AUDIT AND GOVERNANCE PANEL.

Minutes of a hybrid webcast meeting on 20 March 2024 at 10.00 a.m.

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

Present
Remotely: Councillors Kenneth Bell and Chris Cullen.

Apology: Councillor Mary Kilpatrick.

Attending in
County Hall: K. Braidwood, Director of Housing, Operations and Development; J. Bradley, Director of Communities and Transformation; T. Baulk, Chief Financial Officer; W. Carlaw, Service Lead – Democratic Governance; C. McGhee, Chief Internal Auditor; K. Anderson, Service Lead – Policy, Performance and Community Planning; G. Farrell, Service Lead – Organisational Development; T. Simpson, Service Lead – Corporate Accounting; J. Andrew, Co-ordinator – Organisational Development, Change and Improvement; F. Mitchell-Knight and A. Kerr. Audit Scotland; S. Rodger, Risk and Safety Co-ordinator; A Gibson, Committee Services Officer; and E. Moore, Clerical Assistant.

Attending
Remotely: M. Newall, Chief Executive; L. Reid, Assistant Director – Transformation; T. Eltringham, Director of Health and Social Care; C. Boyd, Service Lead – Risk and Safety; and K. Sharp, Audit Scotland.

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 12 March 2024.

3.   **Minutes of Previous Meetings.**

The Minutes of the meeting of 22 February 2024 (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 of the Panel and confirmation being given that the entry in the Work Programme relating to "Best Value Action Plan Quarterly Update" did not cover a specific quarter but were still reported every three months; and that although some of the entries in the Work Programme stated that progress had not yet started, all the items listed were on track and on schedule, the Panel

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

5.   **Annual Audit Plan 2023/24**

There was submitted a report (issued) of 13 March 2024 by the Chief Financial Officer providing background to the presentation by Audit Scotland of their Annual Audit Plan 2023/24 (the Audit Plan).

Having heard the Service Lead – Corporate Accounting introduce the report, A. Kerr. Audit Scotland spoke on the Audit Plan.

Having heard a Member of the Panel enquire how Audit Scotland found the Council this year, in terms of asking for information, he was advised that information was provided timeously. It was also noted that Audit Scotland were very happy with the level of responses provided; and that they were also satisfied with the quality of engagement they had with this Council and the positive steps in moving forward.

Following a question from a Member of the Panel, Audit Scotland advised that audits were rotated every five years to ensure good practice and a consistent approach.

Having heard a Member of the Panel allude to mention of risk of material misstatement due to fraud caused by management override of controls in the report, it was noted that this related to all local authorities and not just this Council.

The Panel

Decided: to agree the Annual Audit Plan 2023/24, attached as Appendix 1 to the report.

6. **Audit Scotland: Workforce Innovation - How Councils are Responding to Workforce Challenges.**

There was submitted a report (issued) of 13 March 2024 by the Director of Communities and Transformation providing Members with Audit Scotland's thematic report on workforce innovation in South Ayrshire.

The Service Lead – Policy, Performance and Community Planning introduced the report and F. Mitchell-Knight, Audit Scotland spoke in further detail.

Having heard a Member of the Panel in relation to the need for flexibility in the integration of planning for digital technology and having heard Audit Scotland in response, it was noted that the role of digital technology was not a focus identified by Audit Scotland at this time.

A Member of the Panel advised that it would be helpful to know how workforce plans were going to be developed going forward. Audit Scotland responded and advised that the development of service plans was important in supporting corporate plans. She also advised that work was being undertaken on the Digital and ICT Strategy and that progress was needed on its alignment going forward.

The Director of Communities and Transformation advised that there had been a significant movement in workforce planning and that the Actions were high level and needed to be translated into the Action Plan.

Having heard a Member of the Panel in relation to the order of reporting on the Best Value Action Plan, it was noted that it would be the Best Value Working Group in the first instance, for comment, followed by the Audit and Governance Panel.

A Member of the Panel advised of his concern regarding the aging workforce in this Council and what was being done in terms of succession planning. The Director of Communities and Transformation advised that work was being undertaken to deal with this and was more challenging in some areas than others.

Having scrutinised the content of Audit Scotland's thematic report on workforce innovation in South Ayrshire, as detailed in Appendix A of the report, the Panel

Decided:

(1) to note the improvement actions, as identified in the Audit Scotland report (Appendix 1); and

(2) to agree that these actions be incorporated within the existing Best Value Action Plan and reported quarterly to the Audit and Governance Panel and the Best Value Working Group.

7.   Proposed Internal Audit Plan 2024/25 (including Annual Review of Internal Audit Charter).

There was submitted a report (issued) of 6 March 2024 by the Chief Internal Auditor seeking approval for the proposed Internal Audit Plan and reserve list for 2024/25 and the revised Internal Audit Charter.

The Chief Internal Auditor gave an introduction to the report.

A Member of the Panel enquired if there were sufficient resources available to facilitate the Plan. The Chief Internal Auditor advised that there were.

Having heard a Member of the Panel enquire if there were any implications arising from the report in relation to what the Corporate Fraud Team might do differently, it was noted that there were no new fraud risks identified and that they dealt with issues that sat outwith the Audit Plan.

The Panel

Decided:

(1)   to approve the annual Audit Plan for 2024/25, as detailed in Appendix 1 of the report; and

(2)   to approve the reserve list for 2024/25, as detailed in Appendix 2 of the report.

8.   Strategic Risk Management.

There was submitted a report (issued) of 6 March 2024 by the Chief Governance Officer updating Members on the reviewed Strategic Risk Register (Appendix 1) in line with the agreed reporting framework.

Having heard a Member of the Panel, it was noted that the "Progress" column in Appendix 1 related to mitigation.

A Member of the Panel stated that, in his opinion, it was not clear how well the Council was doing in managing these risks and raised risks that the Council did not have control over such as ash dieback, climate change and financial inclusion . He also enquired if some of the risks were being managed effectively and stated that it would be helpful to categorise those risks that were directly relatable to this Council.

Having heard a Member in relation to the recording of risks relating to climate change and if there was any way of improving reported data, the Service Lead – Risk and Safety advised that it was difficult to measure success in this area due to its continuous evolvement.

Following a Member of the Panel raising the Integration Joint Board Risk Register, the Director of Health and Social Care responded and advised that Members should be assured that there was a high level of scrutiny of risks by both the Integration Joint Board and Chief Officers.

A Member of the Panel raised the issue of Ash Dieback and stated that the problem had increased with significant tree felling having taken place. The Director of Housing, Operations and Development advised that there was a robust process in carrying out surveys on Ash Dieback with a programme of felling taking place over the next five years.

Having heard a Member of the Panel, it was noted that it would be helpful if a Members Briefing was organised to explain the levels of mitigation on each risk by the risk holder; that the risk section in the reports presented to this Panel should be amended to give a link to the risk register; and that the risks be categorised in terms of relevance to this Council, the Director of Communities and Transformation advised she would look into these requests.

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.

The meeting ended at 11.20 a.m.