

AUDIT AND GOVERNANCE PANEL (SPECIAL).

Minutes of a hybrid webcast meeting on 26 September 2024 at 10.00 a.m.

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

Present
Remotely: Councillor Kenneth Bell.

Apology: Councillor Mary Kilpatrick.

Attending in
County Hall: M. Newall, Chief Executive; W. Carlaw, Service Lead – Democratic Governance; T. Simpson, Service Lead – Corporate Accounting; K. Anderson, Assistant Director – Corporate Policy, Strategy & Performance; L. Reid, Assistant Director – Transformation; F. Mitchell-Knight, A. Kerr and K. Sharp, Audit Scotland; K. Hancox, Committee Services Officer; and C. McCallum, Clerical Assistant.

Attending
Remotely: L. Reid, Assistant Director - Transformation

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;

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. Final Report on the 2023/24 Audit.

There was submitted a report ([issued](#)) of 19 September 2024 by the Chief Financial Officer submitting the Annual Accounts for the year ended 31 March 2024 and the proposed independent auditor's report.

After the Service Lead – Corporate Accounting gave an introduction to the report, a representative from Audit Scotland spoke on the key issues arising from the report.

A Member of the Panel thanked the auditor for the Audit report and highlighted areas of concern surrounding reserves used in last year's budget, the Citadel and Vision, Leadership and Governance.

The Service Lead – Corporate Accounting advised that a paper had been brought before Members earlier in the year outlining the reserves position and that this would be re-circulated to Members. He also clarified the difference between reserves amount used throughout the year and amount used to set the budget and would report back with a full analysis to Members.

A Member of the Panel raised an issue with a request for a retrospective business case to be made in respect of the Citadel and that this had been carried out without a business case being made. The Panel Member queried if, and when a retrospective business case is carried out were officers aware of an earlier a report which was made, advising that the Citadel was unfit for purpose.

A Member of the Panel referred to Vision, Leadership and Governance and advised that officer capacity had been improved and increased and that was encouraging, however, he had doubts about the political leadership.

Having heard a Member of the Panel in relation to the Citadel project, the Chief Executive apologised that a business case had not been carried out and gave an undertaking to review the previous paper regarding the condition of the Citadel and feed back to the Panel.

A Member of the Panel disagreed with the earlier comment about political leadership and felt that political leadership within the current administration was clear, the Member then raised concerns regarding financial sustainability going forward and deadlines in relation to the Transformation Board, in particular workforce planning.

The Chair reminded Panel Members that this was not a political Panel.

A representative from Audit Scotland referred to the attached report to answer the Panel Members' concerns in relation to level of reserves held. He also advised that next year's Best Value thematic was looking at Transformation and would be reported to Panel in spring 2025.

A Member of the Panel requested information on timescales regarding addressing cumulative budget gap and the Service Lead – Corporate Accounting advised that (approximate figures) the £45 million figure was over five years with a £6m budget gap for 2025/26 and £28m budget gap for 2026/27.

Having heard a Member of the Panel request further information in relation to wording within Vision, Leadership and Governance, a representative from Audit Scotland advised this was as a result of their findings on the Citadel project.

In relation to political leadership, a Member of the Panel advised that the Panel had a responsibility to ensure decisions made were justified and that there was no portfolio holder present and that was what he meant by political leadership

Having heard a Member of the Panel request a timescale of when Members would be given an update on the new business case in relation to the Citadel, the Chief Executive advised that a report would be presented in December.

A Member of the Panel enquired if there were any non-essential areas where cuts could be made; and a representative from Audit Scotland advised it would be up to the Council to determine how to best use their resources and that any decision should be based on a business case and best value.

A Member of the Panel noted that the report noted significant improvements in several areas.

The Chief Executive thanked all employees.

The Chair echoed the Chief Executive's comments and advised that she was pleased with the Report and thanked Audit Scotland for the Report.

A Panel Member commented that the Council was moving in the right direction and correct decisions required to be made.

The Service Lead – Corporate Accounting clarified that the report to review general services reserves went to Cabinet on 27 August 2024.

The Panel

Decided:

- (1) to note the contents of Audit Scotland's audit completion letter (Annex 1);
- (2) to accept Audit Scotland's Proposed 2023/24 Annual Audit Report (Annex 2), and noted that both the Council's 2023/24 Annual Accounts and the Charitable Trust Funds 2023/24 Trustees' Annual Report and Financial Statements have an unmodified audit opinion;
- (3) to approve the Council's audited 2023/24 Annual Accounts (Annex 3) for signature and subsequent issue by 30 September 2024; and
- (4) to approve the Charitable Trust Funds audited 2023/24 Trustees' Annual Report and Financial Statements (Annex 4) for signature and subsequent issue by 30 September 2024.

The meeting ended at 11.00 a.m.