

## **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, 16 April 2008 at 10.00 a.m.

**Present:** Councillors George Black, Margaret Bootland, Jim Brown, Geoff Calvert, Jim McElhill, Craig McLaughlin, John Millar and Martin Rooney and Mr Hugh O'Donnell, Representative, Tenants and Residents Groups and Ms Selina Ross, Representative, Voluntary Sector.

**Attending:** David McMillan, Chief Executive; Joyce White, Executive Director of Corporate Services; Dave Clarke, Head of Service (Resources); David Connell, Head of Finance and ICT; Vincent Gardiner, Manager of Exchequer; Lorraine Coyne, Manager of Audit; Liz Cochrane, Principal Policy Officer; David Webster, Section Head (Performance Management) and Lorraine Beveridge, Committee Officer, Legal, Administrative and Regulatory Services.

**Also Attending:** Grant Macrae, External Auditor, KPMG LLP.

**Apology:** An apology was submitted on behalf of Mr F. McNeill, Representative, Community Councils.

**Councillor Geoff Calvert in the Chair**

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

Having heard the Chair, the Committee agreed to vary the order of business as hereinafter minuted.

### **CHAIR'S REMARKS**

Before commencing with the business of the Meeting, the Chair, welcomed Selina Ross, representative for the voluntary sector and Hugh O'Donnell, representative for Tenants and Residents Groups to their first meeting of the Committee and thereafter introduced them to the Committee.

The Chair informed the Committee that Francis O'Neill, who had tendered his apologies for this meeting, would be the representative for Community Councils and that the business community had not yet submitted details of their representative.

After discussion and having heard the Chair and the Chief Executive in relation to the aforementioned representatives having voting rights, it was agreed that as the original motion agreed by Council at its meeting held on 30 January 2008 had not stated that the representatives should have voting rights, a report should be submitted to the next meeting of the Committee clarifying the role of the representatives on the Committee.

### **MINUTES OF PREVIOUS MEETING**

The Minutes of Meeting of the Audit & Performance Review Committee held on 13 February 2008 were submitted and approved as a correct record, subject to the item under the heading 'Statutory Performance Indicators – Quarter 3' being amended to include reference to any SPIs which were 'Green' in terms of their traffic light status.

### **AUDIT PLANNING MEMORANDUM 2007/08**

A report was submitted by the Executive Director of Corporate Services presenting, for information, KPMG LLP's Audit Planning Memorandum 2007/08.

After discussion and having heard officers in further explanation and in answer to Members' questions in relation to the Audit Plan Overview, the Committee agreed:-

- (1) to note that the issue of Member training had now been addressed;
- (2) to note that 62 members of staff, approximately 1% of the workforce, had still to receive their job evaluation grading letters;
- (3) to note that the External Auditors were currently reviewing the Council's information technology control environment management;
- (4) that clarification should be given to elected members on the fixed charge of £92,200 from Audit Scotland which covered their central charges; and
- (5) otherwise to note the contents of the report and its Appendix.

### **INTERIM MANAGEMENT REPORT 2007/08**

A report was submitted by the Executive Director of Corporate Services on KPMG LLP's findings in relation to their interim audit fieldwork for 2007/08.

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

- (1) to note that a report outlining KPMG LLP's findings in respect of its review of the Council's information technology control environment would be submitted to the next meeting of the Committee; and
- (2) otherwise to note the contents of the report and its Appendix.

## **CONSULTATION PROCESS ON PHASE 2 OF THE REGENERATION OF THE SCHOOLS' ESTATE**

A report was submitted by the Chief Executive analysing the consequences for West Dunbartonshire Council on the decision of Council of 30 January 2008 (Pages 762/764 refer), to reject officers' proposals for Phase 2 of the regeneration of the schools' estate and instead to embark on a comprehensive consultation process involving all educational establishments affected.

After hearing the Chief Executive in explanation of the report, the Committee noted that any proposal to amend the decision taken by Council on 30 January 2008 would require the suspension of Standing Orders at the next Council meeting.

After discussion and having heard officers in answer to Members' questions, in particular in relation to decisions made at the first meeting of the Member/Officer Working Group on Phase 2 of the Regeneration of West Dunbartonshire Schools' Estate held on 7 April 2008, Councillor Rooney, seconded by Councillor Millar, moved:-

This Committee notes with concern that the Executive Director of Educational Services has insufficient resources to implement the Council's decision to consult with every educational establishment.

Therefore this Committee agrees to remit this report to Council with the request that Council provides the Executive Director with adequate resources in order to comply with the Council's decision of 30 January, 2008.

In response to a question in relation to the draft Schools' Estate Management Plan (SEMP) for 2008 which had been submitted to the Scottish Government, the Chief Executive confirmed that this document contained no recommendations and had still to be approved by Council.

After further discussion, as an amendment, Councillor C. McLaughlin, seconded by Councillor Black, moved:-

We note the report and take no action at this time. We also note with concern that the phraseology of the report was highly subjective. We note that the appearance of the report appears to be politically motivated and note with concern the preferred anti-democratic approach being sought by Labour to the democratically agreed process of Council.

After debate, on a vote being taken, 4 Members voted for the amendment and 4 for the motion. There being an equality of votes, the Chair, Councillor Calvert, used his casting vote in favour of the motion which was accordingly declared carried.

### **WEST DUNBARTONSHIRE COMMUNITY PLANNING PARTNERSHIP – KEY DEVELOPMENTS**

A report was submitted by the Chief Executive providing the Committee with an update on key developments within West Dunbartonshire Community Planning Partnership (CPP).

After discussion and having heard the Principal Policy Officer and Ms Ross in further explanation and in answer to Members' questions, the Committee agreed:-

- (1) to welcome the development of three Community Forums within West Dunbartonshire;
- (2) to note that a report on the outcome of the next CPP Board meeting would be submitted to the next meeting of the Committee; and
- (3) otherwise to note the contents of the report.

In relation to a question by Councillor McElhill on submission of reports to the Committee, the Chair confirmed that he would consider requests for reports from members of the Committee on any area within the Committee's remit.

### **SINGLE OUTCOME AGREEMENTS**

A report was submitted by the Chief Executive presenting a first draft of the new Single Outcome Agreement (SOA).

After discussion and having heard the Chief Executive and the Section Head – Performance Management in further explanation and in answer to Members' questions, the Committee agreed:-

- (1) that the local priorities, which had been identified in the corporate plan, should be reflected in the single outcome agreement;
- (2) that if any elected member wished to provide feedback on the draft Single Outcome Agreement they should contact the Section Head – Performance Management direct by 30 May 2008; and
- (3) otherwise to note the contents of the report and its Appendix.

Note: Councillor C McLaughlin left at this point in the meeting.

## **STATUTORY TRADING OPERATIONS**

A report was submitted by the Executive Director of Corporate Services providing information on Statutory Trading Operations (STO), their legal obligations and some potential costs which could affect these obligations.

After discussion and having heard the Manager of Accounting in further explanation, the Committee agreed note the contents of the report.

## **ASSETS SURPLUS TO REQUIREMENTS**

A report was submitted by the Executive Director of Corporate Services updating the Committee on the assets held surplus to requirements on the Council's balance sheet as at 31 March 2007.

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

- (1) that the Chief Executive would ascertain if a tenant was currently in residence in the property at Levenford Gatelodge and confirm the status of the proposal to dispose of Crosslet House, Dumbarton;
- (2) that the Head of Finance and ICT would investigate any other possible sites, if required; and
- (3) otherwise to note the contents of the report.

## **OFFICE OF THE SCOTTISH CHARITY REGULATOR (OSCR) AND REGISTERED CHARITABLE TRUSTS**

A report was submitted by the Executive Director of Corporate Services updating the Committee on the Office of the Scottish Charity Regulator (OSCR) regulations regarding trusts/charities.

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

- (1) to note the duties which required to be fulfilled by the trustees;
- (2) to note the ongoing work to improve the charitable trusts administration and management by the Council on behalf of the trustees; and
- (3) to note that the Council intended to approach OSCR with a re-organisation proposal.

## **DEBTOR AND BAD DEBT PROVISIONS**

A report was submitted by the Executive Director of Corporate Services providing up to date information on the review of bad debt provisions.

After discussion and having heard the Manager of Exchequer and Mr Macrae, KPMG LLP in further explanation and in answer to Members' questions, the Committee agreed to note the review of debtor valuations and bad debt provisions.

## **PENSION PROVISIONS – GROUP ACCOUNTS**

A report was submitted by the Executive Director of Corporate Services providing information on pension provisions and liabilities for West Dunbartonshire Council in respect of the Council, the Police and Fire Boards.

After discussion and having heard the Head of Finance and ICT in further explanation and in answer to Members' questions, the Committee agreed to note the contents of the report.

Note: Councillor Rooney left at this point in the meeting.

## **INTERNAL AUDIT ACTION PLANS TO 29 FEBRUARY 2008 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, system action plans issued to the directorates from 1 January 2008 to 29 February 2008; and
- (b) advising of the progress being made in actioning recommendations contained within key Internal Audit and External Audit reports which management had committed to implementing.

After discussion and having heard Manager of Audit in further explanation and in answer to Members' questions, the Committee agreed to note the contents of the report.

## **ACTIVITY ON WHISTLEBLOWING HOTLINE**

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

After discussion and having heard the Manager of Audit in further explanation and in answer to Members' questions, the Committee agreed to note the developments in relation to the Council's Whistleblowing Hotline.

The meeting closed at 12.15 p.m.