

AUDIT AND GOVERNANCE PANEL.

Minutes of a hybrid webcast meeting on 6 September 2023 at 10.00 a.m.

Present in
County Hall: Councillors Julie Dettbarn (Chair), Brian McGinley, Cameron Ramsay, and George Weir.

Present
Remotely: Councillors Chris Cullen and Mary Kilpatrick.

Apologies: Councillors Kenneth Bell and Gavin Scott.

Attending in
County Hall: E. Howat, Chief Executive; T. Baulk, Head of Finance, ICT and Procurement; K. Dalrymple, Assistant Director – Housing and Operations; W. Carlaw, Service Lead – Democratic Governance; C. McGhee, Chief Internal Auditor; C. Boyd, Service Lead – Risk and Safety; K. Copland, Senior Accountant/Senior Finance Officer; A Gibson, Committee Services Officer; and E. Moore, Clerical Assistant.

Attending
Remotely: L. Reid, Assistant Director – Strategic Change; and S. Tyeson, Senior Manager (Planning and Performance), Health and Social Care Partnership.

Opening Remarks.

The Chair

- (1) welcomed everyone to the meeting; and
- (2) outlined the procedures for conducting this meeting and advised that this meeting would be broadcast live.

1. Sederunt and Declarations of Interest.

The Chair called the Sederunt for the meeting and, having called the roll, confirmed that there were no declarations of interest by Members in terms of Council Standing Order No. 17 and the Councillors' Code of Conduct. However, in relation to item 6 in the minute "Internal Audit Annual Update Report - Integration Joint Board (IJB) Performance and Audit Committee (PAC)" she advised that, although she was a member of the Integration Joint Board, she did not consider that she had an interest to declare by virtue of the fact that the matter before Panel was not quasi-judicial or regulatory and didn't have a personal conflict by reason of her actions, connections or legal obligations in terms of the Councillors' Code of Conduct.

2. Call-ins from Cabinet.

The Panel noted that there were no call-ins from Cabinet of 29 August 2023.

3. Minutes of Previous Meeting.

The Minutes of the meeting of 28 June 2023 ([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](#)).

Having heard the Head of Finance, ICT and Procurement, a Member of the Panel enquired why number 10 in the Work Programme, “Best Value Action Plan 2023/24 – Update” had been deferred from this meeting to the meeting scheduled on 4 October 2023; and the Chief Executive advised that the matter had been considered at Cabinet in August and there was not sufficient time to allow it to be considered at this meeting; and that the Best Value Working Group had requested other actions be added to the Action Plan. It was further noted that there would now be quarterly updates to this Panel in this regard.

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

External Audit Reports.

5. Audit Scotland: Scotland’s City Region and Growth Deals.

There was submitted a report ([issued](#)) of 28 August 2023 by the Director of Strategic Change and Communities

- (1) providing an update on the progress of the audit recommendations for Scotland’s City Region and Growth Deals, as reported in the national Audit Scotland June 2023 publication ‘Scotland’s City Region and Growth Deals - Progress of the 2020 audit report recommendations’; and
- (2) advising South Ayrshire Council’s response to these audit recommendations.

Having heard a Member of the Panel, it was confirmed that this Council had a Benefits Realisation Plan in place.

A Member of the Panel made reference to the appointment of a temporary two year support officer post, appointed in October 2021 and spoke on the issues of being able to retain staff who were appointed on a temporary basis and generally the timings of funding allocations which meant there was sometimes a gap between temporary appointments. The Assistant Director – Strategic Change advised that, as of yet, there had not been a problem in this area in securing funding within timescales. The Head of Finance, ICT and Procurement further advised that he would raise the matter of gaps in funding due to timings with the Assistant Director – Strategic Change with the possibility of making reserve funding available, if required in the future.

Following a question from a Member of the Panel relating to the need for Councils to measure the long term impact of the Deal and the need to measure the effect the Deal had on minority and disadvantaged groups, it was agreed that the Assistant Director – Strategic Change would arrange for a Briefing Note to be provided in this respect.

Having considered the Audit Scotland report 'Scotland's City Region and Growth Deals: Progress of the 2020 audit report recommendations', as detailed in Appendix 1of the report, the Panel

Decided: to note

- (a) the 'Learning for future challenges' as detailed in page 18 of the report and as referenced at paragraph 3.6 of the report; and
- (b) the actions taken by this Council to respond to challenges presented in delivering the Ayrshire Growth Deal (AGD) as highlighted in Section 4 of the report.

6. Internal Audit Annual Update Report – Integration Joint Board (IJB) Performance and Audit Committee (PAC).

There was submitted a report ([issued](#)) of 28 August 2023 by the Chief Internal Auditor providing an annual report for information to the Panel on internal audit work carried out for the Integration Joint Board (IJB) by the South Ayrshire Council and NHS Ayrshire and Arran (NHSAAA) internal auditors.

Having heard a Member of the Panel, the Chief Internal Auditor advised that there had been little change this year to previous years reporting.

Having heard a Member of the Panel in relation to partnership working with the Health Board, the Chief Internal Auditor advised that the Council does co-ordinate its audit with NHS Internal Auditors and shared findings.

The Panel

Decided: to note the content of this report.

7. Internal Audit – Progress Report – (i) Progress of Annual Internal Audit Plan 2022/23 (ii) Progress of the Annual Internal Audit Plan 2023/24 (iii) Implementation of Internal Audit Action Plans (iv) Quality Assurance and Improvement Programme Update.

There was submitted a report ([issued](#)) of 28 August 2023 by the Chief Internal Auditor advising on progress of the 2022/23 internal audit plan, progress of the 2023/24 internal audit plan, directorates' progress against implementation of internal audit action plans and the status of the current Quality Assurance and Improvement Programme.

In relation to "Overdue Actions", Appendix 3 of the report and following questions from a Member, it was noted that there would be an audit review of Fusion this year to allow a look again at the actions and how Fusion was working and that in relation to issues regarding fuel management, most actions were now in place. The Assistant Director, Housing and Operations provided an update on the outstanding actions for Fuel Management.

Having heard a Member of the Panel, the Chief Internal Auditor advised that she would look at how the report was presented including the reports and appendices incorporating numbered pages.

The Panel

Decided: to note the contents of this report.

8. **Strategic Risk Management.**

There was submitted a report ([issued](#)) of 28 August 2023 by the Head of Legal and Regulatory Services providing an update on the reviewed Strategic Risk Register, as detailed in Appendix 1 of the report, in line with the agreed reporting framework.

Having heard a Member of the Panel, it was explained the report did indicate the risk owners via their job title and that the risk owners were generally Chief Officers/Service Leads; that officers welcomed feedback from Members on how the Appendix to the report should be laid out in the future and ideas on areas that this Panel could further scrutinise; and that a future report would be presented to this Panel on how risk in Panel reports was dealt with and developed.

Following a question from a Member of the Panel in relation to Risk 8 “Sustainable Development and Climate Change” it was noted that a refresh of the Strategy was well underway, to be followed by a revised report incorporating achievable, demonstrable actions for the next four years.

In relation to the Risk 13, “ICT Digital Resilience, Protection and Capability” and following a question from a Member relating to the approach to mitigation on this Risk and if we had in-house capabilities on digital forensics, the Head of Finance, ICT and Procurement advised that the Council did have a team which analysed why things had gone wrong.

Having considered the reviewed Strategic Risk Register, updated by Chief Officers, the Panel

Decided: to note the fourteen key risks and endorse the work currently being undertaken or proposed by risk owners to mitigate these risks.

9. **Treasury Management and Investment Strategy Quarter 1 Update Report 2023/24.**

There was submitted a report ([issued](#)) of 28 August 2023 by the Head of Finance, ICT and Procurement providing an update on the 2023/24 treasury prudential indicators for the period April-June 2023 (Quarter 1) and an update on the latest wider economic position.

A Member of the Panel advised that, in his view, the six monthly reports were more useful but welcomed the transparency.

Having scrutinised the contents of this report, the Panel

Decided: to remit the Quarter 1 Update Report to the next Cabinet meeting, scheduled to take place on 26 September 2023 for approval.

The meeting ended at 11.00 a.m.