

MINUTE
of
EAST RENFREWSHIRE COUNCIL

Minute of Special Meeting held at 4.00pm in the Council Chamber, Council Headquarters, Giffnock on 24 September 2015.

Present:

Provost Alastair Carmichael	Councillor Ian McAlpine
Deputy Provost Betty Cunningham	Councillor Stewart Miller
Councillor Tony Buchanan	Councillor Mary Montague
Councillor Jim Fletcher (Leader)	Councillor Paul O’Kane
Councillor Charlie Gilbert	Councillor Tommy Reilly
Councillor Barbara Grant	Councillor Ralph Robertson
Councillor Elaine Green	Councillor Gordon Wallace
Councillor Kenny Hay	Councillor Vincent Waters
Councillor Alan Lafferty	

Provost Carmichael in the Chair

Attending:

Lorraine McMillan, Chief Executive; Caroline Innes, Deputy Chief Executive; Mhairi Shaw, Director of Education; Andy Cahill, Director of Environment; Julie Murray, Chief Officer – Health and Social Care Partnership; Margaret McCrossan, Head of Accountancy (Chief Financial Officer); Barbara Clark, Chief Accountant, Eamonn Daly, Democratic Services Manager and Linda Hutchison, Senior Committee Services Officer.

Apologies:

Councillors Danny Devlin and Gordon McCaskill.

DECLARATIONS OF INTEREST

1733. There were no declarations of interest intimated.

ANNUAL ACCOUNTS FOR THE COUNCIL’S CHARITABLE TRUSTS AND EXTERNAL AUDIT REPORT FOR 2014/15

1734. Under reference to the Minute of the meeting of the Audit & Scrutiny Committee held earlier that day (Page 1615 Item 1729 refers), the Council considered a report by the Chief Executive advising that the Audit of the 2014/15 Annual Accounts for the seven charitable trusts for which the Council acted as trustee had been completed and that a copy of each of the accounts was now submitted for consideration. In addition, the External

Auditor's report in respect of the trusts, in compliance with the International Standard on Auditing (ISA) 260, was also submitted for consideration.

Referring to the discussions that had taken place at the meeting of the Audit & Scrutiny Committee, Councillor Wallace, Chair of the committee, highlighted that one of the issues that had come to light was that the cost of auditing the trusts was greater than the amounts generated by them.

He referred to the committee's ongoing investigation into community grants and that this issue may be given some further consideration as part of that investigation.

Having heard Councillor Wallace the Council noted the 2014/15 Annual Accounts for each of the trusts and the associated External Auditor's report.

EAST RENFREWSHIRE COUNCIL ANNUAL ACCOUNTS AND DRAFT ANNUAL AUDIT REPORT FOR 2014/15

1735. Under reference to the Minute of the meeting of the Audit & Scrutiny Committee held earlier that day (Page 1616 Item 1730 refers), the Council considered a report by the Chief Executive regarding the Annual Accounts for 2014/15 and the associated Annual Audit Report prepared by the External Auditor. The Audit Report provided an overview of the main issues arising from the 2014/15 audit.

The Council had received an audit certificate which was unqualified. An overall surplus of £1.138m had been recorded in the Accounts. After transfers to earmarked reserves, a sum of £0.526m had been added from the non-earmarked General Fund reserve resulting in a balance of £9.034m at 31 March 2015. This represented 4.1% of the annual budgeted net revenue expenditure which was in line with Council policy on this.

Transfers totalling £4.414m had been made from the General Fund balance to specific reserves and capital expenditure of £20.833m had been invested. An operating surplus of £446,000 had been achieved on the Housing Revenue Account resulting in an accumulated surplus balance to carry forward of £953,000.

Referring to the discussions that had taken place at the meeting of the Audit & Scrutiny Committee, Councillor Wallace, Chair of the committee, was heard in relation to the comments in the External Auditor's report in relation to overpayments to providers of learning disability services due to weaknesses in internal financial controls over a number of years. This matter had been the subject of reports to the Cabinet, the former CHCP Committee and more recently the newly established Health and Social Care Partnership Integration Joint Board.

He acknowledged that the External Auditor had indicated that he were satisfied that appropriate ledger adjustments had been made and appropriate recovery action with the providers concerned taken but highlighted that the Council's accounts in previous years had been unqualified even though it was now recognised that the weaknesses had existed for some time.

Acknowledging the comments made by Councillor Wallace, Councillor Lafferty emphasised that in respect of the overpayments that had been made, officers had taken appropriate action as soon as the anomalies had been identified and all outstanding sums had been recovered.

The Council agreed to:-

- (a) approve the Council's Annual Accounts for 2014/15; and
- (b) note the Draft Annual Audit Report to the Council and Controller of Audit 2014/15 and the External Auditor's report on matters arising from the audit of the Council's 2014/15 Financial Statements prepared under requirements of ISA 260.

ANNUAL TREASURY MANAGEMENT REPORT 2014/15

1736. Under reference to the Minute of the meeting of the Audit & Scrutiny Committee held earlier that day (Page 1618 Item 1731 refers), the Council considered a report by the Chief Executive providing details of the Council's Treasury Management activities for the year ending 31 March 2015 and seeking approval that the attached list of organisations for the investment of surplus funds be approved.

The report explained that in line with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management 2011, the committee was responsible for ensuring effective scrutiny of treasury management activities and the submission of the report to the committee was in accordance with that requirement.

Having heard Councillor Wallace, Chair of the committee, the Council agreed to:

- (a) note the Treasury Management Annual Report for 2014/15; and
- (b) approve those organisations specified in the report for investment of surplus funds.

RESTRUCTURE WITHIN CORPORATE AND COMMUNITY SERVICES DEPARTMENT

1737. The Council considered a report by the Deputy Chief Executive seeking approval for a proposed senior management restructure within the Corporate and Community services Department.

The report referred to both recent retirements and imminent departures of senior managers within the department and to the opportunity this had provided to review options for strengthening leadership structures within the department.

The report explained some of the challenges facing the department in the future and outlined a proposed new management structure to deal with these.

In particular the report outlined proposals for the establishment of a new post of Head of HR, Customer and Communications, with details of the responsibilities of this post being outlined, and it being explained that it was proposed that the current HR Manager be matched into this post, with the current post being removed from the establishment.

It was also highlighted that as part of the proposed restructure responsibility for Customer First would transfer from the Head of Customer and Business Change Services to the newly created post, leaving more time for the existing head of service to deal with increased

1624

demands associated with the Council's new Modern Ambitious Council programme and the Welfare Reform agenda.

The Council approve the proposals as outlined in the report.

PROVOST