

AUDIT AND GOVERNANCE PANEL.

Minutes of a hybrid webcast meeting on 26 March 2025 at 10.00 a.m.

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

Present
Remotely: Councillors Mary Kilpatrick and George Weir.

Also Present
In County Hall: Councillors Laura Brennan-Whitefield, Ian Cochrane and Craig Mackay (in attendance for item 2 only).

Apology: Councillor Kenneth Bell.

Attending in
County Hall: M. Newall, Chief Executive; L. McRoberts, Depute Chief Executive and Director of Education; K. Braidwood, Director of Housing, Operations and Development; K. Anderson, Assistant Director - Corporate Policy, Strategy & Performance; L. Reid, Assistant Director – Transformation; T. Baulk Chief Financial Officer; C. McGhee, Chief Internal Auditor; W. Carlaw, Service Lead - Democratic Governance; T. Simpson, Service Lead - Corporate Accounting; J. Tait, Service Lead – Thriving Communities; F. Mitchell-Knight and A. Kerr. Audit Scotland; S. Rodger, Risk and Safety Co-ordinator; J. Corrie and B. McDonnell, Ayrshire Roads Alliance; J. Chapman, Committee Services Officer; and E. Moore, Clerical Assistant.

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-in from Cabinet of 18 March 2025 - Ayr Parking Consultation and General Parking Review.

Reference was made to the Minutes of the Cabinet of 18 March 2025 (page 2) when the Cabinet had decided to agree to maintain the status quo and that the Director of Housing, Operations and Development present revised proposals to Cabinet in six months' time.

The Panel was advised that the report had been the subject of a call-in (issued), details of which were outlined by Councillor Craig Mackay when he introduced and spoke to the call-in.

Councillors Brennan-Whitefield and Cochrane confirmed their support for the call-in and stated their reasons.

Councillor Clark advised Members that he was representing the Cabinet as the Portfolio holder was unable to attend. He acknowledged the issues raised and had some concerns about aspects of the report and gave his views on the Paper.

The Director of Housing, Operations and Development stated the reasons for the parking charges and advised that his officers had been asked to look at parking charges across South Ayrshire. He noted that parking issues within the rural towns differed from those for Ayr. It was intended that the report that would be brought back to Cabinet would exclude rural towns.

Councillor Mackay advised that he still did not see adequate political direction and that more detail was required. He questioned why the Paper was signed off by the Portfolio Holder when apparently not one member of Cabinet supported it. Councillor Clark advised that he could not answer that question as only the Portfolio Holder could.

Councillor Mackay requested clarification as to why the proposal included Car Park charges across Ayrshire without any other parking strategy consultations other than Ayr and Prestwick. The Director of Housing, Operations and Development advised that a parking consultation had been carried out in 2021/2022 but conceded it did not take into account the areas across Ayrshire.

Councillor Mackay questioned if it was accepted that more openness by the Administration was required going forward in relation to parking restrictions and charges. Councillor Clark advised that for his part he was agreeable to this and for all Members to be briefed beforehand on any proposed parking strategies. The Director of Housing, Operations and Development advised that he had met with members of the Administration prior to Cabinet.

Councillor Mackay stated that he would welcome an informal discussion with the Portfolio Holder and with other opposition Members to agree a baseline of how to proceed with parking proposals. Councillor Clark advised that he did not see this being a problem but that it would be for the Portfolio Holder to agree to that.

Councillor Clark stated there was a discrepancy with the figures in the report relating to Parking Charges and Parking Fines. The Chief Financial Officer and The Director of Housing, Operations and Development provided a breakdown and explanation of those figures.

A Member of the Panel gave his view on the Portfolio Holder being absent and on the Paper.

A Member of the Panel raised a point of order on whether a non-Panel Member was allowed to ask Officers questions. The Service Lead - Democratic Governance advised

that the Council's Standing Orders Relating to Meetings recognised the need for a flexible approach to the conduct of Scrutiny Panel meetings and accordingly the Governance rules could be relaxed at the behest of the Chair.

The Chair then outlined the options open to the Panel when considering this call-in.

The Panel adjourned to allow Members of the Panel the opportunity to discuss proposed wording of a Motion. Upon reconvening, Councillor McGinley, seconded by Councillor Ramsay moved

- (1) that the requested report be referred to full Council for determination within six months, and
- (2) that a members' briefing be held within four weeks to discuss the strategic and political direction of the parking strategy across South Ayrshire, which would inform the requested report.

By way of an Amendment, Councillor Lamont, seconded by Councillor Kilpatrick moved that the Panel agree the Decision of Cabinet.

On a vote being taken by a show of hands, 2 Members voted for the Amendment and 5 for the Motion. The Motion was accordingly declared to be carried and subsequently, the Panel

Decided:

- (a) that the requested report be referred to full Council for determinations within six months, and
- (b) that a members' briefing be held within four weeks to discuss the strategic and political direction of the parking strategy across South Ayrshire, which would inform the requested report.

3. Minutes of Previous Meeting.

The Minutes of the meeting of 26 February 2025 (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 there were no actions outstanding.

A member questioned if triggers were in place to identify slippage of deadlines in relation to reports being presented to this Panel; and the Chief Financial Officer advised that this was monitored monthly.

The Panel

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

5. **Annual Audit Plan 2024/25**

There was submitted a report ([issued](#)) of 19 March 2025 by the Chief Financial Officer providing a background to the presentation by Audit Scotland of their Annual Audit Plan 2024/25 (the Audit Plan).

A Member questioned whether the auditors were aware of any activity in relation to the risks that were highlighted in paragraph 4.2.1 of the report. The Chief Financial Officer stated that he was not aware of any internal issues that would cause any concern.

An Officer from Audit Scotland commented that South Ayrshire Council had taken into consideration a recent national report on a particular council tax fraud case and had considered the findings from that report internally and advised that there were no issues in terms of how their service operated.

Having heard a Member of the Panel request clarification of what was meant by accounted for on an equity basis on page 11 of the report, an officer from Audit Scotland provided an example of this.

An Auditor from Audit Scotland who was also the Auditor for Strathclyde Partnership for Transport gave assurance that risk has been noted but had never crystalized and in previous years Strathclyde Partnership for Transport had a clean Audit certificate with no problems anticipated.

A Member referred to an appendix attached to the report and enquired why common good was treated differently from South Ayrshire Council. Audit Scotland advised that there was a legal requirement given that the common good assets were held separately from the Council's estate. In the Council's annual accounts there was a separate statement that detailed the assets that were common good . The Service Lead - Corporate Accounting further advised that although the Council had governance over the common good funds, legally and statutorily, they were a separate entity. Exhibit 3 referred to the Council's group accounts of which the common good was a part of the overall group along with Ayrshire Valuation Joint Board and Strathclyde Partnership for Transport.

A Member of the Panel questioned whether the new IFRS16 reporting tool was working well. An officer from Audit Scotland stated that it was recognised that this was a significant change and early engagement had been made with the team. From the progress Audit Scotland had seen so far, they were comfortable with where the Council were at, compared to other Councils.

The Service Lead - Corporate Accounting further advised that Members would be aware that a separate report on IFRS16 had been considered at the previous meeting of this Panel and stated that it was a new accounting standard that was being introduced.

A Member of the Panel queried that there was an assertion that there were no significant wider scope risk and asked for clarification if that meant at present or was it a broad view when financial sustainability pressures were clearly acknowledged in the report. An officer from Audit Scotland advised that in terms of the wider scope risks, these were risks to the Audit rather than business operational risks to the Council.

The Panel

Decided: to approve the Annual Audit Plan 2024/25.

6. **Best Value Thematic Management Report – Transformation**

There was submitted a report ([issued](#)) of 19 March 2025 by the Director of Communities and Transformation presenting Audit Scotland's thematic report on transformation in South Ayrshire.

A Member commended Officers for the work that had been done and gave his views on Best Value and Transformation.

A Member queried page 1, item 2.1.3 of the report, quarterly reporting to the Audit and Governance Panel recommendation and how did this tie in with Transformation reports to the Service, Partnerships and Performance Panel Reporting Scheme. He also questioned how often aspects of Transformation would be reported to the two scrutiny panels. The Assistant Director - Corporate Policy, Strategy and Performance advised that the report submitted to the Audit and Governance Panel was specifically based on improvement actions. The reports that were submitted to the Service and Partnerships Performance Panel provided an overview of progress within the Transformation Programme.

A Member of the Panel asked how the individual services would be held accountable for realising measurable outcomes within Transformation. The Assistant Director - Transformation advised that the Transformation Board met on a quarterly basis and there was a Transformation Delivery Group that reported to the Board. There were several reports that were considered by the Board that were agreed by Cabinet and one of those reports related to risk and issues. If there were any issues, they would be escalated to the Senior Reporting Officer and if the issues remained unresolved the next step would be escalation to the Senior Officers.

The Chief Executive thanked Audit Scotland for recognising the efforts that this Council's Corporate Leadership Team had put in place to take forward Transformation and emphasised the importance of Officers and Elected Members working together to take the organisation forward in dealing with difficult decision making.

The Chair advised that she was pleased with the work that was being undertaken with the Community Planning Partnership and Mutual Ventures and invited Members to visit the Community Planning Partnership to see the work that had taken place. She reiterated the Chief Executive's comments and asked whether Members needed to do more.

An Officer from Audit Scotland responded that urgent reform was required and, as a result, Elected Members must make difficult decisions.

The Panel, having scrutinised the contents of Audit Scotland's thematic report on transformation in South Ayrshire;

Decided:

- (1) to note the improvement actions identified in Appendix 1 of the report; and
- (2) to agree for these actions to be incorporated within the existing Best Value Action Plan and reported quarterly to the Audit and Governance Panel and the Best Value Working Group.

7. **Proposed Internal Audit Plan 2025/26 (including Annual Review of Internal Audit Charter)**

There was submitted a report ([issued](#)) of 19 March 2025 by the Chief Internal Auditor seeking approval for the proposed Audit Strategy and Internal Audit Plan and reserve list for 2025-26 and for the revised Internal Audit Charter. The report also set out a summary of changes relevant to the audit planning process resulting from the new Global Internal Audit Standards (GIAS) in the UK Public Sector for noting.

A Member queried if the Internal Audit Plan worked proactively or reactively to identify weaknesses within the system. The Chief Internal Auditor advised that the Audit and the Plan covered a specific period and would depend on what was being Audited. She advised that if figures were being examined, they would look backwards at periods that had passed and that they also provided guidance on future plans.

A Member commended the fact that the Strategic Plan had been a live document in which the ambitions of the Council were being reflected and that the work around Transformation had been recognised.

The Panel

Decided:

- (1) to note the summary of changes relevant to the annual planning process resulting from the new Global Internal Audit Standards (GIAS) In the UK Public Sector (Paras 3.3 and 4.1) and agree that a report outlining all requirements and responsibilities of the new standards be brought to a future Audit and Governance Panel;
- (2) to approve the Audit Strategy ([Appendix 1](#));
- (3) to approve the Annual audit plan and reserve list for 2025-26 ([Appendix 2](#)); and
- (4) to approve the revised Internal Audit Charter ([Appendix 3](#)).

8. **Strategic Risk Management.**

There was submitted a report ([issued](#)) of 19 March 2025 by the Acting Risk and Safety Service Lead updating Members on the reviewed Strategic Risk Register (Appendix 1) in line with the agreed reporting framework.

A Member questioned what process was being used to identify strategic versus operational risks and enquired if community level risks were included. The Acting Service Lead - Risk Safety advised that the Service, reached out to Service Leads on a six-monthly basis to ask what risks they felt impacted the delivery of their service objectives at operational level. This was reported to the Executive Leadership Team (ELT) and discussions took place to establish if any of the risks should be escalated to strategic level. The Acting Service Lead confirmed that she would expect community risks to form part of that discussion. If any risks became established as part of a service issue, they could be included at any point.

A Member referred to the figures on page 12 and asked for clarification on how these figures were devised. The Acting Service Lead - Risk Safety stated that she would revert to the officer concerned and report back to the Panel.

A Member queried financial inclusion and in particular the short-term funding of the initiatives and asked if there was any consideration in place about these initiatives and how they could be put on a more sustainable footing. The Service Lead - Thriving Communities advised that short term funding was an issue, and that other options were still being explored for funding. He advised that it would be a decision for the Council to create sustainable recurring budgets.

A Member asked for clarification on the dates shown on page 18 of the final appendix regarding the mitigations. They stated that several of these dates, relating to ICT, items 1, 2 and 4 showed past dates and asked if these had been completed. The Assistant Director - Transformation confirmed that she would pick this up with ICT and report back to Panel.

In response to a query about Prevent, the Chief Governance Officer stated that a briefing would be given to Elected Members either in person or in writing to give them a better understanding of the Prevent Programme. The Chair commented that this would be very helpful and most welcome.

A Member questioned how well integrated risk management was in relation to frontline decision making when delivering transformation or controversial policies. The Acting Service Lead - Risk Safety advised that, in terms of risk management, it should be factored into all decisions in terms of Transformation work, there had been a lot of work undertaken in specific project related risk registers to capture any risks that were specific to activities that had been undertaken. Assistance would be given to services to ensure they had specific project registers to assist them in decision-making processes.

The Assistant Director - Transformation advised that in terms of Transformation or Change Projects there was a risk management strategy that was in place that all Officers involved in developing and delivering change must follow. That involved conducting a full risk assessment at the development stage and re-assessing once the business case had been approved and onto implementation. Risks were managed and reviewed on an ongoing basis, a minimum of once per month, and if they were above a particular threshold, they would go to the Transformation Delivery Group. Risk escalation arrangements were in place for the Transformation Board, so they had an oversight at the highest Officer level within the Council.

The Panel

Decided: having considered the reviewed Strategic Risk Register (Appendix 1) updated by Chief Officers; to note the 16 key risks and to endorse the work currently being undertaken or proposed by risk owners to mitigate these risks.

The meeting ended at 12:21pm.