

MORAY COUNCIL

MINUTE OF MEETING OF THE AUDIT AND SCRUTINY COMMITTEE

WEDNESDAY 23 MAY 2018

COUNCIL CHAMBERS, ELGIN

PRESENT

Councillors A McLean (Chair), T Coull (Depute Chair), F Brown, J Cowe, R Edwards, D Gatt, L Laing, G Leadbitter, M Macrae, and S Warren.

APOLOGIES

Apologies for absence were intimated on behalf of Councillor R McLean.

ALSO PRESENT

Councillors G Alexander (Ex-Officio) and L Creswell.

IN ATTENDANCE

The Chief Executive, the Audit Manager and Mrs Caroline Howie, Committee Services Officer as Clerk to the Meeting.

1. DECLARATION OF GROUP DECISIONS AND MEMBER'S INTERESTS

In terms of Standing Order 20 and the Councillors' Code of Conduct, there were no declarations from Group Leaders or Spokespersons in regard to any prior decisions taken on how members will vote on any item on the agenda or any declarations of member's interests in respect of any item on the agenda.

2. MINUTE OF MEETING DATED 28 MARCH 2018

The Minute of the meeting of the Audit and Scrutiny Committee dated 28 March 2018 was submitted and approved.

3. WRITTEN QUESTIONS

The Committee noted the following written question submitted by Councillor Ross and the response thereto:

QUESTION SUBMITTED BY COUNCILLOR DEREK ROSS

Given the decision made at the Special Meeting of the Moray Council on Wednesday 16 May 2018 that the Council's Audit Department investigate and report on the history of management at Moray Leisure Centre and Council involvement in that process.

Is it now possible to establish a time frame in which this audit can take place and its findings reported back to Moray Council?

RESPONSE

Internal Audit will make time available from within the contingency allocation of time contained within its annual audit plan for 2018/19. The review will be carried out as soon as is practicable, with the aim of having a report to the first Moray Council meeting after the summer recess on 5 September 2018.

4. LOCAL GOVERNMENT IN SCOTLAND CHALLENGES AND PERFORMANCE 2018

A report by the Chief Executive informed Committee of Audit Scotland's report on the Challenges and Performance 2018, part of the Local Government in Scotland series of national reports.

In response to a query from Councillor Leadbitter the Chief Executive advised that as part of the wider transformation work that the Corporate Plan Steering Group is undertaking it is anticipated that information on income generation will be circulated in June.

Councillor Leadbitter, in referring to the cuts in the Education budget, sought clarification on change strategies to support realistic savings plans with long-term implications and mitigation against unintended impact on other services and communities.

The Chief Executive advised that management recognised the Equalities Impact Assessments (EIAs) carried out prior to the budget whilst justified for the purpose could be improved and training had been commissioned for budget holders who would be making budget proposals for the next budget.

The Chair, in highlighting positive areas of the report, noted Moray had improved performance in recycling and the housing repair service.

Councillor Warren raised concerns about the closure of public halls and the speed with which this was carried out. In referring to transformational change she sought clarification on how impacts would be considered and how staff could carry this out while continuing with their day-to-day workload.

In response the Chief Executive advised impact would be considered through the use of Equality Impact Assessments.

The Chair sought clarification on joint working with neighbouring councils.

The Chief Executive advised there were many examples of joint working and gave a number of examples. He further advised that joint working was part of the transformation plan referred to previously.

Councillor Warren sought clarification on what is being done through the Northern Alliance and within Moray to improve attainment for secondary school children as Moray has a lower attainment level than similarly deprived areas.

In response the Chief Executive advised this is one of the main issues the Alliance is addressing. The Alliance approach allowed one council to lead on an issue and share learning with the others allowing all to benefit.

Councillor Warren stated that in the Council's recent "Bridging the Gap" budget consultation there had been comment from communities that the consultation had been very social media based and a lot of people had found it difficult to respond. She sought clarification on the possibility of looking at clarifying what is put out to consultation as there had been errors in the information issued.

In response the Chief Executive advised he was of the understanding an apology had been made for the errors which had been corrected. He further advised that the geography of Moray provided its own challenges when consulting with the public and it was a difficult balance between using the most modern ways of communicating, often social media, and the more traditional methods i.e. face to face contact.

In referring to educational attainment Councillor Brown stated funding had been announced to help with the attainment gap, but despite the difficulties seen in attainment none of the funding was allocated to Moray and asked if the Chief Executive knew why this was the case.

In response the Chief Executive advised he understood figures were based on poverty indicators. The difficulty in this is that, as he understands it, the way in which poverty is calculated would seem to be more favourable to the urban areas of Scotland.

The Chair stated that all were aware of the challenges being faced and thereafter the Committee agreed to note Audit Scotland's Challenges and Performance 2018 report.

5. INTERNAL AUDIT PLAN – YEAR ENDING 31 MARCH 2019

A report by the Acting Corporate Director (Corporate Services) provided Committee with details of the planned internal audit coverage for the year ending 31 March 2019.

In response to a query from Councillor Leadbitter the Audit Manager advised there was a degree of flexibility in the audit plan and that as an audit covering the leisure centre was now required (paragraph 3 of this minute refers) this would impact on the contingency time available and reduce the flexibility within the plan.

Councillor Leadbitter sought clarification on whether it would be possible to include an audit of ICT project management in the Plan as there had been issues with the roll out of ICT equipment to Councillors and he raised concerns that the issues experienced may be replicated in other projects.

In response the Audit Manager advised he could include an audit however the terms of reference would have to be agreed to allow focus on appropriate areas.

In response to a query from Councillor Warren the Audit Manager advised time was included for follow-up work and the Pupil Equity Funding follow-up would be included.

Councillor Brown sought clarification on the authority and scope available to the Audit Manager to enter the Moray Leisure Centre, as a private limited company, and execute the audit as required.

In response the Audit Manager advised that, due to the Council making a monetary contribution to the Centre, there was scope to access information for audit purposes.

Thereafter the Committee agreed to:

- i) note the proposed internal audit coverage for the remainder of the 2018/19 financial year; and
- ii) task the audit manager with including an audit of ICT project management in the audit plan.

6. AUDIT PLAN 2017/18 – PROGRESS REPORT

A report by the Acting Corporate Director (Corporate Services) provided Committee with information on the current status of projects included in the Internal Audit plan for 2017/18.

Following consideration the Committee agreed to note the contents of the report, and note the reasons for slippage and the actions being taken to conclude the work on the audit plan.

7. ACCOUNTS COMMISSION REPORT – DUNDEE CITY COUNCIL FRAUD

A report by the Acting Corporate Director (Corporate Services) provided Committee with details of a major fraud detected by officers at Dundee City Council and reported on widely by the Accounts Commission and by others; and to report on officers' consideration of the circumstances and potential lessons to be learned in this Council.

In response to a question from Councillor Cowe the Audit Manager advised that Moray Council has a fidelity guarantee insurance that covers employees and Members conduct.

Thereafter the Committee agreed to note the report on Moray Council's consideration of findings in the Accounts Commission report on a significant fraud perpetrated by a former employee of Dundee City Council.

8. STATEMENT OF OUTSTANDING BUSINESS

A report by the Chief Executive asked the Committee to consider progress and timescales in relation to follow-up reports and actions requested at previous meetings.

Following consideration the Committee agreed to note progress and timescales in relation to follow-up reports and actions requested by the Committee.

9. QUESTION TIME

There were no questions raised.