

Audit and Scrutiny Committee  
17 November 2020

At a Meeting of the Audit and Scrutiny Committee of North Ayrshire Council at 10.00 a.m. involving participation by remote electronic means.

**Present**

Marie Burns, Margaret George, Joy Brahim, Alan Hill, Tom Marshall, Donald Reid and John Sweeney.

**In Attendance**

A. Sutton, Executive Director (Interim) and A. McClelland, Head of Service (Education) (Communities); K. Yeomans, Director and N. McIlvanney, Programme Manager (Growth & Investment); M. Boyd, Head of Finance and P. Doak, Senior Manager (Internal Audit, Risk and Fraud) (Finance and Corporate Support); C. Cameron, Head of Service (Finance and Transformation) (Health and Social Care Partnership); A. Fraser, Head of Democratic Services, F. Walker, Head of Service, F. Carlyle, Senior Adviser and M. Lindsay, Senior Customer Officer (People & ICT); and E. Gray and D. McCaw, Committee Services Officers (Chief Executive's Service).

**Chair**

Councillor Burns in the Chair.

**1. Declarations of Interest**

There were no declarations of interest by Members in terms of Standing Order 10 and Section 5 of the Code of Conduct for Councillors.

**2. Minutes**

The Minutes of the Meeting of the Audit and Scrutiny Committee held on 29 September 2020 were confirmed and the Minutes signed in accordance with Paragraph 7 (1) of Schedule 7 of the Local Government (Scotland) Act 1973.

**3. UK Withdrawal from the European Union (Brexit) Update Report**

Submitted report by the Head of Democratic Services on the current position regarding the UK's withdrawal from the European Union on 31 December 2020 and highlighting key areas in terms of the identification and quantification of risks around the following:-

- the Withdrawal Agreement ratified by the Government in October 2019;
- the Internal Market Bill currently before the UK Parliament;
- the UK Withdrawal from the European Union (Continuity) Bill 2020, currently at stage 2 before the Scottish Parliament; and
- the terms of any agreement which may or may not be struck between the UK and EU.

Councillor Hill joined the meeting at this point.

Members asked questions and were provided with further information in relation to:-

- the make-up of the Council workforce and percentage of staff members from the EU;
- immigration regulations, including minimum skills threshold, to allow foreign nationals to work in the UK;
- the likelihood of staff shortages in terms of lower paid roles; and
- the recommendation of the Migration Advisory Committee to add residential day and domiciliary care managers and proprietors, nursing auxiliaries and assistants and senior care workers to the UK shortage occupation list.

The Committee agreed to (a) note the current position in respect of the UK's withdrawal from the European Union; and (b) receive a further report to the next meeting on 12 January 2021.

#### **4. Equal Pay Claims**

Submitted report by the Head of People & ICT on the findings of the Audit Report on Equal Pay in Scottish Councils and providing an update on North Ayrshire Council's position on historic and current equal pay claims and the Council's approach to ensuring equal pay is maintained. The Accounts Commission report entitled "Equal Pay in Councils – Impact Report" was detailed in the Appendix to the report.

Members asked questions and were provided with further information in relation to:-

- third wave claims and challenges to the job evaluation scheme;
- the job evaluation scheme being robust with job grades being fairly evaluated; and
- any third wave claims which have had success in other Local Authority areas.

The Committee agreed to note (i) the content of the Accounts Commission report on Equal Pay in Scottish Councils; and (ii) the Council's position in relation to equal pay claims.

#### **5. Implications of Audit Scotland Report: Scotland's City Region and Growth Deals**

Submitted report by the Director (Growth & Investment) on the findings of Audit Scotland's report on city and growth deals and on North Ayrshire Council's progress in responding to issues arising. Appendix 1 to the report detailed recommended actions for consideration by North Ayrshire Council together with a position statement on the Council's progress in developing and implementing the Ayrshire Growth Deal in relation to those recommended actions.

The Director (Growth & Investment) further indicated that the virtual signing of the Ayrshire Growth Deal document on Thursday 19 November 2021 would move the AGD into the delivery mode.

Councillor George left the meeting at this point.

Members asked questions and were provided with further information in relation to:-

- high level projects already defined;
- consultation with local communities around the development and delivery of projects;
- consultation with the community being preferred rather than simply engagement;
- marine tourism funding which contributes to the Great Harbour, the Marina at Ardrossan and 2 Step Ashore Projects on Arran and Cumbrae;
- the timescale for consultation with Island communities; and
- processes and timescales in terms of infrastructure improvements.

Councillor George re-joined the meeting at this point.

The Committee agreed to note (i) the findings of the Audit Scotland report on growth deals, including implications for local authorities; and (ii) progress made to develop robust governance and resourcing arrangements.

## **6. Annual Report - School and Early Learning and Childcare Inspections 2019-20**

Submitted report by the Interim Executive Director of Communities on the performance of North Ayrshire schools and early learning and childcare settings in external inspections published during session 2019-20. The inspection outcomes for all establishments were summarised at Appendix 1 to the report. Appendices 2 and 3 detailed the full inspection reports and indicated common strengths. Appendix 4 set out the full Education Scotland report.

Members asked questions and were provided with further information in relation to:-

- the support and leadership in place to determine how well schools were coping with the pandemic in terms of early years, staffing levels and staff wellbeing;
- Scottish Government funding being utilised to top up staffing resources in cases of self-isolation and for specific Covid related challenges; and
- difficulties experienced by children in readjusting to school learning.

Councillor Marshall left the meeting at this point.

The Committee agreed to (a) note the contents of the report and appendices; and (b) commend the performance of schools in inspections led by Education Scotland and the Care Inspectorate.

## **7. Update Report for Loudoun Montgomery Primary School and Early Years Classes**

Submitted report by the Interim Executive Director of Communities on the outcome of the follow through inspection by Education Scotland for Loudoun Montgomery Primary School and Early Years Class. Appendix 1 detailed the full Education Scotland published letter, including specific detail on identified progress and recommended next steps.

Councillor Marshall re-joined the meeting at this point. On re-joining, the Member requested, and received, clarification on a matter relating to the previous item, namely in terms of the performance of Arran High School.

The Committee agreed to note the significant improvements and progress made with regard to Loudoun Montgomery Primary School and Early Years Classes since the previous Education Scotland inspection published in March 2019.

## **8. Health and Social Care Partnership: Budget Monitoring Report**

Submitted report by the Chief Finance and Transformation Officer on the financial position for the partnership and outlining the projected financial outturn position for the financial year as at August 2020. The budget monitoring report and Appendices, which were presented to the IJB on 22 October 2020, were attached as an Appendix to the report.

Members asked questions and were provided with further information in relation to:-

- confidence in the year end position and main areas of risk around the Covid response; and
- Criminal Justice Service ringfenced funding being maximised, despite a reduction in these services offered during the Covid lockdown period.

The Committee agreed to note (i) the financial position with regard to the Health and Social Care Partnership; (ii) the estimated costs of the Covid mobilisation plan of £7.2m, including savings delays, and the associated funding received to date; and (iii) the financial risks for 2020-21, including the impact of Covid-19 and that there was no recommendation at this time to implement a formal Financial Recovery Plan for the IJB.

## **9. Internal Audit and Corporate Fraud Action Plans: Quarter 2 Update**

Submitted report by the Head of Finance on progress made by Council Services in implementing the agreed actions from Internal Audit and Corporate Fraud reports as at 30 September 2020. Full details of the six actions which were not completed within the agreed timescales were set out at Appendix 1 to the report.

The Committee agreed to note (i) the current position with the implementation of Internal Audit and Corporate Fraud actions; and (ii) that those Services which had not implemented actions within the previously agreed timescales would be challenged.

## **10. Internal Audit Plan 2020/21: Mid-Year Update**

Submitted report by the Head of Finance providing an update as at 30 September 2020 on progress made in delivering the 2020/21 Internal Audit Plan. The Internal Audit Quarter 2 Progress Report was set out at Appendix 1 to the report.

The Senior Manager (Internal Audit, Risk and Fraud) provided details of six audits to be deferred to the 2021/22 plan, which would be prepared earlier than normal covering

the period from February 2021 to March 2022 and brought to the January 2021 meeting of the Committee for approval.

The Committee agreed to (a) note the mid-year position; and (b) approve the deferral of six audits to the 2021/22 plan as detailed in the report.

#### **11. Internal Audit Reports Issued**

Submitted report by the Head of Finance on the findings of Internal Audit work completed during September and October 2020. The findings from eight separate audit assignments were detailed at Appendix 1 to the report, together with their respective executive summary and action plans.

The Senior Manager (Internal Audit, Risk and Fraud) highlighted that a number of the audits had received 'substantial' assurance level.

The Committee agreed to note the outcomes from the Internal Audit work completed as set out in the report.

#### **12. Corporate Fraud Team Update**

Submitted report by the Head of Finance on the work of the Corporate Fraud Team during 2019/20 and between April and September 2020.

The Senior Manager (Internal Audit, Risk and Fraud) highlighted investigations which had been carried out across a range of areas including employee related matters as well as Council Tax, Discretionary Housing Payments, Scottish Welfare Fund, Blue Badges and Housing tenancy issues. He advised that the Team had also commenced format joint working with the DWP Single Fraud Investigation Service in cases where there were suspected frauds relating to both Housing Benefit and Council Tax Reduction.

Members asked questions and were provided with further information in relation to:-

- the investigation of fraud and error in connection with the Council Tax Reduction and Single Person Discount category; and
- any examples where confusion had arisen for tenants in terms of responsibilities of the Council and those of the DWP.

The Committee agreed to note the work carried out by the Corporate Fraud Team during 2019/20 and between April and September 2020.

#### **13. Exclusion of the Public – Para 1**

The Committee resolved in terms of Section 50(A)4 of the Local Government (Scotland) Act 1973, to exclude from the Meeting the press and the public for the following item of business on the grounds indicated in terms of Paragraph 1 of Part 1 of Schedule 7A of the Act.

#### **14. Corporate Fraud Reports Issued**

Submitted report by the Head of Finance on the findings of the corporate fraud investigation reports finalised during September and October 2020.

Noted.

The meeting ended at 11.40 a.m.