

AUDIT AND GOVERNANCE PANEL.

Minutes of a hybrid webcast meeting on 29 May 2024 at 10.00 a.m.

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

Present
Remotely: Councillors Julie Dettbarn and Mary Kilpatrick.

Apologies: Councillors Kenneth Bell and Chris Cullen.

Attending in
County Hall: M. Newall, Chief Executive; T. Baulk, Chief Financial Officer; W. Carlaw, Service Lead – Democratic Governance; C. McGhee, Chief Internal Auditor; K. Anderson, Assistant Director – Corporate Policy, Strategy and Performance; G. Hunter, Assistant Director – Communities; D. Urquhart, Senior Investigations Officer; A Gibson, Committee Services Officer; and E. Moore, Clerical Assistant.

Attending
Remotely: 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 21 May 2024.

3. Minutes of Previous Meetings.

The Minutes of the meeting of 20 March 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).

Having heard a Member of the Panel, the Chief Financial Officer advised that he would revisit the proposed items to be considered towards the end of this year, to ensure there was an even spread of items being considered at forthcoming meetings.

The Panel

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

Councillor Dettbarn joined the meeting during consideration of the above item.

Internal Audit

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

There was submitted a report (issued) of 17 May 2024 by the Chief Internal Auditor advising of the Corporate Fraud Team's (CFT) activity from 1 October 2023 to 31 March 2024 and providing an update on the 2022/23 National Fraud Initiative exercise.

Having heard a Member of the Panel, it was noted that cross-matching of data was ongoing throughout the year.

A Member of the Panel enquired as to there being no reported cases of whistleblowing within the Council. The Senior Investigations Officer advised that although there had been no reported incidents, in many cases, incidents of this nature had not been reported as whistleblowing and often came from anonymous sources.

Following a Member of the Panel enquiring as to the mention in Appendix 3 of the reduction in the target number of investigations, the Chief Internal Auditor advised that targets were reviewed continuously.

After a Member of the Panel advised, that in his opinion, the report did not define the percentage of cases investigated which were actually fraudulent and subsequently that the success of the process could not be measured, the Senior Investigations Officer advised that individual cases were not mentioned in the report to ensure confidentiality but that he and the Chief Internal Auditor would look at how reporting could be improved.

A Member of the Panel asked for an update into the fraudulent activity relating to the Blue Badge Scheme in South Ayrshire. The Chief Internal Auditor advised of the work undertaken in this regard and that the Senior Investigations Officer and officers from the Ayrshire Roads Alliance teamed up to investigate any fraud issues.

The Panel, having considered the CFT activity for the six-month period to 31 March 2024

Decided: to note

- (1) the update on the 2022/23 National Fraud Initiative (NFI); and
- (2) that the 2024/25 NFI exercise is due to commence in October 2024 and updates on the exercise would be included within future CFT activity reports.

External Audit

6. External Review of Internal Audit Compliance with Public Sector Internal Audit Standards.

There was submitted a report (issued) of 17 May 2024 by the Chief Internal Auditor providing an update on the outcome of the external assessment of the Internal Audit Service's compliance with the Public Sector Internal Audit Standards (PSIAS).

A Member of the Panel enquired if all the assessment areas, as identified in Appendix A of the report were seen as equally important. The Chief Internal Auditor advised that the standards set were what the Council complied with. The Panel Member then asked if there was any way of knowing how this Council performed in comparison to other authorities and was advised that comparisons with other Councils could be made but that there was no league tables in this regard as such, though the information was shared.

Having heard a Member of the Panel enquire as to the reviews being undertaken by the Scottish Local Authorities Chief Internal Auditors Group (SLACIAG) the Chief Internal Auditor advised of the current work being undertaken by this Group and this Council's involvement.

The Chief Executive and the Panel congratulated the Chief Internal Auditor and her team on the value and standard of work they undertook.

A Member of the Panel advised that, in his opinion, it would be helpful if the role of stakeholders in the report could be expanded upon in future reports of this nature.

The Panel

Decided:

- (1) to note the contents of the external assessment report as detailed in Appendix 1 of the report and resultant action plan, as detailed in Annex A of the report; and
- (2) to agree that the Chief Internal Auditor provided an update on progress of the actions to the meeting of this Panel scheduled for 4 September 2024 and every six months thereafter until the action plan was fully implemented.

7. **Best Value Action Plan – Progress Update.**

There was submitted a report (issued) of 17 May 2024 by the Depute Chief Executive and Director of Education providing an update on the progress toward delivering the Council's Best Value Action Plan.

The Assistant Director - Corporate Policy, Strategy and Performance advised that in relation to an action listed in the Appendix to the report "Agree revised structure for Sustainability and Climate Change Team to ensure support is available to policymakers" the due date should be 31 August 2024 and not 31 March 2024, as listed.

A Member of the Panel enquired as the Action in Appendix 1 of the report "As part of the Council's revised Transformation Process, specific workforce targets and expectations will be set, cascaded, and reported against" and if there was any plans to change the approach to performance measurement in this respect. The Assistant Director - Corporate Policy, Strategy and Performance advised that performance monitoring had changed over the last eighteen months with reporting done on a quarterly basis.

Having heard a Member of the Panel raise the Action detailed relating to "Arrange training with members of Audit and Governance and Service and Partnerships Performance Panel" it was noted that although this was marked as complete, monitoring would continue to be ongoing.

Following a Member of the Panel raising the Action "Agree monitoring process for Ward Capital Investment Process and outcomes" the Chief Executive advised that work relating to Ward Capital projects was progressing well and a subsequent clear indication of participatory budgeting in action.

A Member of the Panel advised that Best Value was important for the continuous improvement to Councils and enquired how this Council was performing in comparison to previous audits. Officers advised that this year's performance was an improvement on last years and that the Council was moving in the right direction and at pace.

Having scrutinised the content of the Best Value Action Plan update report, the Panel

Decided: to note

- (1) the progress through the narrative set out within Appendix 1 of the report; and
- (2) the additional actions added following the 2023/24 thematic audit on Workforce Innovation.

Other Governance

8. **Audit and Governance Panel – 2023/24 Annual Report.**

There was submitted a joint report (issued) of 17 May 2024 by Chief Financial Officer and Chief Governance Officer providing the Audit and Governance Panel Annual Report for 2023/24.

A Member of the Panel advised that the process of assessing performance of the Panel that had been used was helpful, however he was disappointed that, as stated in the report, an officer considered that the Panel's understanding of tabled reports could, on occasion, be better. The Chief Financial Officer advised that he would ensure that this concern was taken on board.

Having considered the Audit and Governance Panel annual report for 2023/34, the Panel

Decided: to remit the report to Council on 27 June 2024 for its consideration.

The meeting ended at 11.00 a.m.

DRAFT