

**Audit and Scrutiny Committee
20 November 2018**

IRVINE, 20 November 2018 - At a Meeting of the Audit and Scrutiny Committee of North Ayrshire Council at 10.00 a.m.

Present

Margaret George, Joy Brahim (Item 4 onwards), Alan Hill, Donald Reid and Tom Marshall.

In Attendance

L. Friel, Executive Director, P. Doak, Senior Manager (Internal Audit, Risk and Fraud) (Finance and Corporate Support); W. Turpie, Senior Manager (Waste Resources) (Place); S. Brown, Director and C. Whyte, Head of Finance (Health and Social Care Partnership); C. Amos, Head of Service (Inclusion) (Education and Youth Employment); R. Arthur, Senior Manager (Connected Communities) (Economy and Communities); and A. Little, Committee Services Officer (Chief Executive's Service).

Chair

Councillor George in the Chair.

Apologies

Marie Burns and John Sweeney.

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

The Committee was advised that Education and Youth Employment have arranged a meeting with the Chair of the Committee to discuss the range of information to be presented to future meetings on the use of PEF funds.

Noted.

3. Health and Social Care Partnership Financial Performance

Submitted report by the Chief Finance and Transformation Officer on the projected financial outturn for the financial year as at September 2018.

Appendix A to the report provided the financial overview of the partnership position. Detailed analysis was provided in Appendix B, with full details of savings provided at Appendix C. Appendix D outlined the progress of the Recovery Plan and Appendix E highlighted the movement in the overall budget position for the partnership following the initial approved budget.

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

- the return of the three Towns Medical Practice to being operated by an independent provider, the service having operated under a 17c contract which is a particular type of contract with the Health Board; and
- reports that are provided to partner IJBs to ensure the agreement and sign off of services managed under lead partnerships.

The Committee agreed to note (i) the projected year-end overspend of £0.458m; (ii) the favourable movement in the projected outturn position and the future financial risk of further movement; (iii) the alternative saving as detailed at Section 2.10 of the report; (iv) the changes in funding as detailed in Section 2.12 and Appendix E to the report; and (v) the impact of the financial recovery plan and the progress being made in delivering financial balance.

Councillor Brahim joined the meeting at this point.

4. Internal Audit Reports Issued

Submitted report by the Executive Director (Finance and Corporate Support) on the findings of Internal Audit work completed between September and October 2018. Appendix 1 to the report detailed the areas where internal control reviews had been undertaken and provided the executive summary and action plan for each audit.

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

- work that is being done by Procurement to review the list of duplicate suppliers and deactivate suppliers as appropriate;
- clarification that is being sought at a national level on the inclusion of social media visits from the count of the number of visits to libraries and a recommendation from the Association of Public Libraries Scotland to include media visits in the count of the number of visits to libraries; and
- a number of empty Council properties and the setting of rents for the Council's property portfolio.

Noted.

5. Internal Audit Plan 2018/19: Mid-year Update

Submitted report by the Executive Director (Finance and Corporate Support) on (a) progress in delivering the 2018/19 Internal Audit Plan, as outlined in the Appendix to the report; (b) details of the 12 reports published during the first half of 2018/19, 10 of which were from the 2017/18 plan and the remaining 2 have been completed from the current plan, (c) a further 7 reports at draft stage as at 30 September 2018, (d) 8 audits that are being worked on and (e) the remaining planned audits scheduled during Quarters 3 and 4.

Members asked a question in relation to the cost of Internal Audit services in comparison to other Councils and were advised that North Ayrshire's costs are the second lowest in Scotland.

The Committee agreed to (a) note the mid-year position; and (b) approve the withdrawal of two audits from the Plan.

6. Internal Audit and Corporate Fraud Action Plans: Quarter 1 Update

Submitted report by the Executive Director (Finance and Corporate Support) on the progress made by Council Services in implementing the agreed actions from Internal Audit and Corporate Fraud reports as at 30 September 2018. Appendix 1 to the report provided full details of the 7 actions that were not completed within the agreed timescales.

Members asked a question and were provided with further information in relation to a report that will be published by the Scottish Government in December on trend changes in local population, such as housing development and birth rates that will assist in long term decision making by Education and Youth Employment and this will be shared with Cabinet thereafter.

Noted.

7. Corporate Fraud Team: Mid-year Progress

Submitted report by the Executive Director (Finance and Corporate Support) which provided a mid-year progress update on the work of the Corporate Fraud Team. The report provided details of (a) 190 referrals for investigation that had taken place and financial recoveries of over £30,000 for the Council, (b) a number of onward referrals made by the team to the DWP Single Fraud Investigation Service, Police Scotland and other Council Services, (c) investigation of 27 tenancy abandonments, (d) 18 Blue Badge referrals, (e) a number of House of Multiple Occupation investigations in conjunction with Licensing, Building Standards and the Private Sector Housing Team, (f) a pro-active review of all empty domestic properties in receipt of Council Tax relief that resulted in additional financial recoveries of around £8,000 and (g) the latest biennial National Fraud Initiative and International Fraud Awareness Week that took place between 11 – 17 November 2018.

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

- reports that are made to the Corporate Fraud Team on the misuse of Blue Badges;
- 190 investigations and £30,000 recovered in 2018, compared to 182 and £12,000 in 2017;
- a number of fraud awareness raising events that took place across North Ayrshire as part of International Fraud Awareness Week.

The Committee agreed to (a) note the report; and (b) that information on the number of Houses of Multiple Occupation be provided directly to Members.

8. Ayrshire Valuation Joint Board

Submitted the Minutes of the Ayrshire Valuation Joint Board meeting held on 7 June 2018.

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

- the waiting time for people appealed the valuation of their properties; and
- whether the AVJB Minutes should continue to be reported to the Committee.

The Committee agreed that the Head of Democratic Services consider the need for the Committee to scrutinise Ayrshire Valuation Joint Board.

9. Urgent Items

The Chair agreed that the following item be considered as a matter of urgency to allow it to be actioned without delay.

9.1 Council Website

Councillor Reid advised that he had been assured that the Council website would show straplines of current information and changes to services, such as missed bin collections. This would keep the public up to date and prevent members of the public calling Members and the Contact Centre for information.

The Committee agreed that the Executive Director (Finance and Corporate Support) provide a report to the next meeting of the Committee on how the Council can proactively provide information on the website.

10. 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.

10.1 Corporate Fraud Reports Issued

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

Noted.

The meeting ended at 11.05 a.m.