

## **AUDIT AND GOVERNANCE PANEL.**

Minutes of a hybrid webcast meeting on 26 June 2024 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 Alan Lamont.

Attending in  
County Hall: K. Braidwood, Director of Housing, Operations and Development; T. Baulk, Chief Financial Officer; W. Carlaw, Service Lead – Democratic Governance; T. Simpson, Service Lead – Corporate Accounting; L. Kerr, Service Lead – Destination South Ayrshire; C. McGhee, Chief Internal Auditor; J. Christie, Information and Data Compliance Officer; D. Love, Corporate Finance Team Co-ordinator; A Gibson, Committee Services Officer; and E. Moore, Clerical Assistant.

Attending  
Remotely: J. Bradley, Director of Communities and Transformation; C. Caves, Chief Governance Officer; and A. Kerr, Audit Scotland.

### **Opening Remarks.**

The Chair

- (1) welcomed everyone to the meeting;
- (2) outlined the procedures for conducting this meeting, including that this meeting would be recorded and placed on the Council's website at a later date; and that all votes would be taken by means of a roll call;
- (3) advised that item 7 on the agenda would be considered at the end of the meeting as this had been issued as a confidential report; and
- (4) thanked the Vice-Chair, Councillor Brian McGinley for Chairing the previous meeting of 29 May 2024 when she had been unable to do so.

### **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 18 June 2024.

### 3. **Minutes of Previous Meetings.**

The [Minutes](#) of the meeting of 29 May 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).

The Chief Financial Officer advised that there were no outstanding actions; and that it was hoped that consideration of the list of reports on the Work Programme would be altered for the next meeting to show a more even spread of items across meetings.

A Member of the Panel advised that he was pleased with the attendance and contribution of Members at this Panel together with the quality of the reports being presented.

The Panel

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

## **Internal Audit**

### 5. **Annual Accounts 2023/24.**

There was submitted a report ([issued](#)) of 18 June 2024 by the Chief Financial Officer presenting the unaudited Annual Accounts for the year ended 31 March 2024 ('the unaudited Accounts').

The Service Lead – Corporate Accounting outlined the background to the contents of the report and the requirement to present this report to Panel each year, prior to 31 August was noted.

A Member of the Panel referred to a 2023-2024 Improvement Action "Refreshing the Council's corporate evaluation tool - How good is our Council"; and the Service Lead – Corporate Accounting advised that this Action was not yet complete but would respond to the Member with further detail, once he had consulted with the Assistant Director – Corporate Policy, Strategy and Performance.

Having heard a Member of the Panel ask for a definition of intangible assets, he was advised that an example of this would be the development of the Oracle Fusion Programme and further detail to its meaning was provided.

Following discussion, it was agreed that in relation to Note 13: Debtors, the Service Lead – Corporate Accounting would provide Members with narrative on the recent trend analysis.

With reference to Note 18 relating to Other Short-Term Liabilities and following the matter being raised by a Member of the Panel, it was noted that the common good budget was kept separate from the Council's accounts.

Having heard a Member in relation to Note 7: Movement in Useable Reserves and Transfers to or from other Statutory Reserves, the Chief Financial Officer advised that if any material changes were required, this would be drawn to Members' attention.

A Member of the Panel referred to the Council Plan 2023-28 and enquired how reliable these Plans were. The Chief Financial Officer advised that they were accurate at the time when written, but were always subject to change.

Having heard a Member of the Panel refer to the number of completed priority areas in the Council Plan and what was on track with more refined detail, he was advised that this information was lifted from other reporting areas and that, for clarity in future, this would be labelled as a data source to show it was a summary of information.

There was discussion on the section relating to "Performance against other Councils 2022-23" and reference was made to two areas that were not performing as well in relation to other Councils, namely Adult Social Care and Housing. The Chief Financial Officer explained that further detail was provided in the report and this report was only to provide a flavour rather than a full explanation.

Having heard a Member of the Panel in relation to the apparent omission of information in the report relating to Culture and Leisure, the Chief Financial Officer advised that he would look into this matter.

The Panel

**Decided:**

- (1) to approve the accounting policies, as contained in Appendix 1 of the report used in preparing the 2023/24 Annual Accounts;
- (2) to note the unaudited Annual Accounts, as detailed in Appendix 1 of the report, noting that all figures remained subject to audit;
- (3) to note the unaudited Charitable Trust Accounts as detailed in Appendix 2 of the report, noting that all figures remained subject to audit; and
- (4) to request the Chief Financial Officer to report back to the Panel following completion of the audit.

**6. Internal Audit Annual Report 2023/24.**

There was submitted a report ([issued](#)) of 17 June 2024 by the Chief Internal Auditor presenting the annual report on the internal audit activity during 2023/24 and providing an independent opinion on the adequacy and effectiveness of the Council's governance, risk management and internal control systems for the year ended 31 March 2024.

The Chief Internal Auditor spoke on the detail of the report.

There was discussion on the table in Appendix 1 of the report regarding significant variances relating to audit days by type of audits.

Having heard a Member of the Panel, the Chief Internal Auditor advised that there was sufficient work for the Internal Audit Team this year; that there had been no recommendations made to officers which were not accepted; and that there were currently no matters for the Team to bring to the attention of Members.

The Panel

**Decided:** to note the contents of the report.

*Councillor Kilpatrick left the meeting during consideration of the undernoted item.*

**7. Corporate Lets.**

There was submitted a report ([issued](#)) of 17 June 2024 by the Director of Communities and Transformation providing an annual update in relation to requests for discretion to be applied to let charges from 1 April 2023 to 31 March 2024.

There was discussion on whether the criteria for corporate lets should be made available. It was also noted that the costs incurred by the Council for lets would be more apparent in future reports to this Panel.

The Panel

**Decided:** to note the contents of the report.

**External Audit**

*Councillor Cullen left the meeting during consideration of the undernoted item.*

**8. External Audit Reports – Progress to 31 May 2024.**

There was submitted a report ([issued](#)) of 17 June 2024 by the Chief Financial Officer providing an update on the progress that the Council was making in relation to external audit improvement actions.

The Panel

**Decided:** to note the progress against the Council's external audit improvement actions, as detailed in the report.

## **Other Governance**

### **9. Treasury Management Annual Report 2023/24.**

There was submitted a report ([issued](#)) of 17 June 2024 by Chief Financial Officer presenting, in line with the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management, the annual report of treasury management activities for 2023/24, as detailed in Appendix 1 of the report.

The Panel, having considered the Annual Treasury Management Report 2023/24 and having discussed the current volatility of the current financial market

**Decided:** to remit the Annual Treasury Management Report to the Council meeting scheduled to take place on 10 October 2024 for approval.

### **10. Delivering Good Governance – 2023/24 Assessment.**

There was submitted a report ([issued](#)) of 17 June 2024 by Chief Governance Officer inviting the Panel to review the 2023/24 year-end assessment against the Council's Delivering Good Governance Framework.

After a Member of the Panel asked for clarification regarding the phrase used in the report "Engaging comprehensively with Stakeholders" the Corporate Finance Team Co-ordinator responded.

A Member of the Panel referred to Appendix 2 of the report relating to point 3 "Governance through reporting by Officers to ensure consultation data and findings are published" and asked for an update. The Chief Governance Officer advised that she would ask the Service Lead – Thriving Communities to provide an update on this to Members of the Panel. Another Member asked that updates also be provided on points 5 and 6 on Appendix 2, namely "Revision of the Council's Land and Property Asset Management Plan" and Review of the Health and Social Care Partnership Adult Mental Health Strategy."

The Panel

**Decided:** to agree the 2023/24 year-end assessment, as set out in Appendix 1 of the report.

### **11. Exclusion of press and public.**

The Panel resolved, in terms of Section 50A(4) of the Local Government (Scotland) Act 1973, that the press and public be excluded during consideration of the remaining item of business on the grounds that it involved the likely disclosure of exempt information in terms of paragraph 1 of Part 1 of Schedule 7A of the Act.

**Internal Audit.****12. Riverside High Flats Audit - Management Response.**

There was submitted a report (Members only) of 21 June 2024 by Director Housing, Operations and Development setting out the management response to action proposed by Internal Audit following their investigation into the Riverside Place High Flats Audit.

Following discussion on concerns surrounding this matter and having noted that the Chair and Vice-Chair of this Panel would be meeting with the Chief Executive to further discuss concerns that had arisen, the Panel

**Decided:**

- (1) to agree that all capital development programmes exceeding £100,000 would have in place a Project Execution Plans (PEPs) that would include a dynamic risk register;
- (2) to note that all PEPs would be approved by the Assistant Director - Planning, Development and Regulation and copied to the Director of Housing, Operations and Development; and
- (3) to note that all capital projects were now being monitored and managed through a project tracker.

**13. Consideration of Disclosure of the above confidential report.**

The Panel

**Decided:-** to authorise under Standing Order 32.4, disclosure of the above report, except Appendix 1 which would remain confidential.

The meeting ended at 11.40 a.m.