

The Highland Council

Minutes of Meeting of the **Audit and Scrutiny Committee** held in the Council Chamber, Council Headquarters, Glenurquhart Road, Inverness on Monday, 26 June 2017 at 10.30am.

Present:

Mr R Laird	Mr A Henderson (substitute)
Mr P Saggars	Mr D Louden
Mr R Balfour	Mr G MacKenzie
Mr B Boyd	Mr J Bruce (substitute)
Miss J Campbell	Mrs A MacLean (substitute)
Mrs H Carmichael	Mr D Macpherson
Mr G Cruickshank	Mr J McGillivray (via video conference)
Mrs M Davidson	Mrs P Munro (substitute)
Mr L Fraser	Mrs M Paterson

Officials in Attendance:

Ms M Morris, Depute Chief Executive/Director of Corporate Development
Mr D Yule, Director of Finance
Mr D Goldie, Head of Housing and Building Maintenance
Mr F MacDonald, Head of Property & Facilities Management
Mr M MacLeod, Head of Planning & Environment
Mr B Porter, Head of Resources, Care and Learning
Ms E Johnston, Corporate Audit & Performance Manager
Miss D Sutherland, Corporate Audit Manager
Ms M Grant, Customer Service Delivery Manager
Miss J MacLennan, Democratic Services Manager
Miss C Maragh, Committee Administrator

**An asterisk in the margin denotes a recommendation to the Council.
All decisions with no marking in the margin are delegated to Committee.**

Mr R Laird in the Chair

Prior to commencement of the formal business, the Chair welcomed all Members, and particularly the Vice Chair and new Members, to the first meeting of this Committee.

He also confirmed that there would be a Minute's Silence at 12 noon in order to remember those affected by the terrorist attack at the Finsbury Park Mosque in London.

1. Apologies for Absence Leisgeulan

Apologies for absence were intimated on behalf of Mr G Adam, Mr A Baxter, Mr R Bremner, Mr K Gowans, Ms E Knox, Mr B Lobban, Mr S Mackie, Ms M Smith and Ms K Stephen.

**2. Declarations of Interest
Foillseachaidhean Com-pàirt**

There were no declarations of interest.

**3. Recess Powers
Cumhachdan Fosaidh**

It was **NOTED** that the recess powers granted by the Council at its meeting on 9 March 2017 had not been exercised in relation to the business of this Committee.

**4. Internal Audit Reviews and Progress Report
Ath-bhreithneachaidhean In-sgrùdaidh agus Aithisg Adhartais**

There had been circulated Report No. AS/8/17 dated 15 June 2017 by the Corporate Audit Manager which summarised the final reports issued since the date of the last meeting, together with details of work in progress and other information relevant to the operation of the Internal Audit Section.

In relation to the Internal Audit Section, it was noted that the Section had been involved in variety of other work, including work for other Boards, Committees or Organisations, certification of grant claims and corporate activity.

Specific detail had also been provided within the report in regard to Performance for 2016/17 Quarters 1-4, which included Internal Audit (Client Feedback and Timeliness of Final Reports) and Corporate Fraud (Tenancy and Council Tax Reduction). In this respect, it was noted that consideration was being given to developing new performance indicators for 2017/18 and a new system of reporting progress with audits (to both Senior Management and the Committee) which would be used to identify any delays in either obtaining information or responses to audit reports. It was hoped that this would lead to improvements and both the new performance and progress information would be reported to the next meeting.

During discussion, further clarification was sought and received in relation to the fees process and charging levels in relation to Internal Audit.

It was also stressed that, in regard to the development of a new system of reporting progress with audits to Senior Management, it was essential that lessons were learned from previous years in order to identify and specifically to resolve any issues of concern at an early date.

The final reports were then presented as follows:-

Community Services - Review of the arrangements for the procurement and payment of homelessness services (Limited Assurance)

During discussion, Members raised the following issues:-

- there was a need to thank the Internal Audit team for the work which had been undertaken and in this regard it was noted that the Leader of the Council was to meet with the Chair of the People Committee in order to

- discuss further the issues which had been raised within the report – with a further report to the People Committee in due course;
- there was a need to try and understand the complex issues involved from a tenant's point of view, not least in relation to Universal Credit and whether this was causing additional difficulties;
 - it had been the case in the past that rent payments could be deducted prior to the allocation of the benefit payment and it was suggested that consideration should be given as to whether this was still possible and whether rent payments could be received direct from the Department of Work and Pensions. In response, it was confirmed that direct rent payments to rent accounts through housing benefit no longer applied in that now Universal Credit and other welfare changes restricted the level of housing benefit that could be paid, particularly to people aged under 35, and this made rent collection more difficult;
 - it was noted that it had been intended to examine the new contracts for floating support which had been due to commence on 1 October 2016 but had been delayed until 1 April 2017. These contracts contained retrospective payments to suppliers and the supported accommodation contracts had also been changed to the same basis. As a result of the delay, it had not been possible to examine the new contract arrangements and no assurance could therefore be given that the new processes were operating in a robust manner which was a concern; and
 - confirmation from Officers that the new contract arrangements were expected to work satisfactorily from now on was welcomed.

Development and Infrastructure - Compliance with the Carbon Reduction Commitment Energy Efficiency Scheme 2015-16 (Limited Assurance)

During discussion, Members raised the following issues:-

- this was a serious report, particularly in terms of the fines paid each year for excessive carbon emissions, and as such there was a need to review the management levels in place to deal with the issues which had been identified in the report;
- lessons again had to be learned from the past and assurances were sought that this was the case and that IT issues were being addressed as and when necessary in order to enable the system to work efficiently;
- it was noted that SEPA had recently confirmed that as the error had been found as the result of an audit, the Council could request permission for the additional CRC allowances to be credited back to its account and so would need to buy less allowances for the current compliance year. Also, there was no indication that it would impose any fine upon the Council; and
- confirmation from Officers that all identified issues were now being reviewed, in consultation with the Director, was welcomed.

Development and Infrastructure - Planning and Building Control Fees and Charges (Reasonable Assurance)

During discussion, and with specific reference to the recommendation within the report whereby it had been confirmed that the Service was moving at the earliest opportunity to maximising the use of online payments and eliminating the use of

other more costly approaches other than by exception, it was suggested that it was extremely important to remember that not everyone had access to computer facilities and that other forms of contact had to be maintained. In response, it was confirmed that this particular recommendation related solely to Planning and Building Control Fees and Charges and would not impact on payments for other services.

Care and Learning - Review of Financial Procedures in Schools (Reasonable Assurance)

During discussion, and with reference to the lack of asset records within Schools, it was suggested that consideration should be given to the provision of a standard template in this respect, perhaps also with some degree of pre-population of statistics.

It was also noted that support was currently being provided for Schools where necessary in terms of income/expenditure/banking procedures and this was welcomed.

Thereafter, the Committee otherwise **NOTED** the current work of the Internal Audit Section as detailed in the report and the final reports which had been issued since the date of the last meeting.

5. Action Tracking Report Aithisg a' Leantainn Gnìomhachd

There had been circulated Report No. AS/9/17 dated 14 June 2017 by the Corporate Audit Manager.

During discussion, Members raised the following issues:-

- in relation to Ben Wyvis Primary School, and specifically the confirmation within the report that the position had not changed from the last action tracking report in that the two agreed actions now had further revised target dates, it was stressed that the original School build and the problems since that time had caused a considerable level of upset for Councillors. Whilst acknowledging that communication from the Development & Infrastructure Service, and the Head of Property & Facilities Management in particular, had improved in regard to updates on progress with remedial works around the School, including work to the Main Hall, there was still a need to ensure that adequate Project Management and Clerk of Work resources were made available for the delivery of capital projects. As such, assurances were provided at the meeting that both of these actions would be completed and that staffing levels would be reviewed to ensure that future projects were suitably resourced to ensure that agreed programme and quality standards were achieved; and
- in relation to the Grass Cutting Contract, it was highlighted that this was a very bad situation with no improvement and as such this had to be fast tracked by the Service in order to improve on the slippage statistics as a matter of priority. Councillors were now being inundated with complaints from members of the public about a situation which was deteriorating and becoming a health and safety issue in some areas. There was also a need

for Community Councils in respective areas to be kept updated as to the current situation in order that they could accurately relay information to residents when required.

The Committee otherwise **NOTED** the action tracking information which had been provided, including the revised target dates for the completion of outstanding actions.

It was also **AGREED** that the Leader of the Council would discuss the issues which had been raised in regard to the Grass Cutting Contract with the Chair of the Places Committee and the Director of Community Services at an early date and arrange a Briefing for all Members thereafter.

6. Internal Audit Annual Report 2016/17 Aithisg Bhliadhnaidh In-Sgrùdaidh 2016/17

There had been circulated Report No. AS/10/17 dated 16 June 2017 by the Corporate Audit Manager which included an assessment of the Council's framework of governance, risk management and control and the associated opinion which provided information for the Council's Annual Governance Statement.

The Committee **NOTED** the content of the report and the audit opinion provided.

7. Corporate Complaints Process Report Aithisg Ghearanan Corporra

There had been circulated Report No. AS/11/17 dated 15 June 2017 by the Depute Chief Executive/Director of Corporate Development.

During discussion, Members raised the following issues:-

- there was concern regarding the statistics in relation to Stage 1 complaints and it was suggested that each Service Committee should perhaps be given the opportunity to consider the specific detail of complaints relevant to their areas of work in order to monitor progress being made in each case;
- complaints were an indication of how Services were operating and as such they contained valuable information for the Council;
- an overall report, encompassing all areas of complaint and the outcome of the LEAN review, should be submitted to the Corporate Resources Committee in due course;
- further information was sought and received on the way in which calls/complaints were handled through the Service Centre;
- the majority of complaints appeared to relate to issues associated with Community Services and this should be borne in mind during consideration of budgetary issues later in the year;
- it was accepted that housing related issues were very difficult to resolve within 5 days (Stage 1) but the statistics for resolution at Stage 2 were very encouraging; and
- it was noted that benchmarking with other Local Authorities in this regard was to be undertaken shortly (with a report to this Committee in November) and this was welcomed.

The Committee:-

- i. **NOTED** the annual performance for Stage 1 and Stage 2 complaints;
- ii. **NOTED** the LEAN review of the Corporate Complaints process which was being undertaken by the Corporate Improvement Team;
- iii. **AGREED** a revised corporate target of 70% for resolving customer complaints for Stage 1 and Stage 2 within 5 and 20 working days respectively; and
- iv. **NOTED** that the number of complaints received was a low volume considering the scale of the Council's customer base and the scope of services provided.

8. Scottish Public Service Ombudsman Cases Received by the Council – Update Report
Cùisean Ombudsman Sheirbheisean Poblach na h-Alba a Fhuairleadh leis a' Chomhairle – Aithisg as Ùr

There had been circulated Report No. AS/12/17 dated 13 June 2017 by the Chief Executive.

In this regard, it had been confirmed that the Scottish Public Service Ombudsman (SPSO) reports could be accessed and read in full at: www.spsso.org.uk

The Committee **NOTED** the outcomes of the SPSO cases and the actions which had been taken in response to the Ombudsman's recommendations.

The meeting ended at 11.55am.