

CORPORATE AND COMMUNITY PLANNING
STANDING SCRUTINY PANEL.

Minutes of meeting in County Buildings, Wellington Square, Ayr,
on 9th May 2013 at 10.00 a.m.

- Present: Councillors Brian Connolly (Chair), Andy Campbell, Douglas Campbell, Alec. Clark, Hywel Davies, Ann Galbraith, John Hampton and Brian McGinley.
- Attending: E. Howat, Acting Chief Executive; V. Andrews, Head of Legal and Democratic Services; H. Carswell, Head of Children's Services; D. Thomson, Trading Standards and Environmental Health Service Manager; H. McLaughlin, Audit Services Programme Review Manager; T. Baulk, Chief Accounting Officer; M. Leonard, Auditor; and E. Wyllie, Committee Services Officer.
- Also Attending: Councillors Robin Reid and Phillip Saxton (Portfolio-holders); and Alan MacKenzie, Auditor, Audit Scotland.

Chair's remarks

The Chair, on behalf of the Panel, congratulated Eileen Howat on her recent appointment to the post of Chief Executive.

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 28th March 2013 (issued) ([link attached](#)).

AUDIT FUNCTION:-

4. Internal Audit Service – Public Sector Internal Audit Standards (PSIAS).

There was submitted a report (issued) of May 2013 ([link attached](#)) by the Audit Services Programme Review Manager advising of the new Public Sector Internal Audit Standards (PSIAS) which stated in its introduction that "*a professional, independent and objective internal audit service is one of the key elements of good governance*" and summarising the implications for Internal Audit.

A discussion took place in respect of the key points and issues emanating from the PSIAS and it was noted that the introduction of these Standards would not generally affect the way in which the Internal Audit Service undertook its duties. It was further noted that the combined public sector standards now covered the whole range of public bodies.

In terms of the added value of the introduction of these Standards, it was noted that compliance with these Standards was mandatory for all internal auditors in the public sector and future performance would be measured against them.

The Panel

Decided: to note

- (1) the new Public Sector Internal Audit Standards effective from 1st April 2013;
- (2) the implications for South Ayrshire's Internal Audit; and
- (3) the commitment to work towards implementing the new Standards.

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

There was submitted a report (issued) of May 2013 ([link attached](#)) by the Audit Services Programme Review Manager advising of the progress and current position of the Annual Audit Plan as approved at the meeting of this Panel on 14th June 2012.

The Audit Services Programme Review Manager commented on the productivity of the section and provided clarification in relation to time recording and the percentages of actual days spent on productive, non-productive and management duties.

A discussion took place in relation to job allocations and continuity of tasks as well as staff rotation to maximise expertise, and the Panel

Decided:

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

6. Internal Audit Service –Internal Audit Reports – Progress Report.

There was submitted a report (issued) of May 2013 ([link attached](#)) by the Audit Services Programme Review Manager advising of the current status of Directorate progress in regard to the implementation of Action Plans contained within Internal Audit reports and, that since the previous Panel meeting, eight reports had been issued in respect of the following summaries, also appended to the report:-

- capital accounting – asset register;
- creditors payment – ordering;
- treasury management leasing and reporting;
- council tax – liability;
- cash income/banking – transaction processing, computer system;
- SHQS;
- debtors – collection, arrears and write-off; and
- children's services invoice processing.

In relation to the capital accounting - asset register, it was noted that this referred to a number of items which existed but were not recorded on the Register and that this was an administrative matter within the process which required to be addressed. Clarification was sought in respect of historical assets and whether any increase in value was recorded and the Chief Accounting Officer explained that the Council's Estates Section maintained a five year rolling programme of assets which took account of such matters.

In terms of Council Tax – liability, it was raised whether there was scope for a pilot exercise of housing inspectors to investigate void property exemptions and it was noted that, although the Acting Chief Executive's response on this matter related to exemptions and resources, she would pursue this suggestion further. It was further noted that the level of risk was measured against the cost benefit of mitigating such risk.

At the meeting of this Panel on 11th October 2012 (Page 5, paragraph 496), it had been decided that where an Audit Summary report was identified as 'red' then the relevant Officer would be requested to attend the meeting of the Panel and provide an update to Members. In this regard, the Chair invited the Head of Children's Services to provide an update in relation to the 'red' summary pertaining to children's services invoice processing.

In relation to whether any action was required to be taken in terms of breaches in Standing Orders to Contracts, the Head of Children's Services reported that he had delegated authority for residential placements therefore no child was placed outside this authority without his knowledge and confirmed that this process would be followed-up in a written format to evidence the use of this protocol. He commented on best value as well as investing in the Council's residential provision, carers and local services which not only reduced costs in the longer term but actually improved outcomes for the child concerned. The background to the differences in service and corporate staff working were explained and it was noted that these staffing processes had now been addressed.

After discussion, the Panel

Decided: having reviewed the summary reports

- (1) to note the reports issued in the period since the previous Panel meeting as summarised in appendices 1(a) to (h), attached to the report including the update presented by the Head of Children's Services at this meeting; and
- (2) otherwise, to request the Audit Services Programme Review Manager to submit agreed reports to future meetings of this Panel.

7. Internal Audit Service –Internal Audit Plan 2013/14.

There was submitted a report (issued) of May 2013 ([link attached](#)) by the Audit Services Programme Review Manager seeking approval of the Annual Audit Plan for 2013/14, attached as Appendix 1 of the report.

In relation to council tax systems, it was clarified that this related to welfare reform issues in terms of benefits.

Clarification was sought in terms of procurement and best value and it was noted that these elements were covered under continuous review and subject to ongoing assurance under the audit area of creditors by trawling for, amongst other things, any unusual items relating to Standing Order contract limits. It was raised whether procurement should be centralised to reduce risk and it was noted that this was a centralised process to a certain degree and that processes and procedures had greatly improved in this area due to ongoing training and awareness raising of the Council's Standing Orders relating to Contracts. A discussion took place as to whether a structural change would further improve matters and it was noted that a balance needed to be reached between knowledge of service requirements and a centralised process to achieve best value, however, these comments could be further explored by this Panel's Procurement Sub-Group.

The Panel

Decided:

- (1) to approve the Annual Audit Plan for 2013/14 as outlined in the appendix to the report; and
- (2) to request the Audit Services Programme Review Manager to implement the annual operational plan and to provide updates on progress with the plan to future meetings of this Panel.

8. Audit Scotland Report on 'Protecting Consumers'.

There was submitted a report (issued) of 10th April 2013 ([link attached](#)) by the Executive Director - Economy, Neighbourhood and Environment advising of the findings and recommendations contained in the Audit Scotland report 'Protecting Consumers' published on 31st January 2013 which had examined how well Scottish consumers were protected by local authority trading Standards and Food Safety Services.

A full discussion took place in relation to the excellent service provided and whether this was now under threat and clarification was sought in terms of staffing, succession planning and training issues and the impact on the local service currently being provided to consumers. Further discussion also took place in relation to the national perspective and COSLA's position.

Clarification was sought in respect of the Pan-Ayrshire Shared Service for Trading Standards and Environmental Health and the Trading Standards and Environmental Health Service Manager explained the reasons why that had not been pursued by the Council previously.

It was noted that a Trading Standards Summit was taking place in the near future involving COSLA, the Improvement Service and local authorities to discuss various matters concerning the national and local position of trading standards and that the Council would be represented by a senior Official and Elected Member.

Having debated a course of action in terms of referring this matter to the Development and Environment Standing Scrutiny Panel and whether the Leadership Panel or Council should also consider the implications of this report, it was suggested that the outcome of the Summit would also have a bearing in this regard, and the Panel

Decided:

- (1) to note the recommendations as outlined within the Audit Scotland report at Appendix 1 of the report;
- (2) meantime, to refer this matter to the Development and Environment Standing Scrutiny Panel for its consideration, including the 'Questions for Councillors' information outlined within Appendix 2 of the report and to note that a representative from Audit Scotland would be in attendance at that meeting; and
- (3) to request that the Development and Environment Standing Scrutiny Panel take cognisance that the Corporate and Community Planning Standing Scrutiny Panel was minded to refer this matter to a future meeting of the Leadership Panel or Council depending on the outcome of the Summit taking place in June 2013.

Councillor Douglas Campbell left the meeting during consideration of the above item.

The meeting ended at 11.15 a.m.