



MINUTES OF MEETING of the AUDIT AND FINANCE COMMITTEE held within the Council Chamber, Kilncraigs, Greenside Street, Alloa, FK10 1EB, on THURSDAY 19 JANUARY 2017 at 10.00 am.

PRESENT

Councillor Janet Cadenhead, Chair (In the Chair)
Councillor Alastair Campbell
Councillor Archie Drummond
Councillor George Matchett, QPM (S)
Councillor Tina Murphy
Councillor Jim Stalker

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 (Items 1-5)
Ahsan Khan, Head of Housing and Community Safety (Items 1-4)
Gordon McNeil, Head of Development and Environment (Items 1-4)
Anne Pearson, Chief Education Officer (Items 1-4)
Jim Robb, Assistant Head of Service (Adult Care) (Items 1-5)
Jason Ross, Internal Audit Officer
Murray Sharp, Service Manager (Strategy and Revenues) (Items 1-4)
Lindsay Sim, Chief Accountant (Items 1-6)
Andrew Wyse, Acting Legal Services Manager (Clerk to the Committee)

Asif Haseeb, Audit Scotland (Observer)

AF(17)15 APOLOGIES

Apologies for absence were received from Councillor Bobby McGill, Councillor Gary Womersley and Councillor Craig Holden.

Councillor George Matchett, QPM, attended as substitute for Councillor McGill.

AF(17)16 DECLARATIONS OF INTEREST

None

AF(17)17 MINUTES OF MEETING HELD ON 17 NOVEMBER 2016

The minutes of the meeting of the Audit and Finance Committee held on 17 November 2016 were submitted for approval.

Moved by Councillor Janet Cadenhead. Seconded by Councillor Alastair Campbell.

The minutes of the meeting of the Audit and Finance Committee held on 17 November 2016 were agreed as a correct record of proceedings and signed by the Chair.

AF(17)18 COUNCIL FINANCIAL PERFORMANCE 2016/17 – OCTOBER OUTTURN

A report was submitted by the Chief Accountant which 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. The report summarised the financial position of the Council and consolidated all of the detailed service financial data to provide a corporate position.

Motion

That Committee agrees the recommendations set out in the report.

Moved by Councillor Janet Cadenhead. Seconded by Councillor George Matchett, QPM.

Decision

Having commented on and challenged the report, the Committee agreed to note:

- (i) The draft General Fund revenue underspend for the year of £0.687m.
- (ii) Progress on delivering 67% of the planned savings in the year.
- (iii) The draft favourable outturn of £0.626m on the Housing Revenue Account.
- (iv) The draft underspend in General Services capital of £3.035m of which £0.425m are savings in delivery of programme with the remainder carried forward to 2017/18.
- (v) The draft underspend on HRA capital of £5.272m of which £2.563m is additional income from house and land sales and £0.336m are savings in delivery of programme with the remainder carried forward to 2017/18.

AF(17)19 SOCIAL SERVICES FINANCE REPORT

A report was submitted by the Head of Social Services which 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 Janet Cadenhead. Seconded by Councillor Jim Stalker

Decision

Having commented on and challenged the report, the Committee agreed to note:

- (i) The Social Services projected overspend of £1.480m and the key reasons for this position (paragraph 3.2 of the report)
- (ii) The Social Services projected overspend is a reduction of £0.684m to the £2.164m reported to the November Committee.
- (iii) The key pressures in Child and Adult Care Services which contribute to the overspend forecast (Sections 4 and 5 of the report respectively)
- (iv) The updated pressures to that reported to the Committee in November 216; specifically

- The impact of increased home placements for older people of £435k.
 - The impact of increased demand on In-House Reablement Service of £195k
- (v) The updated recovery plan which aims to minimise the level of forecast overspend in 2016/17 (Appendix 2 of the report).

AF(17)20 CONSORTIUM AUDIT ARRANGEMENTS

A report was submitted by the Head of Resources and Governance which informed the Committee about the development of a joint Internal Audit arrangement (“Consortium Audit Arrangement”) with Falkirk Council. The report sought approval to continue to develop these arrangements with the aim to produce a 2017/18 Internal Audit Plan for presentation to Committee in March 2017.

Motion

That Committee agrees the recommendations set out in the report.

Moved by Councillor Janet Cadenhead. Seconded by Councillor George Matchett, QPM.

Decision

The Committee agreed to endorse the development of consortium Internal Audit arrangements with Falkirk Council and to remit this matter to Council for approval.

The Committee also agreed that a 2017/18 Internal Audit Plan be prepared for consideration and approval at its meeting on 16 March 2017.

Action

Head of Resources and Governance

**Councillor George Matchett, QPM, and Councillor Alastair Campbell withdrew from the meeting at this point in the proceedings (1210 hrs). Four members remained present.*

AF(17)21 CORPORATE RISK AND EXTERNAL AUDIT ACTIONS

A report was submitted by the Head of Strategy and Customer Services which provided the Committee with the 2016/17 half year update on Clackmannanshire Council’s Corporate Risk Log and progress on actions assigned by the Council’s external auditors (Deloitte UK).

Motion

That Committee agrees the recommendations set out in the report.

Moved by Councillor Janet Cadenhead. Seconded by Councillor Jim Stalker.

Decision

Having commented on and challenged the report, the Committee agreed to note the information set out in the report entitled ‘Corporate Risk and External Audit Actions’.

AF(17)22 INTERNAL AUDIT AND FRAUD PROGRESS REPORT

A report was submitted by the Internal Audit and Fraud Team Leader which provided the Committee with an update on work completed from the Internal Audit and Fraud Annual Plan for 2016/17 which was recommended to full Council for approval by the Resources and Audit Committee on 25 February 2016.

Motion

That Committee agrees the recommendations set out in the report.

Moved by Councillor Janet Cadenhead. Seconded by Councillor Jim Stalker.

Decision

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

Ends 1230 hrs.