiversity projects, including Ancrum, Chirnside and Eyemouth, as well as to improve selected Council-managed sites by the introduction and maintenance of wildflowers. Twenty sites were identified in Burnmouth, Clovenfords, Coldingham, Eyemouth, Hawick, Jedburgh, Kelso, Melrose and West Linton. 8,655 wildflower plugplants were purchased and then planted in Spring 2018 into the existing grassed areas that were then left uncut for the following

growing season. Establishment of the wildflowers had some success, however the strongly-growing grasses prevailed in several locations to the detriment of the newly-planted wildflowers.

- 3.11 In 2014, a trial of establishing a meadow area of 'Yellow Rattle' was undertaken. Yellow Rattle is a grassland annual which is used to suppress grass growth and encourage wildflower colonisation. This was developed and managed jointly by Borders College and Scottish Borders Council. The cutting and lifting of arisings is done in part by a private contractor who had the correct machinery.
- 3.12 Parks & Environment are piloting hardy annual wildflower cultivation within amenity grass areas with two nominated sites in each of the five locality areas, approx. 50sq.m each. Parks & Environment are also working with two local floral groups in Peebles and Lauder trialling wildflower cultivation.
- 3.13 Biodiversity areas - The introduction of larger areas of long grass at selective locations throughout the Borders. The resulting longer grass sward between cuts contributes to the biodiversity of the greenspace within the Scottish Borders.
- 3.14 Rural roadside grass cutting – cutting operations are undertaken only once throughout the season, they are timed to commence in June and, given the size and scale of the network, means that some verges may not be maintained until late July. The specification is to cut the grass 1m into the verge. This is extended at critical junctions and to maintain vision splays at sections of roads which are higher traffic/higher speed. Some unclassified roads verges are not always cut and are left untouched all summer where safety is maintained. The approach to maintenance is modified at areas where there are naturalised plants are in bloom, eg.at Yetholm.
- 3.15 As part of the Council's annual Floral Gateway Competition, the Border Biodiversity Award recognises community projects or initiatives that increase the biodiversity of the Scottish Borders through areas such as, local food production, recycling, or changes to environmental management or maintenance.

4 CHALLENGES

- 4.1 In undertaking grasscutting operations, the Council has, on various occasions, sought to adopt more progressive practices that incorporated a more differential mowing regime, all the while balanced against the need for active leisure and recreation space. This has been met with some resistance from communities. 234 complaints/enquiries were received in 2018 when the new grasscutting approaches outlined at 2.2 were implemented. Where communities have responded negatively to the Council's grass cutting policy changes, this has led to some triggering aspects of the Community Empowerment Act where community involvement and Participation Requests have been received, specifically at Eyemouth and to a lesser extent at Newcastleton.
- 4.2 However, people are increasingly recognising the importance and urgency of the need to adopt a different operational approach. A growing lobby of voices are now canvassing the Council to decrease its traditional intensive

mowing regimes which, in turn, will reduce the Council's Carbon Footprint and provide valuable habitats. While there seems to be an increasing level of public awareness and acceptance of the role of amenity grass in biodiversity, this remains a fairly recent shift in general opinion within the Scottish Borders. The Council has, over the years, had to consider the needs and wishes of communities alongside the best practice for biodiversity benefit. Through benchmarking and networking with other Local Authorities (through the APSE network), it is clear that this challenge is not unique to the Scottish Borders.

- 4.3 Another challenge in rethinking our grasscutting operations is the inherently nutrient-rich nature of the land. Within our green infrastructure, the Scottish Borders manages predominantly nutrient-rich ground which has, for generations, been managed to enhance the already fertile soil. This presents challenges as pollinator friendly planting favours less fertile ground to establish, where grasses and perennial weeds are less able to dominate.
- 4.4 The replacement of machinery in recent years has not been as regular as in the past, resulting in increased maintenance costs associated with repairs & servicing of the grass cutting machinery. Furthermore, to adopt best practice approaches requires specialist equipment, such as machinery that cuts and collects arisings on a large scale. The Council has 5 'Profihopper' mowers (1 per area) that can mulch arisings and collect small quantities, but for optimum biodiversity benefit the collecting of arisings is preferred. This requires procuring, or renting specialist equipment.

5 COMMENTARY

- 5.1 Integral to the challenges faced in protecting and enhancing our Biodiversity and adapting to Climate Change, our greenspaces play a vital role. As outlined above, the Parks & Environment Section has, and continues to, review greenspace maintenance operations in the region. We continue to research and trial ways that our grasscutting operations can contribute positively to Biodiversity and Sustainability. Less intensive management of amenity grass, creation of longer grass areas and a shift towards more pollinator friendly planting (rather than conventional annual bedding) are all part of a constantly evolving and adapting service.
- 5.2 Common to all Local Authorities, the Council has challenges in optimising the use of the resources it has available. The challenges outlined above highlight some of the logistical, financial and reputational issues that are faced in delivering the needs of our communities and ensuring we continue to support our habitat networks.
- 5.3 As stewards of public amenity greenspace for the communities we serve, Scottish Borders Council strive to meet the needs and aspirations of these communities. This green infrastructure provides space for informal and formal sports and recreation and contributes to the sense of place for residents and visitors to our communities. Through careful planning and the use of appropriate machinery, we can continue to meet these needs whilst ensuring biodiversity benefit. Differential mowing regimes can deliver this balance – examples such as that at Bowden Common, the Cobby at Kelso and at cemeteries (such as Stow churchyard, see appendix) demonstrate the added value of differential mowing in creating attractive

Appendix - Photos



Longer grass with pollinator friendly species colonising – Bridgend Park, Kelso



Chirnside differential mowing creates longer grass / pollinator friendly species around tree planting



Longer grass management in cemeteries enables pollinator friendly species to colonise (Stow)



A & I SUPPORT TO COMMON RIDINGS & LOCAL FESTIVALS

Report by Service Director, Assets & Infrastructure

AUDIT AND SCRUTINY COMMITTEE

10 May 2021

1 PURPOSE AND SUMMARY

- 1.1 This report summarises the in-kind support that is provided to Common Ridings and local festivals by the Assets & Infrastructure Service.**

2 BACKGROUND

- 2.1 Audit & Scrutiny Committee requested that a briefing be provided on the in-kind support provided to Common Ridings and local festivals.
- 2.2 The majority of towns and villages in the Scottish Borders hold annual events and parades of one type or another. The scale of these and the Councils involvement varies considerably from small single events in some villages to multiple bigger scale events, often covering considerable distances, in our larger towns.
- 2.3 For each event significant liaison and planning is required in the lead up in order to agree schedules (including route changes) then produce plans and schedules as well as parade plans; signage plans; barrier plans and no waiting plans. In most cases a Temporary Traffic Regulation Order (TTRO) then has to be developed in conjunction with the legal section.
- 2.4 The number of events can fluctuate from year to year but in the last indicative year 2019 there were 134 events associated with Common Ridings and local festivals. In addition, there were a further 81 events ranging in scale from local Christmas light parades to National events such as the Tour of Britain and the Jim Clark Rally; but these have not been considered as within the scope of this report. A summary of the type of event associated with local festivals and the requirements of those events is provided in Appendix A. Please note that this is for indicative purposes only and that this is a working document from which a number of columns have been redacted for data protection purposes.

3 PLANNING & LIAISON

- 3.1 The service is pleased to provide support to local events and communities, albeit this can be quite resource intensive at certain times of the year. It is estimated that in excess of 50% of one FTE A & I Officers time is exclusively devoted to liaising with organisers and preparing schedules, plans and associated TTROs during a 3 month period over the summer months. In addition, to this concentrated period of time, liaison preparation also takes place throughout the year albeit to a much lesser degree.
- 3.2 Once officers have a confirmed date for a specific event they meet with organiser representative(s) to determine requirements discuss any changes to routes etc. from previous years and to agree a schedule.
- 3.3 Officers then produce draft plans and schedules and agree these with event organisers before preparing any necessary TTROs.
- 3.4 Once the TTROs have been drafted and agreed they need to go across to the Council's Legal team for the drawing up of the schedules and for publishing on the national web site "Tell Me Scotland". As an indication the combined time for these activities is typically two to three hours for larger towns and up to an hour for smaller events.
- 3.5 Details and plans of the TTROs are then circulated to the appropriate contact groups for their information. These groups include the emergency services; local Members; local Community Councils; representative groups such as the Road Freight Association and AA; as well as other interested parties.
- 3.6 In addition, to the above a number of the Common Ridings and festivals are of a scale that they are required to go through the multi-agency Safety Advisory Group. This can entail a single or multiple round table meetings to ensure that the event can be delivered in a safe manner. Several Officers from the A & I Department are involved in these meetings along with Emergency Planning Officers.
- 3.7 Officer support time incurred in all the above processes is treated as contributions in-kind by the Council with no re-charge made to the event organisers.
- 3.8 It is no longer a requirement to advertise TTROs for local events in local newspapers; so that direct cost is no longer incurred by the Council.
- 3.9 Other Council in-kind contributions outwith A & I include promoting events and showcasing the area on the Council website and elsewhere. An example of this is the "Return to the Ridings" website which has maintenance and licensing commitments in excess of £3,000 per annum.

4 EVENT & POST-EVENT SUPPORT

- 4.1 In the lead-up to Common Riding and local festival events the Council can be required to undertake additional activities such as general street cleaning, litter collection or grass cutting over and above normal scheduled duties. Post event there is often a similar, or greater, requirement for clean-up and road sweeping; particularly in relation to horse ride-outs. The additional cost to the service of providing these services in 2019 was just over £10,000.
- 4.2 The scale or type of an event frequently requires the provision and placement of cones and barriers to support TTROs and/or assist with traffic management and crowd control. Any equipment provided also needs to be collected again following the event, and on occasion may even need maintenance, adjustment and/or replacement prior to the event. It should also be noted that in order to provide these services it is often necessary to incur overtime.
- 4.3 The cost to the roads revenue budget for supplying resources and materials to support Common Ridings and local festivals was £46,572.54 in 2019 -20. A breakdown of this and the proceeding two years spend is provided in Appendix B. It should be noted that the nature of these events can mean that costs fluctuate from one year to the next.

Approved by

John Curry

Service Director, Assets & Infrastructure

Signature

Author(s)

Name	Designation and Contact Number
Brian Young	Infrastructure Manager
Craig Blackie	Parks and Environment Manager

Background Papers: None

Previous Minute Reference: N/A

Note – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. Jacqueline Whitelaw can also give information on other language translations as well as providing additional copies.

Contact us at Jacqueline Whitelaw, PLACE, Business Support, Scottish Borders Council, Council Headquarters, Newtown St Boswells, Melrose, TD6 0SA, Tel 0300 100 1800, email JWhitelaw@scotborders.gov.uk.

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Event Common Ridings and Local Festivals	Days of week	Date of Event	TTRO required? Y/N	TTRO paid by event Y/N	TM required? Y/N	TM provider	TM paid by event Y/N	Schedule		Parade Plan Complete	Signage Plan Complete	Barrier Plan Complete	No Waiting Plan Complete	Sent to Legal	Sent to Closure Group	TM Details sent to Neighbourhoods
								Sent	Agreed							
Local Festivals and Common Ridings Financially supported by SBC																
Coldstream - Installation of Coldstreamer	Fri	12-Apr-19						23/11/2018	23/11/2018	13/03/2019	13/03/2019	13/03/2019	13/03/2019	13/03/2019	13/03/2019	13/03/2019
Galashiels - Declaration Night	Fri	26-Apr-19						22/11/2018	28/02/2019	13/03/2019	13/03/2019	13/03/2019	13/03/2019	13/03/2019	13/03/2019	13/03/2019
Peebles - Junior Rideout	Sun	14-Apr-19						21/11/2018		21/11/2018	25/01/2019	25/01/2019	25/01/2019	25/01/2019	25/01/2019	25/01/2019
Peebles - Picking Night	Fri	26-Apr-19						22/11/2018	27/11/2018	13/03/2019	13/03/2019	13/03/2019	13/03/2019	13/03/2019	13/03/2019	13/03/2019
Selkirk - Appointment Night	Fri	26-Apr-19						23/11/2018	13/03/2019	13/03/2019	13/03/2019	13/03/2019	13/03/2019	13/03/2019	13/03/2019	13/03/2019
Hawick - Election/Picking Night	Wed	08-May-19						13/03/2019	13/03/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019
Melrose Festival - Appointment Night	Fri	03-May-19						21/11/2018	26/02/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019
Lauder Common Riding - Appointment Night	Fri	10-May-19						13/03/2019	13/03/2019	13/03/2019	13/03/2019	13/03/2019	13/03/2019	13/03/2019	13/03/2019	13/03/2019
Hawick - Bonchester Rideout	Sat	11-May-19						13/03/2019	13/03/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019
Hawick - Lilliesleaf Rideout	Tues	14-May-19						13/03/2019	13/03/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019
Jedburgh - Declaration Night	Fri	17-May-19						13/03/2019	13/03/2019	02/05/2019	02/05/2019	02/05/2019	02/05/2019	02/05/2019	02/05/2019	02/05/2019
Hawick - Robertson Rideout	Sat	18-May-19						13/03/2019	13/03/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019
Hawick - Priestthaugh Rideout	Tues	21-May-19						13/03/2019	13/03/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019
Peebles - Queen's Court Parade	Wed	15-May-19						13/03/2019	13/03/2019	13/03/2019	13/03/2019	13/03/2019	13/03/2019	13/03/2019	13/03/2019	13/03/2019
Galashiels - Spurs Night	Fri	17-May-19						22/11/2018	28/02/2019	13/03/2019	13/03/2019	13/03/2019	13/03/2019	13/03/2019	13/03/2019	13/03/2019
Peebles - May Rideout	Sun	19-May-19						21/11/2018		21/11/2018	25-Jan	25-Jan-19	25-Jan-19	25/01/2019	25/01/2019	25/01/2019
Chirside Civic Week - Parade	Sun	26-May-19						17/04/2019	23/04/2019	23/04/2019	23/04/2019	23/04/2019	23/04/2019	23/04/2019	23/04/2019	23/04/2019
Tweedbank Fair - Fancy Dress Parade	Wed	29-May-19						23/11/2018	22/04/2019	22/04/2019	22/04/2019	22/04/2019	22/04/2019	22/04/2019	22/04/2019	22/04/2019
Galashiels - Threepwood	Fri	24-May-19						22/11/2018	28/02/2019	13/03/2019	13/03/2019	13/03/2019	13/03/2019	13-Mar-19	13/03/2019	13/03/2019
Swinton Gala Day - Opening Parade	Sat	01-Jun-19	Y	N	N	N/A	N/A	23/05/2019	23/05/2019	23/05/2019	23/05/2019	23/05/2019	23/05/2019	23/05/2019	23/05/2019	23/05/2019
Hawick - Mossypaul Rideout	Sat	25-May-19						13/03/2019	13/03/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019
Tweedbank Fair - Fruit and Flowers Parade	Sat	01-Jun-19						23/11/2018	22/04/2019	22/04/2019	22/04/2019	22/04/2019	22/04/2019	22/04/2019	22/04/2019	22/04/2019
Chirside Civic Week - Torchlight procession	Sat	01-Jun-19						17/04/2019	23/04/2019	23/04/2019	23/04/2019	23/04/2019	23/04/2019	23/04/2019	23/04/2019	23/04/2019
West Linton - Junior Rideout	Sun	26-May-19						23/11/2018	22/04/2019	22/04/2019	22/04/2019	22/04/2019	22/04/2019	22-Apr-19	22/04/2019	22/04/2019
Hawick - Mossypaul Rideout	Tues	28-May-19						13/03/2019	13/03/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019
Hawick - Thursday Night Chase	Thu	30-May-19						13/03/2019	13/03/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019
West Linton - Fancy dress parade	Fri	31-May-19						23/11/2018	22/04/2019	22/04/2019	22/04/2019	22/04/2019	22/04/2019	22-Apr-19	22/04/2019	22/04/2019
West Linton - Rideout	Sat	01-Jun-19						23/11/2018	22/04/2019	22/04/2019	22/04/2019	22/04/2019	22/04/2019	22-Apr-19	22/04/2019	22/04/2019
Hawick - Denholm Rideout	Sat	01-Jun-19						13/03/2019	13/03/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019
West Linton - Kirking of the Whipman	Sun	02-Jun-19						23/11/2018	22/04/2019	22/04/2019	22/04/2019	22/04/2019	22/04/2019	22-Apr-19	22/04/2019	22/04/2019
Hawick - Kirkin Sunday	Sun	02-Jun-19						13/03/2019	13/03/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019
St Boswells Fair - Village Race	Sun															
West Linton - Sporting Events	Mon	03-Jun-19						23/11/2018	22/04/2019	22/04/2019	22/04/2019	22/04/2019	22/04/2019	22-Apr-19	22/04/2019	22/04/2019
Hawick - Monday Morning Rideout	Mon	03-Jun-19						13/03/2019	13/03/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019
Hawick - Tuesday Morning Rideout	Tues	04-Jun-19						13/03/2019	13/03/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019
West Linton - Sporting Events	Wed	05-Jun-19						23/11/2018	22/04/2019	22/04/2019	22/04/2019	22/04/2019	22/04/2019	22-Apr-19	22/04/2019	22/04/2019
Hawick - Wednesday Morning Rideout	Wed	05-Jun-19						13/03/2019	13/03/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019
West Linton - Sporting Events	Thu	06-Jun-19						23/11/2018	22/04/2019	22/04/2019	22/04/2019	22/04/2019	22/04/2019	22-Apr-19	22/04/2019	22/04/2019
Hawick - Thursday Morning Rideout	Thu	06-Jun-19						13/03/2019	13/03/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019
Hawick - Colour Bussing / Cornets Walk	Thu	06-Jun-19						13/03/2019	13/03/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019
Hawick - Main day	Fri	07-Jun-19						13/03/2019	13/03/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019
West Linton - Sporting Events	Sat	08-Jun-19						23/11/2018	22/04/2019	22/04/2019	22/04/2019	22/04/2019	22/04/2019	22-Apr-19	22/04/2019	22/04/2019
Selkirk - Childrens Sports	Sat	08-Jun-19						21/11/2018	11/04/2019	11/04/2019	11/04/2019	11/04/2019	11/04/2019	11/04/2019	11/04/2019	11/04/2019
Hawick - Returning the Flag	Sat	08-Jul-19						13/03/2019	13/03/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019
Gordon Civic Week - fancy dress parade	Sun															
Selkirk - Show Sunday	Sun	09-Jun-19						21/11/2018	11/04/2019	11/04/2019	11/04/2019	11/04/2019	11/04/2019	11/04/2019	11/04/2019	11/04/2019
Selkirk - Ladies Night	Wed	12-Jun-19						21/11/2018	11/04/2019	11/04/2019	11/04/2019	11/04/2019	11/04/2019	11/04/2019	11/04/2019	11/04/2019
Yetholm Festival - Stob Stanes Rideout	Wed	12-Jun-19						22/04/2019	22/04/2019	22/04/2019	22/04/2019	22/04/2019	22/04/2019	22/04/2019	22/04/2019	22/04/2019
Selkirk - the Night before the Morn	Thu	13-Jun-19						21/11/2018	11/04/2019	11/04/2019	11/04/2019	11/04/2019	11/04/2019	11/04/2019	11/04/2019	11/04/2019
Selkirk - Common riding Friday	Fri	14-Jun-19						21/11/2018	11/04/2019	11/04/2019	11/04/2019	11/04/2019	11/04/2019	11/04/2019	11/04/2019	11/04/2019
Peebles - Queen's Party Night	Fri	14-Jun-19						22/11/2018	22/05/2019	22/05/2019	22/05/2019	22/05/2019	22/05/2019	22/05/2019	22/05/2019	22/05/2019
Selkirk - professional Sports	Sat	15-Jun-19						21/11/2018	11/04/2019	11/04/2019	11/04/2019	11/04/2019	11/04/2019	11/04/2019	11/04/2019	11/04/2019
Peebles - Cross Kirk Service	Sun	16-Jun-19						22/11/2018	22/05/2019	22/05/2019	22/05/2019	22/05/2019	22/05/2019	22/05/2019	22/05/2019	22/05/2019
Jedburgh - Morebattle Rideout	Sun	23-Jun-19						13/03/2019	02/05/2019	02/05/2019	02/05/2019	02/05/2019	02/05/2019	02/05/2019	02/05/2019	02/05/2019
Kelso - Morebattle Rideout	Sun															
Melrose Festival - Melrosians Rideout	Mon	17-Jun-19						21/11/2018	26/02/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019
Peebles - Monday Night Parade	Mon	17-Jun-19						22/11/2018	22/05/2019	22/05/2019	22/05/2019	22/05/2019	22/05/2019	22/05/2019	22/05/2019	22/05/2019
Melrose Festival - Fancy Dress Parade	Tues	18-Jun-19						21/11/2018	26/02/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019
Peebles - Childrens Sports	Tues	18-Jun-19						22/11/2018	22/05/2019	22/05/2019	22/05/2019	22/05/2019	22/05/2019	22/05/2019	22/05/2019	22/05/2019
Melrose Festival - Cycle Ride	Wed	19-Jun-19						21/11/20								

Duns - Whitchester Ride	Sat	13-Jul-19						22/11/2018	12/06/2019	12/06/2019	12/06/2019	12/06/2019	12/06/2019	12/06/2019	12/06/2019	12/06/2019
Duns - Carnival Parade	Sat	13-Jul-19						22/11/2018	12/06/2019	12/06/2019	12/06/2019	12/06/2019	12/06/2019	12/06/2019	12/06/2019	12/06/2019
Duns - Entertainment in the Square	Sat	13-Jul-19						22/11/2018	12/06/2019	12/06/2019	12/06/2019	12/06/2019	12/06/2019	12/06/2019	12/06/2019	12/06/2019
Innerleithen - Local Bands	Sun	14-Jul-19						23/11/2018	12/06/2019	12/06/2019	12/06/2019	12/06/2019	12/06/2019	12/06/2019	12/06/2019	12/06/2019
Innerleithen - Fancy Dress	Thu	18-Jul-19						23/11/2018	12/06/2019	12/06/2019	12/06/2019	12/06/2019	12/06/2019	12/06/2019	12/06/2019	12/06/2019
Innerleithen - Cleikum ceremony	Fri	19-Jul-19						23/11/2018	12/06/2019	12/06/2019	12/06/2019	12/06/2019	12/06/2019	12/06/2019	12/06/2019	12/06/2019
Innerleithen - Flower Parade	Sat	20-Jul-19						23/11/2018	12/06/2019	12/06/2019	12/06/2019	12/06/2019	12/06/2019	12/06/2019	12/06/2019	12/06/2019
Innerleithen - Retreat and Bonfire	Sat	20-Jul-19						23/11/2018	12/06/2019	12/06/2019	12/06/2019	12/06/2019	12/06/2019	12/06/2019	12/06/2019	12/06/2019
Kelso - Kirkin of the Kelso Laddie	Sun	14-Jul-19						23/11/2018	28/06/2019	28/06/2019	28/06/2019	28/06/2019	28/06/2019	28/06/2019	28/06/2019	28/06/2019
Kelso - Family Day	Sun	14-Jul-19						23/11/2018	28/06/2019	28/06/2019	28/06/2019	28/06/2019	28/06/2019	28/06/2019	28/06/2019	28/06/2019
Kelso - Stichill/Hume/Ednam Rideout	Tues	16-Jul-19						23/11/2018	28/06/2019	28/06/2019	28/06/2019	28/06/2019	28/06/2019	28/06/2019	28/06/2019	28/06/2019
Kelso - Bussing Ceremony	Wed	17-Jul-19						23/11/2018	28/06/2019	28/06/2019	28/06/2019	28/06/2019	28/06/2019	28/06/2019	28/06/2019	28/06/2019
Kelso - Torchlit Procession	Wed	17-Jul-19						23/11/2018	28/06/2019	28/06/2019	28/06/2019	28/06/2019	28/06/2019	28/06/2019	28/06/2019	28/06/2019
Kelso - Floors Rideout	Thu	18-Jul-19						23/11/2018	28/06/2019	28/06/2019	28/06/2019	28/06/2019	28/06/2019	28/06/2019	28/06/2019	28/06/2019
Kelso - Whipmans Ceremony & Sprouston Rideout	Mon	15-Jul-19						23/11/2018	28/06/2019	28/06/2019	28/06/2019	28/06/2019	28/06/2019	28/06/2019	28/06/2019	28/06/2019
Kelso - Fancy Dress Parade	Sat	20-Jul-19						23/11/2018	28/06/2019	28/06/2019	28/06/2019	28/06/2019	28/06/2019	28/06/2019	28/06/2019	28/06/2019
Kelso - Yetholm Rideout	Sat	20-Jul-19						23/11/2018	28/06/2019	28/06/2019	28/06/2019	28/06/2019	28/06/2019	28/06/2019	28/06/2019	28/06/2019
Eyemouth Herring Queen - Festival Market	Sun	21-Jul-19						02/07/2019	03/07/2019	03/07/2019	03/07/2019	03/07/2019	03/07/2019	03/07/2019	03/07/2019	03/07/2019
Eyemouth Herring Queen - Festival Events	Mon	22-Jul-19						02/07/2019	03/07/2019	03/07/2019	03/07/2019	03/07/2019	03/07/2019	03/07/2019	03/07/2019	03/07/2019
Lauder - Apprentice Ride	Mon	29-Jul-19						21/11/2018	13/03/2019	13/03/2019	13/03/2019	13/03/2019	13/03/2019	13/03/2019	13/03/2019	13/03/2019
Lauder - Fancy Dress Parade	Wed	31-Jul-19						21/11/2018	13/03/2019	13/03/2019	13/03/2019	13/03/2019	13/03/2019	13/03/2019	13/03/2019	13/03/2019
Lauder - Rideout	Thu	01-Aug-19						21/11/2018	13/03/2019	13/03/2019	13/03/2019	13/03/2019	13/03/2019	13/03/2019	13/03/2019	13/03/2019
Lauder - Main Day	Sat	03-Aug-19						21/11/2018	13/03/2019	13/03/2019	13/03/2019	13/03/2019	13/03/2019	13/03/2019	13/03/2019	13/03/2019
Coldstream - Opening Ceremony	Sun	04-Aug-19						23/11/2018								
Coldstream - Norham Ride	Mon	05-Aug-19						23/11/2018								
Coldstream - Birgham Rideout	Wed	07-Aug-19						23/11/2018								
Coldstream - Flodden Ride	Thu	08-Aug-19						23/11/2018								
Coldstream - Leitholm Ride	Fri	09-Aug-19						23/11/2018								
Coldstream - Torchlight Procession	Thur	08-Aug-19						23/11/2018								
Coldstream - Fancy Dress Parade	Sat	10-Aug-19						23/11/2018								
Clovenfords Summer Festival	Sat															
Newcastleton V for Victory event	Sat															
Earlston Civic Week - fancy dress	Sat	06-Jul-19	Y	N	N	N/A	N/A	30/05/2019	30/05/2019	30/05/2019	30/05/2019	30/05/2019	30/05/2019	30/05/2019	30/05/2019	30/05/2019
Earlston Civic Week - torchlight parade	Sat	06-Jul-19	Y	N	N	N/A	N/A	30/05/2019	30/05/2019	30/05/2019	30/05/2019	30/05/2019	30/05/2019	30/05/2019	30/05/2019	30/05/2019
Cockburnspath Week	Sat															

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As at 06.02.20	2017-18			2018-19			2019-20		
	Advertising Costs	Neighbourhood Direct costs	Total Cost	Advertising Costs	Neighbourhood Direct costs	Total Cost	Advertising Costs	Neighbourhood Direct costs	Total Cost
Civic Weeks/Common Ridings/Festivals			£0.00			£0.00			£0.00
Chirnside			£0.00			£0.00			£0.00
Cockburnspath			£0.00			£0.00			£0.00
Coldingham Gala Committee			£0.00			£0.00		£1,025.50	£1,025.50
Coldstream	£239.32	£492.00	£731.32		£915.51	£915.51		£1,114.33	£1,114.33
Duns		£3,616.89	£3,616.89		£1,286.50	£1,286.50		£1,482.93	£1,482.93
Earlston			£0.00			£0.00			£0.00
Eddleston Summer Festival			£0.00			£0.00			£0.00
Eyemouth Herring Queen		£645.50	£645.50		£1,494.98	£1,494.98		£698.50	£698.50
Galashiels	£3,163.05	£6,813.87	£9,976.92		£6,812.07	£6,812.07		£8,504.49	£8,504.49
Gordon Civic Week			£0.00			£0.00			£0.00
Greenlaw Festival		£144.00	£144.00		£304.38	£304.38		£469.90	£469.90
Hawick	£819.62	£4,793.00	£5,612.62		£5,036.06	£5,036.06		£7,470.78	£7,470.78
Innerleithen			£0.00		£1,726.53	£1,726.53		£2,039.00	£2,039.00
Jedburgh	£2,202.51	£2,100.00	£4,302.51		£3,128.36	£3,128.36		£2,907.68	£2,907.68
Kelso		£991.50	£991.50		£2,185.94	£2,185.94		£2,220.05	£2,220.05
Lauder	£1,125.22	£1,736.35	£2,861.57		£513.83	£513.83		£1,067.25	£1,067.25
Melrose	£1,557.09	£758.50	£2,315.59		£753.64	£753.64		£760.95	£760.95
Peebles	£309.16	£6,358.75	£6,667.91		£5,864.49	£5,864.49		£8,080.58	£8,080.58
Selkirk	£1,871.81	£7,594.34	£9,466.15		£3,204.65	£3,204.65		£8,077.10	£8,077.10
St Abbs			£0.00			£0.00		£417.00	£417.00
St Boswells Fair - Village Race			£0.00			£0.00			£0.00
Stow Gala and Sports		£144.00	£144.00			£0.00		£236.50	£236.50
Walkerburn			£0.00		£48.13	£48.13			£0.00
West Linton	£852.05		£852.05			£0.00			£0.00
Yetholm Festival			£0.00			£0.00			£0.00
	£12,139.83	£36,188.70	£48,328.53	£0.00	£33,275.07	£33,275.07	£0.00	£46,572.54	£46,572.54
Other Events									
Gala Sevens			£0.00			£0.00			£0.00
Melrose 7's	£1,023.73	£3,465.39	£4,489.12		£2,808.88	£2,808.88		£3,014.00	£3,014.00
Earlston 7s			£0.00		£80.00	£80.00			£0.00
British Uni Downhill			£0.00			£0.00			£0.00
Tour de Lauder			£0.00			£0.00			£0.00
Selkirk MTB	£612.13	£352.50	£964.63			£0.00			£0.00
Brae Races, Burnmouth	£174.02		£174.02		£411.88	£411.88		£962.15	£962.15
Hawick Sevens		£144.00	£144.00		£198.00	£198.00		£612.25	£612.25
Club Lotus Event, Duns			£0.00		£268.75	£268.75			£0.00
Jed Sevens			£0.00			£0.00			£0.00
Tweedlove , Peebles			£0.00		£354.88	£354.88		£5,972.15	£5,972.15
Border Bogie Race, Denholm			£0.00			£0.00			£0.00
Borders Book Festival, Melrose			£0.00			£0.00			£0.00
Jed Rock Music Festival			£0.00			£0.00			£0.00
Coldstream - Parade of Colours			£0.00			£0.00			£0.00
Waterloo Celebration Penielheugh			£0.00			£0.00			£0.00
Audio Soup Music Festival, Duns	£211.70		£211.70			£0.00			£0.00
Tour o Borders cycle sportive, Tweeddale			£0.00			£0.00			£0.00
Tour o the Borders Cycle Sportive			£0.00			£0.00			£0.00
Clovenfords Charity Event			£0.00			£0.00			£0.00
Peebles "Big Sunday" Event			£0.00			£0.00			£0.00
Peebles Show	£118.25		£118.25		£173.25	£173.25		£110.00	£110.00
Melrose - Edinburgh v Romania Rugby Match			£0.00			£0.00			£0.00
Honda Goldwings, Kelso			£0.00			£0.00			£0.00
Borders railway opening ceremonies			£0.00			£0.00			£0.00
Peebles Highland Games		£468.00	£468.00		£336.89	£336.89		£137.50	£137.50
Selkirk Ex Standard Bearers Charity Ride			£0.00			£0.00			£0.00
Tour of Britain cycle event FINISH, Kelso		£13,568.61	£13,568.61			£0.00		£16,671.87	£16,671.87

Tour of Britain cycle event, Berwickshire			£0.00			£0.00			£0.00
100 Bands - Galashiels			£0.00			£0.00			£0.00
Innerleithen Pipe Band Championships			£0.00		£221.38	£221.38		£1,183.00	£1,183.00
Langlee Carnival			£0.00						£0.00
100 Bands - Galashiels			£0.00			£0.00			£0.00
Selkirk Vintage Rally		£558.00	£558.00		£402.26	£402.26		£625.50	£625.50
Swinton - Victoria Cross Slab			£0.00			£0.00			£0.00
Melrose - Victoria Cross Slab			£0.00			£0.00			£0.00
Scotts Selkirk			£0.00		£446.13	£446.13		£220.00	£220.00
The Wee Toughie - Coldingham			£0.00			£0.00			£0.00
Jedburgh Running Festival			£0.00			£0.00			£0.00
Selkirk Remembrance Day Parade			£0.00			£0.00			£0.00
RBL Remembrance Day Parade, Galashiels			£0.00			£0.00			£0.00
Earlston Remembrance Day Parade			£0.00			£0.00			£0.00
Walkerburn Remembrance Day Parade			£0.00			£0.00			£0.00
Coldstream Remembrance Day Parade			£0.00			£0.00			£0.00
Hawick remembrance Day Parade			£0.00			£0.00			£0.00
Denholm Remembrance Day Parade			£0.00			£0.00			£0.00
Peebles Remembrance Day Parade			£0.00		£368.63	£368.63			£0.00
Jedburgh Remembrance Day Parade			£0.00			£0.00			£0.00
Hawick Christmas Parade		£347.00	£347.00		£363.26	£363.26		£1,017.78	£1,017.78
Kelso Christmas Lights			£0.00			£0.00		£441.65	£441.65
Jedburgh Christmas Lights			£0.00			£0.00		£822.84	£822.84
Peebles Christmas Lights			£0.00		£621.52	£621.52		£385.00	£385.00
Gala Christmas Lights			£0.00			£0.00		£546.15	£546.15
Jedburgh Torchlight parade		£188.00	£188.00		£160.00	£160.00			£0.00
Melrose Hogmanay			£0.00			£0.00			£0.00
Jed Traders Halloween Event		£260.00	£260.00		£163.50	£163.50		£806.27	£806.27
Melrose - Masons' Walk			£0.00			£0.00			£0.00
Melrose - Remembrance Day Parade			£0.00			£0.00			£0.00
Melrose - Christmas Parade			£0.00			£0.00			£0.00
Eyemouth Remembrance Day Parade			£0.00			£0.00			£0.00
Kelso Remembrance Day Parade			£0.00			£0.00			£0.00
Innerleithen - Christmas Parade			£0.00			£0.00			£0.00
Peebles - Hogmanay Parade			£0.00			£0.00			£0.00
Peebles - Company of Archers Parade			£0.00			£0.00			£0.00
Flying Scotsman Visit			£0.00			£0.00			£0.00
Peebles Rotary Club Childrens Charity Cycle			£0.00			£0.00			£0.00
Melrose Borders Fun Run		£124.00	£124.00		£376.77	£376.77			£0.00
Eyemouth - Kirk Square Kitchen		£128.00	£128.00		£294.38	£294.38		£460.83	£460.83
Duns - Rotary Club Street Party			£0.00			£0.00			£0.00
Border Union Show, Kelso	£231.83	£273.00	£504.83			£0.00		£559.50	£559.50
Coldstream Guards - Battle of the Somme March			£0.00			£0.00			£0.00
Eyemouth - Outdoor Theatre Production			£0.00			£0.00			£0.00
Broughton Kirk Event			£0.00			£0.00			£0.00
St Abbs Lifeboat Launch			£0.00			£0.00			£0.00
Peebles Masons Parade			£0.00			£0.00			£0.00
Jedburgh Rickshaw Challenge			£0.00			£0.00			£0.00
Galashiels Fireworks Display			£0.00			£0.00			£0.00
Galashiels Rape Crisis March			£0.00			£0.00			£0.00
Newtown St Boswells Christmas Lights Procession			£0.00			£0.00			£0.00
Citroen 2CV Event			£0.00			£0.00			£0.00
Lauder Christmas Parade		£299.25	£299.25		£677.89	£677.89		£277.87	£277.87
Selkirk Illuminations			£0.00			£0.00			£0.00
Scottish Downhill Assoc Mountain Bike Race			£0.00		£60.50	£60.50			£0.00
Innerleithen Mountain Bike Event	£204.47		£204.47			£0.00			£0.00
Peebles March Riders - Sept Ride			£0.00		£540.75	£540.75			£0.00
Clovenfords Fair			£0.00			£0.00			£0.00
Selkirk Nativity Play			£0.00			£0.00		£385.37	£385.37

Border Counties Rally	£263.27	£60.00	£323.27		£230.50	£230.50			£0.00
Reivers Festival March		£60.00	£60.00		£462.88	£462.88		£14.81	£14.81
Springwood Park Events (Initial provision of signs)		£94.00	£94.00			£0.00			£0.00
Floors Castle Horse Trials		£435.50	£435.50			£0.00			£0.00
Thirlestane Vintage Car Rally		£1,136.50	£1,136.50		£310.00	£310.00			£0.00
James Wilson Statue Unveiling		£144.00	£144.00			£0.00			£0.00
Scout Band Parade		£188.00	£188.00			£0.00			£0.00
Gala Triathlon	£167.09		£167.09			£0.00		£155.50	£155.50
Coldstream Bridge Ceremony	£238.29		£238.29			£0.00			£0.00
Scottish Beef Association	£234.74		£234.74			£0.00			£0.00
St Abbs Special Event	£251.72		£251.72			£0.00			£0.00
Hawick Fireworks Event	£68.53	£116.00	£184.53			£0.00			£0.00
Hawick Rickshaw Challenge		£155.25	£155.25			£0.00			£0.00
Lodge Walk			£0.00		£209.00	£209.00			£0.00
Selkirk Farmers Market			£0.00		£150.00	£150.00			£0.00
Eyemouth 5K			£0.00		£328.06	£328.06			£0.00
Galashiels Goes Extreme			£0.00		£979.70	£979.70			£0.00
Clovenfords Teddy Bears Picnic			£0.00		£210.50	£210.50			£0.00
Victoria Cross Stone unveiling, Abbey Pl, Jed Road			£0.00		£454.65	£454.65			£0.00
Wreath Laying Ceremony, Hawick High Street			£0.00		£660.64	£660.64			£0.00
Angel Wings Ceremony, Galashiels			£0.00		£483.76	£483.76			£0.00
Douglas Square Car Park Closure			£0.00		£50.00	£50.00			£0.00
Scottish Ploughing Championship			£0.00		£137.50	£137.50			£0.00
Film Crew Christmas Ad, Kelso			£0.00		£243.00	£243.00			£0.00
Jedburgh Seasonal Market			£0.00		£80.00	£80.00		£827.23	£827.23
Newcastleton Music Festival - 7th July			£0.00			£0.00		£96.75	£96.75
Galashiels - All Under One Banner Parade			£0.00			£0.00		£127.36	£127.36
Hendersyde Park Horse Trials			£0.00			£0.00		£165.00	£165.00
Womens Tour Of Scotland Cycle Race			£0.00			£0.00		£423.48	£423.48
Selkirk Funeral Parade			£0.00			£0.00		£64.50	£64.50
Jim Clark Event - 29.08.19			£0.00			£0.00		£772.15	£772.15
Duke of Roxburgh's Memorial - St Mary's Road			£0.00			£0.00		£444.50	£444.50
Remembrance Day Parades (Various)			£0.00			£0.00		£967.34	£967.34
Royal Visit - Hawick 01.11.19			£0.00			£0.00		£1,026.75	£1,026.75
Tweedbank Park - Bonfire & Fireworks			£0.00			£0.00		£352.75	£352.75
Election 12.12.19			£0.00					£85.53	£85.53
	£3,799.77	£22,565.00	£26,364.77	£0.00	£14,319.69	£14,319.69	£0.00	£40,735.33	£40,735.33

	2017/18			2018/19			2019-20		
	ADVERTISING	NEIGHBOURHOODS	TOTAL	ADVERTISING	NEIGHBOURHOODS	TOTAL	ADVERTISING	NEIGHBOURHOODS	TOTAL
SUBTOTALS									
Local Common Ridings and Festivals	£12,139.83	£36,188.70	£48,328.53	£0.00	£33,275.07	£33,275.07	£0.00	£46,572.54	£46,572.54
Other Events	£3,799.77	£22,565.00	£26,364.77	£0.00	£14,319.69	£14,319.69	£0.00	£40,735.33	£40,735.33
	£15,939.60	£58,753.70	£74,693.30	£0.00	£47,594.76	£47,594.76	£0.00	£87,307.87	£87,307.87

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