

Audit and Scrutiny Committee
12 November 2019

IRVINE, 12 November 2019 - 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, Tom Marshall, Donald Reid and John Sweeney.

In Attendance

L. Friel, Executive Director and P. Doak, Senior Manager (Internal Audit, Risk and Fraud) (Finance and Corporate Support); R. Arthur, Interim Head of Service (Connected Communities), (Communities); C. Cameron, Chief Finance and Transformation Officer (Health and Social Care Partnership); and A. Fraser, Head of Democratic Services, N. Sugden, Policy and Performance Officer, and E. Gray, Committee Services Officer (Chief Executive's Service).

Chair

Councillor Burns in the Chair.

Apologies

None.

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 Ordinary Meeting of the Audit and Scrutiny Committee held on 10 September 2019 and the Special Meeting held on 24 September 2019 were confirmed and the Minutes signed in accordance with Paragraph 7 (1) of Schedule 7 of the Local Government (Scotland) Act 1973.

Councillor Brahim joined the meeting at this point.

3. Health and Social Care Partnership (HSCP) Budget Monitoring

Submitted a report by Caroline Whyte, Chief Finance and Transformation Officer on the HSCP projected outturn for the financial year as at August 2019. The budget monitoring report and appendices which were presented to the IJB on 24 October 2019 were attached as an appendix to the report.

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

- the budget recovery plan and whether assurances could be given that the actions taken will be effective in reducing the current overspend;

- the difference between Fostering, Fostering Xtra and Private Fostering and the reasons behind the different rates which are paid for each;
- the possibility of including the number of service users when presenting the costs associated with care at home packages in future reports;
- the practice of commissioning beds in care homes and the impact which this has on the budget; and
- the potential impact of Scottish Government policy changes and the process and timescales for implementation of Scottish Government policies.

The Committee agreed to (a) note the financial position with regard to the Health and Social Care Partnership; and (b) continue to receive regular update reports throughout financial year 2019/2020. request that a special meeting of the Committee be arranged to examine the finances of the HSCP and their recovery plan in more detail, and invite the Director of Health and Social Care to attend.

4. Audit Scotland: Principles for Community Empowerment

Submitted a report by the Executive Director (Interim) (Communities) on the new Audit Scotland approach to Community Empowerment. The Principles for Community Empowerment document, which aims to raise awareness of community empowerment and promote a shared understanding across scrutiny bodies, was set out at Appendix 1 to the report.

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

- North and South Ayrshire Councils being invited to represent local authorities on the Community Empowerment Advisory Group and the message this sends about the work already being carried out in Ayrshire in terms of community empowerment; and
- staffing levels in the Communities directorate and whether they are adequate to manage future workloads.

The Committee agreed to note the new Audit Scotland approach to Community Empowerment.

5. Public Performance Reporting

Submitted a report by the Head of Democratic Services on 2018/19 Public Performance Reporting and the draft Annual Public Performance Report 2018/19. The Annual Performance Report Summary was set out at Appendix 1 to the report, the Annual Performance Exception Report at Appendix 2 and the full draft Annual Performance Report 2018/19 at Appendix 3.

Discussion took place around the trend of decreasing footfall in town centres across North Ayrshire and the different contributing factors including business rates, out of town shopping centres, internet shopping and rental costs.

The Committee agreed to (a) note (i) the status of the Council's performance indicators at Appendices One and Two to the report; and (ii) the Annual Public Performance Report 2018/19 set out at Appendix Three; and (b) request that a report by the Head of Service (Economic Development and Regeneration) be brought to a future meeting on the state of town centres in North Ayrshire.

6. National Scrutiny Plan 2019/2020

Submitted a report by the Executive Director (Finance and Corporate Support) on the National Scrutiny Plan. The plan identifies three areas of planned scrutiny activity for North Ayrshire Council during 2019/2020 which are a best value audit (Audit Scotland/Deloitte), a review of career information, advice and guidance services (Education Scotland) and a review of services for people who are homeless (Scottish Housing Regulator). A link to the full plan was provided in the report.

The Committee agreed to note (i) the National Scrutiny Plan and (ii) the scrutiny work which is scheduled for North Ayrshire Council in 2019/20.

7. Internal Audit and Corporate Fraud Action Plans: Quarter 2 Update

Submit report by the Executive Director (Finance and Corporate Support) on progress made by Council Services in implementing the agreed actions from Internal Audit and Corporate Fraud reports as at 30 September 2019. Full details of the seven actions which were not completed within the agreed timescales were set out at Appendix 1 to the report.

The Senior Manager (Internal Audit, Risk and Fraud) noted that the number of overdue actions has fallen in comparison to previous years and that the current outstanding actions are of low priority.

That 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 have not implemented actions within the previously agreed timescales will be challenged.

8. Internal Audit Plan 2019/20: Mid-Year Update

Submitted a report by the Executive Director (Finance and Corporate Support) on progress made in delivering the 2019/20 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 two audits which have been removed from the plan (Welfare Reform and Universal Credit and Property Asset Management) and one which has been added from the reserve audit list (Additional Special Needs Schools).

That the Committee (a) notes the mid-year position and (b) approves the withdrawal of two audits from the plan.

9. Corporate Fraud Team: Mid-year Progress

Submitted a report by the Executive Director (Finance and Corporate Support) which provided a mid-year progress report on the work of the Corporate Fraud Team.

Discussion took place around a case detailed in the report which, following a referral by the corporate fraud team to the Procurator Fiscal, resulted in a £750 being issued to a letting agent who breached the Housing (Scotland) Act 2006 by facilitating the occupation of an unregistered house in multiple occupation. Members questioned whether this level of fine will be seen as a deterrent for other letting agents and what action can be taken by other regulatory bodies including the Licensing Committee.

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

10. Strategic Risk Register 2019/2020: Mid-Year Update

Submitted a report by the Executive Director (Finance and Corporate Support) which provided a mid-year update on the progress with actions related to the Strategic Risk Register. The Strategic Risk Report 2019/20 with detailed actions was provided at Appendix 1 to the report.

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

- the formula used for calculating a total risk score and who is responsible for assigning numeric values to the likelihood and impact of each risk;
- why climate change does not appear on the risk register despite the Council declaring a climate emergency in October 2019;
- the evaluation process for climate change as a risk to North Ayrshire and why flood prevention appears to be the main focus over other issues associated from climate change; and
- risk associated with the financial position of the Health and Social Care Partnership and a number of contributing factors including the delay of the opening of Trindlemoss.

The Committee agreed to (a) note the mid-year update on the 2019/20 Strategic Risk Register; (b) request that a report by the Director of Place be brought to a future meeting on the Council's overall approach to climate change; and (c) request that a special meeting of the Committee be arranged to examine the finances of the HSCP and their recovery plan in more detail, and invite the Director of Health and Social Care to attend.

11. Internal Audit Reports Issued

Submitted a report by the Executive Director (Finance and Corporate Support) on the findings of Internal Audit work completed between August and September 2019. Details of internal control reviews around music tuition, the Transport Hub and Better Off North Ayrshire were provided as Appendix 1 to the report.

The Senior Manager (Internal Audit, Risk and Fraud) highlighted the new style of report which consists of a shorter report and an action plan for each audit. The new style should allow officers to spend less time writing reports and therefore allocate more time to audit work.

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

12. Urgent Items

Councillor Hill raised the issue of the use of permitted development by the Council and questioned whether this is an area which the Committee should receive a report on in the future. Reference was made to a development a Flatt Road, Largs where work was carried out under permitted development legislation and resulted in the erection of a 40ft chimney which was not clear in the plans due to the omission of elevation drawing.

Councillor Hill felt that the Committee should be made aware of how often development has been carried out under this legislation; what circumstances have led to this legislation being used; and what scrutiny has been carried out to date.

Officers advised that Council housing developments are permitted development under the Town & Country Planning (General Permitted Development) (Scotland) Order 1992 providing they comply with the Local Development Plan. Otherwise planning permission is required. The Cabinet, at its meeting on 29 October 2019, considered the Strategic Housing Investment Plan 2020-25 and noted that all future Council housing developments will now obtain a 'Certificate of Lawful Use Development' from the Council's Planning Service. This will provide a certificate that each site within the SHIP has been considered against the full terms of the adopted Local Development Plan.

The Committee agreed to note the information provided by officers.

The meeting ended at 11.20 a.m.