

AUDIT AND GOVERNANCE PANEL.

Minutes of meeting in County Buildings, Wellington Square, Ayr
on 24th January 2018 at 10.00 a.m.

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

Apologies: Councillors Chris Cullen and Hugh Hunter.

Attending: V. Andrews, Executive Director – Resources, Governance and Organisation; L. Bloomer, Executive Director – Economy, Neighbourhood and Environment; T. Baulk, Head of Finance and ICT; M. Baker, Head of Policy and Performance; D. Gillies, Head of Property and Risk; K. O’Hagan, Head of Employee and Customer Services; K. Leinster, Head of Community Health and Care Services; C. Boyd, Risk and Safety Manager; J. Bradley, OD and Customer Service Manager; W. Gray, Senior Manager, HSCP Planning and Performance; J. McClure, Committee Services Lead Officer; A. McGregor, Temporary Chief Internal Auditor; P. Davies, Senior Internal Auditor, East Ayrshire Council; S. Turner, Head of Roads, Ayrshire Roads Alliance; and K. Braidwood, Operations Manager, Ayrshire Roads Alliance.

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 16th January 2018.

3. Minutes.

The Minutes of 8th November 2017 (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).

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

External Audit Reports.

5. Audit Scotland : Local Government in Scotland – Financial Overview 2016/17.

There was submitted a report (issued) of 16th January 2018 by the Head of Finance and ICT advising of the findings of the Audit Scotland report 'Local Government in Scotland – Financial Overview 2016/17'.

A discussion took place regarding Capital Projects; and the benefits to the Council of borrowing while interest rates were low and the Head of Finance and ICT advised that the Council had a substantial Capital Programme and high levels of investment; and that interest rates were expected to remain low for some time; and that the issue of further borrowing could be considered by members as part of their budget considerations having regard to affordability.

A Member then outlined that it would be advantageous to seek a follow-up report with a detailed account of the key messages; the issues faced in setting the budget; a breakdown of the Council's debts; and the challenges and financial risks faced. The Head of Finance and ICT indicated that an updated Financial strategy incorporating many of the above factors would be brought forward to Council in due course following the 2018/19 budget and Council Plan and that all Members could consider the key issues in reviewing the revised Financial Strategy.

Following a discussion in relation to the challenges of setting the budget, the Head of Finance and ICT advised that it was the role of Councillors to produce the budget and that he provided the financial advice and information to allow members to make decisions.

The Panel, having commended the Head of Finance and ICT on this report,

Decided: having considered the findings of the Audit Scotland report 'Local Government in Scotland – Financial Overview 2016/17' (attached as Appendix 1 to the report), to note the report.

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 16th January 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 Temporary Chief Internal Auditor outlined the work she had carried out since taking up post and advised that, having spoken to various officers, she was amending the Internal Audit Plan on an ongoing basis; she was liaising with the new Chief Internal Auditor, Laura Miller, regarding the work currently being undertaken to ensure continuity when Ms. Miller took up her post in June 2018, when a final handover would take place; that in relation to the Benefits area, pro-active work was being undertaken by officers and a further report would be submitted to this Panel in due course on this matter; and that in respect of the Ayrshire Leader Programme, the results were positive and funding had now been received for this Authority from the Scottish Government.

The Senior Internal Auditor, East Ayrshire Council advised that in relation to the Ayrshire Roads Alliance, East Ayrshire Council had different assurance levels from this Authority; that some weaknesses had been identified and two high risk recommendations made; that the actions had now been completed and a further report would be submitted to this Panel in due course.

A discussion then took place in relation to the disparity between this Authority and East Ayrshire Council's processes and assurance levels; the acceptance of contracts when they were not the lowest priced; the Service Level Agreement between the Authorities; the work of the Ayrshire Shared Services Joint Committee; the scrutiny of Ayrshire Roads Alliance carried out by this Authority; and Members' concerns regarding this Council's lack of funding from applications to the Leader programme.

Decided: having considered the contents of the report,

- (1) to request the Acting Chief Internal Auditor to bring Internal Audit progress reports to future meetings of this Panel; and
- (2) to request the Head of Communities to bring a report to the next meeting of this Panel on the current position regarding applications to the Leader programme.

Other Governance Reports.

7. Strategic Risk Management.

There was submitted a report (issued) of 16th January 2018 by the Head of Property and Risk providing an update on the reviewed Strategic Risk Register – December 2017 (as outlined in Appendix 1 to the report) in line with the agreed reporting framework.

A discussion took place in relation to poor scrutiny negatively impacting on good decision making; the consequences of decisions taken; and the risks of not accepting the recommendations within officers' reports, and the Panel

Decided: having considered the revised Strategic Risk Register developed by the CMT,

- (1) to agree the ten key risks and to endorse the work currently being undertaken or proposed by risk owners to mitigate these risks; and
- (2) to remit the Strategic Risk Register to the Leadership Panel of 13th February 2018 for endorsement.

8. Corporate Workforce Plan.

There was submitted a report (issued) of 16th January 2018 by the Head of Employee and Customer Services providing an update on the progress the Council had made in the development of the Corporate Workforce Plan.

Questions were raised and responded to by the Head of Employee and Customer Services and the OD and Customer Service Manager in relation to the Council's current position with succession planning; the extended use of supply teachers in rural areas; the requirement for an agile multi-skilled workforce and the need for training to support this; and the absence rates throughout the Council and the reasons for these absences.

Decided: having considered the Plan, to note the 2018-22 Corporate Workforce Plan, attached as Appendix 1 to the report.

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

9. The Ayrshire Roads Alliance Business Case.

There was submitted a report (issued) of 3rd January 2018 by the Executive Director – Economy, Neighbourhood and Environment outlining the arrangements between this Authority and the Ayrshire Roads Alliance and detailing savings to the Council from the Ayrshire Roads Alliance.

A discussion took place in relation to this Authority and East Ayrshire Council's differing processes and the ARA's adoption of the best processes; the scrutiny carried out by Members of the Ayrshire Shared Services Joint Committee and the Partnerships Panel; and the benefits of the combined service, and the Panel

Decided: having noted that a briefing for all Elected Members on the work of the ARA would be taking held in February 2018,

- (1) to note the significant progress made in delivering the Business Case presented to Council on 27th June 2013;
- (2) to note that, from a financial perspective, the budgets had now been aligned to ensure the Business Case savings targets of £8.634m would be achieved; and
- (3) to note that regular progress updates were provided to the Ayrshire Shared Services Joint Committee on works programmes, service performance and progress against the Service Plan; and also that the Partnerships Panel also reviewed the work of Ayrshire Roads Alliance.

10. **Audit Scotland Report on the Progress of Implementing Self-Directed Support (SDS).**

There was submitted a report (issued) of 10th January 2018 by the Director of Health and Social Care updating the Panel on local progress on the implementation of Self Directed Support in the context of the recommendations made in the recent report by Audit Scotland.

Questions were raised and responded to by the Head of Community Health and Care Services regarding the purpose of the Practitioner's Forum; whether the finance provided to each individual covered the cost of the support required; whether the various options open to the individuals were at different charge rates; the processes for providing information on SDS to those affected; and following a comment by a Member of the Panel, the Head of Community Health and Care Services advised that he would investigate further the possibility of utilising Locality Groups to provide information to interested parties on SDS.

Decided: to note the progress made locally against recommendations made by Audit Scotland in its report published in August 2017 on the implementation of Self Directed Support across Scotland.

Councillor Dowey left the meeting during consideration of the above item.

The meeting ended at 12.30 p.m.