

CORPORATE AND COMMUNITY PLANNING
STANDING SCRUTINY PANEL.

Minutes of meeting in County Buildings, Wellington Square, Ayr,
on 11th October 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: V. Andrews, Head of Legal and Administration; C. Monaghan, Head of Policy, Performance and Communication; K. O'Hagan, Head of HR and Organisational Development; M. Newall, Head of Planning and Enterprise; H. McLaughlin, Audit Services Programme Review Manager; P. Linton, Performance and Change Management Manager; G. Muir, ICT Strategy Officer; and E. Wyllie, Committee Services Officer.

Also Attending: Councillors John McDowall, Bill McIntosh and Robin Reid (Portfolio Holders); Councillor Ian Douglas (for Call-in); Councillors Nan McFarlane and Corri Wilson.

1. Exclusion of press and public.

The Panel resolved, in terms of Section 50A(4) of the Local Government (Scotland) Act 1973, that the press and public be excluded from the meeting during consideration of the following item of business on the grounds that it involved the likely disclosure of exempt information in terms of paragraph 6 of Part 1 of Schedule 7A of the Act.

2. Item for Call-in – Approval of Funding Allocation for Ayr Renaissance Business Plan 2012/13.

Reference was made to the Minutes of the Leadership Panel of 2nd October 2012 (Page 466, paragraph 13) when that Panel, having considered a report (issued to Members only) of 19th September 2012 by the Executive Director – Development and Environment, had decided to approve the allocation of funds for the 2012/13 Ayr Renaissance Business Plan as outlined in the Appendix of the report.

The Panel was advised that the report had been the subject of a call-in (issued to Members only) details of which, together with written responses were circulated in advance of the meeting (issued to Members only).

The Chair invited Councillor Douglas Campbell to explain his reasons for the call-in and, thereafter, the Panel also heard the Head of Planning and Enterprise and the Head of Legal and Administration provide further information and clarification to the issues raised.

Arising from discussion, the Head of Planning and Enterprise provided further information and clarification in response to matters raised by Members of the Panel and information regarding the frequency of meetings of the Ayr Renaissance Board was sought. The Head of Planning and Enterprise advised that he would convey the Panel's concerns in relation to Board meetings to the Ayr Renaissance Board via the Executive Director – Development and Environment and update Members of the Panel on any feedback accordingly.

Decided: following review, that the decision of the Leadership Panel in respect of this matter be confirmed and implemented.

3. **Minutes of previous meeting.**

Decided: to note the Minutes of the previous meeting of 13th September and the Special meeting of 27th September 2012 (issued).

AUDIT FUNCTION:-

4. **Internal Audit Service – Annual Report 2011/12.**

There was submitted a report (issued) of September 2012 by the Audit Services Programme Review Manager advising of the work undertaken by the Internal Audit Service during 2011/12 as outlined in the Annual Report attached as an Appendix to the report.

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

- recovered sums and the extent of duplicated payments, ways in which risk was being mitigated in this regard; and responsibility for reviewing processes within the creditors system;
- performance during the year and productivity, budget and workload issues and whether benchmarking had taken place with other local authorities; and
- performance indicators and whether any work was being undertaken on their validity considering the different methods and definitions used by various organisations.

Decided: to note the contents of the report and to request the Audit Services Programme Review Manager to ensure that Internal Audit reported on matters arising from work on the 2012/13 Annual Audit Plan.

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

There was submitted a report (issued) of September 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) informing that, as at 26th September 2012, only one action plan point due to be implemented by 30th June 2012 was still outstanding and that this was subject to an agreed extension of time with Internal Audit; and
- (3) 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:-

- effective contract recording; awareness raising to ensure adherence to Council Standing Orders;
- the types of training for Standing Orders as well as ongoing support to Officers;
- the high level of risk associated with the collaborative procurement of goods; and
- police investigation processes.

The Chair suggested that, where a summary report had been identified as 'red', a system be in place where the relevant Officer would automatically attend the Panel to advise Members of the position bearing in mind that Members could request Officer attendance for any other summary report regardless of its colour coding.

Decided:

- (a) to note the progress of Directorates in the implementation of agreed Action Plan findings;
- (b) to request that, in future, where an Audit Report summary had been identified as 'red', the relevant Officer was required to attend the meeting of the Panel to update Members; and
- (c) otherwise, to request the Audit Services Programme Review Manager to submit agreed reports to future meetings of this Panel.

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

Reference was made to the Minutes of 14th June 2012 (Page 336, paragraph 4) when the Annual Audit Plan for 2012/13 had been approved and there was submitted a report (issued) of September 2012 by the Audit Services Programme Review Manager advising

- (1) of the progress and current position of this Plan from 1st June to 21st September 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 early 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.

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.

7. Follow-up of External Audit Reports – Progress to 30th June 2012.

There was submitted a report (issued) of 4th October 2012 by the Executive Director – Corporate Services

- (1) providing an update on the progress being made by the Council in undertaking its external audit improvement actions from 1st December 2011 to 30th June 2012 and advising that this update covered fifteen actions together with the remaining six actions from other 2011 audit reports;
- (2) advising that, during the reporting period, four actions had been brought to completion and ten actions were continuing to progress in line with their original targets;

- (3) indicating that of the seven actions that were 'not on target', the achievement of six were the subject of 'some concerns' and one had 'major concerns' and that the detail surrounding these actions 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.

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

- the various timescales for actions and whether these were over optimistic or if there were other factors to be taken into consideration as to why timescales were not met and the process for agreeing timescale revisions; and
- the current level of risk in relation to loss of data held on Cfacs in the event of system failure.

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:-

8. Annual Performance Report to 31st March 2012.

Reference was made to the Minutes of South Ayrshire Council of 27th September 2012 (Page 446, paragraph 11) and there was submitted a report (issued) of 27th September 2012 by the Head of Policy, Performance and Communication providing an update on the Council's progress against its Corporate Plan to 31st March 2012.

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

- improved consultation and engagement with young people and the differences in percentages between primary school and secondary school pupils in responding to their views on how to improve schools;
- the absence statistics of employees and whether this could be costed in terms of finance and productivity, ways in which to support employees who were sick as well as those employees who were required to take on additional workloads as a result and benchmarking with other local authorities;
- the difference in loan rates between the Council and other Scottish Councils; and
- property issues and the higher level of expenditure on responsive repairs resulting from severe weather events.

A consolidated response to Members of the Panel in relation to the various issues raised would be circulated.

The Chair commented that this Panel received regular updates on maximising attendance and suggested that the Head of HR and Organisational Development give a presentation for the benefit of new Panel Members the next time this report was being submitted. The Head of HR and Organisational Development indicated her intention to undertake such a presentation as well as include some costings into the regular reporting format submitted to the Panel.

Decided: to note the progress of elements relating to the remit of this Panel in the Annual Performance Report to 31st March 2012, as detailed in Appendix 1 to the report.

9. 2012 Employee Opinion Survey.

Reference was made to the Minutes of the Leadership Panel of 2nd October 2012 (Page 461, paragraph 7) when that Panel, having considered a report by the Head of HR and Organisational Development of 20th September 2012, had decided:-

- (1) to note the results of the Council's 2012 Employee Opinion Survey;
- (2) to agree that Directorate HR Managers discuss the detailed findings with the relevant Executive Director and Service;
- (3) to agree to the findings being reported to the Trade Union Liaison Group;
- (4) to agree to the development of Directorate action plans;
- (5) to agree that these Action Plans be reported to a future meeting of this Panel; and
- (6) to agree that the results of the survey be referred to the next meeting of this Panel for its consideration in the first instance.

Thereon, the Panel considered the terms of the report (issued) and the verbal update from the Head of HR and Organisational Development.

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 response rate of free responses detailed in Appendix 5 of the report and whether these responses could be further analysed to obtain a better sense of issues relating to recognition and trust to allow improvements to be made;
- the methods used for circulating the survey;
- whether further steps could be taken by the Council to communicate effectively with employees to improve their sense of well being; and
- the next steps within the process arising from these results.

Decided: to note the results from the 2012 Employee Opinion Survey and that Directorate Action Plans would be developed and reported to a future meeting of the Leadership Panel for its consideration.

The meeting ended at 12 noon