

MINUTE

A & B

Audit and Scrutiny Committee
Council Chamber, Town Hall, Lerwick
Friday 30 November 2007 at 2.15pm

Present:

F B Grains	A G L Duncan
A T Doull	C B Eunson
R Henderson	A J Hughson
C H J Miller	C L Smith

In attendance (Officers):

G Johnston, Head of Finance
C McIntyre, Internal Audit Manager
P Peterson, Performance Management Co-ordinator
W Shannon, Assistant Chief Executive
I Halcrow, Head of Roads
C Medley, Head of Housing and Capital Programme
A Christie-Henry, Ferry Services Manager
D Polson, Assistant Marine Superintendent
L Adamson, Committee Officer

Circular

The circular calling the meeting was held as read.

Declarations of Interest

None.

Minute

Subject to the following, the minute of meeting held on 26 October 2007, was confirmed.

11/07 – 2006 Statutory Performance Indicators – Follow Up Report

During the discussion relating to abandoned vehicles, Mr A G L Duncan suggested that the word 'complaints' should be changed to 'enquiries'.

13/07 – Shetland Islands Council – Efficiency Statement

Referring to the overspend on the Trondra Road, Mr Duncan said that he was aware of changing circumstances as regards the final cost of the overspend. The Head of Roads reported that there had been a refund of monies from BT of £18,000, and therefore the overspend would be fractionally less. The Head of Roads went on to explain that improved processes and reporting procedures are now in place to ensure that improvements are made for future schemes.

Min. Ref.	Subject	Action/Info
15/07	<u>Abstract of Accounts 2006/07</u> The Committee considered a report by the Head of Finance (Appendix 1).	

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	<p>The Head of Finance introduced the report and advised that the Abstract of Accounts and the Report prepared by Audit Scotland contained a great deal of detail. Members noted that a representative from Audit Scotland would be at the Council meeting on 12 December to answer any questions, however the Head of Finance said that he would respond to any queries raised by Members today.</p> <p>The Head of Finance reported that a central point in the accounts for 2006/07 is the qualification in respect of the failure to group the Council's accounts along with the accounts of the Shetland Charitable Trust and Shetland Development Trust. He explained that the issue of group accounts had been raised in 2005/06, and there continued to be local disagreement and an impasse between SCT, SDT and External Audit. The Head of Finance questioned whether a local agreement could be reached, however he would continue to advance the argument the best he could.</p> <p>The Chairperson then referred to the "Key Risk Areas and Planned Management Action Plan", and enquired whether the target dates were realistic. The Head of Finance advised that Officers of the Council had previously agreed the target dates, and he anticipated that they could comply.</p> <p>In response to a query from Mr A G L Duncan, Mrs C H J Miller advised that she was aware that a progress report on the implementation of Single Status was to be presented to the meeting of the Council.</p> <p>Mrs C H J Miller referred to Action Point 5 in the Action Plan, "Procurement Policy" and noted with concern that the target date to develop and implement the document was March 2008, and enquired why it was taking so long to produce this document. The Head of Finance advised that the Procurement Policy was in place, however he was aware that the Chief Executive was intending to prepare a report to focus on centralised and consistent procurement. The Head of Finance agreed to obtain an update on progress from the Chief Executive and provide Mrs Miller with the information.</p> <p>Mrs Miller then referred to Action Point 7, that the Council intends to finalise the Corporate Improvement Plan by March 2008, and stated that the Plan should be in place prior to budget setting. The Head of Finance agreed that it would be logical for the Plan to emerge to set the foundations for budget planning. The Performance Management Co-ordinator advised that a draft Corporate Improvement Plan had been prepared, however the Policy Unit was no longer involved, as the individual projects in the Plan were now being costed. Members noted that a 6-month update report on the Corporate</p>	

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	<p>Improvement Plan was being presented to the Council meeting on 12 December.</p> <p>Mr C B Eunson moved that the Committee approve the recommendations in the report.</p> <p>Mrs C H J Miller proposed that a recommendation be made to Council that the Corporate Improvement Plan is progressed as soon as possible.</p> <p>Mr C B Eunson agreed to incorporate Mrs C H J Miller's proposal into his motion. Mr C L Smith seconded.</p> <p>The Chairperson requested that Risk Management should be a standard agenda item for this Committee.</p> <p>In response to a query from Mr A G L Duncan relating to the State Aid issue, the Assistant Chief Executive advised that Europe had taken a negative decision relating to the Modernisation of Fishing Vessel Scheme, First Time Shareholding Grant Scheme and Fish Factory Improvement Scheme, however Europe's decision on the Loan Assistance Scheme would only be known at the end of the year.</p> <p>Mr Duncan referred to Action Point 15, and asked for an explanation on the Council's failure to comply with the requirements of the SORP and revalue Council dwellings within five years. The Head of Finance explained that Asset Management staff had been overwhelmed with other priorities, however work was now progressing and he envisaged that the situation would be rectified for next year's accounts.</p>	
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16/07	<p><u>Internal Audit – Six-monthly Internal Audit Progress Report 2007/08</u></p> <p>The Committee considered a report by the Internal Audit Manager (Appendix 2).</p> <p>After hearing the Internal Audit Manager introduce the report, Mr A G L Duncan referred to the 3 key issues identified relating to Human Resources and noted with concern that these one off issues had been raised 5 years earlier and although some improvements had been made, the situation had never been rectified. Mr Duncan requested that a report on these issues be presented to the Committee.</p> <p>Mr Duncan referred specifically to the Training and Development Policy and noted with concern that the Policy had been approved in 2005 however it was yet to be implemented. Mr Duncan requested that a report be prepared for this Committee to provide Members with an explanation for the delay in implementation of the Training and Development Policy.</p>
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	<p>Mrs C H J Miller noted with concern the report that “Council Standing Orders were being ignored in that there is no contract in place with the agency that the Council uses for recruitment advertising and no tendering process has been undertaken”. Mrs Miller stated that this was unacceptable. The Internal Audit Manager advised that as requested the Human Resources Manager would provide a report on this unresolved issue.</p> <p>Mr C L Smith referred to the key audit issue identified relating to legal requirements for HGV Driver Licences. The Head of Roads explained that checks have always been carried out on all drivers of heavy good vehicles, however there is now a system in place to trigger licence renewal dates to ensure that HGV drivers renew their licences on a 5 yearly basis, which includes a medical check.</p>
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17/07	<p><u>Disabled Access to Ferry Terminals</u></p> <p>The Committee considered a report by the Performance Management Co-ordinator (Appendix 3).</p> <p>Some Members reported on the poor condition of the toilet facilities at Grutness Pier and Symbister Pier in particular.</p> <p>The Assistant Marine Superintendent explained that there is work ongoing, and it is hoped that in the next few months a number of toilets and waiting room accesses will be upgraded and ramps installed to comply with Disability Access Legislation. Mr A G L Duncan requested that a report be prepared for the next Committee to ensure that the requirements are fulfilled. The Ferry Services Manager undertook to provide a report to the next Committee to outline the works done, work in progress and works scheduled at all Ferry Service operated terminals.</p> <p>Members noted the proposal that officers from Ferry Services are to meet with other officers in the Council with the remit for rural toilets, to consider and agree the requirements, and funding, for disabled access to toilets, and a report on their findings would, in time, be presented to Infrastructure Committee.</p> <p>In response to a query from Mrs C H J Miller regarding the waiting room at Bressay, the Ferry Service Manager explained that the facility had moved to Social Care some years ago, however there has recently been an indication that the circumstances regarding usage of the structure has changed. Discussions have still to take place to revert the facility back to Ferry Services.</p>	
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18/07	<p><u>‘Abandoned’ Vehicles in Shetland</u></p> <p>The Committee considered a report by the Performance</p>	
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	<p>management Co-ordinator (Appendix 4)</p> <p>Mrs C H J Miller advised that she had raised a query relating to abandoned vehicles at the previous meeting, however a report presented to Infrastructure Committee had fully explained who has legal responsibility for removing abandoned vehicles and therefore this issue has been dealt with to her satisfaction.</p>	
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19/07	<p><u>Audit and Scrutiny Committee – Work Programme 2007-08</u></p> <p>The Committee considered a report by the Performance Management Co-ordinator (Appendix 5).</p> <p>An extract from a Local Government Journal was circulated at the meeting entitled “All Eyes on Scrutiny”. The Assistant Chief Executive said the extract highlights the work to be done by a Scrutiny Committee and mentions improving perception and that the Committee can influence how the Council is viewed. The Chairperson noted that the importance of scrutiny was to achieve long-term benefits.</p> <p>The Performance Management Co-ordinator then introduced the report which had been prepared to prioritise the issues raised at the previous meeting. Members noted the four substantial items raised at the meeting, which were set out in Section 4 of the report which had potential for more formal and detailed investigations.</p> <p>Mrs C H J Miller referred to the item “Efficient Council property use”, which she had raised at the previous meeting, and suggested that this issue should be looked at with some urgency to see if Council buildings can be used more cost effectively and efficiently.</p> <p>Mr C L Smith requested that a full report be prepared on the cost and anticipated income of the super low-floor buses.</p> <p>Mrs Miller stated that the four items raised were very relevant and should be looked at in some depth. However, the Head of Finance advised that the work associated with spending on overtime across the Council would be included in the budget process being carried out by the Finance Review Panel and could therefore be removed from the work programme of the Audit and Scrutiny Committee. The Performance Management Co-ordinator then agreed that the three remaining items would be investigated further, and proposed that the terms of reference for the investigations would be discussed informally prior to the next Committee meeting.</p> <p>In response to a query from the Chairperson, the Head of Roads advised that the Member/Officer Working Group – Roads had discussed the issue of soft road verges and a summary report would be prepared for Infrastructure Committee.</p>	
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	<p>Mrs Miller requested a list of the properties that the Council owns and leases.</p> <p>Mr Duncan then advised of a situation he had been made aware of concerning payments for school meals at a particular school. Mr Duncan requested that this be investigated, and also that all the schools in Shetland should be investigated, to ensure that schools are following the correct procedures. Following discussion, it was agreed that Mr Duncan should discuss this further with the Internal Audit Manager.</p> <p>Mr C L Smith moved that the Committee approve the recommendations in the report. Mr A G L Duncan seconded.</p>	
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The meeting concluded at 3.20pm.

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F B Grains
Chairperson