

**Audit Committee****19 August 2014****Audit Scotland Reports****Report No:** IP-19-14-F**Report from: Executive Manager – Audit, Risk
and Improvement****Corporate Services****1.0 Summary**

- 1.1 This report contains links to ALL public reports produced by Audit Scotland, that are not part of separate reports to this Committee. It covers all reports issued since the last meeting of the Audit and Standards Committee.

2.0 Decision Required

- 2.1 The Audit and Standards Committee should consider the linked reports in Appendix A and highlight any issues that they feel should be monitored or further addressed through this Committee, other Committees or by Council management.
- 2.2 The Audit and Standards Committee should note the proposal to the Policy & Resources Committee to change the way External Audit/Adviser's reports are handled by this, and other committees.

3.0 Detail

- 3.1 It is anticipated that representatives of Audit Scotland will be at the meeting to answer questions from Members directly.

4.0 Future Audit Scotland and other External Auditors/Adviser's reports

- 4.1 Part of the remit of the (then) Audit & Standards Committee was "To be consulted on the External Audit strategy and plan, review reports from the Council's External Advisors and review action on External Audit recommendations".
- 4.2 As part of that remit, all Audit Scotland reports have been considered at the Audit and Standards Committee after publication. This was often before the relevant Service Committee had an opportunity to consider the report.

- 4.3 It is considered more appropriate for the (new) Audit Committee to consider **other** Committee's responses to External Audit reports, rather than follow the current process.
- 4.4 Therefore, a proposal be presented to the Policy and Resources committee to change the way Audit Scotland reports are handled. This will ensure that Service Committees have the opportunity to consider the report and agree an action plan (where appropriate). The Audit Committee will then have the opportunity at a later date to "review action on External Audit recommendations".
- 4.5 Reports can still be made available to Audit Committee members as before, should members so wish, but this proposal should improve accountability within the Council and allow the Audit Committee to monitor progress on relevant recommendations.

5.0 Implications

Strategic

- 5.1 Delivery On Corporate Priorities – Improved external engagement and sharing best practice are both elements of the Council's Improvement Plan.
- 5.2 Community /Stakeholder Issues – NONE
- 5.3 Policy And/Or Delegated Authority – As outlined in Section 2.6 of the Council's Scheme of Administration and Delegations, the Audit and Standards Committee remit includes consideration of all reports from Audit Scotland.
- 5.4 Risk Management - Failure to deliver effective external engagement and learn from best practice elsewhere increases the risk of the Council working inefficiently.
- 5.5 Equalities, Health And Human Rights – NONE
- 5.6 Environmental - NONE

Resources

- 5.7 Financial – No direct implications
- 5.8 Legal – No direct implications
- 5.9 Human Resources - No direct implications
- 5.10 Assets And Property – No direct implications

6.0 Conclusions

- 6.1 The linked reports provide valuable information for Committees and officers throughout the Council.

For further information please contact:

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8 August 2014

List of Appendices

Appendix A – List of Linked Reports

END

Appendix A – List of Linked Reports

Report Title	Appropriate Body	Officer	Excerpt
1) Procurement in councils	Policy & Resources Committee	Executive Manager – Capital Programme	<p>The rate of improvement also varied among councils. Some, such as Renfrewshire, South Lanarkshire and Inverclyde, have improved significantly.</p> <p>Four councils have still not yet achieved the 'improved performance' target level set by the [Public Procurement Reform Board] (Clackmannanshire, East Dunbartonshire, Orkney Islands and Shetland Islands).</p> <p>Note to Audit Committee: The Council's Procurement Capability Assessment (PCA) has been the subject of a report to the Executive Committee on 5 May 2014. Minute record 24/13:</p> <p>The Executive Committee RESOLVED to:-</p> <ul style="list-style-type: none"> • Note the progress made by the Procurement team in implementing the Council's Procurement Strategy as detailed in the action Plan at Appendix D to the report; and • Note the options to improve the Council's PCA set out in Appendix A to the report and comments on the aspects of procurement activity to be priorities moving forward as set out in paragraph 3.11 of the report.
2) Glasgow Community Planning Partnership	Policy & Resources Committee	Executive Manager – Community Planning and Development	<p>In our previous work on the audit of Community Planning Partnerships, we found that partnerships need to do more to show how their consultation activity is influencing community planning priorities and leading to better outcomes for local people.</p>

Appendix A – List of Linked Reports

Report Title	Appropriate Body	Officer	Excerpt
3) The 2012/13 audit of North Glasgow College	Policy & Resources Committee	Executive Manager – Human Resources	<ul style="list-style-type: none"> Proposals should be supported by business cases, showing the full additional costs of early departures and their anticipated savings. There should be restrictions on staff who have accepted an early departure package from being re-employed. Councillors or board members should approve early departure schemes, ensuring that proposals represent value for money.
4) Comhairle nan Eilean Siar: the Audit of Best Value and Community Planning - Follow-up report May 2014	Audit Committee	<p>Executive Manager – Audit, Risk & Improvement</p> <p>Executive Manager – Community Planning and Development</p>	We are encouraged by the increased scrutiny and challenge of performance by councillors and by the progress made in how the council manages its workforce, notably in the performance, learning and development of individual employees. We note that the council recognises the need to evaluate and act upon customer and citizen views more effectively.

Appendix A – List of Linked Reports

Report Title	Appropriate Body	Officer	Excerpt
5) Falkirk Community Planning Partnership	Policy & Resources Committee	Executive Manager – Community Planning and Development	<ul style="list-style-type: none"> • The Commission believes that the partnership has a good understanding of how it can work better and where it needs to improve. But its Leadership Board needs to show stronger leadership in the following areas: • setting a clear and strategic improvement agenda • holding partners to account for their contribution • helping partners overcome barriers to information sharing • putting in place an effective system of performance management and scrutiny to measure and monitor progress against priorities • ensuring its improvement group fulfils its crucial role in implementing the operational improvements the partnership knows it needs to make.
6) Reducing reoffending in Scotland - Impact report	Social Services Committee	Executive Manager – Criminal Justice	Reoffending is a continuing problem in Scotland. Reconviction rates have remained relatively static over recent years; 30 per cent of people convicted in 2009/10 were reconvicted within one year compared with 32 per cent in 1997/98. In 2010/11, more than one in five people convicted (9,500) had ten or more previous convictions. The Scottish Government estimates that the total economic and social costs of reoffending are about £3 billion a year.
7) Scotland's public finances - a follow-up audit: Progress in meeting the challenges	Full Council	Executive Manager - Finance	In setting budgets, public bodies need to focus more on their priorities, making clearer connections between planned spending and the delivery of outcomes. Rigorous use of options appraisal based on sound information is required for good budget-related decisions and making those decisions clear and understood.

Appendix A – List of Linked Reports

Report Title	Appropriate Body	Officer	Excerpt
8) Self-directed support	Social Services Committee	Executive Manager – Occupational Therapy	Councils still have a substantial amount of work to do to fully implement SDS. Some have made slower progress than others and they will have to implement the cultural and practical changes more quickly over the next few years. Councils need effective leadership from senior managers and councillors and continued support from the Scottish Government through detailed guidance and regular communication on how implementation is progressing across the country.
9) School education	Education and Families Committee	Director of Children's Services	Performance has improved against all ten of the attainment measures we examined over the last decade. However, there is significant variation in attainment between individual councils, schools, and groups of pupils; and there is a considerable gap between Scotland and the top performing countries.
10) Argyll and Bute Council: Follow-up audit	Audit Committee	Executive Manager – Audit, Risk & Improvement	Scrutiny still needs to improve. In particular, the council needs the commitment and engagement of councillors in the work of the Performance Review and Scrutiny Committee and the Audit Committee, if these are to make an effective contribution to governance and accountability. The role of senior management will also be crucial.
11) Moray Community Planning Partnership	Policy & Resources Committee	Executive Manager – Community Planning and Development	Moray Community Planning Partnership (CPP) has made significant progress over the past year. Its Area Based Review and ten-year plan has given it a much better understanding of the needs of Moray and it has now established a clearer strategy with economic development as a clear priority. But we note that it is only in the past year that the partnership's momentum in leading community planning has started to gather pace. This pace needs to be maintained.

**Audit Committee****19 August 2014**

Committee Business Programme – 2014/15	
GL-13-14-Audit-F	
Team Leader – Administration	Governance and Law Corporate Services

1.0 Summary

- 1.1 The purpose of this report is to inform the Committee of the planned business to be presented to Committee over the remaining quarters of the current financial year to 31 March 2015 and discuss with Officers any changes or additions required to that programme.

2.0 Decision Required

- 2.1 That the Audit Committee considers its business planned for the remaining quarters of the current financial year to 31 March 2015 and RESOLVE to approve any changes or additions to the Business programme.

3.0 Detail

- 3.1 The Council approved the Council's Meeting Dates and Business Programme 2014/15 at its meeting on 26 March 2014, (Min. Ref. 21/14).
- 3.2 It was agreed that the Business Programme for 2014/15 would be presented by Committee Services to the Council and each Committee, on a quarterly basis, for discussion and approval.
- 3.3 The manner in which meetings have been scheduled is described below:
- Ordinary meetings have been scheduled, although some have no scheduled business at this stage. Where there is still no scheduled business within 2 weeks of the meeting, the meeting will be cancelled;
 - Special meetings have been called on specific dates for some items – other agenda items can be added, if time permits;
 - PPMF = Planning and Performance Management Framework meetings have been called for all Committees and Council once per

quarter. These meetings are time restricted, with a specific focus on PPMF only, and therefore no other business will be permitted on those agendas;

- Budget = Budget setting meetings – other agenda items can be added, if time permits, or if required as part of the budget setting process; and
- In consultation with the Chair and relevant Members and Officers, the time, date, venue and location of any meeting may be changed, or special meetings added.

3.4 There is a proposal being presented to the Policy and Resources Committee on 20 August 2014, to change the way Audit Scotland reports are handled. This will ensure that Service Committees have the opportunity to consider the report and agree an action plan (where appropriate). The Audit Committee will then have the opportunity at a later date to “review action on External Audit recommendations”. These reports will be added to the Business Programme as they become available.

3.5 In relation to the planned business for the year ahead, the lead strategic Director reporting to this Committee has the following comments or observations to make:

Director of Corporate Services

Following the restructure of Executive and Corporate Services Departments, further work is required to establish a detailed timetable for presenting findings of detailed reviews of Council business items of specific Audit Scotland reports to the relevant services committee and to the Audit Committee. This is the subject of a separate report on today's agenda.

The Audit Committee may wish to consider setting a time frame for an informal meeting of the Committee and/or briefings for new members of the Committee as a result of the Council's mid-term review.

4.0 Implications

Strategic

4.1 Delivery On Corporate Priorities – The recommendation in this report is consistent with the following corporate priorities:

Our Corporate Plan 2013-17

- To be able to provide high quality and cost effective services to people in Shetland, our organisation has to be run properly.
- Fully align the timetables, time spans and approaches for financial planning relating to the medium term yearly budgeting with Council, directorate and service planning.

4.2 Community /Stakeholder Issues – The Business Plan provides the community and other stakeholders with important information, along with the Council's Corporate and Directorate Plans, as to the planned business for the coming year.

- 4.3 Policy And/Or Delegated Authority – Maintaining a Business Programme ensures the effectiveness of the Council's planning and performance management framework. The Business Programme supports each Committees role, as set out in paragraph 2.3 of the Council's Scheme of Administration and Delegations, in monitoring and reviewing achievements of key outcomes within its functional areas, whilst ensuring best value in the use of resources is met to achieve these outcomes within a performance culture of continuous improvement and customer focus.
- 4.4 Risk Management – The risks associated with setting the Business Programme are around the challenges for officers meeting the timescales required, and any part of the business programme slipping and causing reputational damage to the Council. Equally, not applying the Business Programme would result in decision making being unplanned and haphazard and aligning the Council's Business Programme with the objectives and actions contained in its corporate plans could mitigate against those risks.
- 4.5 Equalities, Health And Human Rights – None.
- 4.6 Environmental – None.

Resources

- 4.7 Financial – There are no direct financial implications in this report, but indirect costs may be avoided by optimising Member and officer time.
- 4.8 Legal – None.
- 4.9 Human Resources – None.
- 4.10 Assets And Property – None.

5.0 Conclusions

- 5.1 The presentation of the Business Programme 2014/15 on a quarterly basis provides a focussed approach to the business of the Committee, and allows senior Officers an opportunity to update the Committee on changes and/or additions required to the Business Programme in a planned and measured way.

For further information please contact:

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11 August 2014

List of Appendices

Appendix 1 – Audit Committee Meeting Dates and Business Programme 2014/15

Background documents:

Report GL-02-F - Presented to Council on 26 March 2014: Titled "Meeting Dates and Business Programme 2014/15"

<http://www.shetland.gov.uk/coins/Agenda.asp?meetingid=4317>



**Shetland Islands Council - Meeting Dates and Business Programme 2014/15
as at Tuesday, 12 August 2014**

Audit Committee			
			<i>D= Delegated R=Referred</i>
Quarter 1 1 April 2014 to 30 June 2014	Date of Meeting	Business	D/R
		Internal Audit – Operational Plan 2014-15	D
		Audit Scotland Reports	D
		Committee Work Programme Update	D
	<i>PPMF & Ordinary</i> 27 May 2014 10 a.m.	SIC Review of Internal Controls 2013-14	D
		Pension Fund Review of Internal Controls 2013-14	D
		Local Government Benchmarking Framework Update Report	D
		Committee Business Programme 2014/15	D
	<i>Ordinary</i> 18 June 2014 10 a.m.	SIC Assurance and Improvement Plan	R
		Internal Audit – Annual Report 2013-14	D
Quarter 2 1 July 2014 to 30 September 2014	Date of Meeting	Business	
	<i>PPMF & Ordinary</i> 19 August 2014 10 a.m.	Audit Scotland Reports	D
		Committee Business Programme 2014/15	D
	<i>Special</i> 23 September 2014 10 a.m.	Pension Fund Final Audited Accounts 2013-14 & Report to those Charged with Governance	R SIC 23 Sept
		SIC Final Audited Accounts 2013-14 & Report to those Charged with Governance	R SIC 23 Sept
Quarter 3 1 October 2014 to 31 December 2014	Date of Meeting	Business	
	<i>Ordinary</i> 7 October 2014 10 a.m.	tbc	



Shetland Islands Council - Meeting Dates and Business Programme 2014/15 as at Tuesday, 12 August 2014

Audit Committee - Continued			
			<i>D= Delegated R=Referred</i>
Quarter 3 1 October 2014 to 31 December 2014 <i>Continued</i>	<i>PPMF & Ordinary</i> 18 November 2014 10 a.m.	Statutory Performance Indicators 2013/14	D
		Internal Audit – Six Monthly Internal Audit Progress Report	D
		Audit Scotland Reports	D
		Code of Corporate Governance – 6 Monthly Update	D
		Committee Business Programme 2014/15	D
Quarter 4 1 January 2015 to 31 March 2015	Date of Meeting	Business	
	<i>Ordinary</i> 3 February 2015 10 a.m.	tbc	
	<i>PPMF & Ordinary</i> 24 February 2015 10 a.m.	Audit Scotland Reports	D
		Audit Scotland Annual Audit Plan 2014-15 - SIC	D
		Audit Scotland Annual Audit Plan 2014-15 – Pension Fund	D
		Committee Business Programme 2015/16	D

Planned Committee business still to be scheduled as at Tuesday, 12 August 2014

- Sumburgh Airport

Audit and Standards Committee - END