

CORPORATE AND COMMUNITY PLANNING
STANDING SCRUTINY PANEL.

Minutes of meeting in County Buildings, Wellington Square, Ayr,
on 26th January 2012 at 10.00 a.m.

Present: Councillors Brian Connolly (Chair), Sandra Goldie, Bill Grant, John Hampton, Mairi Low, Helen Moonie, Alec Oattes and Mike Peddie.

Attending: E. Howat, Executive Director – Corporate Services; C. Monaghan, Head of Policy, Performance and Communication; K. Leinster, Head of Community Care and Housing; A. Wilson, Head of HR and Organisational Development; H. McLaughlin, Audit Services / Programme Review Manager; A. MacLeod, Business and Performance Manager; D. Burns, Housing Policy and Strategy Manager; C. Gardner, Corporate Planner; and E. Wyllie, Committee Administration Officer.

Also Attending: Councillor Robin Reid (Portfolio-holder).

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 1st December 2011 (issued).

Housing Revenue Account Assumptions.

Reference was made to paragraph 2 on Pages 720 to 722 of these Minutes dealing with "Report to Members and the Controller of Audit on the 2010/11 Audit" when it had been agreed to request the Head of Community Care and Housing to submit a report to the next meeting of this Panel responding to the question that had been raised in relation to "what assumptions have been made in respect of future income and expenditure and what assurances do tenants have in relation to future rent increases beyond year three of the Plan" and there was submitted a briefing note (issued) of 19th January 2012 by the Head of Community Care and Housing which

- (1) advised that income over the life of the Business Plan reflected current rent collection levels whilst incorporating an element of bad debt provision to reflect current economic difficulties and in recognition of potential changes through Welfare Reform;
- (2) indicated that Capital Expenditure over the next three years focused on compliance with the Scottish Housing Quality Standard and that beyond 2015, expenditure on property focused on renewal of components nearing the end of their life cycle whilst ensuring sufficient funds existed to service elements such as double glazed windows, smoke alarms and heating systems, etc.;
- (3) detailed the budget breakdown as outlined in the Rent Report for 2012/13 approved by the Special Council at its meeting on 17th November 2011; and

- (4) reported that for the first three years of the Business Plan, the Council had agreed to rent increases of 5.2% per annum to support compliance with the Scottish Housing Quality Standard by 2015 and that thereafter, the remaining twenty seven years of the Business Plan were modelled on inflation plus 1%.

Various questions were raised by Members of the Panel in relation to the consultation process with tenants and whether tenants were fully aware that the remaining 27 years of the Plan would be modelled on inflation plus 1% and the Executive Director – Corporate Services and the Head of Community Care and Housing responded accordingly.

Decided: to note the position.

WIDER SCRUTINY PANEL BUSINESS:-

3. Scrutiny Review: Strategic Review of Absence Management.

Reference was made to the Minutes of 1st December 2011 (Page 723, paragraph 5) when it had been agreed to continue consideration of the report on Scrutiny Review: Strategic Review of Absence Management and there was submitted the report (issued) of 17th November 2011 by the Head of HR and Organisational Development advising of the progress to date with the ongoing strategic review of absence including the absence statistics for the Council for period from 1st July to 31st October 2011.

Various questions were raised by Members of the Panel in relation to:- how this Council compared with others in terms of managing absence; why some Directorates showed a higher number of days lost than others; costs associated with absences; and whether there were any significant differences between part time and full time employees and the Head of HR and Organisational Development responded accordingly.

Decided: to note the contents of the report.

AUDIT FUNCTION:-

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

There was submitted a report (issued) of January 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 13th January 2012, no Action Plan points due to be implemented by 30th November 2011 were still outstanding; and
- (3) intimating that since the previous meeting of this Panel, eight reports had been issued and that a summary of these reports, excluding those for Community Councils, had been included as Appendices to the report.

A question was raised by a Member of the Panel in relation to Directorates' responses to Action Plan points and the Executive Director – Corporate Services and the Audit Services / Programme Review Manager responded accordingly.

Decided:

- (a) to note the progress of Directorates in the implementation of agreed Action Plan findings; and
- (b) to request the Audit Services / Programme Review Manager to submit agreed reports to future meetings of this Panel.

5. Internal Audit Service - Annual Audit Plan 2011/12 – Progress Report.

Reference was made to the Minutes of 26th May 2011 (Page 350, paragraph 3) when the Annual Audit Plan for 2011/12 had been approved and there was submitted a report (issued) of January 2012 by the Audit Services / Programme Review Manager advising

- (1) of the progress and current position of this Plan from 1st June to 31st December 2011 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, so far this year, Internal Audit staff had continued to be heavily involved in investigation work and that in the first part of this year, this commitment had required them to be diverted from working directly on areas in the Audit Plan, however, this involvement was now diminishing with the conclusion of some of the investigations and therefore, work was now focussed again on the Annual Plan; and
- (4) that 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 and that the Panel would be advised of any significant amendments to the Annual Plan.

Various questions were raised by Members of the Panel in relation to the recently appointed Audit Scotland team and the activity relating to Citadel systems manipulation and the Audit Services / Programme Review Manager responded accordingly.

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.

6. Follow-up of External Audit Reports – Progress to 30th November 2011.

There was submitted a report (issued) of 13th January 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 July to 30th November 2011;
- (2) advising that, during the reporting period, seven actions had been brought to completion, the majority of these relating to reports published in 2010/11 with a further fifteen actions 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 that the detail surrounding these actions was outlined in Appendix 2 of the report with these actions being subject to scrutiny by their respective DMTs; 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.

Various questions were raised by Members of the Panel in relation to:- the reasons for re-establishing the South Ayrshire 1000; the information expected within the Corporate Asset Management Plan being drafted by March 2012; and Oracle downtime and whether this caused disruption during the working day and the Head of Policy, Performance and Communication responded on the community engagement process which incorporated South Ayrshire 1000 and indicated that she would circulate a response with regards to Oracle. It was suggested that the Head of Property and Neighbourhood Services would be better placed to respond on the Corporate Asset Management Plan.

Decided:

- (a) to note the progress being made against the Council's external audit improvement actions as detailed in Appendix 1 of the report;
- (b) to note that the Head of Policy, Performance and Communication would circulate a response with regards to Oracle downtime; and
- (c) to request the Head of Property and Neighbourhood Services to circulate a response to Panel Members in relation to the query on the Corporate Asset Management Plan.

7. Panel Work Programme – Procurement Working Group Update.

Councillor Moonie gave an update on the current position with the Procurement Working Group which had already completed one task and

- (1) advised that a number of key priorities had been identified with a comprehensive review of all of these tasks probably taking over a year to fully complete; and
- (2) informed that, for the time being, the task pertaining to Community Benefit clauses be undertaken with an update reported to the next meeting on this matter.

Decided: to note the current position.

The meeting ended at 10.55 a.m.