

## **AUDIT AND GOVERNANCE PANEL.**

Minutes of meeting in County Buildings, Wellington Square, Ayr  
on 29th August 2017 at 10.00 a.m.

Present: Councillors Peter Convery (Chair), Alec Clark, Brian Connolly, Martin Dowey, Hugh Hunter and Helen Moonie.

Apologies: Councillors Chris Cullen and Arthur Spurling.

Attending: V. Andrews, Executive Director – Resources, Governance and Organisation; T. Baulk, Head of Finance and ICT; R. Riddiough, Head of Legal and Democratic Services; M. Baker, Head of Policy and Performance; D. Burns, Head of Housing and Facilities; M. Leonard, Acting Audit Services/Programme Review Manager; D. McNeill, Treasury 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 20th June 2017 ([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](#)).

Having heard

(1) the Head of Finance and ICT advise

- (a) that in relation to item (1) on the Action Log entitled "Audit Scotland : A Review of Housing Benefit Fraud Investigation Liaison Arrangements" when Panel Members had requested information on benefit sanctions applied incorrectly and subsequently overturned, the DWP had now advised that this information was not recorded, therefore, could not be provided;
- (b) that in relation to item (2) on the Action Log entitled "Audit Scotland : A Review of Housing Benefit Fraud Investigation Liaison Arrangements" when Panel Members had requested that the Welfare Reform Group consider the type of information to provide to Members and how best to provide this information, the Welfare Reform Group would be meeting on 30th August 2017 and an update would be provided to the next meeting of this Panel on this matter;

- (2) the Acting Audit Services/Programme Review Manager advise that, in relation to item (3) on the Action Log entitled “Corporate Fraud Team – Activity Report”, an update would be provided in October 2017; and
- (3) the Head of Policy and Performance advise that, in relation to item (4) on the Action Log entitled “Delivering Good Governance”, an Audit Scotland Briefing and Workshop had been arranged to take place on Wednesday, 27th September 2017 which would cover roles, responsibilities and governance and

the Panel

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

### **External Audit Reports.**

#### **4. Best Value Follow-up.**

There was submitted a report (**issued**) of 18th August 2017 by the Head of Policy and Performance providing an update on progress against the Best Value Action Plan agreed by Council on 30th August 2016.

The Head of Policy and Performance provided an update on the outcome of discussions at the recent Best Value Working Group and outlined the priorities of this Group.

A full discussion then took place in relation to the most appropriate way to engage and consult with communities and it was noted that the move towards online consultations should not be at the expense of those members of the community with no internet access.

Having heard a Member express concerns that the consultation on Maybole roads and parking had not been available on this Council’s website or the Ayrshire Roads Alliance website, the Head of Policy and Performance advised that he would pursue this matter and ensure that future consultations were available on the Council’s website in accordance with standard Council practice.

**Decided:** having scrutinised the progress being made against the Best Value Action Plan as outlined in Appendix 1 to the report, to agree that this reflected adequate continuing momentum by the Council towards meeting its duty of Best Value.

#### **5. External Audit Reports – Progress to 30th June 2017.**

There was submitted a report (**issued**) of 18th August 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 vulnerabilities in the Council’s IT systems when the Executive Director – Resources, Governance and Organisation advised that a report would be submitted to Leadership Panel shortly which would be discussed in detail with the relevant portfolio holder prior to issue.

Following discussion on the Self-Assessment Checklist which had been issued to Members for completion and return to the Health and Social Care Partnership by 4th August 2017, the Head of Policy and Performance advised that he would investigate the position in relation to the number of outstanding returns and issue a reminder to Elected Members, with an extended deadline.

**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.

### **Internal Audit Reports.**

#### **6. Amended Audit Charter.**

There was submitted a report ([issued](#)) of 18th August 2017 by the Head of Policy and Performance seeking approval of an amended Internal Audit Charter.

**Decided:** to approve the Internal Audit Charter, attached as Appendix 1 to the report.

#### **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 18th August 2017 by the Head of Policy and Performance advising of progress in regard to the implementation of Action Plans and with progress on completion of the 2016/17 Internal Audit Annual Plan and the progress on the 2017/18 Internal Audit Plan.

Following a full discussion on the accountability of officers of the Ayrshire Roads Alliance (ARA), the procedures for monitoring ARA spending and the audit processes relating to this; and whether savings were achieved by this Council by entering into this partnership with East Ayrshire Council, the Head of Legal and Democratic Services agreed to provide a written response to questions relating to the savings to this authority from the arrangements with ARA.

Following concerns raised by Members regarding the discrepancies within the school meals income review, the Head of Housing and Facilities advised that new procedures were being trialled and, should these procedures prove successful, they would be rolled out to all schools.

Questions were raised and responded to by the Acting Audit Services/Programme Review Manager in relation to the external peer assessment by East Renfrewshire Council; and the timescale for implementing the recommendations in relation to the Scheme of Grants; and the Panel, having commended the work carried out by the Internal Auditors and having considered the contents of the report,

**Decided:** to request the Chief Internal Auditor to submit Internal Audit progress reports to future meetings of this Panel.

**8. Internal Audit Service – Annual Report 2016/17.**

There was submitted a report ([issued](#)) of 18th August 2017 by the Head of Policy and Performance advising of the work carried out by the Internal Audit Service during 2016/17.

A full discussion took place on the continuous audit review of the creditors system and the effectiveness of the recently purchased software and the Panel

**Decided:** having considered the contents of the report, to request the Chief Internal Auditor to ensure that matters arising from work on the 2017/18 Annual Audit Plan be reported to this Panel.

**9. Treasury Management Annual Report 2016/17.**

There was submitted a report ([issued](#)) of 18th August 2017 by the Head of Finance and ICT detailing, 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 2016/17, attached as Appendix 1 to the report.

Questions were raised and responded to by the Treasury Manager and a full discussion took place in relation to the use of Public Private Partnership financing models versus use of borrowing and the implications of both, and the Panel

**Decided:** having considered the Annual Treasury Management Report 2016/17, to remit this report to the meeting of South Ayrshire Council scheduled to be held on 5th October 2017 for approval.

**10. Tracking of Council/Panel Decisions.**

There was submitted a report ([issued](#)) of 18th August 2017 by the Head of Legal and Democratic Services seeking approval of the active scrutiny of the performance of officers in delivering agreed Council and Leadership Panel decisions.

**Decided:** following consideration,

- (1) to approve the arrangements in place for the scrutiny of the performance of officers in delivering agreed Council and Leadership Panel decisions; and
- (2) to agree that further annual reports were not required.

**11. Chair's Remarks.**

The Chair outlined

- (1) that a Special meeting of this Panel had been scheduled to take place on Tuesday, 26th September 2017 at 10.00 a.m. to consider the Accounts and Annual Audit Report; and
- (2) that a CIPFA Training Workshop had been arranged for Audit and Governance Panel Members to take place on Wednesday, 20th September 2017 at 12.30 p.m.

The meeting ended at 11.40 a.m.