

MINUTE

A & B

Audit and Scrutiny Committee
Council Chamber, Town Hall, Lerwick
Monday 18 April 2011 at 10.00 a.m.

Present:

F Grains A Doull
A Duncan C Miller
G Robinson J Wills

Apologies:

L Baisley R Henderson

In attendance (Officers):

A Buchan, Chief Executive
H Sutherland, Executive Director Education and Social Care
G Greenhill, Executive Director Infrastructure Services
J Smith, Head of Organisational Development
C McIntyre, Service Manager – Internal Audit
J MacLeod, Project Manager – Audit and Scrutiny Support
S Pearson, Safety and Risk Manager
R Sinclair, Head of Capital Programming
R Whelan, Service Manager – Community Care Resources
L Adamson, Committee Officer

Chairperson

Mrs F Grains, Chairperson of the Committee, presided.

Circular

The circular calling the meeting was held as read.

Declarations of Interest

None.

Min. Ref.	Subject	Action / Info
23/11	<p><u>Minute</u></p> <p>The minute of the meeting held on 21 February 2011 was confirmed on the motion of Mrs F Grains.</p> <p><u>09/11 – Audit and Scrutiny Committee – Matters Arising</u></p> <p>The Head of Organisational Development advised that the appendix attached to the Report for Item 1 on the agenda provided a summary of when topics would be reported to</p>	

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	<p>Committee. He said that with the proposals for changes to the Committee structures and remits and the new arrangements with the Audit and Standards Committee, there may be certain areas that would be best taken forward through one of the other Committees, and this would be decided through a series of events in the near future.</p> <p><u>11/11 – Shetland Islands Council Vehicle Fleet – Update and FMU Update</u></p> <p>Mr A Duncan advised of his concerns that the Review of management and structures within the Infrastructure Services Department was to take 18 months, and also that the Yell Sound ferry is manned every night.</p> <p>The Executive Director Infrastructure Services advised that the methods and timeframe for undertaking the Review had previously been presented and approved at Infrastructure Committee. He said that although there would be areas of the review that can be addressed in the short-term, there would be certain areas that would take significantly longer to ensure policies and procedure are adhered to and with proper reporting to Members. He added that he stood by the agreed 18 months timeframe for the Review, which would be undertaken in parallel with the Chief Executive's review of the Council's management structure. The Chief Executive commented that the Executive Director has very challenging efficiency targets to meet, and he agreed that 18 months for the Review was not unrealistic to allow time to engage properly with staff and to take the Review forward in a thorough manner.</p> <p><u>12/11 – Diesel Usage Update</u></p> <p>In response to questions from Mr Duncan, the Executive Director Infrastructure Services advised that officers were on target to report on Marine Diesel Usage to the next meeting of the Committee. He agreed that a report would also be given on the Council's diesel usage for 2010, providing the capacity figures and costs, however he indicated that there would be an overspend on budget due to the rise in diesel costs over the year. He reassured Members that the standard procurement processes were being followed to ensure best value to the Council, and in regards to the Council seeking a fuel derogation from the Scottish Government to be allowed to use red diesel, he undertook to seek opinion from the Council's Legal Services and report back to the next cycle.</p> <p><u>21/11 – Statutory Performance Indicators – Comparative Analysis</u></p> <p>Mr Duncan commented that he welcomed the establishment of the Council's Vacancy Management Panel, which he said would be a step in the right direction for savings to be made. Mr Duncan advised of the staffing decisions recently taken by Orkney Islands Council in light of the financial restrictions, and</p>	<p>G Greenhill/ A Buchan</p> <p>D Polson</p> <p>G Greenhill</p> <p>G Greenhill</p>

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	<p>he requested a report on the current staffing figures for Shetland Islands Council. The Chief Executive said that management of vacancies was crucially important as a means of achieving cost reductions, and although it is very difficult to deliver on the ground it will be part of the changes in the Council and will require careful handling. The Executive Director Education and Social Care said that the Vacancy Management Panel was one of the actions approved by Members to focus on staffing aspects while delivering services within budget.</p> <p>The Head of Organisational Development advised that a report would be presented to Council in May providing a summary of the employee numbers in the Council compared to the previous year.</p>	J R Smith

24/11	<p><u>Audit and Scrutiny Committee - Matters Arising</u></p> <p>The Committee considered a report by the Project Manager – Audit and Scrutiny Committee Support (Appendix 1), which provided Members with an update on outstanding items from previous meetings, and the proposed Workplan for 2011-2012.</p> <p>In referring to the appendix to the report, Mr A Duncan outlined his concern at the reason given for the delay for the report on foreign travel, “Discrepancies in data received to date and some data missing”, and he requested a full explanation regarding the situation. The Project Manager explained that there had been some discrepancies between foreign travel information gathered for a Freedom of Information request and the information held by the Insurance Section, however these discrepancies will be crosschecked and addressed in the report to Committee next cycle. He confirmed that all foreign travel had been within Council policy, properly authorised and within budget.</p> <p>Mr G Robinson advised of his disappointment that the report on the Audit Review of Legal Services had not been included on the agenda for today’s meeting, and in regards to the update on Council House Sales, he asked for assurance that this would be a full and detailed report.</p> <p>In referring to Section 7.1 of the report, Mr Duncan noted the reference to “Audit and Standards Committee”, and said that in his opinion the word ‘Scrutiny’ should be retained within the title of this Committee. Mr J Wills said that the existing title of the Committee should remain. The Chief Executive advised that some tentative changes have been made to the respective titles of the Committees and further discussion will take place as it is very important that the roles and responsibilities of each</p>	<p>J MacLeod</p> <p>J R Riise/ B Hill</p> <p>J R Riise</p>
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	<p>of the Committees are correct.</p> <p>Mrs C Miler said that she had understood that the remit of this Committee will change, as the scrutiny function will be through the 4 other Committees with their set service plans which are to be continually scrutinised, with the Audit and Standards Committee focusing more on the work of Internal Audit and standards of Governance.</p>	
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25/11	<p><u>Progress Report to Audit and Scrutiny Committee</u></p> <p>The Committee noted a report by the Project Manager – Audit and Scrutiny Committee Support (Appendix 2), which introduced the report from Audit Scotland on the progress of external audit at 18 April 2011.</p> <p>In introducing the report, the Head of Organisational Development advised that as there were no representatives in attendance from Audit Scotland any questions could be addressed to the officers present at the meeting or referred on to Audit Scotland.</p> <p>In referring to paragraph 6 of the report from Audit Scotland, Dr J Wills asked for an update on the letter issued to the Council in March 2011 highlighting Audit Scotland's concerns with Internal Audit's findings of the Council's contract and tendering procedures. The Head of Capital Programming explained that only potential breaches had been identified, however each case is being examined and remedial steps taken where required. The Chief Executive confirmed that this matter was being taken seriously, with the necessary action taken.</p> <p>In response to a question from Mrs C Miller, the Executive Director Education and Social Care advised that the Council was slightly behind schedule in its preparations for International Financial Reporting Standards (IFRS), however external resources have been sought to assist in this matter.</p>	
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26/11	<p><u>Webroster/Payroll</u></p> <p>The Committee considered a report by the Head of Community Care (Appendix 3), which outlined proposals to rectify the issues that have been identified through using Webroster as a payment system.</p> <p>The Service Manager - Community Care Resources summarised the main terms of the report.</p>	
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	<p>In response to questions, the Service Manager advised that the existing Webroster system works well for the scheduling of rotas however the system does not cope with payroll requirements. The Executive Director Education and Social Care explained that the proposal was to separate the two aspects of Webroster through continuing to schedule the workforce through the system, but to change to paying staff through the Council's payroll system.</p> <p>In response to questions, the Service Manager advised that the two service areas to undertake the pilots were Montfield Support Services and Fernlea Care Centre in Whalsay, and that the pilots would run for a period of 3 months. She would expect any changes in service delivery to be minimal, however any issues affecting clients would be addressed as a matter of urgency, and she confirmed that overpayments and any underpayments made to staff had been rectified.</p>	
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27/11	<p><u>Improvement Plan – Progress</u></p> <p>A paper providing updates on progress with the Improvement Plan was tabled at the meeting (attached as Appendix 4).</p> <p>The Chief Executive provided the Committee with further updates on a number of the actions. He advised that the Council would soon be in a position to finalise and implement the new Committee Structure, and the temporary secondment of staff to provide support to Members had come to an end and he was grateful for the work that this team undertook in the short period of time. The Chief Executive said that a 2nd draft opinion had been received on the consolidation of accounts and at this stage he was optimistic that with the Council working with Audit Scotland and others a very good outcome can be achieved for Shetland to regularise the situation in the future. He also advised that the University St Andrew's had been engaged to undertake a review of the Council's major policy objectives into the future.</p> <p>During his address, the Chief Executive said that throughout this change programme for the Council it was important to ensure that ongoing services are provided and projects continue to be implemented, and he intended to bring further proposals on office accommodation and facilities and related job dispersal to the Council in early course.</p> <p>In response to questions, the Chief Executive advised that the Head of Legal and Administration, Nigel Stewart and staff at Legal and Administrative Services were drawing up Governance procedures, and that when agreed by Council it would be essential that Members and officers get behind the new changes to make them work.</p>	A Buchan
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	<p>relative costs.</p> <p>Mr Robinson referred to the creeping programme of works on the existing Anderson High school building, which included replacement pipe and block work, and advised of his concerns regarding any intention to extend the use of the school. Dr Wills advised that he shared this concern. Mr Wills went on to advise of concerns raised following an AHS Parent Council meeting, where 3 options were being discussed, which included to build the AHS at the Lower Staney Hill, to refocus the existing school, or to do nothing. Dr Wills stated that it was Council Policy to build the school at the Lower Staney Hill, and this decision had been reaffirmed as Council Policy in September 2009. He said that the project should be progressing through the Gateway process to work out how to build the school at the Lower Staney Hill, and that he wanted to see progress soon. The Executive Director Education and Social Care advised that the Council had a legal duty to demonstrate best value, and therefore all costs and risks are to be presented to Members in order to take the next definite step forward.</p> <p>The Chairperson advised that she had recently been made aware that the Boundary Commission had submitted a Consultation paper to determine Councillor numbers in Local Authority areas. The Chief Executive advised that he would follow this up.</p>	A Buchan
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28/11	<p><u>Items for Future Discussion</u></p> <ol style="list-style-type: none"> 1. A Planning Seminar to be arranged to examine the role of planning in our community. 2. The report on housing voids to include information on damage to Council property, associated costs in the past year and on what legal action can be taken when individuals damage property. 	<p>G Greenhill</p> <p>J MacLeod/ S Pearson</p>
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The meeting concluded at 11.35am.

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F B Grains
Chairperson

