

## **AUDIT AND GOVERNANCE PANEL.**

Minutes of meeting in County Buildings, Wellington Square, Ayr  
on 24th November 2016 at 2.00 p.m.

Present: Siobhan White (Chair), Councillors Douglas Campbell, Ian Cochrane, Brian Connolly, Ann Galbraith and Helen Moonie.

Apologies: Councillors John Hampton and Brian McGinley.

Attending: V. Andrews, Executive Director – Resources, Governance and Organisation; L. Bloomer, Executive Director – Economy, Neighbourhood and Environment; T. Eltringham, Director of Health and Social Care; T. Baulk, Head of Finance and ICT; M. Baker, Head of Policy and Performance; D. McNeill, Treasury Manager; M. Leonard, Acting Audit Services/Programme Review Manager; and J. McClure, Committee Services Lead Officer.

### **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. Minutes.**

The Minutes of [14th September](#) and [28th September 2016](#) (issued) were submitted and approved.

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

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

With regard to item 3 of the Action Log entitled "Audit Scotland : Maintaining Scotland's Roads – A Follow-Up Report", the Executive Director – Resources, Governance and Organisation advised that this was a matter for consideration by the Ayrshire Shared Services Joint Committee and, should they identify any further issues, this report would then be re-submitted to this Panel.

The Executive Director – Economy, Neighbourhood and Environment further advised that this report had been considered by the Ayrshire Shared Services Joint Committee at its recent meeting and that she would report the findings to this Panel on finalisation of the minutes of the Joint Committee; and that, with regard to that part of the action referring to the maximum fine for any works carried out by utilities companies not being up to standard, she would discuss this matter with the Ayrshire Roads Alliance and update Panel Members in due course.

With regard to Item 4 on the Action Log entitled “Strategic Risk Management” when it had been decided to request the Director of Health and Social Care to attend this meeting, the Director updated the Panel on the position in relation to the Health and Social Care Partnership’s key risks and the work being undertaken in relation to these and responded to questions from Panel Members.

The Executive Director – Resources, Governance and Organisation advised that all items in the Work Programme were on track with the exception of the Audit Scotland National Audit Report on Social Work which would be submitted to the Integration Joint Board for consideration then to the meeting of this Panel scheduled to be held on Wednesday, 8th February 2017.

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

### **External Audit Reports.**

#### **4. External Audit Reports – Progress to 30th September 2016.**

There was submitted a report ([issued](#)) of 16th November 2016 by the Head of Policy and Performance updating the Panel on the progress that the Council had made in relation to external audit improvement actions.

Following a question from a Panel Member, the Head of Policy and Performance advised that this report covered progress made up to 30th September 2016.

**Decided:** having scrutinised the progress against the Council’s external audit improvement actions as presented in the report and having identified that no further explanation, additional work or modification was required to help expedite delivery, to note the contents of the report.

#### **5. Audit Scotland Report – Superfast Broadband for Scotland.**

There was submitted a report ([issued](#)) of 1st November 2016 by the Executive Director – Economy, Neighbourhood and Environment outlining the findings of Audit Scotland’s Superfast Broadband for Scotland Progress Report 2016 from the perspective of South Ayrshire and the Ayrshire Growth Deal and Scottish Government’s plans to extend superfast broadband connectivity to achieve 100% coverage of premises, referred to as the “reaching for 100%” (R100) project.

Questions were raised in relation to monies provided by the Scottish Government and the HIE and this Council’s contribution and the Executive Director – Economy, Neighbourhood and Environment and the Head of Finance and ICT responded accordingly.

Following a question from a Panel Member on the position for householders on the outskirts of Coylton who had an exchange-only telephone line, the Executive Director – Economy, Neighbourhood and Environment advised that she would provide a written update to Panel Members on this matter.

**Decided:** having scrutinised the content of the Audit Scotland report, considering the Key Messages and Conclusion,

- (1) to agree that Members and Senior Officers, supported by the Enterprise Service, participate in the Scottish R100 planning exercise, through
  - (a) CoSLA Leaders' Group and the Development, Economy and Sustainability Executive Group;
  - (b) SoLACE; and
  - (c) responses to future consultations by Scottish Government and the R100;
- (2) to note that the Enterprise Team would continue to work with Scottish Futures Trust and the appointed consultants through the Ayrshire Growth Deal to identify solutions that delivered ultra-fast broadband to the Aerospace Space Cluster at Prestwick and other key growth centres within Ayrshire and with the R100 Project Team to optimise premises' connectivity and speeds to those premises which would not get fibre broadband connections under the current contract; and
- (3) to request that the Executive Director – Economy, Neighbourhood and Environment and the Head of Finance and ICT note the possible financial implications for this Council regarding Superfast Broadband in relation to future budgetary considerations.

### **Internal Audit Reports.**

#### **6. Internal Audit – Progress Report (i) Follow-up of Internal Audit Action Plans; and (ii) Progress of Annual Internal Audit Plans.**

There was submitted a report ([issued](#)) of 8th November 2016 by the Acting Audit Services/Programme Review Manager updating the Panel on Directorates' progress in regard to the implementation of Action Plans and with progress on the Internal Audit Annual Plans for 2015/16 and 2016/17.

Following concerns raised by Panel Members on the Museums and Galleries Art Collection and the location of and recording of artefacts, the Acting Audit Services/Programme Review Manager advised that the audit carried out was on a sample basis only as resources did not allow for a complete audit of all artefacts to be undertaken and Panel Members requested that the Head of Enterprise, Development and Leisure provide a report to the next meeting of this Panel to update Members on the position in relation to the Council's Museums and Collections Inventory.

Questions were raised and responded to by the Acting Audit Services/Programme Review Manager in relation to the employment status of staff within Ayr Renaissance LLP; whether this Council was responsible for the accounts of the Ayr Renaissance LLP; and in relation to the one outstanding action which had required an extension.

- Decided:** (1) to request the Acting Audit Services/Programme Review Manager to submit Internal Audit progress reports to future meetings of this Panel; and
- (2) to request a report to the next meeting of this Panel from the Head of Enterprise, Development and Leisure as a response to the concerns raised by members in relation to the Museums and Galleries Art Collection audit.

### **Other Governance Reports.**

#### **7. Treasury Management Mid-Year Report – 2016/17.**

There was submitted a report ([issued](#)) of 14th November 2016 by the Head of Finance and ICT providing a mid-year treasury management update for the financial year 2016/17.

Questions were raised by Panel Members in relation to Capital Financing Costs and where these costs were funded from; and why the General Services Capital Receipts had significantly increased in 2016/17 between the original estimate and the latest estimate and the Head of Finance and ICT responded accordingly to these questions; and whether borrowing from the Green Investment Bank had been considered; and the Council's proposals for obtaining monies from the £800m expected to be awarded to Scotland in the next five years as outlined in the Chancellor's recent statement and the Treasury Manager responded accordingly.

**Decided:** following scrutiny of the report, to remit this matter to the meeting of South Ayrshire Council of 15th December 2016.

The meeting ended at 3.30 p.m.