

## **AUDIT AND GOVERNANCE PANEL.**

Minutes of a remote meeting on 1 September 2021 at 10.00 a.m.

Present: Councillors Martin Dowey (Chair), Laura Brennan-Whitefield, Douglas Campbell, Alec Clark, Hugh Hunter, Lee Lyons, Helen Moonie and Arthur Spurling.

Attending: E. Howat, Chief Executive; M. Newall, Assistant Director – People; T. Baulk, Head of Finance and ICT; W. Carlaw, Service Lead – Democratic Governance; L. Duncan, Chief Finance Officer, Health and Social Care Partnership; and J. McClure, Committee Services Lead Officer.

### **Opening Remarks.**

The Chair took the sederunt and confirmed that today's meeting was not open to the press and public, which was permissible under the COVID-19 legislation. He also confirmed to Members the procedures to conduct this meeting and that this meeting would be recorded for minuting purposes only.

He referred to the recent departure of Laura Miller, Chief Internal Auditor and wished her well in her new role.

### **1. Declarations of Interest.**

There were no declarations of interest by Members in terms of Council Standing Order No. 17 and the Councillors' Code of Conduct.

### **2. Call-ins from Leadership Panel.**

The Panel noted that there were no call-ins from the Leadership Panel of 24 August 2021.

### **3. Minutes of Previous Meeting.**

The Minutes of the meetings of [22 June 2021](#) and [29 June 2021 \(Special\)](#) (issued) were submitted and approved.

### **4. Action Log and Work Programme.**

There was submitted an update of the [Action Log and Work Programme](#) for this Panel (issued).

The Head of Finance and ICT provided the Panel with an update on the status of the Action Log and Work Programme and the Panel

**Decided:** to note the current status of the Action Log and Work Programme.

## **External Audit Reports**

### **5. Audit Scotland : Local Government in Scotland Overview 2021**

There was submitted a [report](#) (issued) of 24 August 2021 by the Assistant Director – People advising the Panel of the Audit Scotland report ‘Local Government in Scotland Overview 2021’.

The Assistant Director – People provided the Panel with an overview of the report including reference to the substantial additional financial support from the Scottish Government during the Covid-19 pandemic and the further challenges for Councils due to the nature and timing of funding and advised that the Council would continue to focus on the need to ensure the Scottish Government provided sufficient additional funding to enable the Council’s continuing response to the Covid-19 pandemic. He further outlined the work carried out by Council employees supporting individuals and families during the pandemic.

Questions were raised by Panel Members in relation to:-

- (1) the pressures on this Council and the impact on the budget due to the pandemic and how this could be encapsulated into an overview report; and the Head of Finance and ICT advised that this was a challenging issue; that the Leadership Panel had requested that the Director – Place produce a detailed report on the Capital Investment Programme; that he was producing a report for Leadership Panel on the longer term financial outlook; and that Members would require to make decisions on the Council’s priorities going forward;
- (2) whether all children had the necessary tools to continue with their education, should there be another lockdown; and the Assistant Director – People advised that devices had been delivered to those children most in need, however, if other children required support or devices, this could be provided; and the Head of Finance and ICT confirmed that devices had been distributed to a number of children in South Ayrshire, however, not all households had broadband which was a national issue;
- (3) 3.3.7 of the report and “the challenges faced by Councils due to the nature and timing of the funding provided”; and the Assistant Director – People advised that one item this related to was Business Grants, where funding was provided to assist business owners, however, a large amount of officer time was required to distribute these grants;
- (4) 3.3.7 of the report which stated the Council should “continue to focus on the need to ensure the Scottish Government provides sufficient additional funding to enable the Council’s continuing response to the Covid-19 pandemic” and whether the Council was accessing all funding it was entitled to; and the Assistant Director – People advised that the pandemic and recovery from it were not over, therefore, the Council was seeking further support from the Scottish Government; and the Head of Finance and ICT further advised that the Council had reacted to all announcements regarding funding being available, had followed processes and guidelines and adhered to all timescales for achieving funding;
- (5) working with community partners and whether the Council was still engaging with its partners; and the Assistant Director – People advised that partnerships had strengthened as a result of the pandemic and were continuing to grow; and

- (6) the difficulties experienced by young carers and the impact of the pandemic on them and whether a report would be produced to reassure Members that there had been no detriment to their education; or how the Council could mitigate the impact on young carers; and the Assistant Director – People advised that the Education Service had support mechanisms in place for all young carers they were aware of, that the Council also sought support from members of the community and Elected Members to identify any young carer in need of support, however, he would liaise with colleagues in the Education Service to ensure all young carers were identified and received support.

A Member advised that a report to Leadership Panel had approved the use of the former Provost's Hardship Fund to assist young carers.

A further Member commended Council staff, particularly care workers, for the work undertaken during the pandemic in challenging circumstances; and outlined that the future operating model and lessons learned should be examined in relation to the Council buildings and office space now required. He further advised that recognition should also be given to those voluntary organisation and Council partners who had assisted the Council during the pandemic.

The Panel, having considered the content of the Audit Scotland report attached as [Appendix 1](#), including the recommendations,

**Decided:** to note the report.

### **Internal Audit Reports**

#### **6. Internal Audit – Progress Report (i) Progress of Annual Internal Audit Plan 2020/21; (ii) Progress of Annual Internal Audit Plan 2021/22; and (iii) Implementation of Internal Audit Action Plan.**

There was submitted a [report](#) (issued) of 24 August 2021 by the Chief Internal Auditor advising of internal audit's progress regarding the 2020/21 internal audit plan, progress regarding the 2021/22 internal audit plan, and directorate progress in regard to the implementation of action plans.

The Assistant Director – People provided the Panel with an overview of the report including reference to paragraph 4.1 which outlined that twenty-five audit assignments for 2020/21 were now complete, four of which had been completed since the previous progress report in June 2021.

Questions were raised by Panel Members in relation to:-

- (1) a category of assurance being “reasonable” and the Assistant Director – People advised that this was customary wording by Internal Audit and was a positive assurance, with Internal Audit having some slight concerns and an Action Plan being in place to rectify any concerns; and the Head of Finance and ICT further advised that “reasonable” indicated that the system worked well but could be improved; and that the Appendix to the report recorded any movements in the actions, noted when they were completed and was updated quarterly;

- (2) whether any actions required included training requirements; and the Head of Finance and ICT advised that this was only if there was a specific training action point;
- (3) “Progress Against Audit Action Points (due within the next 6 months)” and who would be responsible for the for artefacts outwith Museum collection being established and recorded and how this would be managed; and the Assistant Director – People advised that he would seek a response from the relevant Officer and provide a written briefing to Panel Members;
- (4) whether those actions with 0% progress were now on track; and the Assistant Director – People advised that he would liaise with the Internal Audit Service and provide a written briefing to Panel Members; and the Head of Finance and ICT further advised that, in relation to his action, it could not be completed in advance and would be finalised in the next few weeks, within the timescales outlined;
- (5) the actions required regarding cyber security; and the Head of Finance and ICT advised that this was very high on the list of Council priorities, with the Service Lead – ICT Architecture working hard to prevent any issues following a recent series of phishing e-mails attempting to access the Council’s IT systems; and
- (6) staffing within the Internal Audit Service and whether there would be slippage in the Internal Audit programme due to staff shortages; and the Chief Executive outlined the current staffing situation within Internal Audit and advised that there would be resource pressures throughout the year for this Service which Members would require to take into account; and that, once in post, the new Chief Internal Auditor, would advise Members on what matters were outstanding and Members could then make a decision on whether further resources were required for the Service.

A Member commented that it was the responsibility of the Panel to question those actions which had not been completed and had exceeded its due date; and the Chief Executive advised that she would be writing to all relevant officers to ensure their actions were updated within the relevant timescales.

The Panel, having considered the contents of the report,

**Decided:** to note the report.

#### 7. **Annual Update Report – Integration Joint Board (IJB) Performance and Audit Committee (PAC).**

There was submitted a [report](#) (issued) of 24 August 2021 by the Chief Internal Auditor providing an annual report for information to the Panel on internal audit work carried out for the Integration Joint Board (IJB) by the South Ayrshire Council and NHS Ayrshire and Arran internal auditors.

The Assistant Director – People provided the Panel with an overview of the report and advised that he was pleased to confirm that both Auditors had provided reasonable assurances.

The Panel, having considered the contents of the report

**Decided:** to note the report.

The meeting ended at 10.50 a.m.