

AUDIT AND GOVERNANCE PANEL.

Minutes of a hybrid webcast meeting on 7 December 2022 at 10.00 a.m.

Present in County Hall:	Councillors Peter Henderson (Chair), Brian McGinley, Cameron Ramsay and George Weir.
Present Remotely:	Councillors Kenneth Bell and Chris Cullen
Apologies:	Councillors Mary Kilpatrick and Gavin Scott.
In Attendance For Call-in:	Councillors Philip Saxton and Duncan Townson.
Attending in County Hall:	E. Howat, Chief Executive; M. Newall, Depute Chief Executive and Director of Housing, Operations and Development; S. Mulholland, Assistant Director of Education; T. Baulk, Head of Finance, ICT and Procurement; C. Caves, Head of Legal and Regulatory Services; W. Carlaw, Service Lead – Democratic Governance; K. Anderson, Service Lead – Policy, Performance and Community Planning; C. McGhee, Chief Internal Auditor; D. Urquhart, Senior Investigations Officer; D. Love, Corporate Accounting Co-ordinator; K. Copland, Finance Officer; J. McClure, Committee Services Lead Officer; and E. Moore, Committee Services Assistant.
Attending	L. Reid, Assistant Director – Strategic Change; and G. McNally and F. Mitchell-Knight, 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 Councillor Cameron Ramsay had declared an interest in item 2 of these Minutes, the Call-ins from Cabinet as he had been a signatory on both Call-ins.

Following a question from Councillor Ramsay on the requirement to leave the meeting room during consideration of the call-ins, the Service Lead – Democratic Governance advised that this was in accordance with the Council's Standing Orders for Meetings.

Councillor Ramsay left the meeting during consideration of the following call-ins.

2. Call-ins from Cabinet

(a) “Update on Pupil Equity Fund and Scottish Attainment Challenge”

Reference was made to the Minutes of the Cabinet of 29 November 2022 (Page 3, paragraph 6) when the Cabinet had decided

- (1) to approve continuation of the current approach taken to the use of Pupil Equity Fund (PEF) and Attainment Challenge Scotland funding;
- (2) to note the changes to funding arrangements following the Attainment Challenge refresh and introduction of the Strategic Equity Fund; and
- (3) to note the progress made in achieving equity in educational outcomes during session 2021-22 and plans for the future.

There was submitted a [call-in](#) (issued) from Councillor Philip Saxton and [Responses/Feedback](#) from Officers to the reasons for the call-in (issued).

The Panel then heard Councillor Saxton outline the details of his call-in; and the Assistant Director of Education responded to the points raised by Councillor Saxton as follows:-

- (a) that, in relation to the plans provided by schools, the Council required to submit a detailed plan each session on the use of PEF, including detailed outcomes and measures and overall evaluation at the end of the school year in preparation for any decision making on future funding;
- (b) that schools required to conduct a contextual analysis to understand where the gaps existed in terms of the poverty related attainment gap in their school and those plans were reviewed by him and other senior Council Officers and they engaged with colleagues in Education Scotland who were part of the process;
- (c) that a rolling programme of PEF impact visits took place throughout each year which was a feature of any other school visit or inspection; and that, in relation to the outcomes and impact data, where there was a school with a smaller allocation and limited numbers of children who were in receipt of PEF, he would advise against detailed information being provided within a report to Members as children could be identified; and
- (d) that schools were required to consult with all stakeholders, including children, young people, their parents or carers and the wider schools community, typically through School Parent Councils but also through wider consultation in relation to school improvement plans for the coming session; and that the impact of schools' work through standards and quality reports was published on school websites containing a summary of the work undertaken in that school for that particular academic year.

Comments were made by Panel Members in relation to:-

- (i) Members being permitted to request further information from Council Officers on any matter at any time;
- (ii) that it was appropriate that this matter was “called in” to explore this report in more detail; that reports to be monitored around an operational issue should be submitted to the appropriate Panel for scrutiny; that information provided within these reports required to be more up-to-date and more focussed on local data, eg those financially vulnerable due to various circumstances such as single parent families, families with English as a second language, etc; and
- (iii) integration and the Council’s work on place planning to enable officers from various Departments to work together, e.g. Education, Social Work, Thriving Communities, etc to support Head Teachers in their decision making.

The Assistant Director of Education advised, in response to the comments made, that Head Teachers were empowered to make decisions around the use of PEF; that the funding was predominantly provided based on free school meals registration, however, this was not the only indicator that a family or young person required support, that all family circumstances required to be taken into account and considered by Head Teachers as the Head Teachers and teachers know the families and young people and provide support through engagement and consultation; that he regularly engaged with third sector organisations and colleagues in the Health and Social Care Partnership; and that a local event had taken place for third sector partners to enable discussions to take place on closing the poverty related attainment gap.

The Service Lead – Democratic Governance then outlined the options open to the Panel when considering this call-in.

Councillor Bell, seconded by Councillor Cullen moved that the Panel uphold the decision of the Cabinet.

Point of Order

A point of order was raised by Councillor McGinley in relation to the competency of the Motion; and the Service Lead – Democratic Governance advised that, in relation to the call-in procedures, it was appropriate to move a Motion to agree the decision of Cabinet of 29 November 2022.

In terms of Standing Order No. 19.9, there was no general agreement to the motion, therefore, the Panel moved to a vote for or against the Motion and Panel accordingly

Decided:

- (A) to approve continuation of the current approach taken to the use of Pupil Equity Fund (PEF) and Attainment Challenge Scotland funding;
- (B) to note the changes to funding arrangements following the Attainment Challenge refresh and introduction of the Strategic Equity Fund; and
- (C) to note the progress made in achieving equity in educational outcomes during session 2021-22 and plans for the future.

(b) “Lighting of Wallace Tower/Flag Flying”

Reference was made to the Minutes of the Cabinet of 29 November 2022 (Page 6, paragraph 11) when the Cabinet had decided

- (1) to agree that ad hoc requests for illumination of the Wallace Tower and for flag flying requests should be at the discretion of the Provost; and
- (2) to approve the updated detail in Appendices 3 and 4 of the report.

There was submitted a [call-in](#) (issued) from Councillor Duncan Townson and [Responses/Feedback](#) from Officers to the reasons for the call-in (issued).

The Chair outlined that, as the reason for the call-in made reference to recommendation 2.1.1 of the report only, recommendation 2.1.2 (item (2) above) stood.

The Panel then heard Councillor Townson outline the details of his call-in; and the Chief Executive advised in response that, as there had been some concern that the lighting of the Wallace Tower following the death of HM Queen Elizabeth II had a political element, this report had been submitted to Cabinet for approval of ad hoc requests being at the discretion of Provost, however, she would be happy to consider any alternative proposals from Members.

The Chair then outlined that this was an unusual matter and that he did not wish discussions to be of a political nature as the position of Provost was politically neutral.

Comments were made by Panel Members in relation to:-

- (a) the need for a process to be agreed to ensure transparency; and
- (b) that a policy had previously been approved for routine requests and that this report related to ad-hoc requests only; that the Council required to react to situations timeously, be aware of public opinion and the risk of criticism for not reacting timeously to a particular event; that a procedure for ad-hoc requests was necessary for periods of recess when Elected Members could not be reached; and that he refuted that the post of Provost was a political one as the role of Provost was unbiased and politically neutral.

The Chief Executive, in response, then outlined that a report had been considered at Leadership Panel of 23 November 2021 when it had been decided to agree that ad-hoc requests for the lights to be switched on be initially passed to the Service Lead – Asset Management and Community Asset Transfer and then to the Director – Place to liaise with Elected Members; and that it was now being proposed that the decision on any ad-hoc requests should lie with the Provost.

The Chair then outlined that this Panel was not trying to impugn the integrity of the Provost during discussion of this matter.

Councillor Townson responded to remarks made by a Panel Member outlining that Elected Members could always be contacted during recess.

The Service Lead – Democratic Governance then outlined the options open to the Panel when considering this call-in.

Councillor Bell, seconded by Councillor Weir moved that the Panel uphold the decision of the Cabinet.

In terms of Standing Order No. 19.9, there was no general agreement to the motion, therefore, the Panel moved to a vote for or against the Motion and Panel accordingly

Decided:

- (I) to agree that ad hoc requests for illumination of the Wallace Tower and for flag flying requests would be at the discretion of the Provost; and
- (II) to approve the updated detail in Appendices 3 and 4 of the report.

Councillor Ramsay re-joined the meeting at this point.

3. Minutes of Previous Meeting.

The Minutes of the meetings of [9 November 2022](#) and [23 November 2022 \(Special\)](#) (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 Head of Finance, ICT and Procurement provided the Panel with an update of the status of the Action Log and Work Programme outlining that all outstanding actions had now been completed.

A comment was made by a Panel Member on the good progress being made by this Panel.

A question was raised by a Panel Member in relation to the reason for the report on "Museums – Stores Control" being deferred to the meeting of 22 February 2022; and the Chief Internal Auditor advised that this was to coincide with the next Audit Progress Report which will come to the Panel in February.

The Panel

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

External Audit Report

5. Audit Scotland : Briefing on Tackling Child Poverty

There was submitted a [report](#) (issued) of 24 November 2022 by the Director of Strategic Change and Communities advising Members of the findings from the Audit Scotland: Briefing on Tackling Child Poverty.

Comments were made by Members in relation to:-

- (1) the significant amount of money being spent on this area without knowing the impact; the outdated statistics provided to Members; there being no overarching framework for the prevention of poverty; the requirement for a framework to break the poverty cycle and provide early intervention to mitigate the impact on children and provide tailored support and then transition this support through the life cycles; and that Audit Scotland had identified the problems but not provided a solution;
- (2) the data provided always being historic and just a snapshot of that time;
- (3) the complexity of the issue in relation to the roles of UK, Scottish and Local Government;
- (4) the data provided being a starting point and the need for this Council to take responsibility at local level and generate data establishing numbers of people in certain circumstances and their needs, however, this problem required to be tackled at local, regional and national level to find a solution; and
- (5) that this report was a salutary reminder of the work that required to be undertaken; and that the cost of living crisis was exacerbating the problem.

The Depute Chief Executive and Director of Housing, Operations and Development responded to the above comments and advised that this Council was limited with what it could undertake, however, colleagues in Education, the Health and Social Care Partnership and the NHS were working hard in an attempt to alleviate these problems; that individuals had a choice of what they required and what they wanted and that education was necessary to assist them to make the correct choices.

The Panel, having considered the findings outlined in the Audit Scotland briefing 'Tackling Child Poverty' (attached as Appendix 1 to the report) and any further action by the Council,

Decided: to note the contents of the report.

6. Audit Scotland: Local Government in Scotland Overview 2022

There was submitted a [report](#) (issued) of 24 November 2022 by the Director of Strategic Change and Communities advising Members of the findings from the Audit Scotland: Local Government Overview Report 2022.

The Depute Chief Executive and Director of Housing, Operations and Development outlined the key messages in the report highlighting that all Councils were experiencing difficult times and continued to face financial struggles and problems in maintaining staff which led to skill shortages.

A question was raised by a Panel Member regarding the latest update around the Best Value review, action planning and how this information would be presented; and the Chief Executive advised that a report would be submitted to the meeting of South Ayrshire Council of 15 December 2022 which would provide an update on the Council's response to the Best Value Action Plan; she outlined that some actions would not be completed by the due date of 31 December 2022 due to a new Council Plan not yet being approved; and advised that she had been notified that this Council was one of the first to be considering the new stage of Best Value review and that this would be picked up and considered at the next meeting of the Best Value Working Group.

Comments were made by Panel Members in relation to concerns regarding the delay in approving the Council Plan.

Councillor Bell advised the Panel that Councillor Weir's microphone had not been operational during the meeting and he could not be heard by those joining the meeting remotely. This was then rectified.

The Panel, having considered the findings outlined in the Audit Scotland report 'Local Government in Scotland Overview 2022' (attached as Appendix 1 to the report) and any further actions by officers,

Decided: to note the contents of the report.

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

There was submitted a [report](#) (issued) of 24 November 2022 by the Chief Internal Auditor advising Members of the Corporate Fraud Team's (CFT) activity from 1 April to 30 September 2022 and providing an update to Members on the progress of the 2022/23 National Fraud Initiative (NFI) exercise.

The Senior Investigations Officer provided an overview of the report and advised that a summary of activity and explanations of the types of cases undertaken were included within the report, along with case numbers, accumulated financial savings and beneficial outcomes. He further advised that the CFT's approach to the NFI exercise which would commence in early 2023 was included within the report and that the CFT and Chief Internal Auditor contributed to the completion of this exercise.

A comment was made by a Panel Member thanking the Corporate Fraud Team for carrying out this work which often went unseen but was a very important area of work as shown in the results outlined in the report;

A question was raised by a Panel Member regarding the information provided on possible data matches and whether match information was always available to the CFT; and the Senior Investigations Officer advised that the information in the data matches was national information which was provided by the Chief Internal Auditor in liaison with other Council services which was then matched against external data.

The Panel, having considered the CFT activity for the six month period to 30 September 2022,

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

8. Treasury Management and Investment Strategy Mid-Year Report 2022/23

There was submitted a [report](#) (issued) of 24 November 2022 by the Head of Finance, ICT and Procurement providing Members with a mid-year Treasury Management update for the financial year 2022/23.

The Head of Finance, ICT and Procurement introduced the report and advised that Appendix 1 of the report related to Economic Update and Interest Rates; and that Appendix 2 of the report was in relation to Treasury Activity in the last six months.

Comments were made by Panel Members in relation to:-

- (1) this very informative report showing the value of the Finance Team's work; and
- (2) a great deal of prudent work had been carried out in this area and good decisions made based on evidence; that the Council was now entering a period of unpredictability with regards to interest rates; and that the Head of Finance, ICT and Procurement and his team should be commended for their work in managing this ongoing situation.

The Panel, having scrutinised the contents of the report,

Decided: to remit the report to the Cabinet meeting of 17 January 2023 for approval.

The meeting ended at 11.15 a.m.