

AUDIT AND GOVERNANCE PANEL.

Minutes of meeting in County Buildings, Wellington Square, Ayr
on 8th November 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; D. McNeill, Treasury Manager; W. Clancy, Auditor; D. Urquhart, Senior Investigations Officer; 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. Call-ins from Leadership Panel.

The Panel noted that there had been no call-ins from the Leadership Panel meeting which had taken place on 31st October 2017.

3. Minutes.

The Minutes of [29th August](#) and [26th September 2017](#) (Special) (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](#)).

Following questions from Members on

- (1) the present position in relation to item 7 on the Action Plan when the Head of Legal and Democratic Services had been requested to obtain details on the savings to this authority from the arrangements with the Ayrshire Roads Alliance (ARA), the Executive Director – Resources, Governance and Organisation advised that the information had been requested and the response was awaited from the ARA. Following further discussion on this matter, it was requested that a report be submitted to a future meeting of this Panel on this authority's arrangements with the ARA and the Executive Director – Resources, Governance and Organisation advised that the Head of Legal and Democratic Services would provide this; and

- (2) those reports marked in the Work Programme as “early 2018”, the Executive Director – Resources, Governance and Organisation advised that these were reports being published by Audit Scotland, therefore, no definitive date could be given for these being submitted to this Panel for consideration.

Having heard a Member advise that it would be helpful if those reports in the Work Programme marked as “Quarterly Throughout the Year”, could show the next due date to Panel, the Executive Director – Resources, Governance and Organisation advised that this would be done for future meetings.

The Panel

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

External Audit Reports.

5. External Audit Reports – Progress to 30th September 2017.

There was submitted a report ([issued](#)) of 1st November 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.

The Head of Policy and Performance provided an update on the present position regarding targets and, following a full discussion in relation to the Self-Assessment Checklist survey, the Head of Policy and Performance advised that this survey had been re-issued to all Members with an amended return date. After discussion on the need to ensure that consultations and surveys were clear and concise, it was noted that each Group Leader should support Members requiring assistance when completing these consultation documents.

Questions were then raised and responded to by the Executive Director – Resources, Governance and Organisation and the Head of Policy and Performance in relation to progress with emphasising to new Councillors the overview and scrutiny role; progress with improving the position of the Council against the Strategic Audit Priorities; and progress with the Council’s Workforce Plan.

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.

Councillor Moonie left the meeting during discussion of the above item.

Internal Audit Reports.

6. 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 31st October 2017 by the Head of Policy and Performance advising of progress in regard to the implementation of agreed action plans and progress on the 2017/18 Internal Audit Plan.

The Head of Policy and Performance advised the Panel that the new Chief Auditor, Laura Miller, would be commencing employment following her maternity leave and that interviews would be taking place on Monday, 13th November 2017 for a temporary Chief Auditor to cover the period until Ms. Miller commenced work.

A full discussion then took place in relation to the submission of Members' expenses; the suitability of the Oracle system; the Imprest Account at the Girvan Area Office, Children and Families Services; whether there was a conflict of interest with the Chief Auditor auditing this authority and the Health and Social Care Partnership; and the inclusion of participatory budgeting when auditing the Grants to ensure the Council was Following the Public Pound.

Following a question from a Panel Member on the present position with the new system for collecting school meals income, the Auditor advised that school staff were being provided with further support in relation to this and following a request, he agreed that a further report on this could be submitted to Panel on the progress of this system.

Decided: to request the Head of Policy and Performance to submit Internal Audit progress reports to future meetings of this Panel.

7. Corporate Fraud Team – Activity Report.

There was submitted a report ([issued](#)) of 31st October 2017 by the Head of Policy and Performance advising of the Corporate Fraud Team's activity and performance from April 2017 to September 2017.

The Senior Investigations Officer provided an update on the work of the Corporate Fraud Team since it's establishment a year ago and the current investigations and a full discussion then took place in relation to credit card misuse; housing benefit fraud and the recovery of the amounts due.

Following a question from a Panel Member on whether criminal proceedings had been taken against those employees who had been investigated, the Senior Investigations Officer advised that both employees had now left the employment of the Council when interviewed; one having resigned and one taking up employment outwith the Council, but reassurance was provided that, where appropriate, procedures were in place to report cases involving possible fraud to the Police.

Decided: having considered the contents of the report, to request the Head of Policy and Performance to submit six monthly activity reports to this Panel.

8. Treasury Management Mid-Year Report 2017/18.

There was submitted a report ([issued](#)) of 31st October 2017 by the Head of Finance and ICT providing a mid-year Treasury Management update for the financial year 2017/18.

A question was raised on the perceived benefits of 25-50 year borrowing and the Treasury Manager responded to this and further advised that some of the Council's long-term debt had been repaid in this financial year; and assured the Panel that the Council had not been affected by the increased Bank of England interest rates that had occurred recently.

A full discussion then took place in relation to borrowing and investment; the Council's authorised borrowing limit and the process for increasing it, and the Panel

Decided: having congratulated the Head of Finance and ICT and his Team on this excellent and informative report and 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 14th December 2017 for approval.

The meeting ended at 11.35 a.m.