

AUDIT AND GOVERNANCE PANEL.

Minutes of meeting in County Buildings, Wellington Square, Ayr
on 20th June 2017 at 10.00 a.m.

Present: Councillors Peter Convery (Chair), Alec Clark, Chris Cullen, Martin Dowe, Hugh Hunter, Helen Moonie and Arthur Spurling.

Apology: Councillor Brian Connolly.

Attending: V. Andrews, Executive Director – Resources, Governance and Organisation; T. Baulk, Head of Finance and ICT; M. Baker, Head of Policy and Performance; 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 18th April 2017 ([issued for information](#)) were submitted and noted.

3. Action Log and Work Programme.

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

Having heard

- (1) the Executive Director – Resources, Governance and Organisation outline the purpose of the Action Log and Work Programme; advise that the Work Programme would be developed over the period of recess; and respond to questions in relation to the Welfare Reform Group, the relationship between this Panel and the other “Scrutiny Panels” and when the Amended Internal Audit Charter and PSIAS Internal Assessment report would be presented to this Panel for scrutiny; and
- (2) the Head of Finance and ICT advise that problems had been experienced obtaining information from the Department of Work and Pensions, however, he would ascertain the current position regarding “obtaining details of benefit sanctions applied incorrectly and subsequently overturned” as outlined on the Action Log and report back to Panel Members,

the Panel

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

4. **Remit of Panel.**

There were submitted excerpts from the Council's Standing Orders Relating to Meetings and the Scheme of Delegation (**issued**) outlining the general function and the remit of the scrutiny-type Panels.

Having heard the Executive Director – Resources, Governance and Organisation outline that the Audit Committee Handbook was the other document which was key to this Panel, the Panel

Decided: to note its remit.

External Audit Reports.

5. **External Audit Reports – Progress to 31st March 2017.**

There was submitted a report (**issued**) of 12th June 2017 by the Head of Policy and Performance providing an update on the progress that the Council was making in relation to external audit improvement actions.

Questions were raised and responded to regarding the Internal Controls Report 2015/16 and the due date for the health checks and the Head of Finance and ICT advised that the due date of 30th June 2017 would be achieved and processes would be in place by then; the date for the final report to be delivered on the vulnerability of the ICT system and the Executive Director – Resources, Governance and Organisation advised that the outcome of the recently completed Audit on this matter was being discussed by Management and that a report would be submitted to Panel in due course; and the lack of a Council workforce plan and the Executive Director – Resources, Governance and Organisation advised that work was ongoing on this matter in accordance with the agreed action from last year's Audit Report and the Panel

Decided: having scrutinised the progress against the Council's external audit improvement actions as outlined in the report, to note the contents of the report.

6. **Audit Scotland : Local Government in Scotland – Performance and Challenges 2017.**

There was submitted a report (**issued**) of 5th June 2017 by the Executive Director – Resources, Governance and Organisation outlining the findings from the Audit Scotland report 'Local Government in Scotland – Performance and Challenges 2017'.

Following a concern from a Panel Member on the reduction in training budgets nationally, particularly due to staff being redeployed and requiring additional training, the Executive Director – Resources, Governance and Organisation advised that the Council's training budget was not corporate and each Directorate held its own budget, that the importance of appropriate training for staff was well recognised and that necessary training would be provided to staff in all Directorates

Following a comment from a Panel Member that Elected Members required to have more awareness of Community Planning matters, the Executive Director – Resources, Governance and Organisation advised that she would feed this back to the Chief Executive.

Having heard a Panel Member enquire, in relation to Named Persons provision, if detailed arrangements were in place for school holidays or if it was for Local Authorities to arrange, the Executive Director – Resources, Governance and Organisation advised that she would request that an update to Members on the current position in relation to Named Person provision be provided by relevant officers.

Questions were then raised and responded to by the Executive Director – Resources, Governance and Organisation and the Head of Finance and ICT in relation to: budget monitoring; the Council's difficulty in controlling spending in relation to education and social care due to the increasing demand for services and the moves to centralisation/regionalisation; procurement and tendering; the Ayrshire Growth Deal; and the performance of the Health and Social Care Partnership and, following discussion and having heard the Executive Director – Resources, Governance and Organisation outline the challenges ahead in relation to budget setting and service delivery, the Panel

Decided: to note the findings outlined in the Audit Scotland report 'Local Government in Scotland – Performance and Challenges 2017' (attached as Appendix 1 to the report) and implications for the Council as discussed.

Internal Audit Reports.

7. Internal Audit – Progress Report (i) Follow Up of Internal Audit Action Plans; (ii) Progress of Annual Internal Audit Plans.

There was submitted a report ([issued](#)) of 5th June 2017 by the Acting Audit Services/Programme Review Manager advising of Directorates' progress in regard to the implementation of action plans; and with progress on the Internal Audit Annual Plan.

Questions were raised and responded to by the Acting Audit Services/Programme Review Manager in relation to the year end processes for the Property Maintenance Service budget; stock check procedures for Property Maintenance; and how Action Plans were monitored to ensure actions were completed and the Panel

Decided: having considered the contents of the report, to request the Acting Audit Services/Programme Review Manager to submit Internal Audit progress reports to future meetings of this Panel.

8. Internal Audit Service – Internal Audit Plan 2017/18.

There was submitted a report (**issued**) of 2nd June 2017 by the Acting Audit Services/Programme Review Manager seeking approval of the annual internal audit plan for 2017/18, attached as Appendix 1 to the report.

A full discussion took place on the auditing of Community Council accounts and the costs associated with this; and if checks were carried out to ensure that funding granted to organisations was used for its intended purpose and the Acting Audit Services/Programme Review Manager confirmed that sample checks were carried out on these funding awards.

Following a question on whether private care homes were audited, the Acting Audit Services/Programme Review Manager outlined that only Council-owned care homes were audited by Internal Audit staff.

Questions were then raised and responded to by the Acting Audit Services/Programme Review Manager and the Head of Finance and ICT in relation to what areas were being examined with the coding of budgets and the asset register audit; and the level and frequency of financial information provided to Members each reporting period; and the Panel

Decided:

- (1) to approve the annual audit plan for 2016/17, attached as Appendix 1 to the report; and
- (2) to request the Acting 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.

The meeting ended at 11.45 a.m.