

**CORPORATE AND COMMUNITY PLANNING**  
**STANDING SCRUTINY PANEL.**

Minutes of meeting in County Buildings, Wellington Square, Ayr,  
on 14th June 2012 at 10.00 a.m.

- Present: Councillors Brian Connolly (Chair), Andy Campbell, Douglas Campbell, Alec. Clark, Ann Galbraith, John Hampton and Brian McGinley.
- Apology: Councillor Hywel Davies.
- Attending: E. Howat, Executive Director – Corporate Services; V. Andrews, Head of Legal and Administration; C. Monaghan, Head of Policy, Performance and Communication; P. Linton, Performance and Change Management Manager; H. McLaughlin, Audit Services / Programme Review Manager; and E. Wyllie, Committee Services Officer.
- Also Attending: Councillors Bill McIntosh and Robin Reid (Portfolio-holders); and David Richardson, Audit Manager, Audit Scotland.

The Chair welcomed everyone present to the meeting, particularly newly Elected Members and introduced Officers and outlined their key role in terms of the business of this Panel.

**1. Item for Call-in.**

The Panel noted that there had been no call-ins for this meeting.

**2. Minutes of previous meeting.**

**Decided:** to note the Minutes of the previous meeting of 19th April 2012 (issued).

**3. Extracts from the Council's Standing Orders and Scheme of Delegation.**

There were submitted extracts (issued) from the Council's Standing Orders and Scheme of Delegation outlining the role of the Scrutiny Panel including the "Call-in" Process and the Annual Programme of Scrutiny Reviews together with the remit of this Panel.

The Chair commented on the format of meetings and how a flexible approach was encouraged to ensure that the views of all participants were considered to allow the Panel to make decisions on the best information available.

**Decided:** to note the terms of the extracts.

**AUDIT FUNCTION:-****4. Internal Audit Service – Internal Audit Plan 2012/13.**

There was submitted a report (issued) of May 2012 by the Audit Services/Programme Review Manager

- (1) seeking approval of the Annual Audit Plan for 2012/13 as outlined in Appendix 1 of the report which contained the areas to be audited, the time allocated for each audit and, for Members' information, the specific objectives set for the work in each item in the Plan;
- (2) advising that the audit work for the year 2011/12 had been substantially completed by the end of May 2012; and
- (3) indicating that the 2012/13 Audit Plan had been prepared to reflect the constantly changing environment in which the Council operated and also included the wider consideration of risk, with the elements being:- Core Systems; the Continuous Audit process; Regularity Work; Directorate Risks; and Directorate Assurance Statements.

A question was raised by a Member of the Panel in relation to the methodology used for high risk identification and the Audit Services / Programme Review Manager responded accordingly and explained the processes in place to mitigate risks.

**Decided:**

- (a) to approve the Annual Audit Plan for 2012/13; and
- (b) to request the Audit Services/Programme Review Manager to implement the Annual Operational Plan and provide updates on progress with the plan to future meetings of this Panel.

**5. Audit Service – Statement on Internal Controls.**

There was submitted a report (issued) of May 2012 by the Audit Services / Programme Review Manager

- (1) advising
  - (a) that he was required to present an Annual Statement on the adequacy and effectiveness of the internal control system of the Council for the year ended 31st March 2012; and
  - (b) that this statement was provided in advance of the Annual Internal Audit report which would be submitted to a future meeting of this Panel and highlighting, however, that work on the main areas in the Audit Plan for 2011/12 had been sufficiently completed to allow him to be able to issue the statement on internal controls; and
- (2) indicating that the statement was attached as an Appendix of the report together with a checklist used for the assessment of the high level review of adequacy and effectiveness of the Council's system of internal controls.

The Executive Director – Corporate Services advised that she would circulate to Panel Members for their information, the questionnaire that was distributed to Executive Directors seeking confirmation that they were satisfied prior to such a statement being included within the Annual Accounts being presented to the Council on 28th June 2012.

Thereon, various questions were raised by Members of the Panel in relation to:- virement processes; development of the Audit Plan and how this was undertaken; a request for further information relating to ongoing police investigations; effective whistleblowing procedures and ways in which members of the public could similarly report concerns; and complaint processes and Officers responded accordingly and the Head of Policy, Performance and Communication commented on customer feedback procedures which were currently being reviewed.

The Audit Services / Programme Review Manager advised that outcomes from any police investigations would be reported to Panel Members in due course and the Executive Director – Corporate Services outlined the processes in place in terms of alerting the Chair and relevant Portfolio-holder of any possible issues, in the first instance.

**Decided:** to approve the statement on Internal Controls for the financial year 2011/12.

## **WIDER SCRUTINY PANEL BUSINESS:-**

### **6. Consideration of Programme of Scrutiny Reviews.**

The Chair commented on previous reviews which had been undertaken by this Panel and indicated that there was no reason for these not to be revisited, if required and suggested that specific elements of procurement could be selected, as part of an ongoing review of procurement.

He also outlined the previous method of undertaking Reviews which involved the formation of informal Working Groups from within the membership of this Panel to focus on a particular topic with feedback reported to meetings and suggested that this process should continue. The Chair also commented on the dual function of this Panel and that this was reflected in the layout of the Agenda and recommended that Members read the Audit Handbook, the outcome of an excellent piece of review work previously undertaken by the Audit Working Group chaired by former Councillor Peddie, and a helpful guide to the Panel's Audit function.

Thereon, the Chair invited ideas from Panel Members on possible reviews and during discussion it was suggested that a review of Community Planning Partnership processes relating to Child Poverty could be considered as well as whether maximising funding opportunities to voluntary organisations should also form part of a review.

The Chair suggested that any proposals be submitted to the Executive Director – Corporate Services and the Head of Legal and Administration and that a list of previous reviews would be circulated to Members for their information.

**Decided:** that a list of previous reviews undertaken by this Panel would be circulated to Members with any suggestions to be submitted to the Executive Director – Corporate Services and the Head of Legal and Administration and that Reviews would be further considered at the next meeting of this Panel following the Council Recess.

The meeting ended at 10.40 a.m.