

MINUTE
of
AUDIT AND SCRUTINY COMMITTEE

Minute of Meeting held at 2.30pm in the Council Chamber, Council Headquarters, Giffnock on 27 February 2014.

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:

Jackie Martin, Business Manager (Finance); Malcolm Wright, Events and Projects Manager; Liz Lyon, Senior Auditor; Linda Hutchison, Clerk to the Committee; and Ron Leitch, Committee Services Officer.

DECLARATIONS OF INTEREST

946. There were no declarations of interest intimated.

CHAIR’S REPORT

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

(i) Ongoing Issues

Councillor Wallace reiterated that a number of issues were currently considered to be ongoing by the committee, including its interest in bad debt provision levels within the authority compared to those of other councils; the review of social care transport and related savings; and the possible creation of a national body for trading standards on which the Clerk was in correspondence with Members and Officers. He also highlighted that the Clerk was awaiting feedback from Members on charging for services matters; issues to be raised with the Operations Manager (Cleansing and Land) on the commercial waste service who was attending the next meeting; and additional information requested on absence issues which had been received and circulated in advance of the next annual report on absence being submitted in the autumn.

(ii) Liaison with Other Areas on Scrutiny Issues

Under reference to the Minute of the meeting of 16 January 2014 (Page 849, Item 894(i) refers) when it had been noted that members of Renfrewshire Council's Audit, Scrutiny and Petitions Board had expressed interest in visiting East Renfrewshire to discuss the operation of the Audit and Scrutiny Committee, Councillor Wallace reported that arrangements for the visit on 10 April were being completed and would be confirmed by the Clerk in due course. He reiterated that a similar approach had been made by representatives of South Ayrshire Council, clarifying that this was still under discussion with them.

(iii) Investigation on Procedural Issues

Under reference to the Minute of the meeting of 16 January 2014 (Page 856, Item 900 refers) when the committee had approved a report on its procedural issues investigation for submission to the Cabinet, Councillor Wallace confirmed that he had presented the report to the Cabinet on 20 February and that a formal response would be prepared, submitted to and considered by the Cabinet in due course.

(iv) HRA and Housing Issues

Councillor Wallace explained that he had received and responded to a letter from a tenants and residents group on HRA and housing issues raised with him as Chair of the committee, clarifying that he had made other members of the committee aware of the response provided.

The committee noted that:-

- (a) various issues were currently considered ongoing by the committee, including some on which the Clerk had recently requested feedback from Members on additional information provided by Officers;
- (b) arrangements for the visit by Members of Renfrewshire Council's Audit, Scrutiny and Petitions Board to East Renfrewshire on 10 April were being finalised and that liaison was ongoing with South Ayrshire Council on a similar request for a visit;
- (c) the committee's report on its procedural issues investigation had been submitted to the Cabinet and that a formal response would be considered by the Cabinet in due course; and
- (d) the Chair had responded to a tenants and residents group on issues raised with him as Chair of the committee.

RISK MANAGEMENT PROGRESS

948. Under reference to the Minute of the meeting of 26 September 2013 (Page 688, Item 729 refers) when an update on the strategic risk register had been noted, the committee considered a report by the Director of Finance providing an update on various risk management matters including operational risk registers and related issues; new control

measures; high operational risks; the strategic risk register; and community engagement and risk. Reference was also made to risk management training and the fact that the Council's risk management team had reached the finals of the Local Government Chronicle (LGC) Awards 2014 under the Corporate Governance category for the risk management group's work and related support from the committee, the application having been entitled *Keeping risk on the Agenda*. The winner was to be announced on 12 March 2014.

Having heard the Business Manager (Finance) comment further on the report, Councillor Wallace emphasised that reaching the LGC Award finals was a tremendous achievement and congratulated all those involved.

In response to Members, the Events and Projects Manager provided an overview of risks associated with the recent Electric Glen event in Rouken Glen Park, including in relation to potential adverse weather conditions and steps taken to mitigate risks identified. Issues commented on included ticket sales such as the number anticipated for planning purposes and to gauge the success of the event; the rigging and de-rigging of the venue; emergency management planning; health and safety issues; and environmental health matters linked to the catering franchises. Whilst responding to a range of questions, the Events and Projects Manager clarified that footpaths in the Glen had stood up well to the effects of traffic, but that some other areas had become muddy which it was anticipated would take 6 to 8 weeks to recover. Regarding the lights in the displays tripping occasionally, he explained that electricians had been on duty each night to deal with problems that arose of which there had been few and that many visiting may not have noticed any problem.

Having heard Councillor Grant suggest that consideration be given to organising the event less frequently than annually to help maximise the impact of the lighting display when viewed, the Events and Projects Manager confirmed that consideration could be given to this. He also referred to the evaluation of the project and how awareness of the event had been raised to encourage ticket sales, adding that 50% of those attending in 2014 had not attended before. It was explained that the main event was not profitable in itself, but that a related consideration was the consequential stimulation of the local economy. Councillor Gilbert commented that he had visited the event for the first time in 2014 and found it both enjoyable and well organised.

During further discussion on the report, in response to Councillor Grant who referred to risk linked to the Community Health and Care Partnership (CHCP) and sought clarification on the National Health Service's (NHS's) approach to risk including compared to that of the Council, the Business Manager (Finance) commented on the rigour of the approach adopted by the NHS in both clinical terms and otherwise, including on health and safety matters which was a significant issue for the NHS. She referred to the current approach to risk in terms of the CHCP, terminology issues and a forthcoming visit she was to make to Greater Glasgow Health Board to hear about the Datix risk management system they use.

Referring to the Council's complaints system and related analysis and trends, in response to Councillor Wallace, the Business Manager (Finance) outlined reporting arrangements including the extent to which reports were being submitted to the Corporate Management Team, how information generated was leading to service improvements and the submission of a report to the Cabinet on complaints at the year end.

Other issues discussed included the extent to which and how often operational risk registers were being updated by departments and benefits associated with a move away from generic risk registers and towards preparing these for teams in respect of the CHCP.

The committee agreed:-

- (a) that the Head of Customer and Business Change Services provide a synopsis of the analysis of Council complaints since September 2013 when available for circulation; and
- (b) otherwise, to note the comments made on risk management issues, including those made and discussed with the Events and Projects Manager on the Electric Glen.

NATIONAL EXTERNAL AUDIT REPORT – SCOTLAND'S PUBLIC SECTOR WORKFORCE

949. The committee considered a report by the Clerk on the publication of Audit Scotland's report on *Scotland's Public Sector Workforce* which, under the committee's specialisation arrangements for dealing with external audit reports, had been sent to Councillors Wallace and Grant for review. The Deputy Chief Executive had been asked to provide comments and a copy of her feedback was attached to the report.

Having commented that the aim of the national report was to assess if public bodies were effectively managing workforce changes and to focus on approaches used by councils and other bodies to plan and manage their workforce between April 2009 to March 2013, the report outlined the local position in terms of changes to staff numbers and costs, the implementation of workforce changes and planning for such changes for the future. It was concluded that the Council was well positioned relative to the national report, as it closely reflected trends provided within it for changes to staff numbers and costs. The report also explained that the principles of good practice specified were supported locally, focusing on both workforce and budget planning to match the organisation's needs whilst ensuring that skills and expertise were maintained and developed and that good value for money was provided. Consultation was reported to be taking place with staff and unions on an ongoing basis and it was explained that current workforce planning was continuing to be developed to include a longer-term approach to support skills development and training and succession planning more proactively. The Council was also seeking opportunities to think differently about how it delivered services, such as by prioritising and redesigning services and increasing joint working and collaboration.

During discussion Councillor Grant commented that it would have been useful if the number of staff by which the Council's workforce had reduced between March 2009 and March 2013 had been specified rather than this having been expressed in percentage terms only. Councillor Robertson commented that workforce numbers reduced more in authorities where Arms Length External Organisations were in place unlike locally, adding that it was also important to refer to delivery of services on budget. Councillor Grant expressed concern regarding the loss of expertise of experienced officers, suggesting that further clarification be sought if staff had left the Council and then been re-employed by it. She welcomed the redeployment of 7 officers on the redeployment register, but suggested that further clarification also be sought on the total number on the register now and previously and on how long people had been listed on it. Councillor Wallace proposed that clarification be sought on whether or not the Council made greater use of consultants now compared to the period before that covered by the report.

It was agreed:-

- (a) to seek further clarification on the issues suggested during discussion including on the number by which the Council's workforce had reduced, the extent to which those who had left the Council have been re-employed by it, the redeployment register and the use made of consultants compared to the period before that covered by the report; and
- (b) otherwise, to note the report.

INTERNAL AUDIT PLAN 2013/14

950. The committee considered a report by the Chief Auditor regarding progress made on the implementation of the 2013/14 internal audit plan from 1 October to 31 December 2013 and proposing that three audits be deleted and deferred to a future year. The report also confirmed the number of reports issued during the quarter and that satisfactory management responses had been received in all cases. Quarterly performance indicators for the section were included at Appendix 3 to the report.

The Senior Auditor commented on various audits completed during the period, including the findings of an audit focusing on contract compliance to meet EU standards and related action taken. She also summarised the findings of an audit on Barrhead Sports Centre, referring to the need for improvements to SPORTSMAX records to ensure those held were accurate and a suggestion made and accepted on passing responsibility for stock records from Council officers to SPORTSMAX.

The Senior Auditor referred to a small number of potential fraud and irregularity issues currently under investigation, some of which had been referred to the Police. Issues commented on included the over-claiming of funding from the Council by a third party, a proportion of which had now been repaid, and a suspected theft of cash by a person who was no longer employed by the Council.

In response to questions, the Senior Auditor clarified the types of issues internal audit checked in respect of the sports coaching audit which included the extent to which the application of concessionary rates adhered to management decisions taken on this. She clarified that it was a management decision whether or not to run a class taking account of issues such as participation levels and income generation. During further discussion, the Senior Auditor specified why some points highlighted in a few audit reports had not been accepted by management, including for operational reasons, summarising the outcome of related discussions with managers on the services concerned. She also clarified why the audits it was proposed to defer had been selected, again commenting on related discussions.

The committee:-

- (a) agreed to approve the proposed changes to the Annual Audit Plan; and
- (b) otherwise, to note the internal audit progress report.

