

AUDIT AND GOVERNANCE PANEL (SPECIAL).

Minutes of meeting in County Buildings, Wellington Square, Ayr
on 26 August 2020 at 10.00 a.m.

Present: Councillor Martin Dowey (Chair).

Present Councillors Alec Clark, Hugh Hunter, Lee Lyons, Helen Moonie and
Remotely: Arthur Spurling.

Apology: Councillor Chris Cullen.

Attending: T. Baulk, Head of Finance and ICT; W. Carlaw, Service Lead – Democratic
Governance; T. Simpson, Service Lead – Corporate Accounting; and A. Gibson,
Committee Services Officer.

Attending L. Miller, Chief Internal Auditor, D. Urquhart, Senior Investigations Officer; and
Remotely: K. Watt, Deloitte.

1. 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.

Having heard a Member of the Panel in relation to the press and public not being allowed access to meetings of the Council at this present time, the Service Lead – Democratic Governance responded further advising of the reasons for this not being permissible.

2. 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.

3. Minutes of Previous Meeting.

The Minutes of the meeting of [26 February 2020](#) (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 Panel noted that a report relating to Kyle Day Centre would be submitted to the next meeting of this Panel as shown in the Work Programme.

Following a question from a Member of the Panel relating to a report regarding "Best Value Working Group – Updated Action Plan" intended to be considered by this Panel

as its meeting on 24 September 2020, the timelines on the work undertaken prior to the submission of this report were explained and the involvement Members would have. Having heard further from a Member of the Panel, it was agreed that the Head of Finance and ICT would report back to Members whether it was appropriate that regular updates on the Budget Working Group be provided to them, bearing in mind that information relating to the Budget was available in reports presented to the Leadership Panel.

The Panel

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

External Audit Reports.

5. Annual Accounts 2019/20.

There was submitted a [report](#) (issued) of 20 August 2020 by the Head of Finance and ICT presenting the unaudited Annual Accounts for the year ended 31 March 2020 (“the unaudited Accounts”).

The Service Lead – Corporate Accounting provided an update to Panel on the present position with the Annual Accounts.

The Panel thanked the Service Lead – Corporate Accounting and his team for the work undertaken in preparing this report.

Following a question from a Member of the Panel regarding the depreciation of plant equipment, the Service Lead - Corporate Accounting advised how figures in this regard were calculated.

Having heard a Member of the Panel, it was noted that in “Miscellaneous Services”, a part of this amount related to a number of corporate items of expenditure not specific to one particular service area and that for “Charitable Trusts”, it would be examined how best to present information in this area in future reports to this Panel.

Following an issue raised by a Member, it was agreed that the Head of Finance and ICT would examine the possibility of providing further Members’ Seminars to help them easily understand and interpret budget information presented.

The Panel

Decided:

- (1) to approve the accounting policies (contained in Appendix 1) used in preparing the 2019/20 Annual Accounts;

- (2) having considered the unaudited Annual Accounts (Appendix 1) (previously circulated to members of the Panel for information prior to submission to the Council's external auditors), to note that all figures remained subject to audit;
- (3) having considered the unaudited Charitable Trust Accounts (Appendices 2 and 3) (previously issued to members of the Panel for information prior to submission to the Council's external auditors), to note that all figures remained subject to audit; and
- (4) to request the Head of Finance and ICT to report back to the Panel following completion of the audit.

6. Corporate Fraud Team Activity Report.

There was submitted a [report](#) (issued) of 20 August 2020 by the Chief Internal Auditor advising of the Corporate Fraud Team's (CFT) activity from October 2019 to March 2020.

A Member of the Panel intimated that the report indicated that the Fraud Team had identified a large saving relating to non-domestic rates (Empty Property Exercise). The Senior Investigations Officer advised this arose from three particularly high valued cases.

After a Member of the Panel enquired if the reasons behind Housing Tenant Debt Locate and Trace was ever investigated, the Senior Investigations Officer advised that their role was to locate individuals, with reasonable success in this area.

A Member of the Panel enquired about blue badge investigations. The Senior Investigations Officer advised that the majority of referrals for this were from parking attendants, with one case having been reported to the Procurator Fiscal.

The Panel, having considered the report,

Decided: to note the activity of the CFT from October 2019 to March 2020.

7. Internal Audit – Progress Report (i) Progress of Internal Audit Plan 2020/21; and (ii) Implementation of Internal Audit Action Plans.

There was submitted a [report](#) (issued) of 20 August 2020 by the Chief Internal Auditor outlining Internal Audit's progress regarding the 2020/21 internal audit plan; and directorate progress regarding the implementation of action plans.

The Panel thanked the relevant officers for producing this report during the COVID-19 pandemic.

Following a question from a Member, the Chief Internal Auditor reported that, due to the current pandemic, revised ways of working by staff were already in place.

A Member of the Panel indicated his support for the Chief Internal Auditor in exercising flexibility as the needs of the business changed on an ongoing basis. It was agreed that the Service Lead – Democratic Governance would, following the meeting, speak to a Member of the Panel who had concerns that this Panel, by that statement, may be agreeing delegated powers.

A Member of the Panel enquired as to the position of Governance Arrangements in HSCP. It was agreed that the Chief Internal Auditor would provide an update to Members by way of a Briefing Note prior to the next meeting of this Panel.

The Panel, having considered the report,

Decided: to note the contents of the report.

8. **Treasury Management Annual Report.**

There was submitted a [report](#) (issued) of 20 August 2020 by the Head of Finance and ICT presenting, in line with the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management, the annual report of treasury management activities for 2019/20 (as attached at Appendix 1); and seeking members' consideration of the contents.

Following a question from a Member of the Panel, it was noted that the Council had the powers to raise or lower borrowing limits.

Having heard a Member of the Panel enquire if, given there was a significant change to circumstances, would Members be informed, the Head of Finance and ICT advised that updates were provided by means of an interim report, to be presented to this Panel in November of this year.

Having considered the Annual Treasury Management Report 2019/20, as attached at Appendix 1, the Panel

Decided: to remit the Annual Treasury Management Report to the next Leadership Panel meeting on 15 September 2020 for approval.

The meeting ended at 11.20 a.m.