

Audit and Scrutiny Committee

29 May 2018

At a Meeting of the Audit and Scrutiny Committee of North Ayrshire Council at 10.00 a.m.

Present

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

In Attendance

E. Murray, Chief Executive, L. Friel, Executive Director, S. Hanif, Head of Finance (HSCP), M. Boyd, Head of Service (Finance), D. Forbes, Senior Manager (Financial Services), P. Doak, Senior Manager (Internal Audit, Risk and Performance), A. M. Fenton, Team Manager (Internal Audit) and J. Hamilton, Senior Manager (Employee Services) (Finance and Corporate Support); Y. Baulk, Head of Physical Environment, J. Barrett, Senior Manager (Homelessness and Community Safety) and K. Campbell, Facilities Manager (Place); S. Brown, Director North Ayrshire Health and Social Care Partnership; J. Butcher, Executive Director (Education and Youth Employment); A. Sutton, Head of Service Connected Communities and M Strachan, Senior Business Manager (Economy and Communities); A. Fraser, Head of Democratic Services, M. Davison, Senior Manager (Democratic Services), A Todd, Senior Policy and Performance Officer and A. Little, Committee Services Officer (Chief Executive's).

Chair

Councillor Burns in the Chair.

Apologies

Tom Marshall

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 27 March 2018 were confirmed and the Minutes signed in accordance with Paragraph 7 (1) of Schedule 7 of the Local Government (Scotland) Act 1973.

3. Operational Budget Management in the Health and Social Care Partnership

Submitted report and presentation by the Executive Director (Finance and Corporate Support) on a progress update on the operational budget management in the Health and Social Care Partnership.

The Committee received a presentation on the financial management, governance and accountability framework of the HSCP, which included:-

- How does the Health and Social Care Partnership Work (HSCP)?
- Details of the 2018/19 Budget;
- A summary of the 2018/18 budget;
- Financial governance and control framework;
- Financial framework tracker - 2018/19, the golden rules and examples of the tracker;
- The role of HSCP Managers;
- The role of Finance; and
- A summary of the current position.

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

- Difficulties in forecasting demand, particularly in areas such as mental health and secure accommodation and a range of work that is undertaken to assist in projecting and managing the demand for services;
- Delegation of functions to the Integration Joint Board (IJB) and the Health and Social Care Partnership and their obligation to spend within budget; The governance arrangements in place for the IJB and the HSCP;
- The role of the IJB's Performance and Audit Committee, the Council's Audit and Scrutiny Committee, NHS Board and NHS Audit Committee in scrutinising the performance of the IJB and the HSCP;
- The setting of the NHS budget that will now be finalised in June 2018; and The IJB deficit of £5.7m owed to the Council and the varying financial

The Committee agreed to (a) note the actions and assurances being given by the Health and Social Care Partnership to strengthen financial management, governance and accountability; and (b) receive regular financial

4. Directorate Plans 2018 Update

Submitted report by the Chief Executive on the 2018 update on the Council's Directorate Plans for 2015/18. Appendices 1-5 set out the Directorate Plans for Democratic Services, Finance and Corporate Support, Education and Youth Employment, Economy and Communities and Place, respectively. A new Strategic Plan for the Health and Social Care Partnership, which was approved on 19 April 2018 was attached at Appendix 6.

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

Democratic Services

- Performance indicator data due in April 2018 that had not been available for inclusion within the report but which will feature in the annual report.

Finance and Corporate Support

- the delivery of services via digital applications and the use of technology to allow staff to work smarter;
- The percentage of calls answered by the Contact Centre which relates to the speed the calls are answered;
- information on how long it takes to answer calls and callers who terminated their call before it is answered that could be provided by the telephony system; and
- The success of the Council Tax Bill competition in encouraging residents to move to e-billing and lessons learned for future initiatives to increase numbers further;
- The use of Community Benefit clauses as part of the procurement of services to provide employment opportunities; and
- Work that is being done to improve the rates of Council Tax Collection, debt recovery and Freedom of Information.

Education and Youth Employment

- A report that will be presented to Cabinet in August 2018 and a future meeting of the Audit and Scrutiny Committee on the Pupil Equity Fund and a breakdown of how each school has used this funding;
- Work that is being done to ensure all staff have had a PPD in the last 12 months;
- A number of Head Teacher vacancies as a result of retirements due to health and personal issues; and
- The breadth and depth of choice in the curriculum for senior pupils which is achieved by the grouping of schools to provide advanced highers.

Economy and Communities

- Positive engagement levels from the public, Community Councils and Elected Members on the Local Development Plan 2 and requests from other Councils to observe our work in this area; and
- Recognition by the Scottish Government of our integrated approach to Active Communities work and selection as a demonstrator of the CPP approach.

Place

- The higher take up of school meals during winter months and work that is underway to increase the take up of paid school meals;
- New Scottish Government standards that will be in place by June 2018 for school meals;
- Work that is also being undertaken in partnership with Education and Youth Employment and young people to attract them to take up school meals; and
- A report to Cabinet in May 2018 seeking approval to extend the successful grounds maintenance participatory budgeting initiative across all localities.

The Committee was requested to consider topics for scrutiny at future meetings.

The Committee agreed to (a) note the updates of the Directorate Plans at Appendices 1-5; (b) receive 6-monthly progress reports; (c) note the Health and Social Care Partnership's Strategic Plan at Appendix 6; and (d) that Members consider topics for scrutiny for future meetings of the Committee.

5. Health and Social Care Partnership Care Inspection Reports

Submitted report by the Executive Director (Health and Social Care Partnership) on the findings and grades relating to Health and Social Care Partnership managed services over 2017/18.

Appendix 1 to the report provided details of 17 external inspections that had been conducted by the Care Inspectorate during 2017/18. Six areas had improved grades, two areas were downgraded and all others sustained their previous grades.

Noted.

6. Care Inspection of North Ayrshire Housing Support Services

Submitted report by the Executive Director (Place) on the annual Care Inspectorate reports for North Ayrshire Council Housing Support Service and Ardrossan Short Stay Hostel. Appendix 1 to the report provided information on the assessment of the quality and performance of the Ardrossan Short Stay Hostel. Details of the assessment of Housing Support Services was provided at Appendix 2 to the report. Both services were graded as excellent.

Members asked questions and were provided with further information in relation to the 19 bedded unit at Ardrossan that had historically been used to house families but which is now used to house single people.

Noted.

7. Maximising Attendance

Submitted report by the Executive Director (Finance and Corporate Support) which provided information on sickness absence trends for the period 2013/14 - 2017/18, an analysis of trends and the policies, procedures and proactive interventions to support the Council's workforce. A range of statistical information was provided, including 9.35 average days lost per employee, set against the target of 7.53 average days.

Members asked questions and were provided with further information in relation to a range of stress policies in place, including referrals to Occupational Health, to support employees.

Noted.

8. Internal Audit Reports Issued

Submitted report by the Executive Director (Finance and Corporate Support) on the findings of Internal Audit work during March and April 2018. The findings from five separate audit assignments were detailed at Appendix 1 to the report, together with their respective executive summary and action plans.

Members asked questions and were provided with further information in relation to range of issues identified with the Lagan system that will be examined as part of the Digital Strategy.

The Committee agreed to note the outcome of the Internal Audit work carried out during the period.

9. Internal Audit and Corporate Fraud Action Plans: Quarter 4 Update

Submitted report by the Executive Director (Finance and Corporate Support) on the progress made in implementing the agreed actions from the Internal Audit and Corporate Fraud reports as at 31 March 2018. Appendix 1 to the report provided full details of seven actions which were not started or only partially complete at 31 March 2018.

Noted.

10. Internal Audit Annual Report

Submitted report by the Executive Director (Finance and Corporate Support) on the Internal Audit Annual Report 2017/18, attached at Appendix 1, that outlined the role of Internal Audit, the performance of the section during the year, the key audit findings and the annual audit assurance statement.

Members asked questions and were provided with further information in relation to the follow up process that will report on progress in relation to email controls in Education and Youth Employment.

Noted.

11. Corporate Fraud Team Annual Report

Submitted report by the Executive Director (Finance and Corporate Support) on the work of the Corporate Fraud team during 2017/18, which included information on the internal and external investigations undertaken, proactive work during 2017/18, the Council's participation in the National Fraud Initiative exercise, and a number of International Fraud awareness-raising events held across North Ayrshire.

Members asked questions and were provided with further information in relation to joint working with Housing Services in relation to tenancy abandonments to trace the tenant and recover the property.

Noted.

12. Accounting Policies

Submitted report by the Executive Director (Finance and Corporate Support) on the accounting policies to be adopted in the preparation of the Council's annual accounts for the year to 31 March 2018, outlined in Appendix 1 to the report.

The Committee agreed to approve the accounting policies as detailed in Appendix

13. Annual Governance Statement

Submitted report by the Executive Director (Finance and Corporate Support) on the Council's Annual Governance Statement for 2017/18 which was attached at Appendix 1 to the report. The Annual Governance Statement, which will be included within the annual accounts, explained how the Council complies with the Code of Governance Framework and outlined the governance framework in place and changes made to strengthen the framework during 2017/18.

The Committee agreed to approve the Annual Governance Statement, as outlined

14. Local Scrutiny Plan and National Scrutiny Plan 2018/19

Submitted report by the Executive Director (Finance and Corporate Support) on the Local Scrutiny Plan (LSP) for North Ayrshire for 2018/19 and the National Scrutiny Plan. The LSP which had been previously been circulated to Members, provided information on the scrutiny risks identified, proposed scrutiny responses and expected scrutiny activity for the Council during 2018/19

The Committee noted that no specific scrutiny is required in North Ayrshire for the

15. External Audit Action Plans Quarter 4

Submitted report by the Executive Director (Finance and Corporate Support) which provided (a) information on the progress made in implementing the agreed action plans arising from the external audit of the Council's 2015/16 and 2016/17 accounts; and (b) details of all the incomplete actions, along with the latest management comments (Appendix 1). The Committee was advised that the partially complete action had now been concluded.

Noted.

16. Strategic Risk Register

Submitted report by the Executive Director (Finance and Corporate Support) which provided information on (a) a review of the Strategic Risk Register undertaken for 2018/19, attached at Appendix 1 to the report; (b) the removal of three strategic risks, namely Health and Safety, Information and Brexit; and (c) details of Very High Risks, High Risks and Risks removed from the register.

Members asked questions and were provided with further information in relation to an Officers Group that is assessing the risks of Brexit.

The Committee agreed to (a) request that the Chief Executive provide a report on

17. Local Government in Scotland: Challenges and Performance 2018

Submitted report by the Executive Director (Finance and Corporate Support) which highlighted the key messages and issues from the Audit Scotland national report "Local Government in Scotland: Challenges and Performance 2018".

Noted.

18. Exclusion of the Public

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.

Non Disclosure of Information

In terms of Standing Order 19 (Disclosure of Information), the information contained within the following report is confidential information within the meaning of Section 50A of the 1973 Act and shall not be disclosed to any person by any Member or Officer.

19.1 Corporate Fraud Reports Issued

Submitted report by the Executive Director (Finance and Corporate Support) on the findings of corporate fraud investigations completed between March and April 2018.

Noted.

The meeting ended at 12.45 p.m.