

AUDIT AND GOVERNANCE PANEL.

Minutes of meeting in County Buildings, Wellington Square, Ayr and remote on 4 November 2020 at 10.00 a.m.

Present: Councillor Martin Dowey (Chair).

Present Councillors Douglas Campbell, Alec Clark, Hugh Hunter, Helen Moonie and Remotely: Arthur Spurling.

Apologies: Councillors Chris Cullen and Lee Lyons (due to connectivity issues).

Attending: T. Baulk, Head of Finance and ICT; and J. McClure, Committee Services Lead Officer.

Attending M. Newall, Assistant Director – People; L. Miller, Chief Internal Auditor; and Remotely: W. Carlaw, Service Lead – Democratic Governance.

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.

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. Call-ins from Leadership Panel.

The Panel noted that there were no call-ins from the Leadership Panel of 27 October 2020.

4. Minutes of Previous Meeting.

The [Minutes](#) of the meeting of 24 September 2020 (issued) were submitted and approved.

5. 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 an update on the status of the Action Log and Work Programme and

- (1) advised that there was one outstanding item in the Action Log entitled “Annual Accounts 2019/20” and that training for members on this matter would be arranged next year, towards the end of the financial year;
- (2) sought approval for item 10 in the Work Programme entitled “Corporate Lets” scheduled to be considered on 2 December 2020, to be continued to a future meeting of this Panel to allow a full assessment to be carried out, as there had been no current lets due to Covid-19.

Following a question from a Panel Member on Corporate Lets, the Head of Finance and ICT confirmed that these were lets of Council properties such as schools, activity centres, etc.

The Panel

Decided:

- (a) to note the current status of the Action Log and Work Programme; and to
- (b) to agree that Item 10 on the Work Programme, “Corporate Lets” be continued to a future meeting of this Panel.

External Audit Reports.

6. Audit Scotland: Local Government in Scotland Overview 2020.

There was submitted a [report](#) (issued) of 26 October 2020 by the Assistant Director – People advising of the Audit Scotland report ‘Local Government in Scotland Overview 2020’.

The Assistant Director – People highlighted the challenges facing Local Government, presently and in the future; the key messages within the report and the report’s recommendations; and referred to the collaborative working which had taken place during the Covid-19 pandemic and the great achievements during this time.

Comments were made by a Panel Member on the need for flexibility by staff and in the way which the Council operated and enquired that, as many experienced and skilled staff were leaving the organisation, was the Assistant Director confident that the remaining staff could carry out these duties or was further work on workforce planning required and the Assistant Director – People advised that, as the effects of Covid-19 would remain for some years, it was difficult to evaluate what was required, however, staff levels would require to be assessed as working practices had changed. The Chief Executive further advised that a report on workforce planning was being considered by the Service and Performance Panel at its meeting of 17 November 2020.

Further comments were made by a Panel Member on workforce planning and the need to ensure that Council Officers were given the opportunity to excel; and he referred to the decision making powers granted to Managers in relation to their service; and the Chief Executive advised that some Managers had embraced this challenge whilst others were more reluctant to make decisions and that work would be done with those Managers who were more reluctant to make decisions, to allow them to take matters forward.

A Member commented on 20% of the Council's income being through tax raising revenue; the difficulties in planning for the future due to the changes in legislation and the changes in demands of services; the need to maximise the Council's income; and the need for fewer Council premises due to the flexibility of staff and working from home.

A Panel Member commented that the Council was facing challenges with a decreasing budget and asked if public engagement was required to establish the public's views on core services and how to progress these; and the Assistant Director – People advised that the Place Planning toolkit would be used to identify what communities required and their priorities and that there were certain statutory functions which the Council had a duty to provide. The Chief Executive further advised that the Council's priorities were set by Elected Members and delivered by Officers and that this was a crucial time in Local Government to focus on priorities.

Comments were made by a Panel Member on the importance of the Council being a paperless authority and working electronically, especially as working from home continued; and raised questions regarding the Council's position on the living wage and the gender pay gap. The Head of Finance and ICT advised that all staff were paid the living wage, however, he did not have details on the gender pay gap but would obtain this information and respond to the Panel Member in writing on this matter.

Following a comment from a Panel Member that a briefing on this report would be helpful, the Panel agreed to request an Elected Members' Briefing.

The Panel, having considered the content and recommendations of the Audit Scotland report, attached as Appendix 1 to the report and having considered the questions for Members, detailed in Appendices 1 and 2.

Decided:

- (1) to note the contents of the report; and
- (2) to request that an Elected Members Briefing be arranged on the contents of this report.

7. Internal Audit - Progress Report (i) Progress of Internal Audit Plan 2020/21 (ii) Implementation of Internal Audit Action Plans (iii) Quality Assurance and Improvement Programme.

There was submitted a [report](#) (issued) of 26 October 2020 by the Chief Internal Auditor advising of internal audit's progress regarding the 2020/21 internal audit plan, directorate progress in regard to the implementation of action plans, and the most recent quality assurance and improvement programme.

The Chief Internal Auditor advised that the 2020/21 Audit Plan had been approved on 26 March 2020 under the 2020 Covid-19 Pandemic Emergency Powers and that this report compared progress against the original plan; and gave an update on the present position.

Following a question from a Panel Member on whether the Quality Assurance and Improvement Programme was carried out annually, the Chief Internal Auditor advised that the last external review took place in 2018 which resulted in a number of actions and therefore the preference was to continue with annual self assessments at this time. However, her intention was for the self assessment to be carried out every other year after the next external review takes place.

A Member commented that, whilst it was reassuring that Council Officers were seeking advice from Internal Audit, it was concerning that this was having an impact on the Officers of Internal Audit carrying out their duties and the Chief Internal Auditor advised that she encouraged Officers to seek advice on internal controls, however, this work tended to be time critical and then took precedence over the planned work of Internal Audit; and she outlined the types of requests received from Officers.

Following a Member expressing her pleasure at the progress made with "Museums and Galleries – Art Collection" and thank the staff involved, the Chief Internal Auditor advised that further progress was likely to have been made since the last update provided in Pentana.

Questions were raised by a Member on

- (1) "Property Leases" and the impact of COVID-19 on the progress with the review, and the Chief Internal Auditor advised that she would liaise with the Service Lead to establish the present position;
- (2) the review of non-HRA properties being conducted by Asset Management alongside Housing, and the Chief Internal Auditor advised that she would clarify the position with the Service Lead; and
- (3) "Tourism and Events – Following the Public Pound" and how the money was being used and the Chief Internal Auditor advised that the Head of Finance and ICT and the Head of Legal, HR and Regulatory Services were currently compiling a Code of Practice for all Council Services to follow in respect of funding provided to external bodies.

Following a question from a Member on the centralised register of agreements with external bodies under the heading “Tourism and Events – Following the Public Pound” having made no progress, the Chief Internal Auditor advised that consideration was being given to which service would hold the register and that she was awaiting clarification on this; and the Head of Finance and ICT further advised that he was currently working on guidance notes and had completed the first draft and prof-formas; that 85% progress had been made on the overall project; and that this would be completed by the end of the year.

The Panel, having considered the report and thanked the Chief Internal Auditor and her staff for their work on this matter,

Decided: to note the contents of the report.

8. Revised Internal Audit Plan 2020/21.

There was submitted a [report](#) (issued) of 26 October 2020 by the Chief Internal Auditor seeking approval for a revision to the internal audit plan for 2020/21.

The Panel, having thanked the Chief Internal Auditor and her staff for their work during these challenging times,

Decided: to approve the revision to the 2020/21 internal audit plan.

The meeting ended at 11.00 a.m.