

## **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, 11 May 2011 at 10.00 a.m.

**Present:** Councillors George Black, Jim Brown, Geoff Calvert, Jonathan McColl and Martin Rooney and Mr Francis McNeill, Representative of Community Councils.

**Attending:** David McMillan, Chief Executive; Joyce White, Executive Director of Corporate Services; Lorraine Coyne, Head of Audit, Performance & Strategic Planning; David Connell, Head of Finance & ICT; Colin McDougall, Manager of Risk & Performance; Patricia Marshall, Manager of ICT; John Duffy, Section Head – Risk Management; Joe Gillespie, Section Head (Operations); Gillian McNeilly, Finance Manager; Stephen McGonagle, Maintenance and Repairs Manager; Jennifer Ogilvie, Business Unit Finance Partner; and Nuala Borthwick, Committee Officer, Legal, Administrative and Regulatory Services.

**Also**

**Attending:** Mr Grant MacRae, Director and Dr Keith Macpherson, Senior Manager, KPMG LLP.

**Apologies:** Apologies for absence were submitted on behalf of Councillors John Millar and Craig McLaughlin.

### **Councillor Martin Rooney 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 at this point in the meeting.

## **MINUTES OF PREVIOUS MEETING**

The Minutes of Meeting of the Audit & Performance Review Committee held on 16 March 2011 were submitted and approved as a correct record.

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

- (1) that, with reference to the item under the heading, 'Minutes of Previous Meeting' (Page xxx refers), to note that (i) a Briefing Note, providing information on a case involving a tenant who was reported to be continuing to deal drugs from a council property, had been issued to Members of the Committee; and (ii) a Briefing Note, providing information on a case alleging that West Dunbartonshire Council was paying a grant towards a service which was being used by residents of a neighbouring authority, had been issued to Members of the Committee;
- (2) that, with reference to the item under the heading, 'Sickness Absence Reporting – Quarter 3 (2010/2011)', to note that the new Absence Management Policy was currently with the Absence Working Group for consultation with the Trades Unions;
- (3) that, with reference to the item under the heading, 'Key Corporate Performance Indicators for Quarter 3: 2010/2011', to note that a report providing further information on Performance Indicator SW/WR/001, 'Value of benefits maximised through representation from Welfare Rights Money Advice Service', would be submitted to the next meeting of the Committee;
- (4) that, with reference to the item under the heading, 'Statutory Performance Indicators – 2009/2010: Benchmarking', to note the update provided by the Executive Director of Corporate Services in relation to the significant work currently being undertaken by the Society of Local Authority Lawyers & Administrators in Scotland (SOLAR) in this regard; and
- (5) to ensure that any future requests for Briefing Notes would be issued to both Elected Members and Lay Members of the Committee.

#### **PRUDENTIAL INDICATORS 2010/11 TO 2013/14 AND TREASURY MANAGEMENT STRATEGY 2011/12 TO 2013/14**

With reference to the Minutes of Meeting of West Dunbartonshire Council held on 30 March 2011 (page xxx refers), a report was submitted by the Executive Director of Corporate Services:-

- (a) providing information on the Prudential Indicators for 2010/11 to 2013/14;
- (b) providing information on the Treasury Management Strategy for 2011/12 to 2013/14; and

- (c) requesting that the report be submitted to the Audit and Performance Review Committee to ensure that further scrutiny of the report would take place.

After discussion and having heard the Finance Manager in further explanation of the report and in answer to Members' questions, the Committee agreed:-

- (1) to note the terms of the discussion which took place in relation to the report; and
- (2) otherwise to note the contents of the report.

### **VARIATION IN THE ORDER OF BUSINESS**

Having heard the Chair, it was agreed that the business of the meeting be varied as hereinafter minuted.

#### **INTERIM MANAGEMENT REPORT: YEAR ENDED 31 MARCH 2011**

A report was submitted by the Executive Director of Corporate Services presenting KPMG LLP's: Interim Management Report to Committee for information.

Following discussion and having heard the Senior Manager, KPMG LLP in further explanation of the report and in answer to Members' questions, the Committee agreed to note the report and appendix.

#### **INTERIM MANAGEMENT REPORT: INFORMATION TECHNOLOGY CONTROLS: YEAR ENDED 31 MARCH 2011**

A report was submitted by the Executive Director of Corporate Services presenting KPMG LLP's: Information Technology Controls Report to Committee for information.

Having heard the Senior Manager, KPMG LLP in further explanation of the report, the Committee agreed to note the report and the appendix to the report.

## **FINANCIAL STATEMENTS 2010/11**

A report was submitted by the Executive Director of Corporate Services providing an update on the work completed to date in relation to updating the Council's Financial Statements to the required International Financial Reporting Standards (IFRS) format. This update takes the form of a recent review carried out by KPMG.

Having heard the Finance Manager in further explanation, the Committee agreed:-

- (1) to note the report, appendix 1 (the Council's current position on IFRS compliant accounts, per KPMG) and Appendix 3 (a draft skeleton remuneration report); and
- (2) to approve the revised accounting policies detailed at Appendix 2 of the report.

## **STATUTORY PERFORMANCE INDICATOR (SPI) SH1diii – OVERALL PERCENTAGE OF REPAIRS COMPLETED WITHIN TARGET TIME**

A report was submitted by the Executive Director of Housing, Environmental and Economic Development providing information on the Council's SPI for the overall percentage of repairs completed within target times.

Following discussion and having heard the Maintenance and Repairs Manager in elaboration of the report and in answer to Members' questions, the Committee agreed:-

- (1) to note the actions to be taken to ensure overall performance in the responsive repairs service was maintained; and
- (2) otherwise to note the contents of the report.

## **DECLARATION OF INTEREST**

Councillor Black declared a non-financial interest in the following item of business, being a Member on the Strathclyde Fire and Rescue Board. Having heard Councillor Rooney in response, it was noted that all Elected Members had a non-financial interest in the item of business given that it concerned the Council's pension scheme. It was therefore agreed that all Members would take part in the discussions thereon.

## **PENSION SCHEMES**

A report was submitted by the Executive Director of Corporate Services providing an overview of the assets and liabilities of the pension schemes in which the Council participates and, in particular, the implications to the Council of the liabilities which are associated with the pensions of external bodies.

Following discussion and having heard the Executive Director of Corporate Services and the Manager of Finance and ICT in further explanation of the report and in answer to Members' questions, the Committee agreed:-

- (1) that a Briefing Note be issued to Members of the Committee providing information on the Council's Discretionary Policy; and
- (2) otherwise to note the contents of the report.

## **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 Budgets proposals agreed by Council in February 2008, February 2009, January 2010 and February 2011.

Following discussion and having heard the Chief Executive and the Manager of Risk & Performance in further explanation and in answer to Members' questions, the Committee agreed to assist in the process of rationalisation of action plans by engaging in the planned Corporate and Departmental consultation for 2011/12.

## **INTERNAL AUDIT ANNUAL REPORT TO 31 MARCH 2011**

A report was submitted by the Chief Executive advising of the work undertaken by Internal Audit in respect of the Annual Audit Plan 2010/11 and advising of the contents of the Assurance Statement given to the Executive Director of Corporate Services in support of the Statement of Internal Financial Control/Governance Statement.

Having heard the Head of Audit, Performance and Strategic Planning in further explanation of the report, the Committee agreed to note the contents of the report.

## **INTERNAL AUDIT PLAN 2011/12**

A report was submitted by the Chief Executive advising of the planned programme of work for the Internal Audit Section for the year 2011/12.

After discussion and having heard the Head of Audit, Performance and Strategic Planning and the Manager of Risk and Performance in answer to Members' questions, the Committee agreed to note the contents of the report.

### **INTERNAL AUDIT ACTION PLANS ISSUED DURING THE PERIOD FROM 15 FEBRUARY TO 14 APRIL 2011 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 February to 14 April 2011; 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.

With the permission of the Chair, Councillor Rooney, a revised copy of Appendix 2 was distributed to Members of the Committee.

Following discussion and having heard the Head of Audit, Performance and Strategic Planning in answer to Members' questions, the Committee agreed:-

- (1) that the revised Appendix 2 would be considered with an updated report at the next meeting of the Audit and Performance Review Committee;
- (2) to note the comment by Councillor Black that under the heading 'Equalities, Health and Human Rights Impact Assessment', that it would be preferable to omit the word 'significant' in the paragraph and have the wording 'no issues are identified at this stage regarding potential Equality, Health and Human Rights impacts of this report' in future committee reports; and
- (3) otherwise to note the contents of the report.

## **CIVIL CONTINGENCIES PLANNING – UPDATE**

A report was submitted by the Chief Executive providing an update on where West Dunbartonshire is with regard to achieving compliance with the Civil Contingencies Act 2004 (Contingency Planning) (Scotland) Regulations 2005 and the areas where further work is required.

Following discussion and having heard the Section Head, Risk Management in further explanation of the report and in answer to Members' questions, the Committee agreed to note the contents of the report.

## **ACTIVITY ON WHISTLEBLOWING HOTLINE TO 31 MARCH 2011**

A report was submitted by the Chief Executive advising of the level of activity on the whistleblowing hotline.

Following discussion, the Committee agreed:-

- (1) that a Briefing Note would be issued to all Elected Members providing information on the allegations of serious breaches in procedures as reported in the local press following calls to the whistleblowing hotline; and
- (2) otherwise to note the contents of the report.

The meeting closed at 11.35 a.m.