

## **AUDIT AND GOVERNANCE PANEL.**

Minutes of meeting in County Buildings, Wellington Square, Ayr  
on 21st March 2018 at 10.00 a.m.

Present: Councillors Martin Dowey (Chair), Alec Clark, Brian Connolly, Chris Cullen, Hugh Hunter, Helen Moonie and Arthur Spurling.

Apology Councillor Peter Convery.

Attending: E. Howat, Chief Executive; T. Baulk, Head of Finance and ICT; M. Baker, Head of Policy and Performance; W. Carlaw, Democratic and Governance Manager; J. McClure, Committee Services Lead Officer; and A. McGregor, Temporary Chief Internal Auditor; M. Leonard, Senior Auditor; M. Blair, Chief Auditor, East Renfrewshire Council; and P. Kenny, Audit Director, Deloitte.

### **1. Chair.**

In the absence of the Chair, Councillor Martin Dowey, Vice-Chair, Chaired the 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 had been no call-ins from the Leadership Panel meeting which had taken place on 13th March 2018.

### **4. Minutes of Previous Meetings.**

The Minutes of 24th January and 21st February 2018 (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 Panel

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

## **External Audit Reports.**

### **6. External Audit Reports – Progress to 31st December 2017.**

There was submitted a report (issued) of 12th March 2018 by the Director – People providing an update on the progress that the Council was making in relation to external audit improvement actions.

The Head of Policy and Performance highlighted that a workshop was taking place for Members later that day to assist with the completion of the self-assessment checklist regarding Social Work in Scotland 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.

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

There was submitted a report (issued) of 12th March 2018 by the Director – People providing a further update on progress against the Best Value Action Plan agreed by Council on 30th August 2016.

Following a question on whether there was a protocol for Community Engagement, the Head of Policy and Performance advised that a Community Engagement Policy would be compiled once the new Council structure was established and would be submitted to this Panel for consideration; and the Panel

**Decided:** having scrutinised the progress being made against the current Best Value Action Plan as outlined in Appendix 1 to the report, to agree to receive a new Best Value Action Plan following the meeting of the Best Value Working Group, as outlined in paragraph 4.4 of the report.

### **8. Annual Audit Plan 2017/18.**

There was submitted a report (issued) of 12th March 2018 by the Head of Finance and ICT providing background to the presentation by Deloitte on the Annual Audit Plan.

Having heard the Audit Director outline the key areas within the report and the main messages and risks, questions were raised and responded to in relation to:- the level of detail required in minutes to demonstrate evidence of scrutiny by Members; the Council's collaborative work with the NHS and IJB; the auditing of Health Board accounts; solutions for the emerging funding gap; and the Council's medium and long term financial challenges.

In terms of demonstrating evidence of scrutiny within minutes the Audit Director from Deloitte's agreed to provide examples of good practice.

The Panel, having outlined the requirement for reports to be in an easier to understand format,

**Decided:** to agree the 2017/18 Audit Plan, attached as Appendix 1 to the report.

**Councillor Cullen joined the meeting during consideration of the above item.**

**Internal Audit Reports.**

**9. 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 March 2018 by the Acting Chief Internal Auditor advising of Directorates' progress in regard to the implementation of action plans; and with progress on the 2017/18 Internal Audit Annual Plan.

The Acting Chief Internal Auditor provided an update on the review of school meals income procedures and the Panel

**Decided:** having considered the contents of the report, to request the Acting Chief Internal Auditor to bring Internal Audit progress reports to future meetings of this Panel.

**10. External Review of Internal Audit Compliance with Public Sector Internal Audit Standards.**

There was submitted a report (issued) of 12th March 2018 by the Acting Chief Internal Auditor providing an update on the outcome of the external review of the Council's internal audit service by East Renfrewshire Council's Chief Auditor.

The Chief Auditor, East Renfrewshire Council outlined the issues to be addressed, as highlighted in the report and questions were raised by Members and responded to by the Acting Chief Internal Auditor in relation to the current position of the critical priorities; the number of days to be allocated to each audit; the timescale for this Panel receiving the progress update on the Action Plan; and the reporting mechanism for the Strategic Risk Register; and the Panel

**Decided:**

- (1) to note the contents of the report at Appendix 1 and resultant action plan at Annex A of the report; and
- (2) to request that the Chief Internal Auditor provide an update on progress, by exception, to the meeting of this Panel scheduled to be held on 29th August 2018 and then every six months thereafter.

## **Other Governance Reports.**

### **11. Consideration of Confidential / Exempt Information.**

There was submitted a report (issued) of 12th March 2018 by the Chief Executive requesting that Panel Members consider the adequacy of current arrangements for the distribution/consideration of reports containing confidential/exempt information.

Having heard the Chief Executive outline her concerns regarding leaks of confidential reports to the press; the practices of other local authorities in relation to confidential papers; and the recent decision of the Leadership Panel to issue confidential reports the day before the meeting, a full discussion then took place in relation to the proposed solutions to ensure no further confidential reports were leaked including redaction of reports; the Code of Conduct; the requirement for members' briefings; the publishing of some confidential reports following consideration of the report; and providing Members with sufficient information to enable them to make decisions.

The Panel, having considered the practices adopted in other Councils as outlined in paragraph 4.1 of the report,

**Decided:** to request that the Chief Executive consider possible solutions to eradicate leaks including issuing confidential reports the day before a meeting; briefings for political groups; further information being included in reports on the reasons for the report being confidential; and technical solutions for issuing confidential reports, e.g. electronic issuing of reports with no facility to forward or print the report; and report back to Leadership Panel in due course.

The meeting ended at 11.25 a.m.