

**CORPORATE AND COMMUNITY PLANNING**  
**STANDING SCRUTINY PANEL.**

Minutes of meeting in County Buildings, Wellington Square, Ayr,  
on 13th December 2012 at 10.00 a.m.

Present: Councillors Brian Connolly (Chair), Andy Campbell, Douglas Campbell, Alec. Clark, Ann Galbraith, John Hampton and Brian McGinley.

Apology: Councillor Hywel Davies.

Attending: E. Howat, Executive Director – Corporate Services; H. Garland, Executive Director – Children and Community; L. Bloomer, Executive Director – Development and Environment; V. Andrews, Head of Legal and Administration; K. O'Hagan, Head of HR and Organisational Development; C. Monaghan, Head of Policy, Performance and Communication; H. McLaughlin, Audit Services Programme Review Manager; A. Craig, Corporate Research and Intelligence Officer; A. MacLeod, Performance and Business Manager; and E. Wyllie, Committee Services Officer.

Also Attending: Councillor Robin Reid (Portfolio Holder); and Sarah Lawton, Senior Auditor, Audit Scotland.

**1. Item for Call-in.**

The Panel noted that there had been no call-ins for this meeting.

**2. Minutes of previous meeting.**

**Decided:** to note the Minutes of the previous meeting of 15th November 2012 (issued).

**AUDIT FUNCTION:-**

**3. Internal Audit Service - Annual Audit Plan 2012/13 – Progress Report.**

There was submitted a report (issued) of December 2012 by the Audit Services Programme Review Manager advising

- (1) of the progress and current position of the Annual Audit Plan from 1st June to 30th November 2012 and outlining the productivity of the section;
- (2) that a summary progress report showing actual activity, on a line by line basis against the original Audit Plan, was attached as an Appendix to the report;
- (3) that Internal Audit staff continued to be involved in investigations/unplanned work; and
- (4) that, at this stage in the audit year, it was envisaged that sufficient work would be carried out on the main core systems section of the Audit Plan to ensure that an annual assurance statement could be provided.

The Programme Review Manager provided further information and clarification in response to a question raised by a Member of the Panel on investigations and budget day allocations.

He also commented on a consultation process on the Public Sector Internal Audit Standards and that he would provide an update to a future meeting of this Panel on completion of this exercise.

**Decided:**

- (a) to note the progress being made with the Annual Audit Plan; and
- (b) to request the Audit Services Programme Review Manager to provide similar reports to future meetings of this Panel.

**4. Internal Audit Service – Follow-up of Internal Audit Reports – Progress Report.**

There was submitted a report (issued) of December 2012 by the Audit Services Programme Review Manager

- (1) advising of the current status of Directorate progress regarding the implementation of Action Plans contained within internal audit reports;
- (2) reporting that at the meeting of this Panel on 11th October 2012 (Page 496, paragraph 5), it had been decided that where an Audit Summary report had been identified as 'red', the relevant Officer would be required to attend the meeting of that Panel to provide an update and confirming that there were no 'red' reports issued in the period since the last Panel meeting;
- (3) informing that there were no outstanding action plan points due to be implemented by 30th September 2012; and
- (4) intimating that since the previous meeting of this Panel, eight reports had been issued and that a summary of these reports had been included as Appendices to the report.

Arising from discussion, the Head of Legal and Administration and the Programme Review Manager provided further information and clarification in response to the following matters raised by Members of the Panel:-

- the travel and subsistence regularity audit and the processing of claims;
- McCalls Avenue stores and stock control processes; and
- Belmont Academy's School Fund and the administration of school funds in general.

The Chair suggested that the Head of Curriculum and Service Improvement be requested to submit a report to a future meeting of this Panel on the general guidance for the administration of school funds.

**Decided:**

- (a) to note the progress of Directorates in the implementation of agreed Action Plan findings and that the Head of Curriculum and Service Improvement be requested to submit a report to a future meeting of this Panel on the general guidance for the administration of school funds; and
- (b) otherwise, to request the Audit Services Programme Review Manager to submit agreed reports to future meetings of this Panel.

## 5. Follow-up of External Audit Reports – Progress to 30th September 2012.

There was submitted a report (issued) of 16th November 2012 by the Executive Director – Corporate Services

- (1) providing an update on the progress being made by the Council in overtaking its external audit improvement actions from 1st July to 30th September 2012 and advising that this update covered those actions remaining from 2011, together with twenty new actions from two 2012 audit reports;
- (2) advising that, during the reporting period, seven actions had been completed and twenty one actions were continuing to progress in line with their original targets;
- (3) indicating that of the eight actions that were 'not on target', the achievement of seven were the subject of 'some concerns', the detail of which was outlined in Appendix 1 of the report, with these actions being subject to scrutiny by their respective Directorate Management Teams; and
- (4) reporting that the subsequently agreed remedial actions / revised timescales to help address these concerns were shown against the actions and would be managed accordingly over the next reporting period.

The Executive Director advised that the Report to Members and the Controller of Audit on the 2011/12 Audit had been considered by the Council at its meeting of 29th November 2012 and advised that this report had been remitted and would be submitted to the next meeting of this Panel for its consideration.

Arising from discussion, Officers provided further information and clarification in response to the following matters raised by Members of the Panel:-

- whether there were any associated costs due to the delay with some of the actions; and
- the current position with Shared Services.

**Decided:** to note the progress being made against the Council's external audit improvement actions as detailed in Appendix 1 of the report.

## WIDER SCRUTINY PANEL BUSINESS:-

### 6. Remit from the Leadership Panel of 4th December 2012 – Budget Management – Revenue Budgetary Control 2012/13 – Position Statement at 30th September 2012.

Reference was made to the Minutes of the Leadership Panel of 4th December 2012 (Page 28, paragraph 10) when that Panel, having considered a report by the Executive Director – Corporate Services of 28th November 2012, had decided, inter alia to remit the report to this meeting of the Standing Scrutiny Panel to allow the Panel to give the report detailed consideration and examination.

Arising from discussion, the Executive Directors provided further information and clarification in response to the following matters raised by Members of the Panel:-

- whether budget reporting could reflect real time information;
- payroll turnover and how this related to performance, outcomes and resource demands;

- long term financial planning and the need for service planning documents to have synchronising timeframes;
- review of primary school staffing and whether the practice of some rural primary schools sharing a Head Teacher could be rolled out further;
- current position with the delay in opening the children's residential unit;
- impact of the 10% reduction in the Continuous Professional Development budget and whether there was scope for self-funding and sponsorship opportunities in this regard;
- expenditure on tourism and economic development; and
- the position of affordable housing in terms of Right to Buy legislation.

**Decided:** to note the terms of the remit.

## **7. Employee Absence Monitoring Report.**

There was submitted a report (issued) of 5th December 2012 by the Head of HR and Organisational Development providing details of absence levels for the Council for the period 1st April to 31st October 2012 and advising of the ongoing monitoring and review of Managing Attendance at Work.

Arising from discussion, the Head of HR and Organisational Development provided further information and clarification in response to the following matters raised by Members of the Panel:-

- the occupational health service provider;
- whether associated costs relating to managing absence were available;
- the comparative position with other public and private bodies;
- medical and self certification processes;
- the level of support available for psychological reasons for absence and a request for a further breakdown of information relating to this area of absence;
- the approach undertaken for long term absenteeism;
- preventative strategies and support mechanisms to encourage attendance;
- the number of days lost for teachers; and
- absences from gastrointestinal illnesses and whether NHS Ayrshire and Arran guidance was available on basic hygiene procedures.

**Decided:** to note the current position with employee absence monitoring and that further updates, including a breakdown of psychological reasons for absence, would be provided to future meetings of this Panel.

## **8. Consideration of Programme of Reviews – Verbal Update.**

Reference was made to the Minutes of 15th November 2012 (Page 548, paragraph 5) with regard to the consideration of a programme of reviews and the Chair

- (1) proposed that the Panel review the following two issues:-
  - (a) aspects of procurement; and
  - (b) the presentation and content of budget management monitoring reports; and
- (2) advised that, following consideration of these proposed reviews by the Council, he would have further discussions with Panel Members regarding the intention to form two sub-groups from Panel Members to undertake a review each.

**Decided:** to propose to Council that Scrutiny Reviews be undertaken by this Panel in relation to:-

- (i) aspects of procurement; and
- (ii) the presentation and content of budget management monitoring reports.

The meeting ended at 11.50 a.m.