

EAST AYRSHIRE COUNCIL**GOVERNANCE AND SCRUTINY COMMITTEE****MINUTES OF MEETING HELD ON FRIDAY 19 JUNE 2009 AT 1000 HRS
IN THE MEETING ROOM, COUNCIL HEADQUARTERS,
LONDON ROAD, KILMARNOCK**

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

ATTENDING: Fiona Lees, Chief Executive; Elizabeth Morton, Depute Chief Executive/Executive Director of Corporate Support; William Stafford, Executive Director of Neighbourhood Services; Kay Gilmour, Head of Community Support; Martin Rose, Head of Human Resources; David Mitchell, Head of Legal, Procurement and Regulatory Services; Colin Houston, Chief Auditor; Julie McGarry, Administration Manager; James Lally, Best Value and Performance Officer; Robin Baker, Financial Controller; and Stuart Nelson, Administrative Officer.

CHAIR: Councillor Tom Cook, Chair.

CHAIR'S REMARKS

1. The Chair welcomed to the meeting, as observers, Mark Sims and Lorna Skirving, Audit Scotland.

PREVIOUS MINUTES

2. There were submitted and approved as a correct record, the Minutes of the Meeting held on 29 May 2009 (circulated).

MATTERS ARISING UPDATE REPORT

3. There was submitted a report dated 8 June 2009 (circulated) by the Depute Chief Executive/Executive Director of Corporate Support which provided the Committee with a consolidated response to information requests made by Members at previous meetings.

It was agreed:

- (i) to note the explanation given by the Head of Human Resources with regard to difficulties associated with the preparation of meaningful information on cost savings arising from the reduction in the number of full-time equivalent employees between March 2008 and March 2009, through the quarterly staffing watch report; and, as confirmed by the Chief Executive, that the financial implications of variations in the number of full-time equivalent employees would inform preparation of the periodic Finance and Service Strategy reports which were submitted to this Committee on a regular basis; and
- (ii) otherwise, to note the terms of the report.

AUDIT

INTERNAL AUDIT ANNUAL REPORT 2008/2009

4. There was submitted a report dated 29 May 2009 (circulated) by the Chief Auditor which advised of matters of significance which had arisen out of the 2008/09 audit process and offered an opinion on the adequacy of the Council's systems of internal control.

Councillor Drew Filson joined the meeting at this point.

Arising from discussion and questions put by members of the Committee, the Chief Auditor provided further information in respect of the following areas of work of Internal Audit, namely:-

- external funding issues;
- the Improvement Agenda for the Building and Works Unit;
- post-inspection of Building and Works recharges;
- investigations, including those which had been referred to the Police;
- follow-up assignments relating to fuel at the Gauchalland and Crookedholm Depots; and
- follow-up assignments generally, and the responsibilities of line managers in respect of the implementation of recommendations made by Internal Audit.

It was agreed to note the terms of the report submitted and the further information provided by the Chief Auditor.

CORPORATE GOVERNANCE

LOCAL CODE OF CORPORATE GOVERNANCE

5. There was submitted a report dated 1 June 2009 (circulated) by the Chief Executive which (a) updated on progress in implementing the Council's Corporate Governance Action Plan for 2008/09; (b) sought approval for the new Local Code of Corporate Governance for 2009/10; and (c) sought agreement to a new Action Plan for 2009/10.

In this connection, the Chief Executive, in response to questions put by members of the Committee, confirmed the validity of the review scoring featured within the proposed Local Code of Corporate Governance 2009/2010, having regard to implementation of the best value self assessment process within the Council since 1999, close working relationships with Audit Scotland and use of "critical friends".

It was agreed:

- (i) to note the process of review for the Council's Corporate Governance arrangements;
- (ii) to note the excellent progress made in implementation of the Corporate Governance Action Plan for 2008/09 as set out in Appendix I to the report;
- (iii) to note the outcome of the scoring exercise and to approve the East Ayrshire Local Code of Corporate Governance for 2009/10 as set out in Appendix II to the report, subject to, on page 32 of the Code, alteration of the relevant wording therein to read "Minutes of the Governance and Scrutiny Committee are reported to full Council for noting only";

- (iv) to approve the Corporate Governance Action Plan for 2009/10 as set out in Appendix III to the report;
- (v) to note that the new East Ayrshire Local Code of Corporate Governance for 2009/10 and the Corporate Governance Improvement Action Plan would be published and made available to the general public;
- (vi) to note that the Chief Executive would arrange to circulate to each member of the Committee a copy of the report by “critical friend” Alastair J H McNeish OBE on the second Council-wide strategic self assessment of performance, for information; and
- (vii) otherwise, to note the terms of the report and the further information provided by the Officers concerned.

SCRUTINY

EMPLOYEE STATISTICS 2008/09

6. There was submitted a report dated 29 May 2009 (circulated) by the Depute Chief Executive/Executive Director of Corporate Support which provided key employee statistics for the financial year 2008/09.

In this connection, the Head of Human Resources provided further information relative to the undernoted matters, in response to questions asked by Members, namely:-

- follow-up action in respect of employees who were referred to the Occupational Health Service but did not attend;
- the number of employees within the Department of Educational and Social Services who were aged 60 years and over, and in this connection, noted that the Head of Human Resources would provide to members of the Committee information on the breakdown of employees within this category between Education and Social Services;
- the reasons for, and other factors associated with, the current level of employee turnover;
- the reasons for the current level of absence and the continuing progress which was being made in reducing the level of absence within the Council generally;
- the reduction in the number of employees within the Department of Educational and Social Services between 2007/2008 and 2008/09; and
- the increase in the number of incidents, between 2007/2008 and 2008/2009, which had been referred to the Health and Safety Executive and the action which was being taken in this regard.

It was agreed:

- (i) to note the annual statistics for 2008/09 as set out in the report and the further information provided by the Head of Human Resources; and
- (ii) to note that further quarterly reports would be submitted to Committee throughout the year in respect of the areas covered by the annual report.

OUTWITH PLACEMENTS

7. There was submitted a report dated 19 May 2009 (circulated) by the Executive Director of Educational and Social Services which provided a summary of the Council's use of outwith placements up to the end of 31 March 2009.

It was agreed:

- (i) that the Executive Director of Educational and Social Services would take whatever action was necessary to ensure that available resources were matched to established needs in this area of provision;
- (ii) that the Executive Director of Educational and Social Services would continue to provide reports to this Committee at six monthly intervals on this aspect of provision the next report to include a fuller briefing on arrangements for commissioning and contracting in respect of outwith placements; and
- (iii) otherwise, to note the terms of the report.

EXCLUSION OF PRESS AND PUBLIC

8. The Committee resolved "That under Section 50A(4) of the Local Government (Scotland) Act 1973, as amended, the Press and public be excluded from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in Paragraph 1 of Schedule 7A of the Act".

INVESTIGATION INTO BUILDING AND WORKS FRAUD ALLEGATIONS AND RELATED MATTERS

9. There was submitted a report dated 10 June 2009 (circulated) by the Head of Legal, Procurement and Regulatory Services which provided an executive summary of the key issues and results of the investigation into a series of fraud allegations and related matters made against Building and Works employees.

Having heard the Head of Legal, Procurement and Regulatory Services, followed by the Chief Executive, in detailed explanation of the report, and in response to a range of issues raised by Members, it was agreed:-

- (i) to note the report on the investigation into Building and Works fraud allegations and related matters;
- (ii) to note the Building and Works Improvement Agenda set out in Appendix I to the report, and updates relative thereto provided by the Chief Executive;
- (iii) to note that Cabinet had remitted to the Chief Executive to bring forward periodic reports on progress made in taking forward the Building and Works Improvement Agenda, in conjunction with the current Single Business Unit Project Plan for merging the Housing and Building and Works Services in relation to housing repairs and improvement works, and that similar reports would also be submitted to this Committee with respect to its scrutiny role; and
- (iv) otherwise, to note the terms of the report.

The meeting terminated at 1246 hrs.