

## **AUDIT AND GOVERNANCE PANEL.**

Minutes of meeting in County Buildings, Wellington Square, Ayr  
on 8th February 2017 at 10.00 a.m.

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

Apology: Councillor John Hampton.

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; J. Cronin, Head of Enterprise, Development and Leisure; K. Leinster, Head of Community Health and Care Services; M. Leonard, Acting Audit Services/Programme Review Manager; E. White, Manager, Culture and Sports; and J. McClure, Committee Services Lead Officer; and P. Kenny, External Auditor; S. Turner, Head of Roads, Ayrshire Roads Alliance; and D. Watt, Senior Internal Auditor, East Ayrshire Council.

### **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 24th November 2016 ([issued](#)) were submitted and approved.

### **3. Variation in Order of Business.**

In terms of Council Standing Order No. 13.2, the Chair advised that, with the agreement of the Panel,

- (1) Agenda Item No. 12 entitled "Museums and Galleries Collections Inventory" would be considered following Item No. 3 "Action Log and Work Programme"; and
- (2) Agenda Item No. 11 "Ayrshire Roads Alliance – Parking Income" would be considered at the end of the agenda as the background paper to this report was confidential and would be in discussion,

and the Panel so agreed to vary the order of business as hereinafter minuted.

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

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

With reference to item no. 1 on the Work Programme entitled “Audit Scotland National Audit Reports” when the Due Date to Panel for “Roles and Responsibilities in Scotland” was shown as “To Be Confirmed”, the Chair outlined that this report was in fact on the agenda to be considered at this meeting.

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

#### **Internal Audit Reports.**

##### 5. **Museum and Galleries Collections Inventory.**

Reference was made to the Minutes of 24th November 2016 (Page 3, paragraph 6) when it had been 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 and there was submitted a report ([issued](#)) of 11th January 2017 by the Executive Director – Economy, Neighbourhood and Environment providing further information on the Museum and Galleries Collections Inventory.

The Head of Enterprise, Development and Leisure advised that she had been aware of the issues identified in the Internal Audit report and an Implementation Plan had been introduced to address these issues; and that a digital inventory of the Collections was currently being created.

Concerns were raised by Panel Members in relation to artefacts being held in various locations; the storage of valuable artefacts; the risk of assets being unrecorded on the assets register and the monitoring of the assets register; valuable assets/artefacts being overlooked or undervalued; and the requirement for procedures to be introduced regarding the registering of assets/artefacts; and these concerns were responded to by the Manager, Culture and Sports.

Following questions from Panel Members on timescales for updating the inventory; and the appropriate storage and valuation of assets and artefacts, the Head of Enterprise, Development and Leisure advised that this authority employed a fully qualified Museums and Galleries Officer, however, it was a slow and laborious process to record each artefact; that the service continued to explore possible options for additional external funding to support this process; that the Council required to be accredited as a museum provider; and that discussions were currently being held regarding future premises for the storage of artefacts, however, this was a resource issue.

**Decided:**

- (1) to note the progress made against the Audit Action Plan as outlined in Appendix 1 to the report; and
- (2) to request that the Head of Enterprise, Development and Leisure liaise with the relevant portfolio holders regarding the issues raised by Members of this Panel.

**External Audit Reports.****6. Audit Scotland Report : Social Work in Scotland.**

There was submitted a report ([issued](#)) of 20th January 2017 by the Chief Social Work Officer advising of the findings of the Audit Scotland report 'Social Work in Scotland'.

A full discussion took place regarding the roles of the Council, the Health Board and the Integrated Joint Board in relation to governance and scrutiny; the responsibilities of Elected Members; the issues and challenges faced with joint working; the key issues and key messages from the Audit Scotland report; and Elected Members' understanding of the Health and Social Care Partnership operational and governance model.

**Decided:**

- (1) to note the findings outlined in the Audit Scotland report 'Social Work in Scotland', attached as Appendix 1 to the report;
- (2) to note the progress being made locally in South Ayrshire in meeting the key recommendations, as outlined in Appendix 2 to the report; and
- (3) that the self-assessment checklist for Council members (attached as Appendix 3 to the report) be issued to Elected Members for their completion.

**7. Best Value Follow Up.**

There was submitted a report ([issued](#)) of 30th January 2017 by the Head of Policy and Performance updating the Panel on progress made against the Best Value Action Plan as agreed by Council on 30th August 2016.

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

**8. External Audit Reports – Progress to 31st December 2016.**

There was submitted a report ([issued](#)) of 31st January 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.

**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.

**9. Audit Scotland : How Councils Work : Roles and Working Relationships in Councils – Are You Still Getting It Right?**

There was submitted a report ([issued](#)) of 30th January 2017 by the Executive Director – Resources, Governance and Organisation advising of the findings from the Audit Scotland report ‘How Councils Work : Follow-up Messages for Councils : Roles and Working Relationships in Councils – Are You Still Getting it Right?’.

**Decided:** having considered the findings outlined in the Audit Scotland report ‘How Councils Work : Follow-up Messages for Councils : Roles and Working Relationships in Councils – Are You Still Getting It Right’ (attached as Appendix 1 to the report), to agree that officers approach Audit Scotland to request that they undertake a workshop event with Elected Members later in the year following the Local Government Election.

**10. Annual Audit Plan 2016/17.**

There was submitted a report ([issued](#)) of 30th January 2017 by the Head of Finance and ICT providing background to the presentation by Deloitte on the Annual Audit Plan.

The Panel heard Pat Kenny, External Audit outline the key messages and risks within the report and questions were raised by Panel Members regarding the valuation of property assets; and scenario planning and Pat Kenny responded accordingly.

**Decided:** to agree the 2016/17 Audit Plan attached as Appendix 1 to the report.

**11. Audit Scotland : Local Government in Scotland – Financial Overview 2015/16.**

There was submitted a report ([issued](#)) of 30th January 2017 by the Executive Director – Resources, Governance and Organisation outlining the findings from the Audit Scotland report ‘Local Government in Scotland – Financial Overview 2015/16’.

**Decided:** to note the findings outlined in the Audit Scotland report ‘Local Government in Scotland – Financial Overview 2015/16’ (attached as Appendix 1 to the report).

**Internal Audit Reports.**

**12. 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 12th January 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 2016/17.

**Decided:** having considered the contents of the report,

- (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 agree the proposals at 4.8 and 4.10 of the report.

**Other Governance Reports.**

**13. Request for Second Extension – Internal Audit Action IA2014/11/RGO.03.**

There was submitted a report ([issued](#)) of 31st January 2017 seeking approval for a second extension of time to complete an outstanding Internal Audit Action Plan point, reference IA2014/11/RGO.03.

**Decided:** to approve the closure of the outstanding Internal Audit Action Plan point IA2014/11/RGO.03.

**14. Exclusion of press and public.**

The Panel resolved, in terms of Section 50A(4) of the Local Government (Scotland) Act 1973, that the press and public be excluded during consideration of the remaining item of business on the grounds that it involved the likely disclosure of exempt information in terms of paragraph 6 of Part 1 of Schedule 7A of the Act.

**Internal Audit Reports.**

**15. Ayrshire Roads Alliance – Parking Income.**

There was submitted a report ([issued](#)) of 12th January 2017 by the Acting Audit Services/Programme Review Manager advising of the findings from the Internal Audit Review of Ayrshire Roads Alliance (ARA) – Parking Income carried out by East Ayrshire Council's (EAC) Internal Audit Team.

The Panel heard the Executive Director – Economy, Neighbourhood and Environment outline that this report by East Ayrshire Council's Internal Audit Section included actions relevant to this authority and that the report would be considered at the next meeting of the Ayrshire Shared Services Joint Committee; and the Head of Roads, ARA further advised that there were thirteen recommendations within the report, some of which had been addressed and some were currently being addressed, however all issues should be addressed by April 2017.

Having heard the Chair, on behalf of the Panel, thank the relevant officers for their work on this matter, the Panel

**Decided:** having considered the findings set out in the East Ayrshire Council Internal Audit Report Executive Summary at Appendix 1 to the report, to note the contents of the report.

The meeting ended at noon