

CORPORATE AND COMMUNITY PLANNING
STANDING SCRUTINY PANEL.

Minutes of meeting in County Buildings, Wellington Square, Ayr,
on 5th September 2013 at 10.00 a.m.

Present: Councillors Alec. Clark (Chair), Andy Campbell, Douglas Campbell, Ann Galbraith, Mary Kilpatrick and Brian McGinley.

Apologies: Councillors Brian Connolly (Chair) and John Hampton.

Attending: V. Andrews, Acting Executive Director – Resources, Governance and Organisation; Claire Monaghan, Head of Policy, Community Planning and Public Affairs; K. O'Hagan, Head of Employee and Customer Services; D. Gillies, Head of Corporate Resources; H. Carswell, Head of Children's Services; H. McLaughlin, Audit Services Programme Review Manager; T. Baulk, Chief Accounting Officer; D. McNeill, Treasury Manager; C. Gardner, Senior Strategic Planning and Performance Manager; and E. Wyllie, Committee Services Officer.

Also Attending: Councillors Bill McIntosh and Robin Reid (Portfolio-holders); and Dave Richardson, Audit Manager, Audit Scotland.

Opening Remarks.

In the absence of the Chair, Councillor Clark took the chair and welcomed everyone to the meeting.

1. Declaration of Interest.

There were no declarations of interest by Members of the Panel in terms of Council Standing Order No. 17 and the Councillors' Code of Conduct.

2. Item for Call-in.

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

3. Minutes of previous meeting.

Decided: to note the Minutes of the previous meeting of 6th June 2013 (issued) ([link attached](#)).

AUDIT FUNCTION:-

4. Internal Audit Charter.

There was submitted a report (issued) ([link attached](#)) of August 2013 by the Audit Services Programme Review Manager presenting the Internal Audit Charter for approval, attached as an Appendix to the report, with this being a requirement of the recently implemented Public Sector Internal Audit Standards.

Clarification was sought in relation to Consultancy Services and what might constitute a major consulting exercise. The Audit Services Programme Review Manager commented that there had been, to date, little requirement for Internal Audit to undertake such work at this Authority and although advice was given regularly by Internal Audit in response to requests from Officers, this was essentially one-off advice to ad-hoc issues. The need for any significant consultancy work would be reported to the Audit Committee.

In respect of Assurance Services, the Audit Services Programme Review Manager provided further clarification on what this entailed.

In general terms, the Audit Services Programme Review Manager commented that he would report to this Panel as Audit Committee on a regular basis on this new code and also described the assessment process for the Internal Audit Service.

The Panel

Decided: to approve the Internal Audit Charter attached as Appendix 1 of the report.

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

There was submitted a report (issued) ([link attached](#)) of August 2013 by the Audit Services Programme Review Manager advising of the current status of Directorate progress in regard to the implementation of action plans contained in internal audit reports.

The Panel

Decided:

- (1) to note the progress of Directorates in the implementation of agreed action plan findings as outlined in paragraph 4.2 of the report; and
- (2) to request the Audit Services Programme Review Manager to submit agreed reports to future meetings of this Standing Scrutiny Panel.

6. Audit Scotland – Major Capital Investment in Councils.

There was submitted a report (issued) ([link attached](#)) of 27th August 2013 by the Head of Corporate Resources advising of the findings and recommendations of Audit Scotland's first comprehensive review of major capital investment in Councils, attached as Appendix 1 to the report.

In relation to the Audit Scotland Action Points, clarification was sought as to whether these points would be developed into an Action Plan with robust targets in place and it was noted that this would be undertaken and could also incorporate project proposals.

Discussion took place in relation to slippage within the reporting element of the delivery of projects and the Head of Corporate Resources reported that each project would require the development of a business case incorporating costs, objectives and a review process which would demonstrate the project's robustness for prioritisation thereafter.

With regard to the assessment of business case criteria, it was noted that training for Elected Members would be provided as part of the process to enable an understanding of prioritisation.

A discussion took place in relation to staffing and if a robust structure was in place to support the delivery of projects and it was noted that an alignment process in terms of staffing was currently being developed to achieve this.

At this point, the Audit Manager commented that the development of an Action Plan was an excellent idea and, as part of his role, he would be required to check on progress and an Action Plan would be helpful in this regard. He also suggested that a colleague from Audit Scotland could give a presentation to all Elected Members on this matter.

The Panel, having thanked the Audit Manager for his offer of a briefing to all Elected Members presented by Audit Scotland

Decided:

- (1) to note the contents of the report and particularly the key messages and recommendations contained within the report; and
- (2) to approve the development of an Action Plan on this basis.

7. Audit Scotland – Annual Overview of Corporate Governance Arrangements 2012/13.

There was submitted a report (issued) ([link attached](#)) of 27th August 2013 by the Acting Executive Director – Resources, Governance and Organisation advising of the findings from the annual review of key financial systems within the Council.

The Audit Manager presented the document and referred to the Action Plan appended to the report.

Clarification was sought with regard to availability of written procedural instructions and the Audit Manager explained that depending on the system this would be recent (oracle) or historical (Debtors system).

Clarification was sought and provided for the expression 'n/a' in relation to certain 'actions'.

Further information was sought and provided with regard to Action No. 17 relating to the transfer of fraud officers to the DWP and it was noted that no action could be taken until DWP had taken a decision on the transfer arrangements.

In respect of Action No. 9 concerning debtor account details, clarification was sought and provided in relation to the efficiency of the system and it was noted that this was an old system, however, its replacement would require to be prioritised alongside that of any other systems. Concerns were expressed in relation to the mitigation of risk in this regard and it was suggested that this Panel recommended that the efficiency of this system be the subject of a report to be submitted to a future meeting of the Panel.

Clarification was sought in relation to Action No. 8 on the use of corporate credit cards and what would constitute non-compliance and it was noted that this authority's use of corporate credit cards was very small with minimum risk involved.

In terms of feedback from those actions due to be completed by December 2013, it was noted that this would be undertaken via the External Audit reporting mechanism.

The Panel

Decided:

- (1) to note the key issues raised by the Auditors;
- (2) to agree the Action Plan proposed at Appendix 1 of the report; and
- (3) to agree that progress in implementing the Action Plan would be reported to this Panel as part of the review of External Audit reports.

8. Follow-up of External Audit Reports – Progress to 30th June 2013.

There was submitted a report (issued) ([link attached](#)) of 27th August 2013 by the Head of Policy, Community Planning and Public Affairs providing an update on the progress being made in relation to external audit improvement actions.

General comments were made in relation to extended timescales and it was noted that there was a balance to be reached in terms of setting a realistic date since matters such as changing legislation could impact on timeframes.

Clarification was sought in relation to the progress being made within the action pertaining to performance management and it was noted that significant progress had been made and that Covalent was in use across the whole Council, but that because the new Council Plan was still to be agreed, the 10% assessment reflected the preparatory work for this very specific action.

The Panel

Decided: following review, noted the progress being made against the Council's external audit improvement actions as presented in this report.

WIDER SCRUTINY PANEL BUSINESS:-

9. Freedom of Information (Scotland) Act 2002 (FOI) Environmental Information (Scotland) Regulations 2004 (EIR) – Assessment – Scottish Information Commissioner's Assessment Report.

Reference was made to the Minutes of 28th March 2013 (Page 275, paragraph 7) and there was submitted a report (issued) ([link attached](#)) of 27th August 2013 by the Acting Executive Director – Resources, Governance and Organisation providing an update on the Freedom of Information Assessment and subsequent recommendations, made in the Action Plan, by the Scottish Information Commissioner.

The Acting Executive Director – Resources, Governance and Organisation referred to a letter (tabled) of 23rd August 2013 to the Chief Executive from the Scottish Information Commissioner with regard to the assessment of compliance with good practice and that the Commissioner was pleased that the Council had now completed all steps outlined within the action plan. The Commissioner had also taken the opportunity to express her appreciation for the Council's cooperation in implementing the action plan.

The Panel, having heard the Chair on behalf of the Panel similarly record its appreciation of staff in this regard

Decided:

- (1) to note the implementation of the recommendations which had been made by the Commissioner as detailed in Appendix 1 of the Action Plan of the Assessment Report;
- (2) to note the improvement in the twenty day turnaround response times; and
- (3) to agree that monthly monitoring reports be issued to Directorate Management teams, quarterly reports to the Corporate Management Team and an annual report to this Panel.

10. Treasury Management Annual Report 2012/13.

There was submitted a report (issued) ([link attached](#)) of 27th August 2013 by the Chief Accounting Officer presenting, in line with the requirements of the Chartered Institute of Public Finance and Accountancy Code of Practice on Treasury Management, the annual report of treasury management activities for 2012/13 attached as Appendix 1 of the report and seeking approval of its content.

A discussion took place in relation to long term borrowing and the ability to use such funds and it was noted that borrowing could only be used for capital projects and plans were already in place for the capital programme. The risks associated with whether to borrow or not were also explored given that borrowing rates were low at the moment and it was noted that this would be a decision for the Council to make at the appropriate time.

Clarification was sought with relation to PPP expenditure and it was noted that this was a reducing balance with twenty-five years still remaining.

In terms of the external debt figure of £186,397 for 2013/14, it was noted that this was a historic debt position backed by assets.

The Panel

Decided: having considered the Annual Treasury Management Report for 2012/13, attached as Appendix 1 of the report, to refer this report to the next meeting of South Ayrshire Council of 10th October 2013 for its consideration.

11. Annual Performance Report to 31st March 2013.

There was submitted a report (issued) ([link attached](#)) of 27th August 2013 by the Head of Policy, Community Planning and Public Affairs outlining the Council's progress against its Corporate Plan to 31st March 2013 in relation to those corporate aims and objectives which fell within the remit of this Panel.

The Head of Policy, Community Planning and Public Affairs referred to the five aims covered within the Appendix to the report and the following discussion took place:-

(1) Aim 06 The voices of our community, including those of young people are heard and have influence:-

Clarification was sought as to how Officers made use of the performance information in relation to engagement to help focus on improvement and better understand what was happening. It was noted that the challenges involved hard to reach groups, the use of social media to reach more young people and the need to better demonstrate that those who had expressed views had actually helped to influence and change things.

It was suggested that there was potential to make more use of existing community organisations for engagement and a discussion took place in relation to the multi platform approach adopted with the Single Outcome Agreement, the Government requirements placed on such exercises and the fact that people were not attracted to high level consultation, as opposed to engaging on specific issues.

Comments were also made in respect of:- the potential for better marketing so that people understood the language used by the Council; on the requirement for information to be disseminated to the public on the Council's proposals although acknowledging that this did not always generate feedback; and that specific localised issues would always be what attracted people away from other competing priorities on their time.

Clarification was sought as to:- why the main Community Planning Partners were undertaking consultation in their own separate ways rather than using one shared approach to engage with the public; and why information gleaned from service users rarely seemed to change or impact on subsequent service delivery. It was noted that there was agreement in principle across the Partners to adopt a single approach, but timescales, statutory requirements around specific exercises and the challenge of developing a shared programme had prevented this progressing to date. However this would be given further consideration. In terms of engagement having an impact, then there was a lot of evidence that this was happening but the Council needed to be better in completing the loop of feeding this back to people.

It was suggested that the language of 'Community Engagement' conveyed a top down approach and that the Council needed to do more to invest in the community and get them to take a role in their communities to promote participation and democracy to encourage a bottom up approach. It was noted that some of the best recent examples of engagement had been bottom up but that this required a major shift in mindsets that, as a Council, might be able to progress more quickly than the Partnership.

(2) Aim14c An engaged, positive and motivated workforce:-

The Panel were encouraged by the significant improvement shown in the measures reported throughout the employee survey.

(3) Aim14f Use of Resources – Workforce:-

The repeated concerns of the Panel over the levels of sickness absence within the workforce were discussed and clarification was sought as to whether the improvement actions discussed at previous Panel meetings were being progressed. It was noted that attendance policies from other Councils and best practice organisations had been sourced and had been used to help shape a new more focussed Council policy that would have specific actions and targets to help managers tackle both long term and short term absence. The Panel heard that this draft policy was in the process of being discussed with the Council's Strategic Group prior to be submitted to Elected Members for their consideration. It was also explained that meetings had taken place with Occupational Health who would now take more action in certain areas. It was noted that updates on progress and absence performance would continue to be regularly reported to meetings of this Panel.

(4) Aim14f Use of Resources - Finance; ICT; Procurement; Asset Management; Risk Management:-

Clarification was sought as to the figure of '£0' against 'total annual cash saving from procurement' for 2012/13 and it was noted that, in that particular year, no corporate savings target had been set although procurement savings had been achieved at an individual service level during that year. The Panel heard that a corporate target of £500,000 was in place for 2013/14.

In relation to whether there were plans to improve on the 58% performance in respect of the achievement of budgeted income within the General Services Capital Programme, it was noted that a more strategic approach was now being taken as to what the Council would wish to dispose of, with greater realism over the values that might be achieved and timescales for doing this.

The Panel discussed how the timescales were agreed and benchmarked for the indicator 'percentage of all jobs undertaken by the Council's Property Maintenance service that met agreed timescales' and it was noted that this related to ensuring that work was taken forward within appropriate timescales but that further information would be provided to the Panel over this particular indicator.

(5) Aim14d Governance; Leadership & Strategy; Partnership Working; Performance Management:-

The Panel made no comments with regard to this aim.

The Panel

Decided:

- (a) to request that further information be provided over the indicator 'percentage of all jobs undertaken by the Council's Property Maintenance service that met agreed timescales'; and
- (b) to note the progress of elements relating to the remit of this Panel in the Annual Performance Report to 31st March 2013 as detailed in Appendix 1 to the report.

12. Progress Against the Assurance and Improvement Plan.

Reference was made to the Minutes of South Ayrshire Council of 25th April 2013 (Page 288, paragraph 6) and there was submitted a report (issued) ([link attached](#)) of 27th August 2013 by the Head of Policy, Community Planning and Public Affairs providing the opportunity to review progress against the improvement actions which were in place relating to the latest Assurance and Improvement Plan (AIP).

The Panel

Decided: following review of the progress to date against AIP improvement actions, to request that further updates be provided in line with the quarterly reporting cycle.

The meeting ended at 11.40 a.m.