

EAST AYRSHIRE COUNCIL**GOVERNANCE AND SCRUTINY COMMITTEE****MINUTES OF MEETING HELD ON FRIDAY 19 NOVEMBER 2010 AT 1000 HRS
IN THE COUNCIL CHAMBERS, COUNCIL HEADQUARTERS,
LONDON ROAD, KILMARNOCK**

PRESENT: Councillors Tom Cook, Willie Coffey, John McGhee, Alan Brown, Stuart Finlayson, Jimmy Kelly, Eric Ross, Elaine Dinwoodie and Drew Filson.

ATTENDING: Alex McPhee, Executive Director of Finance and Corporate Support; Eddie Fraser, Head of Service: Community Care; Bill Walkinshaw, Head of Democratic Services; Craig McArthur, Head of Finance; Martin Rose, Head of Human Resources; Malcolm Roulston, Head of Information Technology and Asset Management; David Mitchell, Head of Legal, Procurement and Regulatory Services; Alan Paterson, Asset Improvement Service Manager; Alan Wasson, Audit Manager; and Stuart Nelson, Administrative Officer.

ALSO ATTENDING: Peter Tait, Assistant Director and David Richardson, Audit Manager, both Audit Scotland.

APOLOGIES: Councillors Helen Coffey and John Campbell.

CHAIR: Councillor Tom Cook, Chair.

CHAIR'S REMARKS

1. The Chair introduced and welcomed to the meeting, Peter Tait, Assistant Director and David Richardson, Audit Manager, both Audit Scotland, who would be addressing the Committee in respect of Item 3 on the Agenda, "East Ayrshire Council: Report to Members and the Controller of Audit on the 2009/10 Audit".

PREVIOUS MINUTES

2. There were submitted and approved as a correct record, the Minutes of the Meeting held on 22 October 2010 (circulated).

The Chair confirmed that information relating to all relevant matters arising from the last meeting was included within the Matters Arising Update Report under Item 2 on the Agenda; and that, furthermore, where appropriate, the relevant information had also been provided to Elected Members on an individual basis; and this was noted.

Councillor Eric Ross joined the meeting during discussion, but prior to conclusion, of this item.

MATTERS ARISING UPDATE REPORT

3. There was submitted a report dated 1 November 2010 (circulated) by the Executive Director of Finance and Corporate Support which provided the Committee with a consolidated response to information requests made by Members at the last meeting.

It was agreed:

- (i) to note, as advised by the Chair, that at paragraph 3.1.4 of the report, reference to Galston Community Council should read Gatehead Community Council;
- (ii) that information be provided within the Matters Arising Update Report to the next meeting on the detailed criteria for the selection of common entries under the close cleaning pilot scheme and the criteria for selecting the 88 identified common entries within the report as opposed to any other common entries; and
- (iii) otherwise, to note the terms of the report.

AUDIT

EAST AYRSHIRE COUNCIL: REPORT TO MEMBERS AND THE CONTROLLER OF AUDIT ON THE 2009/10 AUDIT

4. There was submitted a report dated October 2010 (circulated) by Audit Scotland which provided a summary of findings arising from the 2009/10 Audit of the Council and other relevant work carried out by Audit Scotland.

Peter Tait, Assistant Director, Audit Scotland, accompanied by David Richardson, Audit Manager, highlighted various aspects of the report which indicated significantly positive outcomes over a range of areas covered by the Audit.

During discussion, Peter Tait and the officers concerned responded to questions put, and matters raised, by Members relative to the following matters, namely:-

- the relative performance of East Ayrshire Council with regard to Accounting Ratios, as featured within Appendix C to the report;
- progress with an audit carried out by Scotland Excel of Scottish local authorities' procurement arrangements and the preliminary findings/outcomes in respect of certain aspects of that process with regard to the performance of East Ayrshire Council;
- arrangements in place to ensure that East Ayrshire Council will meet the Scottish Housing Quality Standard by 2015, including rental income strategies;
- intelligence sharing between local authorities with regard to procurement issues on works contracts;
- allegations made by a sub-contractor about procurement relative to a works contract and the action being taken to deal with this matter;
- the causes of the current economic situation which had given rise to difficult budgetary situations for local authorities;
- development of East Ayrshire Council's asset base since inception of the unitary authority in 1996; and
- the treatment of PPP assets in accounting terms.

It was agreed:

- (i) that the Executive Director of Finance and Corporate Support would provide within the Matters Arising Update Report to the next meeting, for comparative purposes, information on the relative performance of the family authorities in respect of Accounting Ratios as detailed within Appendix C to the report;

- (ii) that the Executive Director of Finance and Corporate Support would provide to Councillor Jimmy Kelly, outwith the meeting, information on the level of the Council's useable reserves;
- (iii) that a report on the outcome of the Scotland Excel audit of Scottish local authorities' procurement arrangements be submitted to a future meeting of this Committee;
- (iv) that the Executive Director of Finance and Corporate Support would provide to Councillor Elaine Dinwoodie, outwith the meeting, information on the levels of Common Good Fund assets held by the Council;
- (v) to note that Cabinet had agreed that a report be submitted to a future meeting of this Committee to, amongst other things, seek determination of the terms of reference of a review of relevant procurement practices and procedures; and
- (vi) otherwise, to note the positive outcomes highlighted in the report.

The Chair thanked Peter Tait and David Richardson for their attendance and contribution to the meeting. Peter and David then left the meeting.

PROGRESS REPORT - INTERNAL AUDIT PLAN 2010/11

5. There was submitted a report dated November 2010 (circulated) by the Chief Auditor which provided a mid-year progress report on performance against the Audit Plan for the financial year 2010/11.

During discussion, the officers concerned responded to issues raised by Members relative to the following, namely:-

- the testing of arrangements in place for the processing of charges from the property maintenance contractor; and
- the ongoing investigations and reporting arrangements relative to allegations associated with two external projects funded by the Council.

It was agreed to note the 2010/11 mid-year progress report on Internal Audit Plan achievement, and the further information provided by officers.

PERFORMANCE

STATISTICS RELEASE: ADULTS WITH LEARNING DISABILITIES: IMPLEMENTATION OF "THE SAME AS YOU?" 2009

6. There was submitted a report dated 4 November 2010 (circulated) by the Executive Director of Educational and Social Services which provided an update with respect to East Ayrshire Council's performance in terms of services to adults with learning disabilities and sought approval for future reports to be presented on this area of provision.

During discussion, the Head of Service: Community Care responded to issues raised by Members relative to the following, namely:-

- the development of Social Work Resource Centres as hubs through which a range and level of services could be delivered to meet the varying needs of individual clients, including occupational and learning opportunities;

- the development, in partnership with the further education authorities of more appropriate and purposeful educational opportunities at colleges for adults with learning disabilities, to enable them to progress towards occupational activity;
- the position with regard to those individuals who do not have personalised life plans but are, nonetheless, subject to assessment by Social Work in terms of their needs and abilities;
- the potential detrimental impact upon employment opportunities for adults with learning disabilities arising from increased competition within the job market due to the current difficult economic circumstances;
- the changing nature of employment opportunities available to adults with learning disabilities, which reflects the move away from manufacturing towards the service industries within the economy generally;
- the employment of adults with learning disabilities/disabilities generally by East Ayrshire Council, and the measures and approaches to minimise the impact in this area given the current difficult job market;
- the position/circumstances of those adults with learning disabilities who were identified on GP Learning Disability Registers but who were not known to East Ayrshire Council; and
- the reporting to Members of information on the number/percentage of adults with learning disabilities/disabilities generally employed by the Council.

It was agreed:

- (i) to note the ongoing improvement in implementation of the National Learning Disability Strategy;
- (ii) that the Executive Director of Educational and Social Services provide further updates on the development of this area of provision;
- (iii) that current information on the number/percentage of adults with learning disabilities/disabilities generally employed by the Council be provided within the Matters Arising Update Report to the next meeting, and to note that, notwithstanding, contemporary information on this aspect would feature within the Annual Report on Employee Statistics presented to this Committee by the Executive Director of Finance and Corporate Support in August/September each year; and
- (iv) otherwise, to note the terms of the report.

ADJOURNMENT/RECONVENTION

7. The meeting adjourned at 1201 hrs and reconvened at 1217 hrs with the same Members and Officers present and in attendance with the exception of Alex McPhee, Executive Director of Finance and Corporate Support.

SCRUTINY

FINAL MEASUREMENTS ON WORKS CONTRACTS FOR THE PERIOD 1 APRIL TO 31 OCTOBER 2010

8. There was submitted a report dated 2 November 2010 (circulated) by the Executive Director of Finance and Corporate Support which provided, for information, details of final measurements for works contracts which had been accepted on behalf of the Council for the period from 1 April to 31 October 2010.

It was agreed:

- (i) that the Executive Director of Finance and Corporate Support provide within the Matters Arising Update Report to the next meeting, information on (a) the difference between the original and final tendered amounts for the contract for the demolition of the property at Nos 44-46 Townhead Street, Cumnock, and associated works; and (b) insurance arrangements relative to the reinstatement of fire damage to Council houses; and
- (ii) otherwise, to note the terms of the report.

**AWARDING OF CONTRACTS - PERIOD FROM
11 SEPTEMBER TO 5 NOVEMBER 2010**

9. There was submitted a report dated 2 November 2010 (circulated) by the Executive Director of Finance and Corporate Support which provided, for information, details of tenders which had been accepted on behalf of the Council for the period from 11 September to 5 November 2010.

It was agreed:

- (i) that the Executive Director of Finance and Corporate Support provide within the Matters Arising Update Report to the next meeting, information (a) on which buildings would be included within the Co-Location Evaluation Project referred to in Section 2.1 of the report and when it is anticipated that a start on this project would be made; (b) on the nature of the works included within the Bank Street, Kilmarnock LED Bollards Project; and (c) on the account which was taken by the Northern Local Planning Committee of objections submitted by East Ayrshire (North) Forum on Disability relative to the environmental improvements at Bank Street, which included installation of the LED bollards; and
- (ii) otherwise, to note the terms of the report.

QUARTERLY EMPLOYEE STATISTICS:

10. There was submitted and noted a report dated 4 November 2010 (circulated) by the Executive Director of Finance and Corporate Support which provided a range of employee statistics including Staffing Watch and Absence for the period 1 July to 30 September 2010.

FRAUD RISK - ALTERATION OF BANK ACCOUNT DETAILS

11. There was submitted a report dated 2 November 2010 (circulated) by the Executive Director of Finance and Corporate Support which advised of action taken to reduce the potential exposure to financial loss from fraudulent attempts to alter creditor standing data, such as supplier bank account details.

During discussion, the Head of Finance provided clarification in respect of issues raised by Members relative to Elected Member and staff awareness of the need to be vigilant in the divulging of contract information, and the impact on smaller suppliers of the arrangements which were being applied to address the fraud risk.

It was agreed:

- (i) to note the terms of the report and the further information provided by the Head of Finance; and

- (ii) that, when finalised, the Accounting Policy Bulletin providing guidance to address the fraud risk in this area be made available to all Elected Members and Council staff.

The meeting terminated at 1254 hrs.