

## **AUDIT & PERFORMANCE REVIEW COMMITTEE**

At a Meeting of the Audit & Performance Review Committee held in Meeting Room 3, Council Offices, Garshake Road, Dumbarton, on Wednesday, 12 January 2011 at 10.00 a.m.

**Present:** Councillors George Black, Jim Brown, Geoff Calvert, Jonathan McColl, Craig McLaughlin, John Millar and Martin Rooney, and Mr Francis McNeill, Representative, Community Councils' Forum.

**Attending:** David McMillan, Chief Executive; Joyce White, Executive Director of Corporate Services; David Connell, Head of Finance and ICT; Colin McDougall, Manager of Risk & Performance; Joe Gillespie, Section Head (Operations); Jennifer Ogilvie, Business Unit Finance Partner; Dave Clarke, Head of Service (Resources), Educational Services; and Scott Kelly, Committee Officer, Legal, Administrative and Regulatory Services.

**Apologies:** Apologies for absence were submitted on behalf of Mr John Corcoran, Representative, Business Community, and Ms Selina Ross, Representative, Voluntary Sector.

### **Councillor Martin Rooney in the Chair**

#### **CHAIR'S REMARKS**

Councillor Rooney, Chair, informed the Committee of the resignation of Councillor Margaret Bootland from West Dunbartonshire Council with effect from 31 December 2010 and expressed his thanks for the contribution that she had made to the Audit & Performance Review Committee over the years. The Committee noted that a replacement Member would be nominated to the Committee in the due course.

#### **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 Meeting of the Audit & Performance Review Committee held on 10 November 2010 were submitted and approved as correct record, subject to the undernoted correction:-

With reference to the item under the heading 'Progress of Action Plans for the Revenue Budget Proposals' (Pages 3238/39 refers), paragraph (3) should read as follows:-

- (3) that an update report of indicators, that had missed their due date, would be submitted to the next meeting of the relevant service Committee and that officers should ensure that the information contained in Covalent was as up-to-date as possible.

Having heard the Executive Director of Corporate Services, the Committee noted that the relevant report had now been submitted to the relevant service Committee.

After discussion, the Committee agreed:-

- (1) that, with reference to the item under the heading, 'Minutes of Previous Meetings' (Pages 3237/38 refer), to note that new targets for sickness absence had been agreed and that the Executive Director of Corporate Services would circulate a Briefing Note to both Members and Lay Members; and
- (2) that, with reference to the item under the heading, 'Activity on Whistleblowing Hotline to 30 September 2010' (Page 3240 refers), when it had been agreed that a Briefing Note would be issued to Members providing information on a case involving a tenant who was reported to be continuing to deal drugs from a council property, to note that this Briefing Note would be issued in the next week.

### **SICKNESS ABSENCE WITHIN EDUCATIONAL SERVICES**

A report was submitted by the Executive Director of Educational Services providing detailed information regarding sickness absence for teaching staff, comparing this with non-teaching staff in Educational Services and outlining the Department's approach to addressing sickness absence going forward.

After hearing the Head of Service (Resources), Educational Services (present for this item only), and the Chief Executive in further explanation and in answer to Members' questions, the Committee agreed:-

- (1) that the Head of Service (Resources), Educational Services, should issue a Briefing Note to Members comparing the percentage of working days attended by teaching staff and non-teaching staff within Educational Services;
- (2) that the Chief Executive should submit a report to the February 2011 meeting of Council seeking approval to establish a short-life Member/Officer Working Group which would: (i) consider ways of reducing sickness absence across the Council; and (ii) produce a report in this respect; and
- (3) otherwise to note the contents of the report.

## **TREASURY MANAGEMENT ANNUAL REPORT 2009/2010**

A report was submitted by the Executive Director of Corporate Services providing an update on treasury management during 2009/10.

Having heard the Executive Director of Corporate Services in explanation of the report and in answer to a question from a Member, the Committee agreed:-

- (1) to note the treasury management stewardship information within the report;
- (2) to note the 2009/10 actual prudential indicators as advised within the report in Tables 2, 3, 4 and 5; and
- (3) to note that a tendering process had recently been undertaken in respect of the provision of banking services and that a report on this matter would be submitted to the next meeting of the Tendering Committee.

## **PROGRESS OF ACTION PLANS FOR THE REVENUE BUDGET PROPOSALS**

A report was submitted by the Chief Executive presenting an update in relation to the action plans drawn up from the Revenue Budget proposals agreed by Council in February 2008, February 2009 and January 2010.

After discussion and having heard relevant officers in answer to Members' questions, the Committee agreed:-

- (1) to note the status of the budget proposal actions, as summarised in the Appendix to the report, and the verbal updates provided by officers;
- (2) to assist in the process of rationalisation of action plans by engaging in the planned Corporate and Departmental consultation for 2011/12;
- (3) to note, with respect to Code BA/2010/018 ('issue a development brief for Alexandria town centre'), as detailed in the Appendix to the report, that a report on the Council's securitisation project would be submitted to the January 2011 meeting of Council;
- (4) to note that a report on Zero Based Budgeting would be submitted to the meeting of the Strategic Finance Working Group scheduled for 11 February 2011 and that the Head of Finance and ICT should issue a Briefing Note to Members on Zero Based Budgeting; and
- (5) to note that it was important for officers to update the Covalent system as tasks were progressed and completed to ensure that Members were presented with up to date information.

## **BUSINESS IRREGULARITY PROCEDURES AND STRATEGY FOR THE PREVENTION AND DETECTION OF FRAUD AND CORRUPTION**

A report was submitted by the Chief Executive presenting revised versions of the Business Irregularity Procedures & Strategy for the Prevention and Detection of Fraud and Corruption.

After discussion and having heard the Chief Executive in answer to Members' questions, the Committee agreed to approve the revised policies, subject to paragraph 13 of the Business Irregularity Procedures, as detailed in Appendix A to the report, being revised to clarify that the Council's disciplinary procedures would be applied at the commencement of any investigation into suspected business irregularities.

## **INTERNAL AUDIT ACTION PLANS ISSUED DURING THE PERIOD FROM 15 SEPTEMBER TO 14 DECEMBER 2010 AND REVIEW OF PROGRESS IN ACTIONING RECOMMENDATIONS CONTAINED WITHIN INTERNAL AUDIT AND EXTERNAL AUDIT REPORTS**

A report was submitted by the Chief Executive:-

- (a) presenting the Internal Audit Section action plans issued to directorates during the period from 15 September to 14 December 2010; and
- (b) advising of the progress being made in actioning recommendations contained within key Internal Audit and External Audit reports which management have committed to implementing.

The Committee agreed to note the contents of the report.

## **REVIEW OF THE ROLE OF LAY MEMBERS IN THE AUDIT & PERFORMANCE REVIEW COMMITTEE**

A report was submitted by the Chief Executive reviewing the role of Lay Members on the Audit & Performance Review Committee.

After hearing the Chief Executive it was noted that paragraphs 3.2.2 and 3.3.4 of the report contained errors and that it was the Recruitment and Individual Performance Management Committee, and not, as stated in the report, Council, which it was recommended should agree a clear person specification for the post of Lay Member and which should delegate authority to select and appoint a lay convenor to a Selection Panel.

After discussion and having heard the Chief Executive in answer to Members' questions, the Committee agreed:-

- (1) the process for appointment of Lay Members based on the Falkirk model, as detailed in the report;

- (2) to recommend that Mr Francis McNeill should continue as a Lay Member of the Committee;
- (3) that the Chief Executive should consult with the Community Planning Partnership to seek expressions of interest from members of local community groups who may wish to be considered for appointment to the remaining three Lay Member positions;
- (4) that if a sufficient number of expressions of interest were not received from members of local community groups, the Recruitment and Individual Performance Management Committee should meet to consider appropriate ways to advertise the remaining three Lay Member positions; and
- (5) the proposed person specification as detailed in Appendix 1 to the report.

### **TREASURY MANAGEMENT ANNUAL REPORT 2010/2011**

With reference to the Minutes of Meeting of West Dunbartonshire Council held on 15 December 2010 (Page 3317 refers), a report was submitted by the Executive Director of Corporate Services:-

- (a) providing an update on treasury management and prudential indicators during 2010/11; and
- (b) requesting that the Committee scrutinises the report.

Having heard the Chief Executive and the Head of Finance and ICT in answer to Members' questions, the Committee agreed:-

- (1) to note the treasury management and prudential stewardship information within the report;
- (2) to approve the amendment to the counterparty criteria as discussed within the report at section 4.5.4; and
- (3) to approve the 2010/11 revised estimates of treasury and prudential indicators as advised within the report (Tables A, B, C, D, E, G and N).

The meeting closed at 10.40 a.m.