

**MINUTES of MEETING of the MIDLOTHIAN COUNCIL AUDIT COMMITTEE** held in the Council Chambers, Midlothian House, Buccleuch Street, Dalkeith on Tuesday, 9 December 2014 at 11.00 am.

**Present:** - Mr Smaill (Independent Chair); and Councillors Baxter, Bryant, Milligan and Muirhead,

**Apologies for Absence:-** Councillors Thompson and de Vink.

### **1 Declarations of Interest**

There were no declarations of interest.

### **2 Minutes**

The Minutes of Meeting of 28 October 2014 were submitted and approved.

Arising from consideration of the foregoing minutes, the Committee agreed that a transcript of the debate in relation to Newbyres Crescent, Gorebridge, be made available to Elected Members, on the basis that it remained confidential as there might be disclosed exempt information as defined in paragraphs 9 and 12 of Part I of Schedule 7A to the Local Government (Scotland) Act 1973.

(Action: Legal and Secretariat Manager).

### **3 Audit Scotland Report on Self Directed Support Implementation**

There was submitted report, dated 13 October 2014, by the Head of Adult and Social Care, (i) advising the Committee of the findings of an Audit Scotland report on the implementation of Self Direct Support (SDS); and (ii) presenting the findings of the Self Assessment Checklist contained in the Audit Scotland Report, which was also submitted.

The report explained that with effect from 1 April 2014, individuals who had been assessed for a social service were entitled to be given one of four options to access the service, i.e. Direct Payment; Individual Budget; Direct Service; or a combination of the preceding three options. Audit Scotland had conducted an audit to examine councils' progress in implementing SDS between December 2013 and February 2014. The report detailed the work undertaken to date to implement Self Directed Support and also advised that the key recommendations arising from the Audit Scotland report had been incorporated into the implementation plan for SDS and which was incorporated into the report.

**Decision**

- (a) To note that the Direct Service currently provided by the Council would be kept under review to ensure its financial viability;
- (b) To note that in the event that Direct Service provision was found to be unviable, that this would not result in services being withdrawn from clients;
- (c) To note the provisions of the legislation governing private sector contractors and the powers available to the Council where a risk was identified;
- (d) To note that a progress report would be submitted in the Autumn of 2015 ; and
- (e) To otherwise note the report.

(Action: (d) Head of Adult and Social Care).

**4 Audit Scotland Risk Assessment Report 2014 – Housing Benefit**

With reference to paragraph 6 of the Minutes of the Cabinet of 18 November 2014, there was submitted report, dated 18 November 2014, by the Director, Resources, incorporating a report, dated 13 October 2014, by the Joint Director, Health and Social Care, advising that following an audit of Housing Benefits in Revenues Services, an Improvement Plan had been developed in response to the Risk Assessment Report published by Audit Scotland in September, 2014. The Plan demonstrated the Council's commitment to address the recommendations contained within the Audit Report and how measurable improvements in performance would be secured. The improvement plan had been incorporated into the report.

Thereafter, the Committee heard from Ms A Cairns, Audit Scotland, in amplification of the Audit Scotland report.

**Decision**

- (a) To note that the Performance Review and Scrutiny Committee had requested information from officers on the timeline of reports on this subject having regard to comments contained in the Audit Scotland report regarding the Committee's role in this matter;
- (b) To note the improvement in performance in respect of the accuracy of claims and awards and the times taken to process new and change of circumstance claims;
- (c) To note that the Fraud Team would transfer to the Department of Work and Pensions during the course of 2015;
- (d) To note that differences in Midlothian reported performance and DWP reported performance derived from different data collection methods; and

- (e) To otherwise note the report.

## **5 Internal Audit Recommendations**

There was submitted report, dated 28 November 2014, by the Internal Audit Manager, providing the Committee with an update on the number of recommendations made by Internal Audit over the last four years (including the year to date) and reporting on the number that were complete; those that had not yet reached their agreed implementation date; and those that were overdue. The report concluded that the substantial majority of recommendations made by Internal Audit had either been implemented or were on schedule to meet their completion date (92%). In respect of those that were time expired, Internal Audit would continue to monitor and report on progress to the Corporate Management Team and the Audit Committee.

### **Decision**

- (a) To note that in respect of those matters reported as not yet complete, work was ongoing and that the audit recommendations would be implemented;
- (b) To note specifically in respect of Frameworki, the outstanding issues related to staff training and that all recommendations would have been acted upon by 31 December 2014;
- (c) That future reports of this nature summarise the Covalent reports in respect of the subject matter;
- (d) That officers investigate Elected Members being provided with access to Covalent; and
- (e) To otherwise note the report and the status of each of the Audit recommendations.

(Action: Internal Audit Manager)

## **6 Update on Progress with the 2014/15 Internal Audit Plan**

There was submitted report, dated 20 November 2014, by the Internal Audit Manager, providing the Committee with a summary of the work performed by Internal Audit since April 2014 and detailing the work that the team intended to complete up to the end of June 2015. The report also provided a summary of changes from the initial Plan to take account of the temporary absence of a member of the Internal Audit team through maternity leave. The updated plan was therefore dependant on securing a suitable alternative resource.

### **Decision**

- (a) To note the work completed by the Internal Audit Section since April 2014;

- (b) To note the proposed changes to the Audit Plan for the period up to the end of June 2015; and
- (c) To note that a further report would be submitted detailing any impact on the current year plan should there be difficulty in recruiting to the vacant post.

(Action: Internal Audit Manager)

## **7 Exclusion of Members of the Public**

In view of the nature of the business to be transacted, the Committee agreed that the public be excluded from the meeting during discussion of the undernoted item, as contained in the Addendum hereto, as there might be disclosed information as defined in paragraphs 6 and 14 of Part I of Schedule 7A to the Local Government (Scotland) Act 1973:-

Internal Audit Report - Review of Controls Operating over Purchase to Pay – To note that the control framework was of a good standard with only minor elements of risk identified which were either accepted or being dealt with by management and to endorse the management action plan to address those issues identified during the audit.

The meeting terminated at 12.00 pm.