

MINUTE
of
AUDIT AND SCRUTINY COMMITTEE

Minute of Meeting held at 2.00pm in the Council Chamber, Council Headquarters, Giffnock, on 20 August 2015.

Present:

Councillor Gordon Wallace (Chair)	Councillor Paul O’Kane
Councillor Barbara Grant (Vice Chair)	Councillor Tommy Reilly
Councillor Charlie Gilbert	Councillor Ralph Robertson
Councillor Gordon McCaskill	

Councillor Wallace in the Chair

Attending:

Margaret McCrossan, Head of Accountancy; Iain MacLean, Head of Environment (Planning, Economic Development and City Deal); Jackie Martin, Corporate Business Manager; Sharon Beattie, HR Manager; Michelle Blair, Chief Auditor; Linda Hutchison, Senior Committee Services Officer; and Jennifer Graham, Committee Services Officer.

Variation in Order of Business

In accordance with Standing Order 19, Councillor Wallace agreed to vary the order of business as printed on the agenda in order to facilitate the conduct of the meeting.

DECLARATIONS OF INTEREST

1673. There were no declarations of interest intimated.

CHAIR’S REPORT

1674. The following matters were discussed during the Chair’s report:-

(i) Governance Arrangements

Under reference to the Minute of the meeting of 5 March 2015 (Page 1369, Item 1449 refers), when reference was made to audit and risk arrangements associated with the Culture and Leisure Trust and it was commented that some issues could still be reflected in the Council’s Strategic Risk Register owing to the nature of certain staffing and building arrangements linked to services managed by the Trust, Councillor Wallace reminded the committee that the Head of Customer and Business Change Services had subsequently provided a helpful overview of various matters, particularly governance, audit

and risk management issues linked to the Trust. He highlighted that she had however been unable to provide absolute clarity on the future arrangements as discussions were ongoing.

Having referred also to the recently established Health and Social Care Partnership in respect of which the first Integration Joint Board meeting had taken place on 19 August 2015, Councillor Wallace commented that these two developments had implications for the committee in terms of its locus in various matters. Having expressed the view that the full extent of that had not been made clear, he proposed that a formal report on these matters be sought to provide that.

On a related issue, Councillor Wallace commented that it had been some time since the committee had reviewed its specialisation arrangements for dealing with audit reports and suggested that these might merit review in view of the changes referred to above and the restructuring of departments. He proposed that, in the first instance, the Clerk prepare some background information for him on the reports considered under those arrangements and the extent to which each member of the committee had led the review of these.

(ii) Date of Next Meeting

Councillor Wallace reminded Members that as the next meeting of the Joint Consultative Committee (JCC)(First Tier) was scheduled to start at 2.00pm on 24 September 2015, the Audit and Scrutiny Committee's meeting that day would start at 3.00pm or at the conclusion of the JCC meeting, if later.

The committee:-

- (a) agreed that a formal report be sought from appropriate officers and submitted to a future meeting clarifying the extent of the committee's locus in various matters as a consequence of the establishment of the Culture and Leisure Trust and Health and Social Care Partnership;
- (b) agreed that, to help determine if a review of the committee's specialisation arrangements for dealing with external audit reports was merited, the Clerk prepare background information on these as proposed for review by the Chair in the first instance; and
- (c) noted that the next meeting of the committee would start at 3.00pm or at the conclusion of the JCC meeting, if later.

UNAUDITED ANNUAL ACCOUNTS FOR 2014/15

1675. Under reference to the Minute of the meeting of 23 April 2015 (Page 1453, Item 1542 refers), when it had been noted that the annual discussions between the committee and External Auditor on issues relating to the Council's Annual Accounts prior to their certification based on International Standard on Auditing 260 and discussions on the Annual Accounts for 2014/15 and the Annual Audit Report to the Council and Controller of Audit for 2014/15 would take place at the committee's meeting on 24 September 2015, the committee considered a report by the Chief Executive on the unaudited Annual Accounts for 2014/15 which had been submitted to Audit Scotland and which were attached for consideration in line with the Local Authority Accounts (Scotland) Regulations 2014.

It was reported that the financial position of the Council remained satisfactory with an overall surplus for the financial year of £945k recorded in the Accounts. After transfers to earmarked reserves, the balance of the Council's non-earmarked General Fund at 31 March 2015 was £8.841 million representing 4% of the annual budgeted net revenue expenditure which was in line with Council policy. It was clarified that net expenditure on the Community Health and Care Partnership (CHCP) out-turned within budget reflecting recent action taken to address overpayment issues for certain CHCP clients and that this issue would be closely reviewed by external audit in their assessment of the Annual Accounts. Transfers totalling £4.414 million had been made from the General Fund balance to the Capital Reserve and Modernisation Fund; capital expenditure of £20.920 million had been invested; and an operating surplus of £533k on the Housing Revenue Account had been achieved increasing the accumulated surplus balance to carry forward to £1.040 million.

Whilst referring to the report, the Head of Accountancy clarified the arrangements made to make the unaudited Accounts available for inspection by Members earlier in the summer and reiterated that a report on the audited Accounts would be submitted to the next meeting.

Regarding reference in the Accounts to the overpayments identified within some CHCP service areas, Councillor Grant, supported by Councillor McCaskill, commented that the issue identified concerned her greatly and that she awaited with interest the associated report being prepared by the Chief Auditor. Councillor McCaskill raised concern regarding the lack of Opposition representation on the Health and Social Care Partnership Integration Joint Board, expressing the view that this merited review in the future in view of the problem referred to by him and Councillor Grant.

The committee agreed to note the content of the unaudited Annual Accounts for 2014/15 and that a report on the final Accounts and related documents would be submitted to the next meeting.

MANAGING ABSENCE

1676. Under reference to the Minute of the meeting of 15 January 2015 (Page 1278, Item 1359 refers), when it had been agreed that the Deputy Chief Executive submit a further report in six months on progress addressing absence issues and on implementation of the recommendations accepted within the Internal Audit report on the Maximising Attendance policy, the committee considered a report by the Deputy Chief Executive providing an update on the Council's sickness absence levels and its approach to managing absence.

It was reported that the Improvement Service now collated and issued the annual sickness absence SPI (Statutory Performance Indicator) as part of the Local Government Benchmark Framework (LGBF) data, and that the level of overall annual absence within the Council in 2014/15 had worsened. Having referred to a range of data within the Chartered Institute of Personnel and Development (CIPD) annual survey report 2014 for private, public and non-profit sectors and the related position in East Renfrewshire, the report explained that it was recognised that the Council was facing challenges in respect of absence levels, provided statistical information on absence trends since 2009/10, and referred to a significant focus being placed on tackling absence across departments with particular emphasis on hotspot areas. As the LGBF no longer set a national target for absence, the Council had agreed to review past performance and set challenging targets considered to be realistic for the next 5 years to 2019/20.

The report referred to the top reasons for absence; clarified that days lost due to psychiatric illness had increased since 2012/13 and remained the most common reason for absence; and commented on the significant level of ongoing change within the Council and potential

impact on absenteeism. Reference was made to the extent of manual work within the authority and related issues; the increase in the average age profile of the Council's workforce; and the complexity of some absence issues.

The report also summarised the approach being taken to address absence, referring to a range of initiatives including two temporary HR posts to coach and mentor managers on tackling absence; the sharing of best practice; the introduction of some absence panels; and the capability policy and related matters. Other issues commented on included the occupational health service the contract for which was due to be renewed in 2016 and the associated aim of moving to a more employer-led service; the outcome of a review of absence data relating to psychiatric illness; the new counselling service provider; the stronger emphasis being placed on ensuring new employees understood absence procedures as part of their induction; and training. It was concluded that improving absence levels through a more robust approach remained a priority for the Corporate Management Team (CMT) and departments.

The HR Manager commented in detail on the report during which she also referred to progress implementing the action plan prepared on the internal audit report on the Maximising Attendance Policy, and the focus being placed on various issues.

During in-depth discussion, in response to various matters and questions raised, the HR Manager commented on the impact of equality legislation in terms of expectations for making reasonable work adjustments for those with disabilities; benchmarking and related issues including challenges linked to finding the most appropriate comparator local authorities; the importance of the Council benchmarking against itself over time as reflected in the 5-year targets set; and difficulties of tackling absence associated with those leaving the Council's employment. She undertook to explore if the most appropriate benchmarks for the Council could be determined and also, in response to Councillor Wallace, to pursue discussions with the Improvement Service on the appropriateness of the current LGBF, such as in view of the fact that the extent to which local authorities have Arms Length External Organisations varies.

Responding to a comment that stress could be a factor when an employee did not get on with their supervisor or manager, the HR Manager commented on related support available, clarifying also that a lot of stress related absenteeism was not designated as work related. She outlined procedures in place to deal with work related stress absence and clarified further why a new approach was to be taken to categorising stress as either work or non-work related and mental health issues separately to separate out more serious mental health issues. Councillor Wallace referred to the possibility of employees not wanting to state that stress was work related, in response to which the HR Manager commented that this underlined the value of good levels of engagement to discuss issues.

In response to Councillor McCaskill who referred to the two temporary posts created to coach and mentor, the HR Manager clarified that there was no evidence to suggest that managers had been addressing issues incorrectly. Regarding the increasing age profile of the Council's workforce, the HR Manager commented that contributory factors included a reduction in modern apprenticeships and internships available perhaps due to budgetary restraints; that this issue was not just a local one; and that the removal of the statutory retirement age was an issue also. In response to further comments, she commented on absence amongst school based employees.

Speaking more generally, the HR Manager referred to the absence targets set as challenging and ambitious, but aimed at securing improvement. Councillor O'Kane stated he welcomed the more robust approach being taken and referred to the importance of continuity of service regarding the availability of the counselling service.

The committee, having heard Councillor Wallace acknowledge the level of frustration that must be felt on absence level trends and comment that it would be valuable to know the financial implications of absenteeism within the authority, the committee:-

- (a) noted that the HR Manager would explore the possibility of identifying suitable comparator local authorities to assist with benchmarking with a view to including some related data in future reports if possible;
- (b) noted, further to (a) above, that the HR Manager would pursue some discussions with the Improvement Service on the appropriateness of the current LGBF, such as in view of the fact that the extent to which local authorities have Arms Length External Organisations varies;
- (c) welcomed the new approach to be taken to report on stress (non-work related), stress (work-related) and mental health issues and to receiving related information on this in future;
- (d) agreed that some information on the financial implications of absenteeism within the authority be included in future reports to the committee if possible; and
- (e) otherwise, noted the report and that the next annual report on absence for 2015/16 would be submitted in due course.

Resolution to Exclude Press and Public

At this point in the meeting, on the motion of the Chair, the committee unanimously resolved that in accordance with the provisions of Section 50A(4) of the Local Government (Scotland) Act 1973, as amended, the press and public be excluded from the meeting for the following items of business on the grounds that they involved the likely disclosure of exempt information as defined in Paragraphs 1, 6 and 9 of Part I of Schedule 7A to the Act".

SUMMARY OF EARLY RETIREMENT/REDUNDANCY COSTS TO 31 MARCH 2015

1677. The committee considered a report by the Deputy Chief Executive summarising the position on early retirement costs for the period 1 October 2014 to 31 March 2015 and related issues, including the strain on the pension fund. A breakdown of early retirement/redundancy cases processed within each department and identifying the total costs incurred and projected savings was provided. It was explained that the Council had continued to undertake targeted restructuring resulting in various voluntary redundancies and early retirements to support budget reductions.

It was reiterated that Strathclyde Pension Fund had changed its invoice method as a result of which, since 1 October 2014, the Council had been invoiced for costs as they had been incurred. This had allowed the realignment of associated reporting with the statutory financial accounts. Future reports would detail costs for redundancy and early retirement on when decisions were made from April to March each year.

The committee, having heard the HR Manager confirm the invoicing arrangements, noted:-

- (a) the new timescales for the submission of future such reports and that the next report submitted to the committee would cover April 2015 to March 2016; and

- (b) otherwise, the content of the report including the explanations provided and the related projected savings.

DEACONSBANK GOLF FACILITY

1678. Under reference to the Minute of the meeting of 12 June 2014 (Page 1056, Item 1105 refers), when it had been agreed to note an update on discussions with David Lloyd Leisure on the Deaconsbank Golf facility and the position on related issues and options, and agreed that a further update be submitted in mid-2015, the committee considered a report by the Director of Environment providing the update on the site requested.

It was explained that on 26 March 2015 the Cabinet had approved a ground lease for the Deaconsbank Golf Club site to David Lloyd Leisure Group Limited to facilitate the development of a new fitness club there and agreed to the demolition of the existing clubhouse in preparation for the redevelopment. Subsequently, on 10 June 2015, the Planning Applications Committee had granted planning consent for the demolition of the existing golf centre and erection of a health and fitness club incorporating three external tennis courts, an external leisure pool, spa pool and sauna building along with a refurbished golf range and associated access, parking and landscaping. The new facility was expected to open in August 2016.

During further explanation and in response to questions, the Head of Environment (Planning, Economic Development and City Deal) referred to various factors that had impacted on the time it had taken to resolve issues, the positive outcome ultimately achieved, and the process for determining the level of commercial rent for the site.

The committee agreed to note the report.

The public was re-admitted at this point in the meeting.

REVIEW OF STRATEGIC RISK REGISTER AND RISK PROGRESS UPDATE

1679. Under reference to the Minute of the meeting of 5 March 2015 (Page 1369, Item 1449 refers), when an update on the Strategic Risk Register had been noted, the committee considered a report by the Chief Executive providing the most recent bi-annual update on the register. The register, a copy of which was attached to the report, itemised key risks that required to be considered and actions put in place to manage these. As well as additions having been made to the register, several risks had been amended to include additional control measures, some had been rescored and some removed. It was explained that in recent years the number of strategic risks had increased to 40. To ensure the register remained focussed, it had been refreshed to remove risks of less immediate concern and deemed well managed under day to day business arrangements. The register continued to align with the Council's key outcomes in the Single Outcome Agreement (SOA) and the internal and external business environments, whilst also reflecting corporate risks associated with the Council's strategic change and reform agenda and those inherent in its day to day business.

A more general update on various risk management matters was also provided, including issues discussed at and changes promoted by the Corporate Risk Management Group including on the operation of the Group itself; training available on risk issues; and the updating of and escalation of the distribution of information on operational risk registers and provision of related support.

Having commented on the report and the list of risks removed from the register, in response to questions, the Corporate Business Manager commented on various matters. She explained further, in reply to Councillor Reilly, the basis on which the new risk linked to the proposals from the Local Government Boundary Commission for Scotland had been determined which, if implemented, would result in changes to ward design and councillor numbers. Having clarified that various local authorities held some concerns on the proposals for their own areas and that the proposals were the subject of discussions by COSLA and the Society of Local Authority Chief Executives (SOLACE), she undertook to review the wording of the risk to clarify further the exact nature of it.

The Corporate Business Manager referred to ongoing discussions with the Chief Executive of the Culture and Leisure Trust on risk management matters. In response to concerns expressed by Councillor Grant regarding the new risk on the possibility of improvements to the reconciliation process for certain Community Health and Care Partnership (CHCP) client payments not being sufficiently effective, the Head of Accountancy referred to her overview of this issue as Chief Financial Officer, expressing confidence that the improvements made would prevent a recurrence of what had happened. Notwithstanding, it was considered prudent for the risk to remain on the register for a time until it was determined that the new system was operating effectively. In response to Councillor Wallace who asked why the risk had not featured on the register earlier when an issue had been recognised in 2011, the Head of Accountancy explained that this was when a lack of modernity in the system used had been recognised and a wish to move to a more modern system identified, not when the reconciliation problem had been identified. Further in reply to Councillor Wallace she stated that the first time the reconciliation issue had come to light was earlier this year.

During a wide ranging discussion, other issues commented on by the Corporate Business Manager included reasons why the lack of an appropriately skilled workforce linked to redundancy was deemed a risk on which the Head of Accountancy also referred to the need for a sound business case for redundancy to be made; and potential over-demand for childcare and early learning services linked to the Children and Young People (Scotland) Act. In response to Councillor Grant, the Corporate Business Manager reported that the CHCP had expressed confidence about complying in 2016 with provisions of this legislation on named persons and undertook to request a more detailed update on this for circulation.

Other risk issues on which clarification was provided included changes in European accounting rules on which discussions were on-going which could impact on the timescale and funding of the replacement Barrhead High School; Universal Credit; ensuring sufficient catchment places for East Renfrewshire children and young people; and failure to find alternative treatment processes to landfilling by 2020 resulting in non-compliance with the Waste (Scotland) Regulations. More generally, the Corporate Business Manager commented on the number of employees who had attended risk training and how courses were adapted over time to focus on various issues as required.

The committee agreed:-

- (a) to note that the Corporate Business Manager would review the wording of the risk relating to the Local Government Boundary Commission for Scotland proposals to clarify further the nature of the risk;
- (b) that the Corporate Business Manager would seek an update on the implementation of risk control measures linked to named persons under the Children and Young People (Scotland) Act and forward this to the Clerk for circulation to Members of the committee; and

- (c) otherwise, to note the development of the Strategic Risk Register and progress made with risk management more generally over the past six months.

EXTERNAL AUDIT REPORT – EAST RENFREWSHIRE COUNCIL KEY CONTROLS REPORT 2014/15

1680. The committee considered a report by the Clerk on the publication by the External Auditor of a local report on *Key Controls* which, under the committee's specialisation arrangements for dealing with internal and external audit reports, had been sent to Councillors Grant and Wallace for review.

The report clarified that key controls operating within eight financial systems of the Council had been subject to testing to ensure they were operating satisfactorily, citing examples of assurances sought. Overall the systems of internal control were reported to be operating effectively, but a small number of control weaknesses had been identified on which further detail had been provided. These were associated with trade payables; council tax; and business continuity planning. The External Auditor had noted the related impact on the planned financial statements audit.

Reference was also made to six areas of work where formal reliance was to be placed by External Audit on the work of Internal Audit. The detailed review of the 2014/15 Internal Audit Plan was substantially complete and had found Internal Audit work to be of a high quality, enabling reliance to be placed on its work. Reference was also made to the position on various governance arrangements including in respect of business continuity planning and the Council's participation in the National Fraud Initiative in Scotland.

Councillor Wallace emphasised that it was a credit to the Chief Auditor and her section that internal audit work was regarded as being of a high quality. Regarding the council tax related issue identified, he expressed surprise that the Council's response to the issue raised was that inspections of void properties were not generally conducted. He welcomed that additional testing was to be done by the External Auditor including physical verification of void properties. In respect of the business continuity planning issue raised, having commented on observations made by the External Auditor including on tolerance for disruption and the associated Council response, he suggested that the position on this be kept under review.

Councillor McCaskill commented on the National Fraud Initiative, expressing concern that although some private organisations were contracted to provide Council services, the Initiative did not focus on private organisations in respect of which it was suggested that further clarification be sought from Audit Scotland.

The committee:-

- (a) concurred that the work of the Chief Auditor and her team was of a high quality;
- (b) agreed that further clarification be sought from the External Auditor regarding whether or not it was an option for the National Fraud Initiative (NFI) to focus on private bodies as well as public sector ones and that the response be circulated in due course;

- (c) noted that a further update might be sought, in due course, on progress being made on addressing business continuity planning issues within the Council; and
- (d) otherwise, noted the report.

INTERNAL AUDIT ANNUAL REPORT 2014/15

1681. The committee considered a report by the Chief Auditor regarding the annual report on the activities of internal audit during 2014/15, and providing an independent annual opinion on the adequacy and effectiveness of the internal controls operating within the Council.

The Chief Auditor commented on the implementation of the plan during which she highlighted that two audits had been deferred. She reported that satisfactory responses had been received to all audits, providing further information on two recommendations across two audits which had not been fully accepted by management and the related reasons provided for this which had been accepted. The Chief Auditor also summarised the position on various potential fraud and contingency related issues in respect of which, in response to questions, she and the Head of Accountancy commented on some school fund related issues. She also confirmed the proportion of time allocated for contingencies used; and commented on factors that had impacted on performance against key performance indicators.

Councillor Grant commented on the part of the annual report that referred to the issue that had come to light, just prior to the year end, which highlighted significant failures in controls within the financial processes relating to the CHCP department in relation to payments made to providers in respect of learning disability. Having acknowledged that the Chief Auditor's report on this was still to be completed and considered by the committee, she expressed various concerns regarding the issue including the financial position which had been the subject of reports to the Cabinet and CHCP Committee and asked that it be recorded that additional work had been required on this issue which fell outwith planned audit work. The Chief Auditor clarified that she was in the final stages of her related work and that her report on the matter would be completed in the next few weeks.

The Chief Auditor confirmed that in her opinion reasonable assurance could be placed upon the adequacy and effectiveness of the Council's internal control system in the year to 31 March 2015 except, as specified in the opinion, for payments to providers made by the CHCP department in respect of learning disability and the collection of income for community alarms within the CHCP department.

The Committee, following discussion, agreed:-

- (a) to approve the annual statement on the adequacy of internal controls and submit it to the Council;
- (b) to note that it was anticipated that the Chief Auditor's report on control failures within the financial processes relating to the CHCP for payments made to providers in respect of learning disability would be completed in a few weeks and forwarded to the Clerk then for circulation to members of the committee; and
- (c) otherwise, to note the internal audit annual report 2014/15.

INTERNAL AUDIT PLAN PROGRESS REPORT

1682. The committee considered a report by the Chief Auditor regarding progress made on the implementation of the 2015/16 internal audit plan from 1 April to 30 June 2015. The report confirmed the number of reports issued during the quarter and that satisfactory management responses had been received in all cases.

During discussion and in response to questions, the Chief Auditor commented on various audit work and related findings, including an education follow-up audit in respect of which many services now fell within the responsibilities of the Community and Leisure Trust; and an absence management report in respect of the CHCP Barrhead Area Office in respect of which some delays in issuing paperwork to payroll linked to absence had been identified.

The committee, following discussion, agreed to note the report.

COMMUNITY GRANTS REVIEW

1683. Under reference to the Minute of the meeting of 4 June 2015 (Page 1482, Item 1576 refers), when an update on the committee's work on grants and related issues had been provided and it had been noted that further information on a number of issues was being provided such as by the Head of Democratic and Partnership Services and that further meetings were being arranged to discuss grant application related issues such as in respect of windfarm funds, Councillor Wallace commented on the issues being explored and provided an update on progress. He confirmed that, most recently, a meeting had taken place with the Head of Environment (Planning, Economic Development and City Deal) and the Planning Manager (Projects) to discuss the Whitelee Windfarm Fund and related issues and that information on this would be circulated. It was noted that the Chief Auditor had been asked to undertake an audit in respect of the Whitelee Winfarm Fund.

Having heard Councillor Wallace urge members of the committee to offer their views on issues that should feature in the committee's report, it was suggested that a single gateway to all grant type funds accessible from the Council could be one suggestion made which it was felt could assist with control also.

The committee agreed:-

- (a) to note the progress with the committee's ongoing work since the last meeting; and
- (b) that Members would reflect on the work progressed and provide related comments to the Chair or Clerk to inform the preparation of the committee's draft report which would be submitted to a future meeting.

CONSULTANT EXPENDITURE IN 2013/14 AND 2014/15

1684. Under reference to the Minute of the meeting of 10 April 2014 (Page 974, Item 1014 (ii) refers), when it had been agreed to seek feedback from departments on consultant costs incurred during the 2013/14 and 2014/15 financial years, the committee considered a report by the Clerk on the feedback provided.

The report referred to the committee's consideration of workforce related issues, including a national Audit Scotland report on *Scotland's Public Sector Workforce* which assessed if

public bodies were effectively planning and managing workforce changes. Related local feedback had concluded that the Council was well positioned relative to the national report, explaining that good practice principles were supported locally with workforce planning continuing to be developed to include a longer-term approach to support skills development and training and succession planning more proactively. As some members of the committee expressed concerns on the number of experienced officers leaving the Council and views on the importance of departments knowing what consultant expenditure had been incurred, it was agreed to seek information on consultant costs for 2013/14 and 2014/15.

In the first instance, before determining if any follow up action was to be taken, the committee had agreed to request a simple list of information on any paid consultancy or advice commissioned directly by the Council from an external individual, company or organisation for a fixed period of time to assist the Council progress an issue, including in respect of the provision of legal services. More specifically four pieces of information in respect of each consultant used was sought, including on the nature of services provided and related costs. A copy of the collated feedback, itemised by department, was attached to the report. Legal services costs were itemised under feedback for the Chief Executive's Office but, as reflected in the report, most expenditure did not relate to that service but rather other departments.

During discussion on the costs incurred which were considered significant, reference was made to the level of expenditure on legal consultancy from a range of providers and possible reasons for this which it was acknowledged could include needing to secure particular expertise on an issue. Some Members queried if a different arrangement could be made to secure the legal services required through a different contractual arrangement. Discussion took place on whether or not work commissioned from various consultants, including for legal services, could or should have been provided in-house following which it was suggested that further feedback was required from departments including on why the services of the consultants used had been considered necessary; whether items of expenditure listed were for one-off or more on-going or repeat pieces of work; the extent to which consultants had been engaged to do work effectively on a proxy basis instead of Council employees being used to progress the work and if these costs were considered to be rising or not; and the extent to which any of the expenditure was linked to save to spend initiatives.

During discussion on the costs incurred and related coding of expenditure, the Head of Accountancy clarified that departments were encouraged to code consultancy expenditure to a single code, for both on-going and one-off expenditure. She indicated that it would be helpful if the committee could help reinforce this message.

The committee agreed:-

- (a) to request further information as proposed from departments including on why the consultants had been considered required and engaged; the extent to which this was linked to spend to save initiatives; and what was considered to have been one-off or alternatively recurring expenditure to some degree; and
- (b) otherwise, at this stage, to note the report and that a further report on the additional information requested would be submitted in due course.

