

Audit and Scrutiny Committee
13 February 2017

Irvine, 13 February 2017 - At a Meeting of the Audit and Scrutiny Committee of North Ayrshire Council at 10.00 a.m.

Present

John Hunter, Tom Marshal, Catherine McMillan and David O'Neill.

In Attendance

E. Murray, Chief Executive; L. Friel, Executive Director, P. Doak, Senior Manager (Internal Audit, Risk and Performance) and D. Miller, Complaint and Feedback Manager (Finance and Corporate Support); J. Butcher, Executive Director (Education and Youth Employment); R. McCutcheon, Head of Service (Commercial Services) (Place); S. Brown, Head of Service (Children, Families and Criminal Justice); A. Sutton, Head of Service (Connected 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).

Also In Attendance

P. Kenny (Deloitte) and G. O'Connor (Falkirk Council).

Chair

Councillor Hunter in the Chair.

Apologies for Absence

John Easdale.

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 14 November 2016 were confirmed and the Minutes signed in accordance with Paragraph 7 (1) of Schedule 7 of the Local Government (Scotland) Act 1973.

2.1 Matter Arising from Previous Meeting

The Executive Director (Education and Youth Employment) provided an update on the Corporate Acceptable Computer Use training levels that have been achieved to date, a number of mandatory training areas that are required to be undertaken by staff during the school week and the use of in-service training days to allow staff to complete outstanding modules.

The Committee agreed to receive a further update from the Executive Director (Education and Youth Employment) at a future meeting of the Committee.

3. External Quality Assessment of Internal Audit by Falkirk Council

Submitted report by the Executive Director (Finance and Corporate Support) on the findings of the recent external review of Internal Audit carried out by Falkirk Council.

The Scottish Local Authorities Chief Internal Auditors Group (SLACIAG) has developed an external review network, where each participating Council Internal Audit team will carry out a review of another authority, and will in turn be reviewed by another, different Council. The review of the Council's Internal Audit team has recently been completed by the Internal Audit Manager from Falkirk Council and his report was attached in full at Appendix 1 to the report.

The review assessed the compliance of the Council's Internal Audit team with the 13 sections of the PSIAS and noted that the team fully conforms with 11 of the standards and generally conforms with the remaining two. Overall the assessor was able to provide substantial assurance that the Council's Internal Audit team complies with the requirements of the PSIAS. There are a number of low priority actions for implementation by the team which will further improve compliance. All but one of these actions have been accepted and the action plan was included within Appendix 1.

Members asked questions and were provided with further information in relation to the recommendation which was not accepted that Committee reports are in the name of the Senior Manager (Internal Audit, Risk and Fraud), to allow senior management to continue to have oversight of reports before they are presented to Committee.

The Committee agreed to (a) note (i) the findings and action plan from the review of Internal Audit, and (ii) the positive nature of the assessment; and (b) record its thanks to Falkirk Council Internal Audit for carrying out the review.

4. Internal Audit and Corporate Fraud Action Plans: Quarter 3 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 31 December 2016. Appendix 1 to the report provided the Committee with full details of the 21 actions that were not complete within the agreed timescales.

Noted.

5. Internal Audit Plan 2017/22

Submitted report by the Executive Director (Finance and Corporate Support) of the proposed Internal Audit plan for 2017-2018 and the indicative programme of work for the period 2018-2022. The report contained the full list of auditable areas and provided an indicative programme of work for Internal Audit for the 5-year period from April 2017 to March 2022 at Appendix 1 to the report. Appendix 2 contained the detailed audit plan for 2017-18 and indicated which quarter of the financial year it is intended to commence each audit.

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

- audit days allocated to the Integration Joint Board (IJB) which are assigned to auditable areas by the IJB's Performance and Audit Committee for 2017-18; and
- a range of auditable IJB areas that have been included in the programme of work for the 5-year period 2017 - 2022.

The Committee agreed to (a) approve the Internal Audit plan for 2017-2018; and (b) note (i) the indicative programme for 2018-2022; and (ii) the indicators and targets set out at section 2.6 of the report, along with any others the Committee may find useful.

6. Directorate Plan 2015/18 Performance Reports as at 30 September 2016

Submitted report by the Chief Executive which provided an update on the performance of all Directorates against the priorities outlined in the Directorate Plans as at 30 September 2016.

The reports for each Directorate were set out in Appendices 1 - 6 to the report and an overview of the performance of Directorates compared against the same time last year was illustrated in the charts at section 2.9 of the report. The percentage of indicators which are on target has increased from last year, as have the percentage of indicators that are significantly adrift of target. Detailed narrative on the indicators that are significantly adrift of target were outlined in the Directorate Performance reports of Finance and Corporate Support, Economy and Communities, Education and Youth Employment and the Health and Social Care Partnership.

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

Democratic Services

- work by Council staff and community planning partners to establish Locality Partnerships;
- a presentation that was made to Members on the Locality Partnerships;
- the aging Council workforce and absences as a result of musculoskeletal and respiratory illnesses; and
- private sector absence policies that do not pay staff for the first few days of absence and Council processes in place for Managers to manage absence.

Finance and Corporate Support

- the promotion of health and well-being through staff consultation and initiatives such as Health Working Lives and Mindfulness; and
- the stress survey undertaken that found that the main areas of concern are demands and change.

Education and Youth Employment

- the long-term sickness absence of a small number of staff within headquarters;
- sickness levels of school support staff which includes those working with children with additional needs;
- low levels of sickness levels of teaching staff;
- work that is being done with Glasgow University to pilot support for gifted pupils;
- an audit of existing facilities to inform the future provision and requirements required to deliver the 1140 hours of early learning and child care by 2020; and
- work with Ayrshire College to encourage training in early learning and child care.

Place

- information that is available on the Council's website on priorities for winter treatment of roads, including gritting routes; and
- details of the Housing Revenue Accounts that will be provided directly to Members.

Economy and Communities

- a report to Cabinet on proposals for the use of the £1.43m from the Vacant and Derelict Land Fund; and
- long term illness that can impact on the sickness absence levels of small teams.

Health and Social Care Partnership

- work that will be done to record and report Council and NHS sickness absence data in the same format and reporting cycles; and
- regular financial monitoring reports that are presented to the Integration Joint Board

The Committee agreed (a) that the Chief Executive provide a report on absence trends over the last 5 years to a future meeting of the Committee; (b) that the Executive Director (Place) provide details of the Housing Revenue Accounts directly to Members; (c) that future reports provide a glossary of the acronyms used; and (d) to otherwise note the report.

7. Quarter 2 2016 Year To Date Complaint Report

Submitted report by the Executive Director (Finance and Corporate Support) on the Council's complaint performance and the volumes and trends of complaints received in Quarter Two 2016 year to date. The report detailed complaint information relating to the Council in Quarter Two 2016 covering the period 1 April 2016 to 30 September 2016 and comparative data from the same periods of 2015 and 2014.

The report noted that an increase seen in the volume of complaints received in Quarter 2 compared to the same period in 2015 is due mainly to an increase in Place and Finance and Corporate Support complaints. Analysis shows the increase in complaints for Place related primarily to Building Services, PMI and Housing. The increase in Finance and Corporate Support complaints was due mainly to an uplift in complaints relating to Revenues and the Customer Service Centres. A more detailed breakdown of these figures was contained in the attached report.

Noted.

8. Accounts Commission Report - Role and Working Relationships in Councils - Are you still getting it right?

Submitted report by the Chief Executive on the Accounts Commissions report 'Roles and Working Relationships in Councils - Are you Still Getting it Right?', which was attached as at Appendix 1 to the report. Appendix 2 to the report provided details of the learning and development activities available during 2016 that support Elected Member Continuous Professional Development.

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

- information that will be provided to Members on a potential typographical error at Section 2.5 of the report - financial mismanagement; and
- plans to ensure IT equipment and training are in place for Elected Members following the Local Government Election in May 2017.

The Committee agreed to (a) consider the checklists contained in the report; (b) receive an annual report to the Committee detailing the attendance of Councillors at North Ayrshire Council training events; and (c) otherwise note the report.

9. Ayrshire Valuation Joint Board Minutes

Submitted the Minutes of the meetings of the Ayrshire Valuation Joint Board (AVJB) held on 1 September, 2016.

Noted.

10. Exclusion of the Public and Press

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 public for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 1 of Part 1 of Schedule 7A of the Act.

11. Corporate Fraud Reports Issued

Submitted report by the Executive Director (Finance and Corporate Support) of the findings of Corporate Fraud investigations completed between 1 November 2016 and 31 January 2017.

Noted.

The meeting ended at 12 noon.