

Audit and Scrutiny Committee
30 May 2024

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, Cameron Inglis, Matthew McLean and Donald L. Reid.

Present (Remote Participation)

Davina McTiernan.

In Attendance (Physical Participation)

D. Hammond, Executive Director, R. Leith, Head of Service (Connected Communities), L. Cree, Senior Manager (Property Management and Investment) and A. Elliot, Senior Manager (Housing Operations) (Communities and Housing); T. Reaney, Head of Service (Neighbourhood Services) (Place); A. McClelland, Head of Service (Education); P. Doak, Head of Service (Finance and Transformation) (Health and Social Care Partnership); M. Boyd, Head of Service, D. Forbes Senior Manager (Strategic Business Partner) and L. Miller, Senior Manager (Audit, Fraud, Safety and Risk) (Finance); F. Walker, Head of Service, J. McNeil, Senior Manager (ICT) and E. Nixon, Senior Manager (Customer Services) (People and ICT); and A. Craig, Head of Service, I. Hardy, Team Manager (Policy & Performance), C. Stewart and H. Clancy, Committee Services Officers (Democratic Services) (Corporate Services).

Also in Attendance (Physical Participation)

D. Jamieson, Audit Scotland.

Chair

Councillor Bell in the Chair.

Apologies

Eleanor Collier, Tom Marshall and John Sweeney.

1. Declarations of Interest

There were no declarations of interest by Members in terms of Standing Order 11 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 21 March 2024 were confirmed and the Minutes signed in accordance with Paragraph 7 (1) of Schedule 7 of the Local Government (Scotland) Act 1973.

3. Construction Contract Quality Monitoring

Submitted report by the Executive Director (Place) providing an update on the Council's approach to Construction Contract delivery.

Members asked questions and were provided with further information in relation to Contractor performance.

Noted.

4. 2023/24 Elected Member Requests Report

Submitted report by the Head of Service (Democratic) informing of the Council's performance in handling Elected Member requests and the volumes and trends of Elected Member requests handled in Financial Year 2023/24.

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

- the EM Pro (Lagan) system particularly regarding logging requests, and some previous and historical issues surrounding reliability and downtime; and
- training and development sessions that could be arranged to facilitate greater use of the system, while noting that a new system would be getting rolled out in October 2024, which would be supported by training and guidance on how to use it.

Noted.

5. 2023/24 Complaint Report

Submitted report by the Head of Service (Democratic) informing of the Council's complaint handling performance and the volumes and trends of complaints received in Financial Year 2023/24. The report detailed the volume of complaints received and closed, complaints closed at each stage, complaint outcomes, the average time in working days for a full response at each stage, complaints closed within timescale, complaint timescale extensions, trends identified from upheld/partially upheld complaints and changes or improvements made as a result of complaints and compliments received.

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

- the nature of some of the complaints received including those relating to Education, and an explanation of the processes involved;
- the process involved with missed bin collections, including frequency of collection, presentation rates and resource availability; and
- the issue of replacement purple bin lids, which had an action plan in place, and the backlog of same which was being addressed.

It was agreed that in respect of future reports, there would be a comparison table with the previous two financial years in respect of Complaint outcomes and that the relevant information would be circulated to Members for the financial years 21/22 and 22/23.

Noted.

6. Code of Corporate Governance Statement 2024/25

Submitted report by the Head of Service (Democratic) seeking approval of the Code of Governance Statement 2024/25. The Code of Corporate Governance Statement 2024/25 was attached at Appendix 1 to the report.

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

- training and development of Elected Members particularly in relation to the Local Development Plan (LDP) and Planning generally, which would be taken forward by officers to ensure that appropriate and regular update training was scheduled in the near future; and
- training sessions held and attendance.

The Committee agreed to (a) approve the Code of Corporate Governance Statement 2024/25, as detailed at Appendix 1 to the report; and (b) otherwise note the content of the report and associated Appendix.

7. Accounts Commission's Report: Local Government in Scotland: Financial Bulletin 2022/23

Submitted report by the Head of Service (Finance) informing of the findings of the recently published report.

Members asked questions and were provided with further information in relation to progress with the tourist and visitor levy and council tax multiplier proposals.

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

8. 2022/23 External Audit Action Plan Update

Submitted report by the Head of Service (Finance) on the updated actions identified in the 2022/23 External Audit Action Plan. Appendix 1 to the report provided an update on the management actions taken to date including updated target dates for any outstanding items.

The Committee agreed to note the updates to the agreed Action Plans as outlined in Appendix 1 to the report.

9. Annual Governance Statement 2023/24

Submitted report by the Head of Service (Finance) on the Council's Annual Governance Statement for 2023/24 which will be included within the draft Annual Accounts. The draft Annual Governance Statement was attached at Appendix 1 to the report.

A Member asked a question and received clarification on the scheduling of political engagement in relation to the budget process.

The Committee agreed to approve the draft Annual Governance Statement as outlined in Appendix 1 to the report.

10. Accounting Policies 2023/24

Submitted report by the Head of Service (Finance) seeking approval of the accounting policies which will be adopted in the preparation of the Council's Annual Accounts for the year to 31 March 2024. The accounting policies were attached at Appendix 1 to the report.

Clarification was provided on the definition of a "soft loan" and Members noted that the Council has no loans granted on this basis.

The Committee agreed to approve the accounting policies as outlined in Appendix 1 to the report.

11. Strategic Risk Register 2024/25

Submitted report by the Head of Service (Finance) on the Council's agreed Strategic Risk Register for 2024/25. The Strategic Risk Register Report 2024/25, with detailed actions, was provided at Appendix 1 to the report.

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

- the Financial sustainability of the Council and the Health and Social Care Partnership (HSCP), including the impact of financial challenges faced by funding partners, and potential budget gaps in terms of funding; and
- Business continuity and resilience, including cyber-security risk.

Noted.

12. Internal Audit Annual Report 2023/24

Submitted report by the Head of Service (Finance) on the work of Internal Audit during 2023/24 and providing an opinion on the governance, risk management and internal control environment of the Council. The Annual Report 2023/24, together with a statement on internal controls, was detailed at Appendix 1 to the report.

Members asked a question and were provided with assurance on the sufficiency of the staffing complement to deliver the work plan.

The Committee agreed to note (a) the content of the annual report detailed at Appendix 1 to the report; and (b) the opinion of the Senior Manager on the Council's governance, risk management and internal control environment.

13. Corporate Fraud Team Annual Report 2023/24

Submitted report by the Head of Service (Finance) on the work of the Corporate Fraud Team during 2023/24, where 398 referrals for investigation had been received.

The Senior Manager (Internal Audit, Risk and Fraud) highlighted investigations which had been carried out across a range of areas, including employee-related matters as well as Council Tax, Discretionary Housing Payments, Scottish Welfare Fund, Blue Badges and Housing tenancy issues. The Committee was advised of joint working arrangements with the DWP Single Fraud Investigation Service (SFIS) in cases where there were suspected frauds relating to both DWP Benefits and Council Tax Reduction.

The Senior Manager also referred to the biennial National Fraud Initiative (NFI) work involving matching of relevant datasets across public bodies to identify possible fraud or error for further investigation. The exercise was now complete and details of the full results, as they relate to North Ayrshire, would be reported to a future meeting of the Audit and Scrutiny Committee.

Noted.

14. Internal Audit and Corporate Fraud Action Plans: Quarter 4 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 March 2024.

Members asked questions and were provided with further information on progress with the action relating to CCTV in buildings.

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 have not implemented actions within the previously agreed timescales.

15. Internal Audit Reports Issued

Submitted report by the Head of Service (Finance) on the findings of Internal Audit work completed between March and April 2024. The findings from three audit assignments were detailed at Appendix 1 to the report, together with the respective executive summaries and action plans.

Members asked questions and received further information on:

- The number of procurement cards issued; and
- cyber resilience and security and data protection impact assessments.

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.

16. Standing Item of Business: Consideration of Future Business for Scrutiny

Members were invited to consider potential items of scrutiny business for future meetings.

Having heard the Head of Democratic Services, it was noted that reports on the Community Asset Transfer process and on the Council's Climate Change target and associated policies would be reported to future meetings of the Committee, for Members' consideration.

17. Urgent Items

There were no urgent items.

18. Valedictory

As this was the last meeting of the Committee which Laura Miller, Senior Manager (Audit, Fraud, Safety and Risk) would attend prior to moving to a new position, the Chair, on behalf of the Committee, wished Laura all the best for her new position and thanked her for all her work for North Ayrshire Council.

The meeting ended at 11.35 a.m.