



MINUTES OF MEETING of the RESOURCES AND AUDIT COMMITTEE held within the Council Chamber, Patons Building, Kilncraigs, ALLOA, FK10 1EB, on THURSDAY 25 SEPTEMBER 2014 at 10.00 am.

PRESENT

Councillor Archie Drummond, Convenor (In the Chair)
Councillor Donald Balsillie
Councillor Janet Cadenhead
Councillor Kenneth Earle (S)
Councillor Bobby McGill
Councillor Graham Watt (S)
Councillor Gary Womersley

IN ATTENDANCE

Nikki Bridle, Depute Chief Executive
Gary Dallas, Executive Director
Iain Burns, Internal Audit and Fraud Team Leader (Items 1-7)
Stuart Crickmar, Head of Strategy and Customer Services
Val de Souza, Head of Social Services (Items 1-8)
Ahsan Khan, Head of Housing and Community Safety (Items 7-14)
Alan Milliken, Assistant Head of Education (Items 1-11)
Liz Shaw, Chief Accountant
Lisa Simpson, Governance Manager (Items 1-9)
Mac West, Service Manager, Roads and Transportation (Items 1-11)
Andrew Wyse, Team Leader, Legal Services (Clerk to the Committee)

Attending

Mr Jim Boyle, Senior Statutory Auditor, Deloitte (Items 4 and 5)
Mr Pat Kenny, Advisory Director, Deloitte (Items 4 and 5)

RA.111 APOLOGIES

Apologies for absence were received from Councillor Craig Holden, Councillor Kathleen Martin and Councillor Jim Stalker.

Councillor Watt attended as substitute for Councillor Martin and Councillor Earle attended as substitute for Councillor Stalker.

RA.112 DECLARATIONS OF INTEREST

None

RA.113 MINUTES OF MEETINGS

(i) Resources and Audit Committee: 19 June 2014

The minutes of the meeting of the Resources and Audit Committee held on Thursday 19 June 2014 were submitted for approval.

Decision

The minutes of the meeting of the Resources and Audit Committee held on Thursday 19 June 2014 were agreed as a correct record and signed by the Convenor.

(ii) Resources and Audit Sub Committee: 11 June 2014

The minutes of the meeting of the Resources and Audit Sub Committee held on Wednesday 11 June 2014 were submitted for approval.

Decision

The minutes of the meeting of the Resources and Audit Sub Committee held on Wednesday 11 June 2014 were agreed as a correct record.

RA.114 EXTERNAL AUDIT FINAL REPORT TO MEMBERS ON THE 2013/14 AUDIT

A report which presented the Committee with the report by the Council's external auditors (Deloitte) on the Council's 2013/14 audit was submitted by the Depute Chief Executive. The report represented the completion of the third year of Deloitte's audit appointment and was attached as appendix 2 (*titled* "Final Report the Resources and Audit committee and the Controller of Audit on the 2013/14 Audit"). The Report included the audit opinion on the 2013/14 Financial Statements.

Following the conclusion of the audit, the final amended Financial Statements for the year ended 31 March 2014 had been circulated in advance of the meeting to facilitate their consideration and approval.

The Committee heard a presentation from Mr Jim Boyle, Senior Statutory Auditor, and Mr Pat Kenny, Advisory Director, Deloitte, and had opportunity to put questions to both..

Motion

That the Committee agrees the recommendations 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:

- (i) to note the content of the External Audit report.
- (ii) the final amended Financial Statements for the year ended 31 March 2014
- (iii) to commend the final amended Accounts for 2013/14 to Council for approval.

Action

Depute Chief Executive

**RA.115 EXTERNAL AUDITOR TARGETED FOLLOW-UP ARMS LENGTH
EXTERNAL ORGANISATIONS: ARE YOU GETTING IT RIGHT?**

A report which provided the Committee with the Council's External Auditor's assessment of Clackmannanshire's use of Arms Length External Organisations (ALEOs), and on progress since the "How Councils Work" report on ALEOs was published by the Accounts Commission in 2011 was submitted by the Head of Strategy and Customer Services. The assessment was attached to the report as Appendix 1.

The Committee heard a short presentation from Mr Jim Boyle, Senior Statutory Auditor, and had opportunity to put questions to him.

Motion

That Committee agrees the recommendations 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 information set out in the report and that a follow-up report will be brought back to Committee in September 2015 providing an update on progress.

Action

Head of Strategy and Customer Services

RA.116 INTERNAL AUDIT AND FRAUD PROGRESS REPORT

A report which provided an update on work completed from the Internal Audit and Fraud Annual Plan 2014/15 (approved by full Council on 15 May 2014 on a recommendation from Resources and Audit Committee on 11 March 2014) in accordance with the Financial Regulations, was submitted by the Internal Audit and Fraud Team Leader.

The report also provided a final update on outcomes from the 2012/13 National Fraud Initiative (NFI) and an update on the progress of implementation of recommendations by officers from previous Internal Audit Reports.

Motion

That Committee agrees the recommendations set out in the report.

Moved by Councillor Archie Drummond. Seconded by Councillor Gary Womersley.

Decision

Having commented on and challenged the report, the Committee agreed to note the progress made on the Internal Audit and Fraud Annual Plan 2014/15 and the outcomes of the 2012/13 National Fraud Initiative.

RA.117 ANNUAL FRAUD REPORT 2013/14

A report which provided the Committee with an update on the work that was undertaken during 2013/14 in relation to fraud was submitted by the Internal Audit and Fraud Team Leader.

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 information set out in the Annual Fraud Report 2013/14.

RA.118 INTEGRATED CHILDREN'S SERVICES REPORT

A report which provided the Committee with an update in relation to the findings of the Care Inspectorate joint inspection of children's services across Clackmannanshire Community Planning Partnership and the subsequent development of the Joint Inspection Action Plan, was submitted by the Head of Social Services.

The Care Inspectorate undertook a joint inspection across Clackmannanshire and Stirling Community Planning Partnership area between January and February 2014 which covered the range of services in the area that had a role in providing services to benefit children, young people and families.

Motion

That Committee agrees the recommendation set out in the report.

Moved by Councillor Archie Drummond. Seconded by Councillor Gary Womersley.

Decision

Having reviewed commented on and challenged the report, the Committee agreed to note the information set out in the report and the action plan.

RA.119 CORPORATE PLAN: ANNUAL REVIEW 2013/14

A report which provided the Committee with an update on progress of the Council's Corporate Plan 2012-17; Taking Clackmannanshire Forward, was submitted by the Head of Strategy and Customer Services. Appendix A attached to the report presented a summary of progress against each priority action set out in the Corporate Plan relating to 2013/14.

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 information set out in the report.

The Convenor adjourned the meeting at this point in the proceedings (1215 hrs).

When the meeting resumed at 1250 hrs, all 7 members remained present.

RA.120 COUNCIL FINANCIAL PERFORMANCE 2014/15

A report which provided the Committee with an update on the financial performance of the Council to date in respect of both revenue and capital spend for the current financial year, 2014/15 was submitted by the Depute Chief Executive. The report also set out projected outturns up to March 2015.

Motion

That Committee agrees the recommendations set out in the report subject to the undernoted amendment.

Moved by Councillor Archie Drummond. Seconded by Councillor Gary Womersley.

Amendment

"At 2.0 Recommendations, Agenda page 203 after 2.7, insert:

- 2.8 In line with the R&A Committee's remit to '*ensure the systematic appraisal of the Council's control environment and framework of internal control, ...*', Committee instructs that following the work outlined at Paragraphs 4.3 and 4.4 and reports to Council and Housing, Health and Care Committee in October, a further progress report addressing any identified governance, performance and compliance matters is brought to the next meeting of this committee with the aim of gaining assurance over the effectiveness of the Council's internal control arrangements."

Moved by Councillor Archie Drummond. Seconded by Councillor Bobby McGill.

Voting

The amendment was carried unanimously.

Decision

The Committee agreed unanimously to approve the motion as amended. Accordingly the Committee noted:

- (i) the forecast General Fund Revenue overspend for the year of £1.854m (paragraph 4.2 Table 1 of the report).
- (ii) the management actions in place to address the current budget overspend (paragraphs 4.3-4.5 of the report) and the intention to update Council on progress on 23 October 2014.
- (iii) delivery of 70% of the planned 2014/15 savings to date (Table 2 of the report)
- (iv) a favourable outturn of £0.177m forecast on the Housing Revenue Account (Paragraph 5.1 of the report).
- (v) a forecast underspend on General Services Capital of £2.956m of which £0.896m are savings in delivery of programme, with the remainder carried forward to 2015/16 (Table 3 of the report).

- (vi) HRA capital spend is currently outturned on budget with no significant variances to report; and

agreed that, in line with the R&A Committee's remit to "*ensure the systematic appraisal of the Council's control environment and framework of internal control, ...*", following the work outlined at paragraphs 4.3 and 4.4 (of the report) and reports to Council and the Housing, Health and Care Committee in October, a further progress report addressing any identified governance, performance and compliance matters is brought to the next meeting of this committee with the aim of gaining assurance over the effectiveness of the Council's internal control arrangements.

Action

Depute Chief Executive

RA.121 2013/14 STATUTORY PERFORMANCE INDICATORS (LOCAL GOVERNMENT BENCHMARKING FRAMEWORK)

A report which provided the Committee with information on the Local Government Benchmarking Framework and Clackmannanshire's performance to date in the new suite of SPIs was submitted by the Head of Strategy and Customer Services. In 2013/14 the previous list of Audit Scotland Statutory Performance Indicators (SPIs) had been replaced with a new list known as the Local Government Benchmarking Framework (LGBF).

Motion

That Committee agrees the recommendation set out in the report.

Moved by Councillor Archie Drummond. Seconded by Councillor Gary Womersley.

Decision

Having commented on and challenged the report, the Committee agreed to note the information set out in the report and Appendix A to the report.

RA.122 REVENUES PERFORMANCE TO JUNE 2014

A report which provided the Committee with an update on the performance of the Revenues Service to June 2014, together with an update on the progress of the Action Plan presented to members as part of the Director of Finance Report in May 2014, was submitted by the Revenues and Payments Manager. The report also set out the main actions currently being progressed by the service to continue to improve on performance.

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 review of operational performance for 2013-14 and 2014-15.

Councillor Womersley withdrew from the meeting at this point in the proceedings (1355 hrs). Six members remained present for the following 2 items.

RA.123 STRATEGY AND CUSTOMER SERVICES PERFORMANCE AND FINANCE REPORT

A report which updated the Committee on the performance and finance position for Strategy and Customer Services for the 1st Quarter of 2014/15 was submitted by the Head of Strategy and Customer Services. The performance element of the report related to the Service's Business Plan for 2014/15.

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 information set out in the report.

RA.124 SUPPORT SERVICES FINANCE AND PERFORMANCE REPORT 01.04.14 TO 30.06.14

A report which updated the Committee on performance for the first quarter of 2014/15 and included financial performance with the aim of providing an overview of performance for the first quarter of 2014/15, was submitted by the Senior Support Services Manager. The report also highlighted service activity, achievements and performance between April and June 2014 and identified future challenges, opportunities and risks.

Motion

That Committee agrees the recommendation set out in the report.

Moved by Councillor Archie Drummond. Seconded by Councillor Bobby McGill.

Decision

Having commented on and challenged the report, the Committee agreed to note the information set out in the report.

ENDS 2.00 pm

