



## **REPORT**

**To: Audit & Scrutiny Committee**

**18 April 2011**

**From: Project Manager – Audit & Scrutiny Support  
Executive Services**

**Audit & Scrutiny – Matters Arising**

**Report No: CE 023 F**

### **1 Introduction**

- 1.1** This report is a standing item on the Audit & Scrutiny agenda. It provides Members with an update on items from previous Audit & Scrutiny meetings, other items raised by Members and forthcoming & overdue “Work Programme” items.
- 1.2** Appendix A to this report shows a table of reports due, giving revised dates and reasons for delay where appropriate.

### **2 Link to Corporate priorities & Risk**

- 2.1** This report is in line with Section 4 of the Council’s Corporate Plan, “Organising Ourselves Better” and section LV04 of the Improvement Plan “Establish dedicated support services for Members”.
- 2.2** Failure to undertake a robust approach to Audit & Scrutiny may risk the Council not following its own improvement plan.

### **3 Audit & Scrutiny Workplan**

- 3.1** In August 2010, the Audit & Scrutiny Committee approved the Committee’s Work Programme till June 2011. The majority of the items on that Workplan have now been considered by the Committee.
- 3.2** The remit of the Audit & Standards Committee has been established following the Council’s review of governance arrangements and will take effect from 18 May 2011. It is appropriate that the Workplan for 2011-12 should now be considered.

### **4 Financial Implications**

- 4.1** There are no financial implications arising from this report.

## **5 Policy and Delegated Authority**

- 5.1 As outlined in Section 10 of the Council's Scheme of Delegations, the remit of the Audit and Scrutiny Committee includes reviewing Council performance information.

## **6 Conclusion**

- 6.1 This report brings together a number of outstanding items and sets a format to ensure that outstanding items are dealt with as quickly as possible by the Audit and Standards Committee.

## **7 Recommendation**

- 7.1 I recommend that the committee considers items for inclusion in the Audit & Standards Committee Workplan for 2011-2012.





**Appendix A –  
Audit and Scrutiny Reports Due**

<b>Number</b>	<b>Report Topic</b>	<b>Source of Request / Requirement</b>	<b>Date Originally Due</b>	<b>Officer Responsible</b>	<b>Reason For Delay</b>	<b>Date report will be presented</b>
1	Foreign Travel	A&S December	Jan-11	Jim MacLeod	Discrepancies in data received to date and some data missing.	Next Cycle
2	Energy Usage Update	A&S Workplan	Jan-11	John Simpson	Energy Information is updated monthly on the intranet. Better analysis for reporting can be done on a full financial year basis	After full-year figures have been collated and analysed. May/June cycle
3	Scotland Excel Actual Savings	A&S February	N/A	Robert Sinclair	Not overdue	At a future meeting
4	Statutory Performance Indicators – Further comparative analysis	A&S February	Apr - 11	John Smith	Further analysis required and awaiting information from other Authorities	Next Cycle
5	More detail on Teacher numbers	A&S February	N/A	Jim MacLeod/ Helen Budge	Not overdue	At a future meeting
6	More detail on Adult Social Work statistics	A&S February	N/A	Jim MacLeod/ Christine Ferguson	Not overdue	At a future meeting
7	Diesel Usage – Marine Operations	A&S February	N/A	David Polson	Not overdue	At a future meeting
8	Council House Sales	A&S February	Aug - 11	Jan Riise	Not overdue	Aug - 11
9	Audit Review Legal Services Staffing Issues – Legal Services	A&S Workplan	Jan-11	Jan Riise/B C Hill	Review now embraces a spend to save proposal and wider structure changes in the unit. Completion date 31 March 2011	Meeting after completion date - April 2011





## **REPORT**

**To: Audit & Scrutiny Committee**

**18 April 2011**

**From: Project Manager - Audit & Scrutiny Support**

**Report No: CE 024 F**

### **Progress report to audit and scrutiny committee**

#### **1 Introduction**

- 1.1 Audit Scotland issued a report in April 2011 titled "Progress report to audit and scrutiny committee (attached)."

#### **2 Contents**

- 2.1 Audit Scotland are unable to attend April's Audit & Scrutiny meeting. Any questions regarding the progress of the audit can be passed on via the Project Manager – Audit & Scrutiny Support.

#### **3 Links to corporate priorities and risk**

- 3.1 This report links to the Council's priority to "*Make sure we organise and carry out all our business properly*".
- 3.2 There are no risks associated with the attached report as it is for noting.

#### **4 Financial Implications**

- 4.1 There are no financial implications from this report.

#### **5 Policy and Delegated Authority**

- 5.1 This report is directed to the Audit & Scrutiny Committee, it is therefore appropriate that it is considered at this time.

#### **6 Recommendation**

- 6.1 I recommend that the Audit & Scrutiny Committee note the contents of the report.

Ref JM

Report No: CE 024 F

08 April 2011





# Shetland Islands Council

Progress report to audit and scrutiny committee

April 2011



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# Progress update

## Purpose

1. The purpose of this report is to provide the audit and scrutiny committee with an update on the progress of external audit as at 18 April 2011.

## 2010/11 audit

### Planning Work

2. We have now completed our planning work for the 2010/11 audit. The council's annual audit plan was issued in February 2011, summarising the timetable and key deadlines for the financial statements audit. The pension fund annual audit plan was issued in March 2011 and is included as a separate item on today's agenda.
3. The final draft of the Assurance and Improvement Plan update for 2011-2014 was issued to the council in April 2011. This document will remain in draft until the publication of the National Scrutiny Plan and will be discussed at a future meeting of the new audit and standards committee.

### Interim Work

4. As part of our planned audit work, we undertake controls testing on the council's systems. This work provides assurance for both our financial statements audit opinion and our consideration of governance arrangements in the organisation. We are currently performing detailed controls tests covering the council's main systems. As in previous years we will issue a report to the council highlighting any areas of weakness.

### Financial Statements Planning

5. In preparation for the financial statements audit, the audit team has arranged regular meetings with the finance department to discuss the issues highlighted in the 2009/10 audit, together with specific areas to be considered in the 2010/11 audit. Significant policy and accounting changes have been introduced by the implementation of International Financial Reporting Standards (IFRSs) in 2010/11. A letter will be issued on the council's preparedness for IFRS in due course.
6. A letter was issued to the council in March 2011 highlighting our concerns with internal audit's findings on the council's contract and tendering procedures. We will be reporting on these control weaknesses in our annual report. In addition in July, we will be seeking evidence that the council has considered the impact of these findings on the 2010/11 financial statements. We will then consider the impact on our audit opinion. This will be discussed with officers throughout the audit process.

## National performance studies

### Recent publications

7. Two local government reports were issued in February 2011 which are relevant to the council; “Maintaining Scotland’s roads – A follow up report” and “The cost of public sector pensions in Scotland”.
8. Both reports can be found on Audit Scotland’s website at [www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk).

### Follow up work

9. The local audit team are currently following up Audit Scotland’s report, “Improving Public Sector Purchasing” which was published in July 2009.

### Concluding remarks

10. The audit and scrutiny committee is asked to note progress.





## **REPORT**

**To: Audit and Scrutiny Committee**

**Date: 18 April 2011**

**From: Head of Community Care**

**Report No: SC-14-11-F  
Webroster / Payroll**

### **1. Introduction**

- 1.1 This is an interim report into the work that is going on to rectify the difficulties and problems that have been identified through using Webroster as a payment system.
- 1.2 Issues were raised in the service and highlighted in a review by Internal Audit. The report confirms a number of problems with the process involved in using Webroster to pay staff.
- 1.3 There are many aspects to consider at this time and no sure outcome.

### **2. Links to Corporate Priorities**

Shetland Islands Council is committed to maintaining a sustainable Council by ensuring we are being efficient in everything we do.

### **3. Risks**

- 3.1 Avoiding temporary contracts for Social Care Workers could slow the speed with which services can be delivered to vulnerable people.
- 3.2 If rotas are not stabilised properly the benefits through reduction of work in terms of time spent providing information for payroll may not be seen by managers and could lead to lack of engagement in the process.
- 3.3 If rotas are not stabilised staff may not be paid correctly.

- 3.4 A large amount of time will have to be spent on the preliminary stages of this exercise and may ultimately not deliver the desired outcome.
- 3.5 This is seen as an end in itself and not an interim measure until a payroll system is available that can electronically pay directly from changeable rotas.
- 3.6 Liability to pay Single Status terms and conditions accurately leaves the Council open to challenge from staff and masks the time cost of Single Status to the service.

#### **4. Background**

- 4.1 Webroster has been used as the method to pay staff in Social Care since March 2010.
- 4.2 Prior to the implementation of Single Status terms and conditions, Social Care had been using E-Rotas, a bespoke electronic spreadsheet adapted to capture the range and types of contracts in existence in the service.
- 4.3 Colleagues in payroll did not feel confident that this system could cope with the complexities of Single Status terms and conditions so another payment method had to be sought.
- 4.4 After consultation with stakeholders it was agreed to pursue the possibility of rolling out Webroster for residential staff as it was already used for scheduling work and paying staff working in Care at Home.
- 4.5 To prepare for this, work was undertaken by the Webroster- Single Status Group to get the package required.

#### **5. Current Position**

- 5.1 Since October last year a small representative group including Managers from within Social Care service, payroll staff, admin and Shetland's Data Sharing Manager have had some meetings and agreed that Webroster should no longer be used to pay staff in any area.
- 5.2 Webroster will continue to be used for scheduling work with Care at Home.
- 5.3 The option that has been chosen to trial, is payment through CHRIS by annualising all unsocial and enhanced hours where they can be predicted from a stable rota. Backed up with timesheets to capture anything out with the normal rota pattern or hours worked in addition to contract.

- 5.4 Two service areas have been identified to pilot this from 25<sup>th</sup> April with a review planned for August.
- 5.5 Rotas will have to be stabilised in all service areas if the pilot is successful and can work. This will mean a considerable time commitment to ensure information is accurate.

## **6. Financial Implications**

- 6.1 In the short term, there will be a cost in undertaking the work to rectify the problems and develop new systems. This can be done within existing resources but there is an opportunity cost for all service areas affected.
- 6.2 The time cost of Single Status for Community Care cannot be calculated accurately until we can be confident that all terms and conditions are reflected accurately in staff pay.

## **7. Policy & Delegated Authority**

The role of the Audit and Scrutiny Committee is to carry out a corporate scrutiny role to evaluate the effectiveness of the Council as an organisation and ensure that effectiveness is actively monitored and measured, as detailed in Section 11 of the Scheme of Establishment

## **8. Conclusions**

It is acknowledged that this is an ongoing piece of work that is likely to take a while to conclude.

## **9. Recommendation**

I recommend that the members of the Audit and Scrutiny Committee note the contents of this report.

Date: 23 March 2011  
Ref: CF/RW/SC-14-11

Report No SC-14-11-F