

Audit and Scrutiny Committee
28 March 2023

At a Meeting of the Audit and Scrutiny Committee of North Ayrshire Council at 10.00 a.m. involving participation by remote electronic means and physical attendance within the Council Chambers, Irvine.

Present (Physical Participation)

John Bell, Donald Reid, Eleanor Collier, Cameron Inglis, Matthew McLean, and John Sweeney.

Present (Remote Participation)

Tom Marshall and Davina McTiernan.

In Attendance (Physical Participation)

R. McCutcheon, Executive Director, D. Hammond, Head of Service (Sustainability, Corporate Property & Transport), T. Reaney, Head of Service (Neighbourhood Services), L. Kirk, Interim Head of Service (Economic Development and Regeneration), N. Mcilvanney, Interim Head of Service (Growth, Investment and Employability) and A. Elliot, Senior Manager (Housing and Public Protection) (Place); A. Sutton, Executive Director, A. McClelland, Head of Service (Education), R. Leith, Head of Service (Connected Communities), and L. Taylor, Senior Manager (Communities & Education); P. Doak, Head of Service (Finance and Transformation) A, Sutherland, Head of Service and M. Henderson, Senior Manager (Children, Families and Justice) (Health and Social Care Partnership); M. Boyd, Head of Service (Finance), F. Walker, Head of Service (People & ICT); L. Miller, Senior Manager, K. Gray, Team Supervisor, D. Perrit and G. McMaster, Fraud Investigators, (Audit, Fraud, Safety and Risk) (Finance); and A. Craig, Head of Service (Democratic), I. Hardy, Team Manager (Policy and Performance), D. McCaw and H. Clancy, Committee Services Officers (Chief Executive's Service).

Also in Attendance (Physical Participation)

D. Jamieson and C Foster (Audit Scotland).

Chair

Councillor Bell in the Chair.

Apologies

Ian Murdoch.

1. Declarations of Interest

In terms of Standing Order 11 and Section 5 of the Code of Conduct for Councillors, Eleanor Collier declared a non-pecuniary interest, as a previous member of the environmental group, in relation to Agenda Item 3 Petition: West Kilbride Glen Extension Grass Cutting and withdrew from the meeting for that item of business, taking no part in discussion thereon.

2. Minutes

The Minutes of the Meeting of the Audit and Scrutiny Committee held on 31 January 2023 were confirmed and the Minutes signed in accordance with Paragraph 7 (1) of Schedule 7 of the Local Government (Scotland) Act 1973.

Councillor Collier left the meeting at this point.

3. Petition: West Kilbride Glen Extension Grass Cutting

Submitted report by the Head of Democratic Services on the terms of a petition, in the form of 251 individual letters, received in respect of grass cutting at the West Kilbride Glen Extension and requesting the continuation of 100% grass cutting in the 2023 season. The report outlined the terms of each individual letter as detailed below:

*“Would you please, for one **final** time, instruct your senior members of staff in Streetscene to continue the 100% grass cutting schedule in the Glen Extension, as it is their intention to begin another 50% cut in 2023 season.*

*It is only **2 years** since this was last attempted, with the result the whole field was in such an unsightly/unacceptable state local residents no longer used the facility.*

It took over 150 letters of objection to address the issue.”

In response to a request for supporting information, the lead petitioner had also indicated that a previous approach had been made by West Kilbride Community Council in 2020 to the Council's Streetscene section to cut only paths through the extension, to allow wild flowers to grow, but that, by Autumn of that year, the whole area was overgrown with three-foot high dock weeds, ragwort etc. This resulted in 150 letters of objection being submitted. The lead petitioner advised in her written submission that the then Head of Service, gave instruction to have the whole area cleared and normal maintenance restored. However, in Autumn 2022, the Council was again intending to cut 50% and let wild flowers grow in uncut area, which prompted the current petition.

The Committee was advised that the petitioners were unable to attend in person (or via the remote meeting platform) but had provided additional information in the form of two pictures of the Glen area. This was circulated to Members of the Committee.

The Committee considered that it had enough information to proceed to consider the terms of the petition in the absence of the petitioners.

A briefing note by the Head of Neighbourhood Services was detailed as an Appendix to the report and advised the Committee that the community was divided in terms of maintenance of the Glen, with Environmental Groups wishing to see more relaxed grass cutting/re-wilding, and others wanting the status quo to remain with grass cut as usual. Historic maintenance duties at West Kilbride Glen were also detailed in the briefing note. The Head of Service outlined the plan for a pilot to be undertaken for the 2023 grass cutting season with approximately 50% cut/uncut and on how this would be achieved. The pilot would only involve the hillside area at the Glen and all

other maintenance would be delivered as per the existing scheduled. Following the summer season, there would be an opportunity for review, feedback and evaluation of the pilot. An assessment from the North Ayrshire Biodiversity Officer was also contained in the briefing note and highlighted by the Head of Neighbourhood Services.

Members asked questions of the Head of Neighbourhood Services and received responses in relation to:

- the plan to introduce wild flowers to the pilot area with signage highlighting biodiversity benefits;
- engagement with local schools in terms of wild flower seed planting;
- methods of evaluation at the conclusion of the pilot period;
- measures to tackle weeds within the area and ensure maintenance of public amenity areas;
- the success of a similar project at Lochshore Park, Kilbirnie; and
- the importance of ensuring a consistent approach across North Ayrshire in terms of biodiversity.

Councillor Sweeney seconded by Councillor Inglis moved that the Committee (a) note the proposal for a pilot on only the hill area of the Glen, with a review of success or otherwise at the end of the season; and (b) agree to dismiss the petition. As there was no amendment, the motion was declared carried.

Councillor Collier re-joined the meeting at this point.

4. Accounts Commission's Report: Local Government in Scotland: Financial Bulletin 2021-22

Submitted report by the Head of Service (Finance) on the findings of the recent Accounts Commission Local Government in Scotland Financial Bulletin 2021/22, a link to which was provided within the report. The report provided an independent analysis of the performance of Local Authorities during 2021/22 and set out some longer-term challenges facing Councils.

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

- ongoing work in terms of business case development and considerations around value engineering;
- updates to Members on future improvements to the B714; and
- the challenges in terms of discretionary elements of the Council budget.

The Head of Service (Finance) undertook to circulate to the Committee information in relation to a number of areas within the Council budget which were tied to some form of condition or limitation.

The Committee agreed to note (i) the findings of the recent Accounts Commission report; and (ii) the current position of North Ayrshire Council in relation to the findings.

5. External Audit Plan 2022/23

Submitted report by the Head of Service (Finance) on the External Audit Plan for 2022/23. Audit Scotland have been appointed as the Council's external auditors for the period 2022/23 to 2027/28, with 2022/23 being the first year of the appointment. Audit Scotland's Annual Audit Plan for the 2022/23 audit was attached at Appendix 1 to the report.

David Jamieson of Audit Scotland provided an update on the Appendix to the report including highlighting the identification of key risks in relation to management override of controls and the valuation of non-current assets and further audit procedures which would be performed to gain assurance over these risks. In addition, further areas of risk had been identified in relation to pension liabilities and the accounting for service concession arrangements. Although not considered significant risks, these areas would be kept under review.

In relation to the consideration of the Council's Group accounts, the Committee was advised that Audit Scotland had reviewed the assessments of the group entities and recommended that North Ayrshire Leisure Limited should be classified as a subsidiary of North Ayrshire Council and should be consolidated within the 2022/23 Group accounts on that basis.

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

- timeous presentation of the annual audit to Committee prior to 30 September 2023;
- the reason for audit focus on management override of controls;
- any implications arising from the change to the classification of North Ayrshire Leisure Limited as a subsidiary of North Ayrshire Council; and
- the service concession risk being reviewed as part of the accounts process.

The Head of Service (Finance) undertook to provide information to the Committee in terms of any implications arising from the change to the classification of North Ayrshire Leisure Limited as a subsidiary of North Ayrshire Council.

The Committee agreed to note the External Audit Plan for 2022/23 set out in the appendix to the report.

6. Council Plan Mid-Year Progress Report 2022-23

Submitted report by the Head of Service (Democratic) on progress with Council Plan priorities. The Council Plan 2022-23 Progress Update (Mid-Year 2021-22) was attached at Appendix 1 to the report. Appendix 2 detailed the Performance Indicators from the Council Plan Performance Framework with Appendix 3 providing information on the actions from the Council Plan Delivery Plan.

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

- funding confirmation in terms of Mental Health Practitioners within GP Practices;

- the mid-year progress update covering the period 1 April to 13 September 2022; and
- the next progress report which was due for submission to Cabinet just prior to summer recess

The Committee agreed to note (i) the Council Plan Mid-Year Progress Report as set out at Appendix 1 to the report and (ii) the status of the Council's performance indicators and actions at Appendices 2 and 3 to the report.

7. Internal Audit Plan 2023/24

Submitted report by the Head of Service (Finance) on the proposed Internal Audit Plan for 2023/24. The detailed audit plan for 2023/24 was set out at Appendix 1 to the report.

Members asked questions and were provided with further information in relation to the number of planned audit days for 2023/24 being comparable to previous years.

The Committee agreed (a) to approve the Internal Audit plan for 2022-23 as detailed at Appendix 1 to the report.

8. Internal Audit and Corporate Fraud Action Plans: Quarter 3 Update

Submitted report by the Head of Service (Finance) on the progress made by Council Services in implementing the agreed actions from Internal Audit and Corporate Fraud reports as at 31 December 2022. Appendix 1 to the report provided full details of the eight actions which were not completed within the agreed timescales.

Members asked questions and were provided with further information on the length of time taken to complete the action in relation to email controls in education.

The Committee agreed to (a) note the current position with the implementation of Internal Audit and Corporate Fraud actions; and (b) challenge those Services that had not implemented actions within the previously agreed timescales.

9. Internal Audit Reports Issued

Submitted report by the Head of Service (Finance) on the findings of Internal Audit work completed between January and February 2023. The findings from two audit assignments were detailed at Appendix 1 to the report, together with the respective executive summaries and actions plans.

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

Financial Controls within ASN and Primary Schools

- the importance of audit trails in relation to expenditure;
- findings presented being relative to the period covered by the audit;
- the need for establishments to maintain detailed inventory records; and
- detailed inventory records being essential for insurance purposes.

The Committee agreed to note the outcomes from the Internal Audit work completed as set out in the report and detailed in Appendix 1 to the report.

10. Internal Audit Charter 2023

Submitted report by the Head of Service (Finance) on the updated Internal Audit Charter. A copy of the revised Charter was detailed at Appendix 1 to the report.

The Committee agreed (a) to approve the Internal Audit Charter attached at Appendix 1 to the report; and (b) that future amendments to the Charter would be made where a need was identified.

11. 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.

12. Investigation Reports Issued

Submitted report by the Head of Service (Finance) on investigation reports finalised since the last meeting.

Following questions and discussion, the Committee agreed note the reports and to receive information to a future meeting on updated procedures.

The meeting ended at 12.20 p.m.