

AUDIT AND GOVERNANCE PANEL

Minutes of a hybrid webcast meeting on 29 January 2025 at 10.00 a.m.

Present in County Hall: Councillors Julie Dettbarn (Chair), Chris Cullen, Alan Lamont and Brian McGinley

Present Remotely: Councillors George Weir and Kenneth Bell

Apologies: Councillor Mary Kilpatrick and Cameron Ramsay

Attending in County Hall: M. Newall, Chief Executive; T. Baulk Chief Financial Officer; W. Carlaw, Service Lead – Democratic Governance; L. Reid, Assistant Director of Communities and Transformation, K. Anderson, Assistant Director of Corporate Policy, Strategy and Performance, J. Chapman, Committee Services Officer; and E. Moore, Clerical Assistant.

Attending Remotely: C. Cox, Assistant Director of Planning and Development

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.

Councillor Bell was online but there was an issue with the connection. The Chair requested that Councillor Lamont contact him.

2. Call-in from Cabinet.

The Panel noted that there were no call-ins from Cabinet of 21 January 2025.

3. **Minutes of Previous Meetings.**

The Minutes of the meeting of 4 December 2024 (issued) and 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 was one action outstanding from the 4 December 2024 meeting, and it had now been completed.

Following a question from a Panel Member on the outcome of the Action Log, the Chief Financial Officer advised that his part in that Action Log was now completed, and the information had now been passed to the Chief Executive and Chief Governance Officer for further consideration.

The Service Lead - Democratic Governance confirmed that discussions had taken place in relation to the possibility of extending the self-evaluation process to Service and Partnerships Performance Panel, however, this would involve a bespoke template for that Panel.

The Panel

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

Councillor Lamont advised that Councillor Bell's screen had frozen and that he was in the process of trying to rejoin the meeting, he was present with no declarations.

External Audit Reports

5. **Accounts Commission: Transformation in Councils - Sector-Led Change and Collaboration to Achieve Financial Sustainability**

There was submitted a report (issued) of 20 January 2025 by the Assistant Director of Communities and Transformation advising of the Accounts Commission: Transformation in Councils - Sector-Led Change and Collaboration to Achieve Financial Sustainability.

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(1) A member asked for clarification as to what was meant by fully adopted in the context of the Appendices; and the Assistant Director of Communities and Transformation advised that, in terms of the self-assessment, Corporate Leadership Team (CLT), agreed that evidence the Council held would be assessed, a statement would be provided on whether it was felt that the Council was not adopting the principle, was developing it or had fully adopted it. The self-assessment was something that the Council had decided to take forward and was not a requirement of Audit Scotland, but in the Council's developing approach to continuous improvement and self-evaluation, CLT agreed that this exercise would be beneficial particularly in light of

the fact that external audit are currently assessing the Council in terms of its adoption of the five principles.

- (2) A member queried that on page 2 the evidence listed referred to a methodology that was used to assess transformation proposals against strategic objectives and requested more information about that methodology. The Assistant Director of Communities and Transformation advised that a scoring criterion was used, and that stringent governance was in place in relation to transformation proposals. An initial project brief was developed which proceeded to the transformation board. This was considered along with the methodology to review the proposal. There were several things that were scored. Risk was looked at, investment requirements proposed, benefits, ability to be able to progress the proposal and the impact on staff, customers, and residents. A score was then produced, though this was not the only thing used to assess the proposal, but it was a piece of supporting evidence.
- (3) A member commented that page 12 mentioned engaging with staff and looking for innovation and enquired if consideration had been given to engage with elected members. The Assistant Director of Communities and Transformation advised that a presentation had been delivered to all members on Shaping Our Future Council and officers had carried out engagement with them. She also stated that there was regular engagement with Cabinet and the Administration through the Executive Leadership Team.
- (4) A member commented with regards to appendix two and some of the areas that had been identified as developing. They asked for clarification as to whether timescales would be applied; and the Assistant Director of Communities and Transformation advised that, in terms of timescales, it was anticipated that some of these areas would come back through the external audit report. which would be presented to this Panel and the Council would be expected to give a response to each of the recommendations in the report, including timescales. Some of the activity was underway already and some of it was close to being resolved but this would be firmed up once the outcome of the external audit was received.
- (5) A member questioned whether the Council had anything in development that it was considering adding to the existing collaborations or would Council focus on the contents of Appendix 2, page 10 with shared services. The Chief Executive advised that in conjunction with East and North Ayrshire Councils, the Council was exploring all shared services for several reasons, obviously efficiencies but also in terms of resilience.
- (6) A member commented on exhibit 3 of the transformation report and noted that the focus required to be on service users, was really about delivering things in a different way and required national impetus. The Assistant Director of Communities and Transformation stated that she had been involve with transformation for several years and was pleased to note that a Transformation fund was now available with just over £5m that services could bid for. All services were represented on the Transformation Board. She advised that great progress was being made, the governance arrangements had been established and the Council was moving into business as usual for Transformation.

- (7) A member commented that the Council had learned a lot from the work done in Wallacetown and that the report should not be seen as a burden but rather as an opportunity to show that changes could be made. The Chief Executive thanked the member for his good points and advised that he had met with the controller of Audit Scotland last week and she had stated that nationally the pace of change was understandably not as quick as everyone would like but that is because of the difficulties set out. The Chief Executive stated that the Community Partnership in South Ayrshire was excellent and had been recognised nationally regarding the work that had been undertaken in Wallacetown.
- (8) The Chair commented that she was pleased to see the report before this Panel and thanked those who had spoken to the report and looked forward to seeing all the items on the page going from development to adopted.
- (9) A member commented that exhibit two of the Appendix regarding "barriers to transformation" had 11 headings but could have had many more as it was a work in progress. He stated that it was reassuring to hear that there had been budget allocated and sought assurance that where barriers were identified that had not been there previously, there were resources available to deal with these. The Assistant Director of Communities and Transformation advised that she was confident that all the resources were in place in terms of the financial and staffing resources and that barriers to change would always be encountered. A matured risk and issues process was now in place and if barriers were encountered, they could be escalated to the transformation board chaired by the Chief Executive.

The Panel, having scrutinised the contents of the report.

Decided: to approve the report.

6. External Audit Reports – Progress to 31 December 2024

There was submitted a report of 22 January 2025 by the Chief Financial Officer providing Members with an update on the progress that the Council was making in relation to external audit improvement actions.

The Chief Financial Officer introduced the report; referred to table 4.1 entitled "Progress to 31 December 2024" and advised that, there were four audit actions resulting from two previous annual reports, the 2022 -2023 Audit in September 2023 and the annual report in 2023 which was reported in September 2024. One final action outstanding on the first report had now been completed and was being embedded in the annual accounts process. The three actions that were outstanding in the report for September were all in progress and were nearly completed. An extension was being sought to the end of the financial year, 31 March 2025.

- (1) A Member queried why the Citadel Leisure Centre Report that was due in December 2024 had been postponed until March 2025 and would it be reported to Cabinet once it was ready; and the Chief Financial officer advised that he was not sure of the exact details of the postponement. He stated that there was an expectation that it would be reported before Christmas but once Officers had completed the process the report was

not quite ready resulting in Officers asking for a delay. It was expected to come to Cabinet before the end of the financial year.

- (2) A member questioned if an extension was granted would it have any implications on the budget coming forward; and the Chief Financial Officer initially stated that it would not but then further stated that potentially in terms of the Common Good report it may have implications but consideration was currently underway regarding how best to manage that through this and future budget setting processes.
- (3) The Assistant Director - Planning and Development commented that she had checked the terms of the Citadel Report and it was now complete and ready to go. She advised that the next Council meeting assigned for 6 February 2025 was a special meeting and accordingly the report would be deferred to the March meeting.
- (4) A Member thanked officers for the report and questioned whether the Council would ensure that formal procedures were in place to validate staff on the payroll and could confirmation be given that this system would be in place year on year. The Chief Financial Officer reported that the Fusion system allowed reports to be run, so it now became an efficient process. It was rolled out in this financial year 2024-25 and the teething problems had now been resolved. Checks would be undertaken once a year to confirm all employees as part of the annual year end shut down process. Some Councils had problems with ghost employees, but this year's evidence indicated that was not an issue for this Council.
- (5) A Member asked further if Oracle Fusion had assisted in this process; and the Chief Financial Officer stated that it had, and Oracle Fusion was now embedded. He further advised that the system allowed various reports to be developed that could be used to interact and improve the Council's internal processes and forms.

The Panel, having scrutinised the contents of the report,

Decided: to approve the report.

The meeting ended at 10:49.