

MINUTES

A&B - Public

Audit and Standards Committee
Council Chamber, Town Hall, Lerwick
Tuesday 29 April 2014 at 10am

Present:

A Duncan	S Coutts
B Fox	A Manson
T Smith	M Stout
A Westlake	J Wills
V Wishart	

Apologies:

None

In attendance (Officers):

J Gray, Executive Manager - Finance
C McIntyre, Executive Manager - Internal Audit
J Riise, Executive Manager – Governance and Law
J MacLeod, Performance and Improvement Adviser
K Johnston, Solicitor
L Adamson, Committee Officer

Also Present

M Burgess
G Robinson

Chairperson

Mr A Duncan, Chair of the Committee, presided.

Circular

The circular calling the meeting was held as read.

Declarations of Interest

None.

08/14 Minutes

The Minutes of Audit and Standards Committee held on 20 February 2014 were confirmed on the motion of Mr Stout, seconded by Mr Fox.

02/14 – Committee Work Programme Update

Public Access

The Chair sought confirmation that assisted access to ferry waiting rooms would be promoted on the ferry timetables and information bulletins at the terminals. It was agreed that this would be followed up with the Director of Infrastructure Services after the meeting.

Invitation to the Leader

Following a brief discussion, it was agreed that the Leader would be invited to attend the meeting of Audit and Standards Committee when the 2013/14 final signed and audit accounts are presented, later in the year.

09/14

Committee Work Programme Update

A report by the Performance and Improvement Adviser (IP-09-14-F) provided an update on items from previous meetings and items raised by Members.

The Performance and Improvement Adviser summarised the main terms of the report.

A typo was noted in the Section 5.1 of the report, where “2013/14 Work Programme” should read “2014/15 Work Programme”.

Decision:

The Committee **NOTED** the contents of the report.

10/14

Audit Scotland Reports

A report by the Performance and Improvement Adviser (IP-08-14-F) provided links to all public reports produced by Audit Scotland since the last meeting of the Audit and Standards Committee.

In introducing the report, the Performance and Improvement Adviser recommended that Members access the full Audit Scotland reports, and in particular the “South Ayrshire Council Targeted Best Value Audit Work 2013” which informs on important lessons learned from their Best Value Audit; and “Options Appraisal: are you getting it right?” which provides a good checklist for Members and officers in regard to decision making.

In making reference to the findings from the “South Ayrshire Council Best Value Audit”, the Chair reported that he considered that the “Irrecoverable Debt 2013/2014” report presented to a recent meeting of Executive Committee had not been sufficiently detailed to ensure Members had a full understanding of the circumstances. In his response, the Executive Manager - Finance apologised that the word ‘estimate’ had not been included in the report in regard to the single status overpayments, however he advised that during his presentation Members had been informed that the figure was an estimate. Regarding the two accounts written off with housing arrears, he advised that the information had been included in the report solely for completeness to inform Members on an action already taken, and he assured Members that all efforts had been undertaken to recover the debt. The Executive Manager - Finance advised however that he would review the level of detail provided in future reporting on Irrecoverable Debt.

The Executive Manager - Finance suggested that he could prepare a report on the processes and procedures followed for housing debt collection, and he advised on a proposed Members Seminar to cover rent arrears, tenant evictions and homelessness issues.

During the discussion, the Executive Manager - Finance advised that the level of bad debt written off by the Council is low compared to other Local Authority areas, and in regard to housing arrears Shetland Islands Council was within the top 5 Local Authorities in Scotland in 2013/14, with a 96% collection rate.

In referring to the final bullet point at the Excerpt to the “Options Appraisal” report, the Chair enquired on the process involved to “review the effectiveness of its decision – to check that objectives are being delivered”. The Performance and Improvement Adviser advised that a benefits review forms part of the PRINCE2

Project Management Framework, to be undertaken at the end of a project. However he added that the requirement for a benefits review is very much on a case by case basis.

Decision:

The Committee **NOTED** the contents of the report and the links to the reports produced by Audit Scotland.

11/14

Internal Audit – Operational Plan 2014/15

The Committee noted a report by the Executive Manager – Internal Audit (IA-02-14-F) that presented the Internal Audit Operational Plan for 2014/15.

The Executive Manager – Internal Audit summarised the main terms of the report.

In referring to Appendix 1, a Member noted that the Economic Development/Development Trust Audit is scheduled to be carried out during the 3rd quarter of 2014/15, and he questioned whether this would be the most appropriate timing for the review with the Development Trust investments to transfer to Economic Development before the end of 2014. Following a brief discussion, it was agreed that dialogue would take place between the Executive Manager – Internal Audit and the Executive Manager - Finance to agree the most effective time for the Audit of Economic Development/Development Trust to be undertaken. In response to a question, the Executive Manager - Finance advised on the expectation that Development Trust funds can be ring-fenced, and therefore would be identifiable in the Council's accounts.

In response to a question regarding Internal Audit Resourcing, the Executive Manager – Internal Audit reported on the staffing changes which he advised will initially result in the loss of a significant amount of experience within the Service, however he was confident that the plan will factor in sufficient training for current and new staff to manage the planned workload.

In referring to Section 1.4 of the report, the Chair enquired on the reason that the Annual Report had not been presented with the Operational Plan as is normally the case. The Executive Manager – Internal Audit advised that further work was still required on the Annual Report, which he confirmed would be presented to Committee in June. In response to a question, the Executive Manager – Internal Audit advised that 93% of the Audit Plan for 2013/14 has been achieved.

In response to a question, the Executive Manager – Internal Audit, advised on the reasons that 3 Audit, namely Youth Services, Travel and Local Taxation, had been carried forward into 2014/15 Plan, and Members noted there were no issues of concern.

In making reference to Appendix 2, and to the high risk audits relating to Ports and Harbours Operations and Ferries, which had been reported at the previous Committee, the Chair questioned whether the proposed timeframe of 4 years until the next audit is carried out should be reduced to ensure the key audit issues identified are addressed in early course. The Executive Manager – Internal Audit reported that follow-up audits have been undertaken at Ferries where unresolved issues were identified. In agreement with the Director of Infrastructure Services further follow up audits will be carried out in both areas in early 2015 to focus on any areas of concern.

In response to a question, the Executive Manager – Internal Audit advised on the reason for the first corporate audits to be carried out on Data Protection/Retention and Destruction of Records in 2015/16, and on Travel in 2014/15. The Executive Manager – Governance and Law reported that through the Public Records (Scotland) Act 2011 the Council has an obligation to produce a Records Management Plan which will assist the process for the Data Protection/Retention and Destruction of records audit.

On the motion of Dr Wills, seconded by Mr Stout, the Committee approved the recommendation in the report.

Decision:

The Committee **RESOLVED** to approve the planned coverage for 2014/15.

12/14

Items for Future Discussion

The Committee agreed that further consideration be given to including the following items into a Work Plan:

- A Member expressed concern in regard to the cost to the Council in overtime as a result of Easter Monday being outwith the school Easter break, as non-teaching staff are paid triple time to work on public holidays. A request was made for reports to be prepared on 1) the cost to the Council of all schools remaining open on Easter Monday, and 2) the overtime costs associated with all the Council employees who worked on Easter Monday. Following a general discussion in regard to public holidays and the suggestion that the allocation could be added to annual leave, it was agreed that a report on the Council's public holiday entitlements would be presented to Executive Committee. Any unresolved issues would be taken up by Audit and Standards Committee.
- A report was requested on the costs to the Council when it has been necessary to contract in companies and consultants to undertake work in areas where there is a skills shortage.
- Following concerns on the lack of progress on the Review of Tertiary Education, a report was called for to inform on the process, the anticipated savings and the expected timescale for completion of the Review.
- A request was made for a report to Social Services Committee to inform on the financial impact on the Council from the national imposed changes to the benefits system.

The meeting concluded at 11.05am.

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Chair

