

CORPORATE AND COMMUNITY PLANNING
STANDING SCRUTINY PANEL.

Minutes of meeting in County Buildings, Wellington Square, Ayr,
on 27th February 2014 at 10.00 a.m.

- Present: Councillors Brian Connolly (Chair), Andy Campbell, Douglas Campbell, Alec. Clark, Mary Kilpatrick and Brian McGinley.
- Apologies: Councillors Ann Galbraith and John Hampton.
- Attending: V. Andrews, Executive Director – Resources, Governance and Organisation; H. McLaughlin, Audit Services Programme Review Manager; Z. Brownlie, Acting Procurement Manager; and E. Wyllie, Committee Services Officer.
- Also Attending: Councillors Bill McIntosh and Robin Reid (Portfolio-holders); and David Richardson, Senior Auditor Manager, Audit Scotland.

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 approve the Minutes of the previous meeting of 30th January 2014 (issued) ([link attached](#)).

AUDIT FUNCTION:-

4. Audit Scotland – South Ayrshire Council 2013/14 Audit – Review of Internal Audit.

There was submitted a report (issued) ([link attached](#)) of February 2014 by the Audit Services Programme Review Manager reporting on the findings of the Audit Scotland review of Internal Audit in relation to their 2013/14 audit as detailed in the appendix to the report.

Both the Audit Services Programme Review Manager and the Senior Audit Manager (Audit Scotland) commented on the findings of the Review and the Senior Audit Manager confirmed that internal audit was functioning well.

Clarification was sought in respect of the plan to place formal reliance on selected aspects of work which had not yet commenced. The reasons for this position and the timeframe associated with undertaking these tasks were provided and noted.

In relation to an identified small number of areas where the service had not yet achieved full compliance with the new standards, clarification was sought as to whether this was more to do with the bureaucratic systems in place. The Senior Audit Manager noted that this was difficult to comment on; however, he suggested that the external assessment arrangement could provide opportunities for cross fertilisation of work practices via the peer group proposals as discussed at the previous meeting of this Panel. The robustness of the system was recognised.

The Panel, having expressed their thanks for the work of the Internal Audit team in this regard

Decided: to note the contents of the Audit Scotland report and to recognise the fact that Audit Scotland would place formal reliance on internal audit work for 2013/14.

WIDER SCRUTINY PANEL BUSINESS:-

5. Review of Procurement.

There was submitted a report (issued) ([link attached](#)) of 21st February 2014 by the Executive Director – Resources, Governance and Organisation seeking approval on the outcomes of the Scrutiny Review of Procurement, undertaken by a Sub-Group of this Panel, which formed Appendix 1 of the report.

The Acting Procurement Manager referred to the document and highlighted the processes which had been undertaken leading to the finalisation of this report over the course of six meetings of the Working Group chaired by Councillor Clark. It was noted that the three recommendations emerging from this exercise were detailed in the document.

Similarly, Councillor Clark commented on the findings and thanked the Acting Procurement Manager and Working Group Members for their input into what had been a very constructive review.

General comments were made in relation to the robustness of the Review and that this style of reporting could perhaps be adopted across the Standing Scrutiny Panels as part of a standardised Review reporting mechanism. It was suggested that the Scrutiny and Governance Management Panel could explore this idea further.

A full discussion took place in relation to:- a centralised procurement approach; capital programme contracts; framework agreements for small repetitive contracts; the post award process; guidelines and legislation; contractor reliability; risk mitigation; best value and costs; and opportunities to pursue discounts. It was noted that the current review of the capital programme would also explore integration within the procurement process with the findings of that review being considered at a meeting of the Council in due course.

It was suggested that an Elected Members' Panel on Procurement could be formed to consider contracts of a certain value and Officers agreed to further explore this suggestion to ascertain if such a proposal would add value to the process.

In terms of the contract and supplier management policy, it was noted that pilot projects were being undertaken with templates for the recording of a robust information trail of the procurement journey being developed to ensure consistency within a corporate approach. The findings of the pilot would be reported to a future meeting of the Leadership Panel following the summer recess.

The Panel, having thanked Officers for their input

Decided:

- (1) to approve the recommendations set out in the report attached as Appendix 1 to the report and to agree that these findings be presented to the Leadership Panel meeting taking place on 18th March 2014;
- (2) to note that the Executive Director – Resources, Governance and Organisation would feedback to a future meeting of this Panel in relation to the suggestion of an Elected Members' Procurement Panel being formed; and
- (3) to note that the Scrutiny and Governance Management Panel would explore the excellent reporting structure of this review to ascertain if, in terms of good practice, a standard review reporting mechanism could be adopted across the three Standing Scrutiny Panels.

The meeting ended at 10.40 a.m.