

CORPORATE AND COMMUNITY PLANNING
STANDING SCRUTINY PANEL.

Minutes of meeting in County Buildings, Wellington Square, Ayr,
on 5th November 2009 at 10.00 a.m.

- Present: Councillors Brian Connolly (Chair), Sandra Goldie, Bill Grant, Mairi Low, Helen Moonie, Alec Oattes and Mike Peddie.
- Apology: Councillor John Hampton.
- Attending: E. Howat, Executive Director – Corporate Services; D. Russell, Head of Legal and Administration; D. Alexander, Head of Corporate Resources; C. Monaghan, Head of Policy, Performance and Communication; J. McQuillan, Head of Property and Neighbourhood Services; H. Carswell, Head of Children's Services; H. McLaughlin, Audit Services/Programme Review Manager; P. Linton, Performance and Change Management Manager; G. Muir, ICT Strategy Officer; A. Thompson, Benefit Officer (Policy and Procedures); and E. Wyllie, Committee Administration Officer.
- Also Attending: Councillors John McDowall and Bill McIntosh (Portfolio-holder of Resources and Performance); Asif Haseeb, Senior Audit Manager, Jim Cumming and Anne Cairns, Senior Auditor, Audit Scotland.

1. Items for Call-in.

(1) Budget Management – Revenue Budgetary Control 2009/10 – Position Statement at 31st August 2009.

Reference was made to the Minutes of the Leadership Panel of 27th October 2009 (Page 000, paragraph 13) when that Panel, having considered a report (issued) of 16th October 2009 by the Executive Director - Corporate Services, had decided, having recorded their appreciation of the work undertaken in the preparation of the Revenue Budgetary Control Statements by the Head of Corporate Resources and his team

- (a) to approve the management action being taken by Executive Directors to ensure a break-even budget at 31st March 2010 as outlined in Appendix 1 of the report;
- (b) to approve the request for virement as outlined in the Directorate budgetary control reports at Appendix 1 and as summarised in Appendix 2 of the report; and
- (c) otherwise, to note the contents of the report.

The Panel was advised that the report had been the subject of a call-in for the following reasons:-

Children and Community (Appendix 1(b) of the report):-

- (i) details of the efficiency savings required to achieve £500,000 target in the 2009/10 budget process;
- (ii) what alternative options for virement were available?; and
- (iii) what would be the impact of reduction in service if efficiency target was not achieved?; and

Development and Environment (Appendix 1(d) of the report):-

(iv) service delivery implications of revised structure of combined roads service.

The Chair invited Councillor McDowall to explain his reasons for the call-in and, thereafter, the Panel heard Councillor McDowall seek clarification

(A) in respect of (i) to (iii) above relating to the Children and Community element of the report, particularly in respect of service impact and the Head of Children's Services responded to the issues raised and commented on balance of care and personalised care packages; and

(B) in respect of (iv) above relating to the Development and Environment element of the report, particularly pertaining to the staffing structure of the combined Roads Service and the Head of Property and Neighbourhood Services responded to the issues raised and commented on the integration of the service.

Councillor Moonie similarly expressed her concerns in support of both parts of the Call-in.

A discussion took place and various questions were raised by Members of the Panel in relation to:-

- Children and Community - whether care packages were being cut; homecare provision and the needs of the individual; and waiting lists and whether other local authorities operated such lists; and
- Development and Environment – the unbudgeted expenditure for Green Space and the use of the contingency fund instead of viring from other budgets.

Officers responded accordingly to the questions raised.

The Executive Director – Corporate Services commented further on budget issues and advised that budgets were set based on estimates available at the time and that she urged that no draws be made on contingency unless the item could not be met from within existing resources.

Decided: following review, that the decision of the Leadership Panel in respect of this matter be confirmed and implemented.

(2) General Services Capital Programme 2009/10: Monitoring Report at Period 5 - 31st August 2009.

Reference was made to the Minutes of the Leadership Panel of 27th October 2009 (Page xxx, paragraph 14) when that Panel, having considered a report (issued) of 12th October 2009 by the Depute Chief Executive and Executive Director – Development and Environment and Executive Director – Corporate Services had decided, having recorded their appreciation of the work undertaken on the General Services Programme by the Property and Design Manager and his team,

- (a) to note the progress made on projects to 31st August 2009 as outlined in Appendix 1 of the report;
- (b) to note the additional funding awards as detailed in Section 4 of the report;
- (c) to approve the proposed adjustments to the programme as outlined in Section 5 of the report;

- (d) to approve the allocation of funding to projects within the ICT Equipment at PPP Schools budget as outlined in Section 6 of the report ; and
- (e) to note that the adjustments would have no overall impact on the current level of over-programming.

The Panel was advised that the report had been the subject of a call-in for the following reason:- that further information requested relating to the background to awards made by Strathclyde Partnership for Transport (SPT) (additional) as outlined within paragraph 4.3 and Appendix 1 of the report.

On behalf of Councillor McDowall who had now left the meeting, the Panel heard Councillor Moonie seek clarification in respect of SPT funding and the process used and officers responded accordingly. Councillor Grant provided further information as an Elected Member representative of the SPT.

The Executive Director – Corporate Services offered to obtain further information on the process used.

Decided: following review

- (a) that the Executive Director – Corporate Services would arrange for information to be circulated to the Members of this Panel in relation to the selection process being utilised for projects benefitting from funding awarded by Strathclyde Partnership for Transport; and
- (b) otherwise, that the decision of the Leadership Panel in respect of this matter be confirmed and implemented.

2. Minutes of previous meeting.

Decided: to note the Minutes of the previous meeting of 24th September 2009 (issued).

3. Remit from the Leadership Panel of 27th October 2009 – South Ayrshire Council's Directorate Plans.

Reference was made to the Leadership Panel of 27th October 2009 (Page 000, paragraph 7) when that Panel, having considered a report of 19th October 2009 (issued) by the Head of Policy, Performance and Communication had decided, having recorded their appreciation of the work undertaken in the preparation of the Directorate Plans by Officers and Elected Members

- (1) to approve the Children and Community Directorate Plan for 2009-12;
- (2) to approve the Corporate Services Directorate Plan for 2009-12;
- (3) to approve the Development and Environment Directorate Plan for 2009-12; and
- (4) to agree to remit the individual Directorate Plans to the relevant Standing Scrutiny Panel for further consideration,

and there was submitted a report (issued) of 29th October 2009 by the Head of Policy, Performance and Communication providing a mapping between objectives within the Directorate Plans and Scrutiny Panels.

Various questions were raised by Members of the Panel in relation to:- developing performance management; how would Members be engaged in setting targets; and how would the general public be aware of targets being met and officers responded accordingly.

Decided: to agree that progress on those objectives which related to the remit of this Panel be presented on a six monthly basis to this Panel.

AUDIT FUNCTION:-

4. Follow Up Report to Management on Data Handling.

There was submitted a report (issued) of 28th October 2009 by the Head of Corporate Resources

- (1) advising of the findings from a follow up review of data handling within the Council;
- (2) informing that Auditors had found that management had made some progress in relation to the previously agreed action plan and of the nine actions identified, one had been completed, one was on hold and awaiting guidance from the Scottish Government and seven had been progressed since the original review had been undertaken;
- (3) indicating that the agreed action plan detailed the issues and risks together with the Council's response and target dates by which the issues would be addressed with the intention that all outstanding action points be addressed by the end of August 2010, however, Audit Scotland had expressed concern within the report that planned Council actions might not adequately address some risks;
- (4) highlighting that data handling was incorporated within all processes undertaken by the Council and did not only relate to staff located within ICT and reporting that individual departments across the Council had a duty to protect the data they held; and
- (5) intimating that the Council had formed an ICT Strategy Group in September 2009 and informing that this Group, chaired by the Head of Corporate Resources and encompassing representation from all Council services, would have a key role in ensuring delivery of the required action plan on a corporate basis.

Asif Haseeb, Audit Scotland referred to the document and advised that significant progress had been made since the publication of the draft report five months ago with data handling being an area of high risk.

Jim Cummings, Audit Scotland highlighted concerns relating to various action points and outlined associated risks and the Head of Corporate Resources responded and provided an update on the current position with the action points.

Various questions were raised by Members of the Panel in relation to the types of data, possible risks and potential costs involved and officers responded accordingly.

Decided:

- (a) to note the key issues raised by the Auditors;
- (b) to agree the action plan proposed within the report and as outlined within the Appendix to the report; and
- (c) to instruct the Head of Corporate Resources to provide regular updates on progress in implementing the action plan to a future meeting of the Panel.

5. **Report to Management on Risk Assessment of Housing and Council Tax Benefit.**

There was submitted a report (issued) of 28th October 2009 by the Head of Corporate Resources

- (1) advising of the findings from a review of housing and Council tax benefit with information for the review having been gathered from a range of sources;
- (2) indicating that Auditors had found that, despite operating with financial constraints, a significant increase in benefit claims and reduced staffing levels, the benefits service had improved its performance year on year in new claims and change of circumstances speed of processing, counter fraud, appeals and housing benefit overpayment recovery;
- (3) highlighting that the report confirmed that the benefits service had in place an established business planning process, with the annual service delivery plan detailing aims and objectives which captured national and local priorities and provided a focus for the service to help ensure the best use of resources;
- (4) outlining that to help ensure optimum effectiveness, efficiency and economy across all areas, the review stated that the Council required to review its' quality checking and intervention activities and also needed to consult with its customers and the wider community on the type and level of service they required; and
- (5) informing that the report had identified nineteen risks, for which an action plan with timescales had been agreed with Audit Scotland and that this plan detailed the issues and risks together with the Council's response and target dates by which the issues would be addressed.

The Head of Corporate Resources advised that the Action Plan (inadvertently omitted from the distribution of the report and subsequently to be circulated to Members) outlining the nineteen risks had received acceptance of Audit Scotland on 13th October 2009.

Asif Haseeb, Audit Scotland commented that this was a positive report from the Council and reported that the Auditor involved had spoken highly of the Benefits Service staff.

Various questions were raised by a Member of a Panel in relation to the robustness of the self assessment process and whether the service was configured in line with the Corporate Plan and officers responded accordingly.

Decided: having recorded their appreciation of the work undertaken by the Benefits Service,

- (a) to note the key issues raised by the Auditors;
- (b) to agree the action plan proposed within the report; and
- (c) to instruct the Head of Corporate Resources to provide regular updates on progress in implementing the action plan to a future meeting of the Panel.

6. Internal Audit Service – Annual Audit Plan 2009/10 – Progress Report..

With reference to the Minutes of 28th May 2009 (Page 312, paragraph 3), there was submitted a report (issued) of October 2009 by the Audit Services/Programme Review Manager advising

- (1) of the progress and current position of the annual Audit Plan from 1st June to 16th October 2009 and outlining the productivity of the section; and
- (2) that a summary progress report showing actual activity, on a line by line basis against the original Audit Plan, was attached as an Appendix to the report.

Decided:

- (a) to note the progress of the Annual Audit Plan for 2009/10; and
- (b) to request that the Audit Services/Programme Review Manager submit similar reports to future meetings of this Panel.

7. Internal Audit Service – Follow-up of Internal Audit Reports – Progress Report.

There was submitted a report (issued) of October 2009 by the Audit Services/Programme Review Manager

- (1) advising of the current status of Departmental progress regarding the implementation of Action Plans contained within internal audit reports;
- (2) referring to the meeting of 26th March 2009 when it had been agreed that Directorates should submit written reports to future meetings of this Panel explaining the reason for requesting second or subsequent extensions of time to complete outstanding action plan points and informing that, as at the cut-off date of 23rd October 2009, eleven action plan points were outstanding as noted in CPMS and outlining that all of these were outstanding for the first time with requests for amended completion dates having been agreed with internal audit; and
- (3) advising that since the previous meeting of this Panel, eleven reports had been issued and that a summary of these reports, excluding Community Council reports which were for certification of accounts, had been included as Appendices to the report.

Various questions were raised by Members of the Panel in relation to:- the summary reports for "Payments from Developers" and "Dolphin House"; and the process for management action and non acceptance of Internal Audit advice and the Audit Services/Programme Review Manager responded accordingly.

The Head of Legal and Administration further commented that, should management, taking into account the balance between risk and cost, not accept Internal Audit's advice, the Panel had the power to ask questions with an expectation that the relevant manager would appear before the Panel and provide answers to such questions.

Decided:

- (a) to note the progress of Directorates in the implementation of agreed action plan findings; and
- (b) to request that the Audit Services/Programme Review Manager submit reports to future meetings of this Panel.

WIDER SCRUTINY PANEL BUSINESS:-**8. Proposed Work Programme of Reviews.**

The Executive Director – Corporate Services advised

- (1) of the requirement for this Panel to give consideration to a Work Programme of Reviews for the forthcoming year which should be finalised at the next meeting of this Panel on 3rd December 2009 to be submitted, thereafter, to the Council at its meeting on 17th December 2009;
- (2) of the position with the current Programme and the two areas of review undertaken by the Working Groups being reported to alternate meetings of this Panel along with periodic reporting on the ongoing strategic review of absence;
- (3) that the work of the Role of the Audit Panel Working Group was still ongoing, however, the Project Working Group should be in a position to conclude soon with the findings to be reported to a future meeting of this Panel; and
- (4) that, on this basis, there was an opportunity to explore other service areas for review and suggested that, as the Head of Policy, Performance and Communication and the Communications Manager were now in post, Community Engagement and the Communications Strategy could be topics for a Working Group to examine.

A discussion took place in relation to possible topics and the Chair suggested that ideas be submitted to the Executive Director – Corporate Services prior to the next meeting.

Decided: to note

- (a) the current position in relation to the current Work Programme for 2009/10; and
- (b) the suggestions which had been made for the Work Programme for 2010/11 with further proposals to be forwarded to the Executive Director – Corporate Services who would then compile a report for the next meeting of this Panel on 3rd December 2009 for its consideration.

9. Panel Work Programme – Role of the Audit Panel Working Group - Update.

Councillor Peddie intimated that prior to the first meeting having taken place, three points of order had been raised and that he had sought clarification on these matters with the Depute Chief Executive and Executive Director – Development and Environment and confirmed

- (1) that he would advise all Members of the Panel of future dates of the meetings of this Working Group;
- (2) that, as the business of the Working Group was not deemed as official Council business, any such meetings could be arranged by an Elected Member; and
- (3) that Members of the Working Group could decide at each meeting whether they would require officer involvement/representation at future meetings as and when necessary.

He also advised that, if Members of the Panel were satisfied with this process, he would now make arrangements for the first meeting of this Working Group, involving the Audit Services/Programme Review Manager on that occasion, to review the self assessment checklist by CIPFA.

Decided: having thanked Councillor Peddie for his update, to welcome the approach as outlined at (1) to (3) above for meetings of the Role of the Audit Panel Working Group and to note that arrangements for the initial meeting would be arranged in due course.

The meeting ended at 11.45 a.m.