

Scrutiny Committee
21 November 2011

IRVINE, 21 November 2011 - At a Meeting of the Scrutiny Committee of North Ayrshire Council at 2.00 p.m.

Present

Anthea Dickson, Matthew Brown, Anthony Gurney, Jean Highgate, Margaret McDougall, Pat McPhee and Alan Munro.

In Attendance

Y. Baulk, Head of Finance (Finance and Infrastructure); A. Blakely, IT Manager (Corporate Services); Jim Montgomery, General Manager, A. Todd, Policy and Performance Officer, K. Dyson, Communications Officer and A. Little, Committee Services Officer (Chief Executive's Service).

Also In Attendance

P. Tait, F. Mitchell-Knight, A. Haseeb and P. Craig (Audit Scotland).

Chair

Councillor Dickson in the Chair.

Apologies for Absence

John Hunter and Jim Montgomerie.

1. Declarations of Interest

There were no declarations of interest by Members in terms of Standing Order 16.

2. Minutes

The Minutes of the previous meeting of the Committee held on 7 November 2011 were signed in accordance with Paragraph 7 (1) of Schedule 7 of the Local Government (Scotland) Act 1973.

Arising from the Minute, the Committee acknowledged the additional information provided in relation to improvements to the existing heating controls to reduce consumption in respect of Cunninghame House and requested that further information be provided on whether the works undertaken have reduced costs and achieved savings.

3. Report to Members and the Controller of Audit on the 2010/11 Audit

Submitted report by the Corporate Director (Finance and Infrastructure) on the External Auditor's report with regard to the 2010/11 Audit of the Council.

The 2010/11 Audit, which was conducted by Audit Scotland, considered the Council's financial statements, financial position, and governance and accountability arrangements. The external auditor's report to Members was attached to the report at Appendix 1, Appendix B of which contained an Action Plan. Representatives of Audit Scotland were in attendance at the meeting to present the Audit Report to the Committee.

The auditors gave an unqualified opinion that the Council's financial statements for 2010/11 give a true and fair view of the financial position and expenditure and income of the Council and its group for the year. The report also certifies that the accounts have been prepared in accordance with relevant legislation, applicable accounting standards and other reporting requirements.

The Council's general fund recorded a net surplus for 2010/11 of £5.651 million, therefore increasing the balance to £24.595 million as at 31 March 2011, inclusive of earmarked commitments of £19.629 million.

The auditor's report highlighted improvements in the Council's governance arrangements, including the provision of training to Members, revised corporate governance documents, improvements in procurement and the development of a Members' pack. Good progress was also reported in terms of the Council's Best Value Improvement Plan. It was noted that the Council's senior management team and Elected Members demonstrate a commitment to improving and promoting a performance management culture and that a recent managers' conference focussed on performance management. In addition, the Council has improved the way it reports performance, although further work has been identified in its improvement plan to develop and embed self-evaluation and continuous improvement. The report further noted that the Council has increased its capacity through the use of a strategic partner to help progress the change Agenda.

The report commented that the outlook for public spending for the period 2012/13 to 2013/14 remains very challenging. Looking forward, it considered that the key issues for Members included the leadership and governance of the change agenda, financial sustainability through the financial planning model, and workforce planning to deliver effective public services for North Ayrshire.

The Committee was advised that the Accounts Commission had again appointed Audit Scotland as the auditor for North Ayrshire Council for a five year period from 2011/12. Fiona Mitchell-Knight and Paul Craig (Audit Scotland) will be providing an audit service to the Council in the new audit term.

Members asked questions, and received clarification, on the following:-

- The provision of an audit report on the purchase of an absence management reporting tool to a future meeting of the Committee;
- Support for local companies in meeting the tendering and procurement requirements;
- The benchmarking of the Council's procurement performance as part of a national Procurement Capability Assessment;
- The challenges in ensuring best value whilst supporting the local economy;
- Challenges in partnership working and shared services and examples of difficulties in progressing shared services and successful partnerships;
- Future opportunities as a result of an increase in private equity investment as part of Strathclyde Pension Funds' investment strategy.

Noted.

4. Covalent Project - Status Report as at 30 September 2011

Submitted report by the Chief Executive on the implementation of the Covalent computerised performance management system.

Covalent is a web-based performance management system that brings together the majority of the Council's key plans, strategies, risks and indicators into a coherent framework to enhance scrutiny of performance and public performance reporting.

Phases 1 and 2 of the Covalent project are now complete. A Phase 3 Project Initiation Document (PID) and high level project plan have been agreed by the Covalent Project Board. Phase 3 has seen Services populating the system with a number of operational plans that will take the use of Covalent for monitoring and reporting of progress deeper and wider within the Council. The appendix to the report provided information on the deliverables and milestones, key risks, key decisions and key issues.

A total of 158 delegate training/awareness sessions have now been delivered. Eight Elected Members have undergone training for the system, and further training will be progressed through the Elected Members' CPD/PPD process.

The Covalent system has been used to provide performance management information for a number of reports to the Executive and Scrutiny Committee, such as BV2, the Council Plan Progress Report and Service Performance Reports.

The overall status of the project is assessed as Green. A detailed project status report was appended to the report and provided information on progress, deliverables and milestones, key risks and issues.

The Corporate Management Team is kept fully briefed on the status of the project to enable them to guide the project, resolve resource issues, and ensure that the final outcomes meet the Council's needs.

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

- The take up of Covalent training and efforts to increase the use of the system by the owners of actions, project and performance indicators;
- The provision of information to Members on the number of staff trained in use of the Covalent system;
- The progression of training for Members via the CPD/PPD process;
- The slippage of some forecasted completion dates for deliverables and milestones for a variety of reasons and the approval by the Project Board that the status of these deliverables remain coded as green.

Members commented on IT issues that had been experienced in accessing computerised Council systems via Council encrypted laptops.

The Committee agreed (a) that the IT Manager liaise with Members in an effort to resolve the IT issues raised; and (b) to otherwise note the report.

5. External Audit: Follow-Up Report on Data Management Audit

Submitted report by the Solicitor to the Council on the Data Management Audit.

In 2008 Audit Scotland, the Council's external auditors, carried out a Data Handling Audit of the Council's procedures. This report was presented to the Council for consideration along with a follow-up report which focused on Data Management in particular.

The auditors have now produced a further report and action plan on which the Council has commented. The Council has completed the two outstanding actions remaining for the previous audits in relation to data management.

Members asked questions and received further information in respect of:-

- Encryption of all Council laptops and a reminder to Services that all laptops require to be encrypted;
- Recording of the number of laptops within the Asset Register and the updating of this register when laptops, purchased independently by Services, are identified to IT Services; and

- The recording of school equipment in both the educational and administration areas of schools and encryption of the laptops used within school administration.
- The recording of school equipment, as part of the Asset Management Plan, including equipment used by the educational and administration functions of the school; and
- Encryption of laptops used by the administration function of schools.

Noted.

The meeting ended at 3.15p.m.