

Audit Committee
Council Chamber, Town Hall, Lerwick
Wednesday 31 August 2016 at 10am

Present:

A Duncan	M Burgess
S Coutts	B Fox
A Manson	T Smith
A Westlake	V Wishart

Apologies:

M Stout

In attendance (Officers):

C Ferguson, Director of Corporate Services
J Belford, Executive Manager – Finance
A Edwards, Executive Manager – Quality Improvement
K Adam, Solicitor
M Mullay, Performance and Improvement Officer
L Adamson, Committee Officer

Chairperson

Mr Duncan, Chair of the Committee, presided.

Circular

The circular calling the meeting was held as read.

Declarations of Interest

None

Minutes

The Committee confirmed the minutes of the meeting held on 15 June 2016 on the motion of Ms Wishart, seconded by Mr Fox.

15/16 **Audit Scotland and Other External Audit Reports**

The Committee considered a report by the Executive Manager – Audit, Risk and Improvement (IA-17-15-F), which provided an opportunity to consider and monitor progress on any recommended actions resulting from Audit Scotland and External Audit body reports which have been or will be presented to the functional Committees.

The Performance and Improvement Officer introduced the report.

In response to a question, explanations were provided in terms of the delayed reporting as advised at Section 4.2 of the report. It was confirmed that the report EA0084 would be presented to Education and Families Committee on 3 October 2016.

Reference was made to a number of findings relating to the Council included in Audit Scotland's report "EA0085 - An Overview of Local Government in Scotland 2016". In terms of the proposal in the report, for Local Authorities to share good practice, it was suggested that the Audit Committee could ensure that such dialogue is undertaken. The Director of Corporate Services advised that the Service does look at best practise models including those in other countries, and noted Scandinavia as an example where services are aware of the lessons that can be learned in terms of supporting people in their own homes, social care and nursing.

Decision:

The Committee considered the progress statements provided by Lead Officers in Appendix 1 to the report, and made relevant comments on planned actions.

16/16

Audit Scotland – Shetland Islands Council Local Scrutiny Plan

The Committee considered a report by the Executive Manager – Finance (F-055-F), which presented the Local Scrutiny Plan 2016/17 for Shetland Islands Council.

In introducing the report, the Executive Manager – Finance reported that the assessment concluded that no scrutiny risks have been identified which require specific scrutiny in the coming year. The areas which will be subject to ongoing oversight and monitoring are set out in Appendix 1.

In response to questions relating to Section 18 of the Scrutiny Plan, the Director of Corporate Services advised on the process to date in terms of the Care Inspectorate's self-evaluation activity with Alcohol and Drugs Partnerships (ADP), which has involved the completion and submission of a detailed questionnaire, a visit from the Care Inspectorate and a number of stakeholder meetings. She advised that the Care Inspectorate are to publish a national overview report, where there will be opportunities to comment and provide feedback, and the findings will be presented to a future meeting of the IJB. She advised in terms of the reduction in Council funding to the Shetland ADP for 2016/17, and on the uncertainties in terms of the Scottish Government and NHS budget allocations at this time. The Director of Corporate Services added that a Key Priority in the Local Outcome Improvement Plan is to reduce the harm caused by alcohol, where it is hoped to build on the findings of the national report and make it a useful document locally.

Reference was made to Section 4 of the Scrutiny Plan, where the Chair advised of his concern in terms of the £32m funding gap over the next four years, and failure to deliver on the Medium Term Financial Plan (MTFP) from the reduction in Scottish Government funding going forward. The Executive Manager – Finance advised on the process that will be followed, with Member involvement throughout, to ensure a full understanding of the options and impacts to find the right solution to balance the budget. In that regard, he acknowledged there will be less opportunity for one off and recurring savings to be found. He added that the anticipated reduction in the funding from the Scottish Government has been reflected in the refresh of the MTFP.

Reference was made to the discussion at Education and Families Committee earlier this week, in terms of the budget savings required, where it was questioned whether there were any proposals for job redundancies to address the shortfall.

The Director of Corporate Services reported on the different areas being looked at to achieve efficiencies and savings, where she gave commitment in terms of dialogue with Members throughout the budget setting process. She said however that at this time assurance cannot be given that any service is safe from possible redundancies going forward.

During the discussion, the Executive Manager – Finance advised on teacher numbers being a condition of our funding from the Scottish Government. In response to a question, the Executive Manager – Quality Improvement advised on the current Teacher Number/Pupil Ratio Agreement, where the overall teacher numbers across Scotland have to be maintained, and Shetland has to meet its share of the overall Agreement. In that regard, she advised on the concern at the level of savings being faced and the options available, where over the past 4-5 years efficiencies have had to be made in every area of service delivery. During further discussion, comments were made in terms of the additional pressure of failing to meet the targets locally with Shetland being pitted against all other Local Authorities, and on the challenges where national policy does not always fit well in rural island areas.

In referring to Section 6 of the Scrutiny Plan, the Chair sought further detail on the comments made that the support to schools from the Central Education Service in terms of the self evaluation activity has been variable. The Executive Manager – Quality Improvement explained that resources had to be diverted from self evaluation activities, when focus had to be given to consider the options for the school estate. She gave assurance however that a programme has been in place since 2014 to ensure all schools have the resources to support and challenge self-evaluation activity.

In referring to Section 7 of the Scrutiny Plan, concern was expressed that the Council is in the bottom quartile for all social landlords in relation to sustainment for non-statutory homeless lets, non-emergency repairs, the percentage of rent collected, tenant satisfaction and the standard of housing. The Chair however referred to Section 16 and 17 of the Scrutiny Plan, which he said highlights that these are fairly minor issues, where the Scottish Housing Regulator (SHR) had assessed that no additional scrutiny is requirement beyond statutory work. He also referred to the Housing Service Report for 2014/15, circulated to Members in October, which he said addressed many of these concerns. During the discussion that followed reference was made to the forthcoming inspections of housing estates in Shetland to ascertain repairs required, and it was agreed that the outcome from the Annual Estate Inspections Survey will be presented to Members in due course.

Decision:

The Committee noted the Shetland Islands Council Local Scrutiny Plan 2016/17.

17/16

Audit Committee Business Programme 2016/17

The Committee considered a report by the Team Leader – Administration (GL-36-16-F), which informed of the planned business to be presented to Committee for financial year 1 April 2016 to 31 March 2017, and sought discussion with Officers regarding any changes or additions to that Programme.

Reference was made to the list of reports still to be scheduled, where it was agreed that the Process for Reporting from the IJB to the Council's Audit Committee and the Governance Framework would be presented to Committee in October.

It was agreed that a report to provide updates on Scrutiny Plan Activity would be presented to a future meeting.

Decision:

The Committee considered its planned business for the financial year 1 April 2016 to 31 March 2017, and **RESOLVED** to approve the additions to the Business Programme.

The meeting concluded at 11am.

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Chair