



**MINUTES OF MEETING of the AUDIT AND FINANCE COMMITTEE held within the Council Chamber, Kilncraigs, Greenside Street, Alloa, FK10 1EB, on THURSDAY 16 MARCH 2017 at 10.00 am.**

**PRESENT**

Councillor Archie Drummond, Chair (In the Chair)  
Councillor Donald Balsillie  
Councillor Janet Cadenhead  
Councillor Alastair Campbell  
Councillor Bobby McGill  
Councillor Tina Murphy  
Councillor Graham Watt (S)

**IN ATTENDANCE**

Nikki Bridle, Depute Chief Executive  
Stephen Coulter, Head of Resources and Governance  
Stuart Crickmar, Head of Strategy and Customer Services  
Celia Gray, Head of Social Services  
Ahsan Khan, Head of Housing and Community Safety  
Gordon McNeil, Head of Development and Environment  
Jim Robb, Assistant Head of Service (Adult Care)  
Lindsay Sim, Chief Accountant  
Richard Saunders, Senior Auditor  
Jason Ross, Internal Audit Officer, Falkirk Council  
Gordon O'Connor, Internal Audit  
Lee Robertson, Solicitor (Clerk to the Committee)  
Gillian White, Committee Services Officer  
Asif Haseeb, Audit Scotland  
Angus Brown, Audit Scotland (Observer)  
Gordon Smail, Audit Scotland (Observer)

The Chair welcomed Lee Robertson, Clerk to the Committee, along to her first meeting of the Audit and Finance Committee.

**AF(17)23 APOLOGIES**

Apologies for absence were received from Councillor Les Sharp and Councillor Jim Stalker.

Councillor Graham Watt, attended as substitute for Councillor Stalker.

**AF(17)24 DECLARATIONS OF INTEREST**

None.

**AF(17)25 MINUTES OF MEETING HELD ON 19 JANUARY 2017**

The minutes of the meeting of the Audit and Finance Committee held on 19 January 2017 were submitted for approval.

The minutes of the meeting of the Audit and Finance Committee held on 19 January 2017 were agreed as a correct record of proceedings and signed by the Chair.

**AF(17)26      EXTERNAL AUDIT: PLANNING REPORT 2017/18**

The report, submitted by the Depute Chief Executive, set out the planned audit activity in respect of the audit of the financial year 2016/17. Mr Asif Haseeb was in attendance from Audit Scotland to present their Planning Report

Mr Haseeb advised there was a typographical error on Page 22 of the Agenda, in Exhibit 3 relating to the Reporting Threshold – the figure should be £0.02 million not £0.20 million.

During questions, Mr Haseeb confirmed that on Page 27, at paragraph 34, it should read “Auditors appointed by the Accounts Commission etc”, not “..appointed by Audit Scotland”.

**Motion**

That Committee agrees the recommendation set out in the report.

Moved by Councillor Archie Drummond. Seconded by Councillor Donald Balsillie.

**Decision**

Having had the opportunity to discuss the report, the Committee agreed to note the proposed External Audit Plan for 2016/17.

**AF(17)27      INTERNAL AUDIT AND FRAUD PROGRESS REPORT**

The report, submitted by the internal auditor, provided an update on work completed from the Internal Audit and Fraud Annual Plan 2016/17. The report also provided an update on the progress of implementation of recommendations by officers from previous internal audit reports.

Councillor Watt declared a non financial interest in Appendix C – Land and Property Asset Management, as he is the Chairman of Tillicoultry Centenary Hall Company Limited. Councillor Watt remained within the Chamber and participated in the meeting.

**Motion**

That Committee agrees the recommendation set out in the report.

Moved by Councillor Archie Drummond. Seconded by Councillor Donald Balsillie.

**Decision**

Having commented on and challenged the report, the Committee agreed to note the report and the progress made on the Internal Audit and Fraud Annual Plan 2016/17.

Councillor Campbell withdrew from the meeting prior to the next item of business at 11.30 am. Five (6) members remained present.

**AF(17)28      INTERNAL AUDIT PLAN 2017/18**

The report, submitted by the Internal Audit Manager, presented an Internal Audit Plan for 2017/18.

**Motion**

That Committee agrees the recommendations set out in the report.

Moved by Councillor Archie Drummond. Seconded by Councillor Donald Balsillie.

**Decision**

The Committee agreed to:

1. Note the resources available to Internal Audit, within the context of the consortium audit agreement with Falkirk Council;
2. Approve the planned Internal Audit coverage for 2017/18; and
3. Note that progress will be reported to the Audit and Finance Committee on an ongoing basis.

**Action**

Internal Audit Manager

**AF(17)29      COUNCIL FINANCIAL PERFORMANCE 2016/17 – DECEMBER OUTTURN**

The report, submitted by the Chief Accountant, provided the Committee with an update on the financial performance of the Council in respect of both revenue and capital spend for the current financial year 2016/17.

**Motion**

That Committee agrees the recommendations set out in the report.

Moved by Councillor Archie Drummond. Seconded by Councillor Donald Balsillie.

**Decision**

The Committee agreed to note:

1. The draft General Fund revenue underspend for the year of £0.570m.
2. Progress on delivering planned savings in the year.
3. The draft favourable outturn of £1.017m on the Housing Revenue Account.
4. The draft underspend in General Services capital of £3.347m of which £0.393m are savings in delivery of programme with the remainder carried forward to 2017/18.
5. The draft underspend on HRA capital of £5.723m of which £2.601m is additional income from house and land sales and £0.388m are savings in delivery of programme with the remainder carried forward to 2017/18.

Councillor McGill withdrew from the meeting during the introduction to the next item of business. Four (5) members remained present.

## **AF(17)30 SOCIAL SERVICES FINANCE REPORT**

The report, submitted by the Head of Social Services, provided the Committee with an update on the financial performance of Social Services to date. The report focused on revenue spend for the current financial year 2016/17 and set out projected outturns up to March 2017.

### **Motion**

That Committee agrees the recommendations set out in the report.

Moved by Councillor Archie Drummond. Seconded by Councillor Donald Balsillie.

### **Decision**

The Committee agreed to note:

1. The Social Services projected overspend of £1.527m and the key reasons for this position (paragraph 2.6 of the report);
2. The Social Services projected overspend is an increase of £0.049m compared to the £1.478m reported to the January 2017 Committee;
3. The key pressures in Child and Adult Care Services which contribute to balance of the overspend forecast (Sections 4 and 5 of the report respectively);
4. The updated pressures to that reported to the Committee in January 2017; specifically:
  - Older Person's Day Service MCB 2 & 3 savings of £469k not achieved
  - Projected overspend against care home placements of £386k
  - Placement with Lilius Graham Trust supporting two families (10 children) in order to prevent an admission to care. Projected cost for 2016/17 is £70k
5. The updated recovery plan which aims to minimise the level of forecast overspend in 2016/17 (Appendix 2 of the report); and
6. That the estimated loss of income from the cessation of shared Social Service Management with Stirling Council is £0.358m and that this is not included in the current projected out-turn.

Ends 1245 hrs.