

AUDIT & PERFORMANCE REVIEW COMMITTEE

At a Meeting of the Audit & Performance Review Committee held in Committee Room 3, Council Offices, Garshake Road, Dumbarton on Wednesday, 14 December 2016 at 2.04 p.m.

Present: Councillors George Black, Jonathan McColl, Ian Murray, Gail Robertson, Martin Rooney and Lay Members Mr Stevie J. Doogan and Ms Eilidh McKerry.

Attending: Angela Wilson, Strategic Director – Transformation & Public Service Reform; Richard Cairns, Strategic Director – Regeneration, Environment & Growth; Stephen West, Strategic Lead – Resources; Colin McDougall, Audit and Risk Manager; Jennifer Ogilvie, Section Head (Treasury and Capital); Stephen Daly, Customer Services Manager; and Craig Stewart, Committee Officer.

Also Attending: Ms Carol Hislop, Senior Audit Manager and Ms Karen Cotterell, Senior Auditor, Audit Scotland.

Apologies: Apologies for absence were intimated on behalf of Councillors Jim Brown, Patrick McGlinchey and Tommy Rainey. An apology was also intimated from Joyce White, Chief Executive.

Councillor Jonathan McColl in the Chair

DECLARATIONS OF INTEREST

It was noted that there were no declarations of interest in any of the items of business on the agenda.

MINUTES OF PREVIOUS MEETING

The Minutes of Special Meeting of the Audit & Performance Review Committee held on 1 November 2016 were submitted and approved as a correct record, subject to the sederunt being changed to reflect that Alan Douglas, Manager of Legal was not in attendance at the meeting.

TREASURY MANAGEMENT MID-YEAR REPORT 2016/17

A report was submitted by the Strategic Lead - Resources providing an update on treasury and prudential indicators during 2016/17.

After discussion and having heard the Strategic Lead - Resources, the Committee agreed:-

- (1) to note the treasury management and prudential stewardship information within the report;
- (2) to note the 2016/17 revised estimates of treasury and prudential indicators as advised within the report (Tables A, B, C, D, E, F, H, M and N); and
- (3) to note that this report was submitted to Council on 26 October 2016.

AUDIT ACTION PLANS

A report was submitted by the Strategic Lead - Resources advising of:-

- (1) recently issued Internal Audit action plans; and
- (2) progress made against action plans issued contained within Internal Audit and External Audit reports.

After discussion and having heard the Strategic Director – Transformation & Public Service Reform and relevant officers in further explanation and in answer to Members' questions, Councillor McColl, moved:-

Committee notes the contents of the report.

Committee agrees that future action plan reports will include a summary to put the action plans in context, and highlight the risks being mitigated. The format of the summary will be determined by officers in consultation with the Convener and the Committee may request changes to this at a future date.

Councillor Black asked if Councillor McColl was willing to accept as an addendum to his motion, the following statement from him:-

I am dismayed that the external auditor has effectively rubber stamped the findings of the internal auditor.

The original report to Audit and Performance Review Committee was littered with references to practice which was not fit for purpose, the auditor wrote that "The Council's Financial regulations were not adhered to, standing orders were not observed, best value was not adhered to either. He also referenced the potential for fraud and corruption.

In debate the auditor accepted that there was no evidence of criminal wrongdoing which is not the same as “there was no criminal wrongdoing”.

The response to my requests for information were not all satisfactory and only my persistence in seeking answers from officers has brought much of this into the public domain. I therefore intend to submit the report to police Scotland with a request for a criminal investigation.

Councillor McColl confirmed his acceptance of the addendum to his motion which was then seconded by Councillor Black.

Councillor Rooney, having failed to obtain a seconder for a proposed amendment, asked that his dissent be recorded in respect of this matter.

As an amendment, Councillor Murray, seconded by Councillor Robertson, moved:-

Committee notes the contents of the report.

Committee agrees that future action plan reports will include a summary to put the action plans in context, and highlight the risks being mitigated. The format of the summary will be determined by officers in consultation with the Convener and the Committee may request changes to this at a future date.

Committee further notes the following statement from Councillor Black:-

The original report to Audit and Performance Review Committee was littered with references to practice which was not fit for purpose, the auditor wrote that “The Council’s Financial regulations were not adhered to, standing orders were not observed, best value was not adhered to either. He also referenced the potential for fraud and corruption.

In debate the auditor accepted that there was no evidence of criminal wrongdoing which is not the same as “there was no criminal wrongdoing”.

The response to my requests for information were not all satisfactory and only my persistence in seeking answers from officers has brought much of this into the public domain. I therefore intend to submit the report to police Scotland with a request for a criminal investigation.

During consideration of this item, Ms Hislop, Senior Audit Manager, Audit Scotland was also heard in answer to Members’ questions.

On a vote being taken, 1 Member voted for the amendment, 1 Member abstained and 2 voted for the motion which was therefore declared carried.

INTERNAL AUDIT PLAN 2016/17 HALF YEAR PROGRESS REPORT TO 30 SEPTEMBER 2016

A report was submitted by the Strategic Lead - Resources advising of progress at the half year against the Audit Plan 2016/17.

The Committee agreed to note the contents of the report.

CAPITAL POST PROJECT REVIEW PILOT

A report was submitted by the Strategic Lead - Resources providing an update on capital post project reviews undertaken within the pilot phase covering the period 1 April 2016 to 30 September 2016.

After discussion and having heard the Strategic Director – Transformation & Public Service Reform and relevant officers in further explanation and in answer to Members' questions, the Committee agreed:-

- (1) to note the capital projects that were selected for inclusion in the pilot;
- (2) to note the outcome of the pilot reviews;
- (3) to note the next list of projects recommended for review; and
- (4) that a copy of the report be passed to Members of the Infrastructure, Regeneration & Economic Development Committee, to highlight the lessons learned from the post project review pilot.

SCOTTISH PUBLIC SERVICES OMBUDSMAN COMPLAINTS REPORT 2015/16

A report was submitted by the Strategic Lead – Communications, Culture and Communities presenting the Scottish Public Services Ombudsman (SPSO) report on complaints handling by West Dunbartonshire Council for the year 1 April 2015 – 31 March 2016.

After discussion and having heard the Strategic Director – Transformation & Public Service Reform and the Customer Services Manager in further explanation and in answer to a Member's questions, the Committee agreed to note the contents of the report.

The meeting closed at 3.05 p.m.