CHAIR'S REMARKS

1. The Chair welcomed to the meeting Fiona Mitchell-Knight, Assistant Director with Audit Scotland, accompanied by John Davidson, Senior Auditor, and confirmed that Fiona would be presenting Item 2 on the Agenda - “Audit Scotland: Annual Report on the 2011/12 Audit”.

Councillor Hugh Ross joined the meeting at this point.

PREVIOUS MINUTES

2. There were submitted and approved as a correct record, the Minutes of the meeting held on 26 October 2012 (circulated).

AUDIT SCOTLAND: ANNUAL REPORT ON THE 2011/12 AUDIT (AUDIT)

3. There was submitted a report dated October 2012 (circulated) by Audit Scotland which presented a summary of their findings arising from the 2011/12 Audit of East Ayrshire Council.

Fiona Mitchell-Knight highlighted various aspects of the report which confirmed the positive findings of the 2011/12 Audit of the Council over the range of areas covered by the report and highlighted the key aspects set out in of the Action Plan contained within the report.

Arising from discussion, Fiona Mitchell-Knight, John Davidson and the officers concerned responded to questions put by Members relative to the following, namely:-

- the reasons for the high level of the Council’s sundry debtors;
- the factors impacting upon the Council’s additional pension liability in 2011/2012;
• the level of general fund underspend against budget since financial year 2006/07;
• arising from implementation of the CHRIS21 payroll system, identification of areas where lessons could be learned for the implementation of future ICT projects, including matters in relation to project management, assessment of risk and evaluation;
• the areas of work within which financial loss due to fraud or error had been identified, and the ongoing work in partnership with DWP for development of a single fraud investigation service;
• allocation and planning of resources, including staffing, to meet the demands which would be placed upon the Council arising from the forthcoming welfare reform initiatives; and
• the financial management processes in place within the Council to address the projected funding gap in the Council's budget over the next four years.

It was agreed to note the terms of the report and the positive outcomes and actions highlighted therein.

2012/13 INTERNAL AUDIT MID-YEAR PROGRESS REPORT (AUDIT)

4. There was submitted a report dated November 2012 (circulated) by the Chief Auditor which provided a mid-year progress report on performance against the Audit Plan, and advised of the outcome of the mid-year review of the Plan.

During discussion, the Chief Auditor and the officers concerned provided clarification relative to the following matters raised by Members, namely:-

• current protocols and processes in place around ensuring that contractors appointed by the Council have the required insurance and health and safety certification prior to commencing works on site; and
• circumstances around disposal of Council land at Skernieland Road, Fenwick, for development of affordable housing for rent, and confirmation that the Internal Audit Fact Finding Assignment Report on this matter was now available to view on the Members' Information Portal.

It was agreed to note the 2012/13 mid-year progress report on Internal Audit Plan achievement and the revised Audit Plan presented at Appendix I to the report.

Fiona Mitchell-Knight and John Davidson left the meeting at this point.

STRATEGIC SELF-ASSESSMENT HIGH LEVEL IMPROVEMENT PLAN AND BEST VALUE SERVICE REVIEW PROGRAMME (PERFORMANCE)

5. There was submitted a report dated 19 November 2012 (circulated) by the Executive Director of Finance and Corporate Support which presented, for interest, the High Level Improvement Plan arising from the outcome of the Council-wide Strategic Self-Assessment process and the related Best Value Service Review Programme for the period 2012-2015.

It was agreed:

(i) to note that Cabinet had approved the high level Improvement Plan on 7 November 2012, as detailed within Appendix I to the report, and the work progressed to date;
(ii) to note that Cabinet had approved the alignment of the Transformation Strategy workstreams with the future programme of Best Value Service Reviews, where appropriate; and

(iii) otherwise, to note the terms of the report.

INSPECTION OF SOCIAL WORK SERVICES IN HMP KILMARNOCK AND ACROSS SCOTLAND (PERFORMANCE)

6. There was submitted a report dated 12 November 2012 (circulated) by the Executive Director of Educational and Social Services which advised of the final progress update in implementing the Social Work Inspection Agency (Care Inspectorate) Prison Based Social Work Action Plan.

Arising from discussion, the Service Manager - Criminal Justice provided further information in relation to the delivery of child and adult protection training by East Ayrshire Council to all relevant SERCO and health personnel within the Prison, the cost of which was met by SERCO; and on issues around the future level of service provision within the Prison Based Social Work Unit arising from a decision by the Scottish Prison Service to reduce the number of prisoners at HMP Kilmarnock by 144 with a consequent reduction in funding to SERCO.

It was agreed:

(i) to note the progress made in implementing the recommendations made by the Social Work Inspection Agency (Care Inspectorate) in 2010;

(ii) to note the report submitted as the final progress report on this area of work;

(iii) to note that continuing developments and business would, in future, be considered within the performance inspections of the Social Work Service;

(iv) to note that discussions would continue with SERCO and SPS in respect of the development of the Service Level Agreement and funding as part of routine operational business;

(v) to note that the status of the Service Level Agreement would be reported to a future Cabinet as part of a wider report on all contractual arrangements with provider organisations within the portfolio of the Head of Service: Children and Families & Criminal Justice; and

(vi) otherwise, to note the terms of the report.

AUDIT SCOTLAND REPORT: STRATHCLYDE FIRE AND RESCUE JOINT BOARD ON THE RETIREMENT AND RE-EMPLOYMENT OF THE CHIEF FIRE OFFICER (Item 11, Page 204, 12/17) (AUDIT)

7. There was submitted a report dated 11 October 2012 (circulated) by the Executive Director of Finance and Corporate Support which advised of the publication of the Controller of Audit’s report and the Accounts Commission’s findings regarding “Strathclyde Fire and Rescue Joint Board on the Retirement and Re-employment of the Chief Fire Officer” which had been published by Audit Scotland in September 2012.

It was agreed:

(i) to note the publication of the Controller of Audit’s report on the Retirement and Re-employment of the Chief Fire Officer;
(ii) to note the key findings of the report;
(iii) to note the Accounts Commission’s findings and, in particular, the key points for general application by local authorities as set out within paragraph 6.2;
(iv) to note that the Council had in place appropriate governance arrangements to ensure that there were no conflicts of interest arising in the consideration of the employment matters of Chief Officials in particular and employees generally; and
(v) otherwise, to note the terms of the report.

HOUSING ASSET SERVICES: MANAGEMENT OF GENERAL HOUSING REPAIRS AND VOID PROPERTY REPAIRS - SITE VISITS
(Item 1(i), Page 195, 12/17) (SCRUTINY)

8. There was submitted a joint report dated 11 October 2012 (circulated) by the Depute Chief Executive/Executive Director of Neighbourhood Services and the Executive Director of Finance and Corporate Support which advised of the outcome of site visits made by members of the Committee on Wednesday 10 and Thursday 18 October 2012 to observe arrangements in operation for receipt, handling, management and carrying out of general housing and void property repairs.

It was agreed:

(i) to note the site visits undertaken by Members on Wednesday 10 and Thursday 18 October 2012, and the outcomes thereof;
(ii) to acknowledge the high level of service provided to tenants; good practice, professionalism and enthusiasm of staff within Housing Asset Services, as evidenced during the site visits; and the proactive approach being pursued for the further development of the Repairs and Maintenance Service to further enhance service delivery; and
(iii) to remit to officers to arrange a workshop for Members to provide further information on condensation and dampness.

TREASURY MANAGEMENT UPDATE ON 2012/13 STRATEGY POSITION (SCRUTINY)

9. There was submitted a report dated 9 November 2012 (circulated) by the Executive Director of Finance and Corporate Support which provided an update on the Treasury Management Strategy for 2012/13 for the period to 30 September 2012.

It was agreed to note the terms of the report.

AWARDING OF CONTRACTS - PERIOD FROM 31 AUGUST TO 15 NOVEMBER 2012 (SCRUTINY)

10. There was submitted a report dated 19 November 2012 (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 31 August to 15 November 2012.

During discussion, the Head of Legal, Procurement and Regulatory Services provided further information in response to Members’ questions relative to the current arrangements in place within the Council for the acceptance of tenders, as provided for within the Scheme of Delegation and Administration and the Standing Orders
Relating to Contracts, culminating in the reporting of outcomes to this Committee, for information.

It was agreed:

(i) that the Head of Legal, Procurement and Regulatory Services would provide to Members outwith the meeting, further information (a) on the reasons for the amount of the contract award in relation to the Mount Carmel and Bellfield Primary Schools flat re-roofing project being considerably in excess of the estimated value; (b) on factors determining the award of the contract for the supply and delivery of vehicle fuel; (c) confirming the standardisation of the specification of equipment under the supply of domestic boiler and radiator kits contract and generally in the procurement of these items; and (d) on the extent to which relevant works are carried out within the Council under the contract for portable appliance testing service, as opposed to this work being done through other appropriate arrangements; and

(ii) otherwise, to note the terms of the report and the further information provided by the Head of Legal, Procurement and Regulatory Services.

**REVIEW TOPIC - INFORMATION/ADVICE SERVICES INCLUDING FINANCIAL INCLUSION PROVIDED BY THE INDEPENDENT SECTOR ON BEHALF OF EAST AYRSHIRE COUNCIL (Item 7, Page 2052, 07/12) (SCRUTINY)**

11. There was submitted a report dated 21 November 2012 (circulated) by the Executive Director of Finance and Corporate Support which provided an update on the proposed review of Information/Advice Services, including financial inclusion, provided by the independent sector, with the recommendation that a revised approach be taken in light of the emerging Welfare Reform Agenda.

It was agreed:

(i) to discontinue the review of Information/Advice Services including financial inclusion, provided by the independent sector on behalf of East Ayrshire Council;

(ii) that this Committee monitor the impact of welfare reform and the associated response of the Council and independent sector, and that a detailed workplan covering the scope and frequency of reports be brought to this Committee early in the New Year; and

(iii) otherwise, to note the terms of the report.

The meeting terminated at 1202 hrs.