

County Buildings
Wellington Square
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18 January 2024

To: Councillors Dettbarn (Chair), Bell, Cullen, Kilpatrick, Lamont, McGinley, Ramsay, and Weir

All other Elected Members for information only

Dear Councillors

AUDIT AND GOVERNANCE PANEL

You are requested to participate in the above Panel to be held **on Wednesday, 24 January 2024 at 10.00 a.m.** for the purpose of considering the undernoted business.

This meeting will be held in the County Hall County Buildings, Ayr on a hybrid basis for Elected Members, will be live-streamed and available to view at <https://south-ayrshire.public-i.tv/>

Yours sincerely

CATRIONA CAVES
Head of Legal and Regulatory Services

B U S I N E S S

1. Declarations of Interest.
2. Call-ins from Cabinet.
3. Minutes of previous meeting of 6 December 2023 (copy herewith).
4. Action Log and Work Programme (copy herewith).

External Audit Reports.

5. Best Value Action Plan 2023 – Progress Update - Submit report by the Director of Strategic Change and Communities (copy herewith).

6./

6. External Audit Reports – Progress to 31 December 2023 - Submit report by the Head of Finance, ICT and Procurement (copy herewith).

For more information on any of the items on this agenda, please telephone Andrew Gibson, Committee Services on 01292 612436, Wellington Square, Ayr or
e-mail: committeeservices@south-ayrshire.gov.uk
www.south-ayrshire.gov.uk

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AUDIT AND GOVERNANCE PANEL.

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

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

Present
Remotely: Councillors Kenneth Bell and Mary Kilpatrick.

Attending in
County Hall: M. Newall, Chief Executive; T. Baulk, Head of Finance, ICT and Procurement; W. Carlaw, Service Lead – Democratic Governance; C. McGhee, Chief Internal Auditor; D. Urquhart, Senior Investigations Officer; A Gibson, Committee Services Officer; and E. Moore, Clerical Assistant.

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.

2. Call-ins from Cabinet.

The Panel noted that there were no call-ins from Cabinet of 28 November 2023.

3. Minutes of Previous Meetings.

The Minutes of the meetings of 8 November 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](#)).

In relation to the Action Log and the column "Latest Update" it was agreed that the Head of Finance, ICT and Procurement would ensure that, in future, more information be included here.

Having heard a Member of the Panel, it was noted that, going forward, the Annual Self-Assessment Outcome would now become part of the Work Programme.

The Panel

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

Internal Audit.

5. Corporate Fraud Team – Activity Report and 2022/23 National Fraud Initiative Update.

There was submitted a report ([issued](#)) of 23 November 2023 by the Chief Internal Auditor advising of the Corporate Fraud Team's (CFT) activity from 1 April to 30 September 2023 and providing an update on the 2022/23 National Fraud Initiative exercise.

The Senior Investigations Officer provided an update on the work being carried out by the Corporate Fraud Team over the past six months.

Having heard a Member of the Panel, it was explained what "match areas" as referred to in report meant and that the Chief Internal Auditor would share a paper with the relevant Member to explain this further. He also enquired why, in Appendix 2 of the report "NFI 2022/23 Progress of Investigations" there had been no targets completed for "Waiting List" and "Creditors." The Senior Investigations Officer advised that matches were still being undertaken and that some areas were being taken forward faster than others.

A Member of the Panel advised that it would be helpful to have a narrative around the data collected to better understand the processes behind the work being undertaken. Having heard various officers, it was agreed that this could be undertaken and would be reflected in future reports to this Panel.

Having heard a Member of the Panel enquire if Council employees were alert to watch out for fraud, the Senior Investigations Officer advised that information was made available to staff and presentations were made to appropriate staff. It was also noted that feedback was provided to Services where fraud had been reported.

Following a question from a Member of the Panel, it was noted that information relating to fraud activity was shared between Councils.

A Member of the Panel enquired, why, in Appendix 1, there were certain areas of Fraud which showed no financial savings. The Senior Investigations Officer advised that there were certain areas where no financial savings could be attributed to, for example, tenancies or blue badges fraud, though the National Fraud Initiative did attribute notional savings to these areas.

Having heard a Member of the Panel enquire as to the meaning of the column "Additional Investigations Completed" in Appendix 2 of the report, the Chief Internal Auditor advised that this was when additional work had been carried out beyond the initial target.

Having considered the CFT activity for the six-month period to 30 September 2023, the Panel

Decided: to note the update on the 2022/23 National Fraud Initiative (NFI).

Other Governance.

6. Treasury Management and Investment Strategy Mid-Year Report 2023/24.

There was submitted a report ([issued](#)) of 23 November 2023 by the Head of Finance, IT and Procurement providing a mid-year treasury management update for the financial year 2023/24.

Having heard a Member of the Panel, it was noted this year's overspend may have an impact on future years spending, dependant on market rates.

A Member of the Panel made an enquiry regarding the currently high interest rates and what was the strategy going forward. The Head of Finance, ICT and Procurement advised that short-term borrowing was currently preferred due to high interest rates and that rates were examined on a daily basis.

A Member of the Panel enquired about sources of borrowing and the environmental and social issues that required to be taken into account. The Head of Finance, ICT and Procurement advised that there was detail in the Council's Treasury Management Strategy in this regard.

A Member of the Panel enquired if commitments in next year's Capital Programme took cognisance of the current financial position and that the Council required to be cautious in future commitments due to the current volatile market. The Head of Finance, ICT and Procurement advised that this would be taken into account but was ultimately the decision of Members. The Chief Executive confirmed that good housekeeping would be applied in relation to financial management.

Following a matter being raised by a Member of the Panel, it was agreed that the Head of Finance, ICT and Procurement would provide a Briefing Session for Members to help them to understand the work of the Treasury Management Team and information presented in this and similar reports.

Having scrutinised the contents of this report, the Panel

Decided: to remit the report to the Cabinet meeting of 16 January 2024 for approval.

7. **Audit and Governance Panel – 2023 Annual Self-Assessment Outcome.**

There was submitted a joint report ([issued](#)) of 23 November 2023 by the Head of Finance, IT and Procurement and the Head of Legal and Regulatory Services confirming the outcome of the Audit and Governance Panel Self-Assessment for 2023, which had been undertaken on 7 September 2023; and seeking agreement of the resulting action plan.

Having heard a Member of the Panel advise that, in his view, a detailed workplan arising from the actions would be helpful. The Head of Finance, ICT and Procurement advised that the Action Plan for Improvement, as detailed in Appendix 3 of the report had due dates indicated.

Following discussion on the exercise undertaken with the Panel this year which involved questions provided by CIPFA and having heard the Head of Finance, ICT and Procurement advise that some of the questions were ambiguous, the questions would be examined prior to next year's exercise being undertaken.

A Member of the Panel advised that two of the questions in the assessment related to training and should possibly be scored as either 3 or 4 and not a 5, as shown. The Head of Finance, ICT and Procurement advised that the Council was compliant with its training provision and as a result, the score of 5 was appropriate.

Having heard a Member of the Panel enquire if self-assessment was a good tool to assess the work of this Panel and if a third party should undertake an assessment, the Head of Finance, ICT and Procurement advised that he would consider this suggestion.

The Panel

Decided:

- (1) to note the outcome of the 2023 self-assessment, as set out in paragraphs 4.1 to 4.6 of the report and related completed checklist in Appendix 1;
- (2) to approve the action plan for improvements, as detailed in Appendix 3 of the report; and
- (3) to agree to receive an annual joint report by the Head of Legal and Regulatory Services and the Head of Finance, ICT and Procurement in May 2024 outlining the work of the Audit and Governance Panel for the financial year 2023-24 (per Action 1 in Appendix 3); and agree thereafter to remit the report to Council in June 2024.

The meeting ended at 10.50 a.m.

Audit and Governance Panel

Agenda Item No. 4

Action Log

No	Date of Meeting	Issue	Actions	Assigned/ Re-assigned to	Update	Completed
1.	6 December 2023	Treasury Management and Investment Strategy Mid-Year Report 2023/24	Briefing Session to be organised to help Members understand the work of the Treasury Management Team	Head of Finance, ICT and Procurement	Members briefing scheduled for 7 th February 2024	NO

Audit and Governance Panel

Work Programme 2023

No	Issue	Actions	Assigned To	Due Date To Panel	Latest update
1.	Best Value Action Plan 2023 – Progress Update	Report to this Panel	Director of Strategic Change and Communities	24 January 2024 (Quarterly)	Report to this Panel
2.	External Audit Reports – Progress to 31 December 2023	Report to Panel	Head of Finance, ICT and Procurement	24 January 2024 (Quarterly)	Report to this Panel
3.	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	Report to Panel	Chief Internal Auditor	22 February 2024 (progress reported quarterly)	Work in Progress - scheduled for February 2024 meeting
4.	Treasury Management and Investment Strategy Quarter 3 Report 2023/24	Report to Panel	Head of Finance, ICT and Procurement	22 February 2024 (Quarterly)	Work in Progress - scheduled for February 2024 meeting

Audit and Governance Panel

No	Issue	Actions	Assigned To	Due Date To Panel	Latest update
5.	Annual Audit Plan 2023/24	Report to Panel	Head of Finance, ICT and Procurement	20 March 2024 (Yearly)	Discussions due to commence with External Audit
6.	Annual Internal Audit Plan 2024/25	Report to Panel	Chief Internal Auditor	20 March 2024 (Yearly)	Initial work commenced
7.	Strategic Risk Management	Report to this Panel	Head of Legal and Regulatory Services	20 March 2024 (Biannually)	Initial work commenced
8.	Annual Accounts 2023/24	Report to this Panel	Head of Finance, ICT and Procurement	June 2024 (Yearly)	Not yet started
9.	Delivering Good Governance – 2023/24 Assessment	Report to Panel	Head of Legal and Regulatory Services	June 2024 (Yearly)	Not yet started
10.	Internal Audit Annual Report 2023/24	Report to Panel	Chief Internal Auditor	June 2024 (progress reported quarterly)	Not yet started
11.	Corporate Fraud Team - Activity Report and National Fraud Initiative Update	Report to this Panel	Chief Internal Auditor	May 2024 (Biannually)	Not yet started
12.	Treasury Management Annual Report 2023/24	Report to Panel	Head of Finance, ICT and Procurement	June 2024 (Annually)	Not yet started

Audit and Governance Panel

No	Issue	Actions	Assigned To	Due Date To Panel	Latest update
13.	Internal Audit Annual Update Report – Integration Joint Board (IJB) Performance and Audit Committee (PAC)	Report to Panel	Chief Internal Auditor	September 2024 (Annually)	Not yet started
14.	Accounts Commission Annual Report 2022/23	Report to this Panel	Head of Finance, ICT and Procurement	October 2024 (Annually)	Not yet started
15.	Internal Audit Plan 2023/24 – Midyear Review	Report to this Panel	Chief Internal Auditor	November 2024 (Annually)	Not yet started
16.	Audit and Governance Panel – 2024 Annual Self-Assessment Outcome	Report to Panel	Head of Finance and ICT and Head of Legal and Regulatory Services	December 2024 (Annually)	Not yet started

South Ayrshire Council

**Report by Director of Strategic Change and Communities
to Audit and Governance Panel
of 24 January 2024**

Subject: Best Value Action Plan 2023 – Progress Update

1. Purpose

1.1 The purpose of this report is to update members on the progress toward delivering the Council's Best Value Action Plan 2023.

2. Recommendation

2.1 It is recommended that the Panel:

2.1.1 scrutinises the content of the Best Value Action Plan 2023 update report; and

2.1.2 considers the progress through the narrative set out within [Appendix 1](#).

3. Background

3.1 The Accounts Commission's approach to Best Value has evolved since Best Value was introduced 20 years ago and is now fully integrated within annual audit work. Best Value at the Council will be assessed comprehensively over the period of the audit appointment and will include an annual evaluation of the Council's approach to demonstrating improvement in the effective use of resources and public performance reporting.

3.2 In addition to the annual work on Best Value, thematic reviews as directed by the Accounts Commission are undertaken and in 2022/23 the focus was on the effectiveness of Council leadership in developing new local strategic priorities following the elections in May 2022.

3.3 The Council's thematic report was based on fieldwork carried out between January and March this year and the report was considered by Audit and Governance Panel on 28 June 2023 and subsequently, by Cabinet on 29 August 2023. The Council's final report on the annual audit was considered by Audit and Governance Panel on 27 September 2023.

3.4 An augmented action plan based on the recommendations from Audit Scotland was approved by Audit and Governance Panel on 4 October 2023 with progress to be reported on a quarterly basis.

4. Proposals

4.1 Progress towards the actions and the accompanying narrative is attached as [Appendix 1](#).

4.2 In summary, 13 of the 21 actions are complete and a further 7 are on target. A revised due date is noted for one action (Agree revised structure for Sustainability and Climate Change Team).

5. Legal and Procurement Implications

5.1 There are no legal implications arising from this report.

5.2 There are no procurement implications arising from this report.

6. Financial Implications

6.1 Not applicable

7. Human Resources Implications

7.1 Not applicable

8. Risk

8.1 Risk Implications of Adopting the Recommendations

8.1.1 There are no risks associated with adopting the recommendations.

8.2 Risk Implications of Rejecting the Recommendations

8.2.1 Rejecting the recommendations would result in reputational damage and criticism from Audit Scotland, the Accounts Commission and the Scottish Government.

9. Equalities

9.1 The proposals in this report allow scrutiny of performance. The report does not involve proposals for policies, strategies, procedures, processes, financial decisions and activities (including service delivery), both new and at review, that affect the Council's communities and employees, therefore an equality impact assessment is not required.

10. Sustainable Development Implications

10.1 ***Considering Strategic Environmental Assessment (SEA)*** - This report does not propose or seek approval for a plan, policy, programme or strategy or document otherwise described which could be considered to constitute a plan, programme, policy or strategy.

11. Options Appraisal

11.1 An options appraisal has not been carried out in relation to the subject matter of this report.

12. Link to Council Plan

12.1 The matters referred to in this report contribute to delivery of all the Council's strategic objectives and strategic outcomes.

13. Results of Consultation

13.1 There has been no public consultation on the contents of this report.

13.2 Consultation has taken place with Councillor Martin Dowey, Portfolio Holder for Corporate and Strategic, and the contents of this report reflect any feedback provided.

13.3 Consultation has also taken place with members of the Best Value Working Group, and the contents of this report reflect any feedback provided.

Background Papers **Report to Audit and Governance Panel of 28 June 2023 – [Best Value Thematic Work in South Ayrshire 2022/23](#)**

Report to Cabinet of 29 August 2023 – [Best Value Thematic Work in South Ayrshire 2022/23](#)

Report to Audit and Governance Panel of 4 October 2023 – [Best Value Action Plan 2023](#)

Report to South Ayrshire Council of 7 December 2023 – [Accounts Commission's Findings on Best Value in South Ayrshire](#)

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Date: 12 January 2024

Best Value Augmented Improvement Action Plan 2023

Generated on: 18 December 2023

Recommendation 1 - A balanced view of progress against the council plan priorities should be reported regularly to members. A timetable for performance reporting to elected members should be a priority. Performance reports should include details or links to planned improvement actions. The council should ensure it fully complies with the new Statutory Performance Information Direction

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Officers will review new reporting format to ensure that it reflects the Accounts Commission's Statutory Performance Information Direction.	Kevin Anderson	100%	30-Aug-2023	30-Aug-2023	30-Oct-2023 Reporting format options to be circulated to CLT. All options under development take cognisance of the Account Commission's Statutory Performance Information Direction. new status update --

Recommendation 2 - To ensure the effective delivery of local outcomes, the council should publish the remaining Place Plans

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Ongoing dialogue with elected members on the details of the Place Plans to be used to advance place-based activity.	George Hunter	70%	31-Mar-2024	31-Mar-2024	27-Nov-2023 A new Place Plan Officer has been recruited and is progressing through our current place plans , progressing key actions and working towards a refresh of historical plans

Recommendation 3 - There should be a clear process introduced that is sufficiently resourced to ensure these crosscutting priorities are given the necessary consideration. Measures should be set for monitoring progress for cross cutting themes. In particular how the council will measure that it is reducing inequalities

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Continue to develop Integrated Impact Assessment Tool	Kevin Anderson	100%	30-Sep-2023	30-Sep-2023	24-Nov-2023 New Integrated Impact Assessment agreed by Cabinet in September 2023. IIA to be rolled out to the Strategic Change and Communities directorate over Nov/Dec 23 with full rollout to the Council and HSCP during 2024

Recommendation 4 - The plans to reintroduce a corporate approach to self-evaluation need to be progressed. The council's self-evaluation should include an understanding of its performance in relation to other councils

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Officers and members to re-establish approaches to self-evaluation across the council using How Good Is Our Council (HGIOC) to develop a framework to support ongoing evaluation for improvement.	Kevin Anderson	100%	31-Dec-2023	31-Dec-2023	24-Nov-2023 Following an options appraisal of the tools available, The Best Value Member/Officer Working group has agreed to adopt the Improvement Service's Public Sector Improvement Framework (PSIF) and integrate self-evaluation into the service planning process. The Improvement Service have agreed to support the Council to do this and a series of meetings and training sessions are planned in the run up to service plans being updated in Spring 2024.

Recommendation 4 The Council should make sure that its transformation work is fully aligned and integrated to its covid recovery planning work and improve its approach to its Strategic Change Programme by: • Adding greater detail about individual projects • Setting clear timelines for each project • Developing a benefits realisation tracker to assess whether the Council has achieved its aims. (paragraphs 123 and 124)

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
The council should make sure that its transformation work is fully aligned and integrated to its Covid-19 recovery planning work and improve its approach to its strategic change programme	Kevin Anderson	100%	20-Jun-2023	20-Jun-2023	30-Oct-2023 Updated and refocused strategic change programme agreed by Cabinet in June 2023 .

Recommendation 5 The council should improve performance reporting by: • setting targets for its Key Performance Indicators (KPIs) • including a summary of performance against KPIs in its performance reports to members • increasing the frequency of reports to elected members • making performance reports more accessible to the public

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
The council should improve performance reporting	Kevin Anderson	100%	20-Jun-2023	20-Jun-2023	30-Oct-2023 New Performance Management Framework aligned to the Council Plan 23-28 was approved by Cabinet in June 2023. Improving the accessibility of performance information has been carried over and is a stand-alone action in this plan

Report Reference - As part of the impact assessment approach, it is intended that an increased and ongoing level of climate change expertise and support will be made available to policymakers from an early stage as they develop policies. (Para 82 & 83

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Agree revised structure for Sustainability and Climate Change Team to ensure support is available to policymakers.	Kevin Anderson	76%	31-Dec-2023	31-Mar-2024	18-Dec-2023 Draft structure agreed at service level however delays in job evaluation process have pushed the timescale on. Once finalised the proposed new structure will be presented to members for approval .

Report Reference - As the Strategic Change programme progresses with delivering projects, officers from the team will be developing ways for council staff to suggest and bring forward project ideas. The use of corporate communication channels to promote examples of good practice will be considered to help publicise how officers and project teams have worked collaboratively to deliver change. (Para 110)

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Develop method to encourage council staff to suggest project ideas and promote successful projects.	Kevin Anderson	50%	31-Mar-2024	31-Mar-2024	24-Nov-2023 The Strategic Change team have been prioritising the communication aspect of the Programme, including increasing the frequency of Learning Events, and sharing best practice and knowledge from current projects. This will help with the objective to develop ideas from staff that can be turned into projects and deliver business change. Wider changes around the programmes governance are taking

					place at CLT level and any changes will reflect the need for employees to have opportunities to contribute.
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Report Reference - Capital investment has also been committed, including £1 million in each of the 8 wards across South Ayrshire over the next four years to make infrastructure improvements to benefit communities. These investment decisions have been influenced using the information collated as part of the council's engagement with its communities as part of its place planning. The identified projects have been linked to the new Council Plan's priorities. The proposed projects will be considered by the Council in June 2023. The council has committed to regular monitoring of the projects to ensure transparency with its investment decisions. (Para 94)

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Agree monitoring process for Ward Capital Investment Process and outcomes.		100%	30-Sep-2023	30-Sep-2023	31-Oct-2023 Paper presented to Cabinet in September 2023

Report Reference - From review of the update to Panel, on average 45 per cent of members were noted as attending the 11 briefings since August 2022. There is a need to improve the accuracy and relevance of the attendance figures. (Para 168)

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Improve accuracy of recording attendance figures at member briefings.	Catriona Caves	50%	31-Mar-2024	31-Mar-2024	28-Nov-2023 Attendance figures are reviewed as to subject matter and appropriate audience, and online training access is recorded

Report Reference - In future the council is to demonstrate in budget papers how it is aligned to the council's priorities. (Key message 8)

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Align future budget papers to the Council Plan.	Tim Baulk	50%	31-Mar-2024	31-Mar-2024	24-Nov-2023 All budget documentation makes reference to the new council plan priorities. For each resource pressure (additional funding request) and efficiency measure (savings proposal) an appropriate council priority has to be selected to ensure that Members are aligning any budget decision being made to the priorities provided in the Council Plan. The final

					budget documentation agreed by Council will include this information to ensure clear and direct links to the Council plan.
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Report Reference - South Ayrshire Council should use the LGBF data alongside its engagement with its communities to assess its local performance and priorities. (Para 50)

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Update Local Government Benchmarking Framework (LGBF) report format to take account of the recommendations from Audit Scotland.	Kevin Anderson	50%	30-Jun-2024	30-Jun-2024	24-Nov-2023 Ongoing discussions with ELT on how LGBF data will be presented to members and used by services to drive improvement activity

Report Reference - The council developed a Community Engagement Strategy in 2020, but there is no evidence of the council assessing whether it has improved community engagement Whilst publishing the results of each consultation provides transparency and feedback on the needs of citizens, the council could take this a step further by evidencing how the results of these surveys have impacted on the decisions taken by Council. (Para 56)

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Assess the impact of the Community Engagement Strategy noting how feedback has influenced outcomes.	George Hunter	75%	31-Mar-2024	31-Mar-2024	27-Nov-2023 • Thriving Communities continue to develop new initiatives to promote community engagement across South Ayrshire this includes additional resources through the UKSP Fund. Following on from the completed action plan that accompanied the Community Engagement Strategy, Community Engagement and Empowerment is noted as a key priority in the Community Learning and Development Plan 2021-24. The mid-term progress report was presented at Service, Partnership and Performance Panel and in October 2023 Education Scotland carried out an external progress review of the CLD Plan. Key achievements following the Community Engagement Strategy and CLD Plan include the enhanced and dedicated support for community councils. This support includes upskilling Community Councillors, Elected Members and staff on their roles and responsibilities as Community Councillors while providing opportunities for Community Councillors to engage with partners such as Police Scotland.

					<p>Through engagement with our external finding officer local communities have been able access a range of funding opportunities that has allowed them to be empowered in their local community, this includes £100,000 allocated through LACER fund to empower communities to support with the cost of living.</p> <p>An evaluation of the Place Plans for Girvan and North Ayr that were published in 2020 has been carried out, the action plans show progress against key priorities from the local community. Ward Capital funding allocations has provided an opportunity for local residents to influence decision making.</p> <p>Work in Wallacetown continues to develop through the coordinator, Thriving Communities officers and local residents.</p> <p>South Ayrshire communities' day is planned for May 2024.</p>
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Report Reference - The council has committed to updating the MTFP annually, with the next review due to take place in October 2023 (Para 100)

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Review the Medium Term Financial Plan (MTFP)	Tim Baulk	100%	30-Nov-2023	30-Nov-2023	05-Dec-2023 The MTFP was approved at Cabinet on 28th Nov 2023. The budget strategy contained in the document will be used as the basis of the budget setting process for 2024/25 and beyond.

Report Reference - The council has in place an ICT Strategy 2021-2023 and a Digital Strategy 2019-2022. Going forward there will be one combined strategy, originally planned for March 2023. Both current strategies have an action plan to be delivered over their lifecycle. A final report on the outcomes of the strategies will be provided to elected members in due course to allow visibility and scrutiny of the actions taken over this timeframe. (Para 124 & 125)

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Provide elected members with a final report on the outcomes of the ICT Strategy 2021-23 and the Digital Strategy.	Tim Baulk	100%	30-Nov-2023	30-Nov-2023	18-Dec-2023 New Strategy approved by Council on the 7th of December.
Consider opportunities for further cross-party collaboration to help deliver on the Council Plan		100%	30-Nov-2023	30-Nov-2023	18-Dec-2023 The Best Value Working Group have agreed to encourage all Member Officer Working Groups to align to the Council Plan. The annual ward capital funding will be agreed collaboratively with all ward members.

Report Reference - The council should now monitor the effectiveness of the new governance structure to ensure that the openness and transparency of decision making, and scrutiny is maintained. (Para 149)

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Arrange training with members of Audit and Governance and Service and Partnership Performance Panel	Catriona Caves	100%	31-Oct-2023	31-Oct-2023	27-Nov-2023 Training was completed and very well received-consideration will be given to the same workshop being incorporated in Members Training to assist with scrutiny each five-year terms because of the importance of this role in the Council and the number of new members. The training provided foundation training for less experienced members and the business training a very good level of more detailed training.

Report Reference - The council should review the content of the performance section of its website to ensure it meets the requirements of the new SPI direction. (Para 32)

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Review content of the Council Performance and Best Value web pages		100%	30-Sep-2023	30-Sep-2023	30-Oct-2023 Work has been carried out to complete the refresh of the layout of the public performance reporting webpage – there are now 5 tiles which people can navigate on the following areas: South Ayrshire Council Performance Reporting (this section includes Council performance and Service Performance), Benchmarking (LBGF information and my 'mylocalcouncil' access), External Audit (Audit Scotland Reports), Community Planning Partnership (link to the CPP webpage and access to annual progress reports for the LOIP) and Best Value (Assurance Report, Progress Updates and Self Evaluation)

Report Reference - The next update of the LTFO is due to take place in October 2023. The council has committed to updating future iterations of both the MTFP and LTFO in line with the financial environment it is operating in at the time, together with the council's priorities. (Para 105)

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Update Long-Term Financial Plan (LTFP)	Tim Baulk	100%	30-Nov-2023	30-Nov-2023	24-Nov-2023 The three-year Medium Term Financial Plan and ten year long term financial plan have been combined in to one five-year Medium Term Financial Plan. This 5-year MTFP will be presented to Cabinet for approval on 28th Nov 2023.

Report Reference - Work will take place during 2023 to refresh the LOIP to identify a new set of priority areas for it from April 2024 onwards. The council's revised priorities and service delivery plans are being considered when developing the new LOIP (Para 24)

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Ensure clear strategic links between the new LOIP and existing Council Plan	Kevin Anderson	100%	31-Mar-2024	31-Mar-2024	24-Nov-2023 Similarly to the Council Plan 23-28, the draft LOIP priorities use Place and Wellbeing as high-level strategic themes. These themes have been used to develop priority

					areas for each Strategic Delivery Partnership to advance. The draft priorities were agreed by the Community Planning Executive in November 2023 and consultation is planned during the first quarter of 2024. The new LOIP will be presented to the Community Planning Board in April 2024 for approval
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Cannot group these rows by Desired Outcome

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Align Place Plan development with localities and advance participatory budgeting approaches to place via Community Planning	George Hunter	60%	31-Dec-2023	31-Dec-2023	<p>27-Nov-2023 • SAC have recruited a new Place Planning officer who is supporting place planning. A review of the plans that were published for North Ayr and Girvan has been carried out and information has been shared with ward members. Officers from Planning, Community Planning and Thriving Communities are developing guidance and plans that will support local communities with place plans and less formal action plans.</p> <p>Through the UKSP Fund Participatory Budgeting will be launched in spring 2024, this is a collaborative approach between Community Planning, HSCP and SAC. External funding opportunities through PBIF, Coastal Communities and UKSP Fund supports local communities to access funding that assists with local priorities.</p>

South Ayrshire Council

**Report by Head of Finance, ICT and Procurement
to Audit and Governance Panel
of 24 January 2024**

Subject: External Audit Reports – Progress to 31 December 2023

1. Purpose

1.1 The purpose of this report is to provide Members with an update on the progress that the Council is making in relation to external audit improvement actions.

2. Recommendation

2.1 It is recommended that the Panel scrutinises the progress against the Council’s external audit improvement actions as presented in this report.

3. Background

3.1 The Final Report on the 2022/23 Audit was presented to the Audit and Governance Panel (AGP) of 27 September 2023 (Special). This report covers progress against the three recommended improvement actions from that report.

3.2 This report also covers the one remaining outstanding action from the External Audit report on the financial statement of the Council for 2021/22.

4. Proposals

4.1 Progress to 31 December 2023 is summarised below:

Status of External Audit Actions as at 31 December 2023	Completed since 30 June 2023	On Target	Not on Target	Total
Annual Report on 2021/22 Audit – Nov 22	1	-	-	1
Annual Report on 2022/23 Audit – Sept 23	-	3	-	3
Overall	1	3	-	4

4.2 During the reporting period, the remaining action from the 2021/22 External Audit report was closed. Three actions from the 2022/23 External Audit Annual Report are in progress and on target. The latest update against these actions is provided in [Appendix 1](#).

5. Legal and Procurement Implications

5.1 There are no legal implications arising from this report.

5.2 There are no procurement implications arising from this report.

6. Financial Implications

6.1 None.

7. Human Resources Implications

7.1 None.

8. Risk

8.1 *Risk Implications of Adopting the Recommendations*

8.1.1 There are no risks associated with adopting the recommendations.

8.2 *Risk Implications of Rejecting the Recommendations*

8.2.1 Rejecting the recommendations may impact on the reputation of the Council.

9. Equalities

9.1 The proposals in this report allow scrutiny of performance. The report does not involve proposals for policies, strategies, procedures, processes, financial decisions and activities (including service delivery), both new and at review, that affect the Council's communities and employees, therefore an equality impact assessment is not required.

10. Sustainable Development Implications

10.1 ***Considering Strategic Environmental Assessment (SEA)*** This report does not propose or seek approval for a plan, policy, programme or strategy or document otherwise described which could be considered to constitute a plan, programme, policy or strategy.

11. Options Appraisal

11.1 An options appraisal has not been carried out in relation to the subject matter of this report.

12. Link to Council Plan

12.1 The matters referred to in this report contribute to Priority 4 of the Council Plan: Efficient and effective enabling services.

13. Results of Consultation

13.1 There has been no public consultation on the contents of this report.




13.2 Consultation has taken place with Councillor Martin Dowey, Portfolio Holder for Corporate and Strategic, and the contents of this report reflect any feedback provided.


Background Papers **Report to Audit and Governance Panel of 9 November 2022 – [Best Value Action Plan 2021/22 - Update](#)**

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Date: 12 January 2024

External Audit Reports - Showing completed still to be completed actions

Report Title	Action	Due Date	Managed By	Latest Note	SAC Status	Progress	Agreed Revisions	Completed Date
EA2021/22 Final report on the 2021/22 Audit	<p>Recommendation: The Council should revisit its UEL policy to consider whether alternative UEL's should be set for different types of assets.</p> <p>Management Response: Useful Economic Lives for Infrastructure Assets will be considered alongside national guidance and initiatives on this matter.</p>	31-Dec-2023	Tim Baulk; Tom Simpson	05-Dec-2023 Discussions have taken place with External Audit on this matter. It is a national issue which will not be resolved for a number of years. Once further guidance emerges, Audit Scotland will work with the council to address this matter. The matter has been put on hold no further action being proposed at this time.		100%		05-Dec-2023
EA2022/23 Final Report on the 2022/23 Audit	<p>Recommendation: The council should undertake a thorough assessment of the fixed asset register to ensure its accuracy. Going forward, there should be clearer communication between Estates and Finance to ensure that necessary updates are reflected in the fixed asset register.</p> <p>Management Response: A review of the asset register is already underway and new protocols and procedures will be introduced to ensure its accuracy. Regular meetings are being planned between the Estates and Finance teams to maintain a clear route for communication of required changes.</p>	30-Jun-2024	Tim Baulk; Tom Burns	05-Dec-2023 Work has been progressing over the last few months between Estates and Finance colleagues to maintain a clear route for communication and implement new protocols and procedures to ensure the accuracy of the Asset Register information.		50%		
EA2022/23 Final Report on the 2022/23 Audit	<p>Recommendation: The council should consider a matrix approach to valuations whereby a percentage of each class of asset is revalued each year. The council should ensure that all assets are included in this future programme.</p> <p>Management Response: Discussions have already taken place between Estates and Finance teams with the aim of moving the revaluation methodology to a matrix approach for 2023/24 and beyond. Further work on this will continue in advance of the 2023/24 year end.</p>	30-Jun-2024	Tim Baulk	05-Dec-2023 Discussions have already taken place between Estates and Finance teams with the aim of moving the revaluation methodology to a matrix approach for 2023/24 and beyond. It is anticipated that this new methodology will be in place prior to work commencing on the 2023/24 year end.		50%		

Report Title	Action	Due Date	Managed By	Latest Note	SAC Status	Progress	Agreed Revisions	Completed Date
EA2022/23 Final Report on the 2022/23 Audit	<p>Recommendation: The council should ensure formal procedures are in place to validate staff on the payroll. Responsible officer:</p> <p>Management Response: An annual rolling programme will be implemented and undertaken by the HR team. Oracle Fusion introduced an automated task for managers to confirm when an employee does not commence employment to ensure they are not set up on the payroll system. Officers will consider if staff validation can be automated via Oracle Fusion.</p>	31-Mar-2024	Wendy Wesson	11-Dec-2023 Payroll validation commenced in December starting with CEX. Housing, Operations and Development scheduled for January 2024.		20%		