

CORPORATE AND COMMUNITY PLANNING
STANDING SCRUTINY PANEL (SPECIAL).

Minutes of meeting in County Buildings, Wellington Square, Ayr,
on 25th September 2013 at 2.00 p.m.

Present: Councillors Brian Connolly (Chair), Douglas Campbell, Alec. Clark, Ann Galbraith, Mary Kilpatrick and Brian McGinley.

Apologies: Councillors Andy Campbell and John Hampton.

Attending: E. Howat, Chief Executive; V. Andrews, Acting Executive Director – Resources, Governance and Organisation; T. Baulk, Chief Accounting Officer; H. McLaughlin, Audit Services Programme Review Manager; and E. Wyllie, Committee Services Officer.

Also Attending: Councillor Bill McIntosh (Portfolio-holder); and Fiona Mitchell-Knight, Assistant Director (Audit Services), Dave Richardson, Audit Manager, and Sarah Lawton, Senior Auditor, Audit Scotland.

1. Declaration of Interest.

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

Audit Function:-

2. Report to those Charged with Governance on the 2012/13 Audit.

There was submitted a report (issued) ([link attached](#)) of 18th September 2013 by the Chief Accounting Officer advising of the submission of accounts for the financial year to 31st March 2013 and the proposed Independent Auditor's report to the Members of the Council and to allow the Auditor to communicate the matters raised during the audit to the Panel.

Thereon, the Assistant Director (Audit Services) and the Audit Manager referred to the Audit Scotland report and Appendix A of this report and

- (1) commented on the clarity of the accounts and took the opportunity to thank the Chief Accounting Officer and team for their assistance during the process;
- (2) reported that all misstatements or omissions of a presentational nature identified during the audit had been amended;
- (3) highlighted that one significant adjustment had been required to the Housing Revenue Account which was corrected; and

(4) outlined the following issues being brought to Panel Members' attention regarding the appropriateness of accounting policies or accounting estimates and judgements, the timing of transactions, the existence of material unusual transactions or the potential effect on the financial statements of any uncertainties:-

- equal pay provision;
- reduction in net assets;
- common good funds long leases; and
- group accounts.

In relation to the reduction in net assets, clarification was sought with regard to the position of the value of pension fund assets and it was noted that the pension fund position could fluctuate between asset and liability depending on external factors such as the recession and contributions. It was recognised that if certain conditions improved, the financial gap would close although it was worth noting that the increase in pension liability of £26.593 million should be considered within the context of the Strathclyde Pension Fund which held approximately £11 billion.

Decided: having thanked the Chief Accounting Officer and staff and the Auditors for their work, to authorise signature of the Accounts and submission of copies to Audit Scotland by 30th September 2013.

The meeting ended at 2.10 p.m.