

County Buildings  
Wellington Square  
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27 May 2026

**To: Councillors Dettbarn (Chair), Bell, Hogg, McGinley, Pollock, Ramsay and Weir.**

**All other Elected Members for information only.**

Dear Councillors

## **AUDIT AND GOVERNANCE PANEL**

You are requested to participate in the above Panel to be held on **Wednesday, 3 June 2026 at 10.00 a.m.** for the purpose of considering the undernoted business.

This meeting will be held in the County Hall County Buildings, Ayr on a hybrid basis for Elected Members, will be live-streamed and available to view at <https://south-ayrshire.public-i.tv/>

**Yours sincerely**

**CATRIONA CAVES**  
**Chief Governance Officer**

## **B U S I N E S S**

1. Declarations of Interest.
2. Call-ins from Cabinet.
3. Minutes of previous meeting of 6 May 2025 (copy herewith).
4. Action Log and Work Programme (copy herewith).

### **Internal Audit Reports**

5. Internal Audit – Corporate Fraud Activity – Submit Report by the Chief Internal Auditor (copy herewith).

### **Other Governance Reports**

6. Audit and Governance Panel – 2025/26 Annual Report - Submit joint report by Chief Financial Officer and Chief Governance Officer (copy herewith).

For more information on any of the items on this agenda, please telephone June Chapman,  
Committee Services on 01292 272015, Wellington Square, Ayr or  
e-mail: [committeeservices@south-ayrshire.gov.uk](mailto:committeeservices@south-ayrshire.gov.uk)  
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**Agenda Item No. 3****AUDIT AND GOVERNANCE PANEL.**

Minutes of a hybrid webcast meeting on 6 May 2026 at 10.00 a.m.

Present in  
County Hall: Councillors Julie Dettbarn (Chair), Wullie Hogg, Cameron Ramsay, Bob Pollock and George Weir.

Apologies: Councillors Kenneth Bell and Brian McGinley.

Attending in  
Girvan  
Committee  
Room: C. Caves, Chief Governance Officer; T. Baulk, Chief Financial Officer; L. Duncan – Chief Finance Officer; K. Anderson, Assistant Director – Corporate Policy, Strategy and Performance; C. Cox, Assistant Director - Planning and Development; C. McGhee, Chief Internal Auditor and J. Chapman, Committee Services Officer.

Attending  
Remotely: L. Reid, Assistant Director – Transformation and G. McNally – Audit Scotland.

**Opening Remarks.**

The Chair

- (1) welcomed everyone to the meeting;
- (2) outlined the procedures for conducting this meeting and advised that this meeting would be recorded and placed on the Council's website following the meeting.

**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.

In the interest of transparency Councillors Dettbarn and Ramsay both advised they had a connection with the IJB in respect of Agenda Item no 5 but did not have an interest to declare.

**2. Call-ins from Cabinet.**

The Panel noted that there were no call-ins from Cabinet of 28 April 2026.

**3. Minutes of Previous Meeting.**

The Minutes of the meeting of 25 March 2026 ([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 indicated that there were two pending actions that were progressing towards completion.

The Panel

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

**5. Audit Scotland – IJB Financial Bulletin 2024/25.**

There was submitted a report ([issued](#)) of 25 March 2026 by the Director of Health and Social Care presenting the findings of the Audit Scotland report entitled 'Integration Joint Boards – Finance Bulletin 2024/25', published in February 2026.

Members of the Panel remarked on the substantial efforts undertaken by the IJB and expressed gratitude for the report.

A Member of the Panel highlighted the importance of maximising efforts to achieve maximum savings and asked if there was a collaboration between the Council's officers and the IJB to avoid duplication of work. Officers presented examples to Members regarding the initiatives being undertaken to enhance energy efficiency and advised that a new system was being implemented to oversee and track finances for operational activities, which would be advantageous for both the Partnership and the Council in terms of financial utilisation.

A Member of the Panel voiced their concerns regarding the 2022 Census data, specifically noting that the percentage of individuals with long-term illnesses, diseases, or conditions had reached 21% in Scotland and enquired how this statistic compared to the figure for South Ayrshire. The Chief Financial Officer advised that the figure for South Ayrshire regarding long-term conditions was high due to a rise in the number of adults entering residential care, necessitating increased Community support. In the previous year, there was a 20% rise in adults requiring Residential Care, with these individuals typically being around 40 to 50 years of age. As they age, their caregivers, who were often in their 60s and 70s, found it increasingly difficult to provide the necessary support which contributed significantly to the observed increase in the demand for Residential Care.

In response to a remark made by a Member of the Panel, it was observed that Section 4.2 should be designated as Section 4.

A Member of the Panel commented on Risk Sharing Agreements and enquired whether the IJB was currently contemplating this or if it ought to be actively considered. It was noted that the issue should be addressed with the Director of Health and Social Care.

The Panel

**Decided:**

- (1) to note the findings of the Audit Scotland report (attached as Appendix 1); and
- (2) to note the local arrangements in place at paragraph 4.2.

**6. External Audit Reports – Progress to March 2026.**

There was submitted a report ([issued](#)) of 23 April 2026 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.

A discussion took place concerning ICT Security Critical incident Response and Business Continuity Plans, following which a Member sought clarification on what it meant to not be entirely dependent on suppliers. The Chief Financial Officer offered a brief summary of his understanding of the matter and advised that he would reach out to the appropriate team to obtain more detailed information for Members.

The Panel

**Decided:** to scrutinise the progress against the Council's external audit improvement actions as presented in this report.

**7. Best Value Action Plan – Progress Update.**

There was submitted a report ([issued](#)) of 21 April 2026 by the Assistant Director – Corporate Policy, Strategy and Performance updating members on the progress toward delivering the Council's Best Value Action Plan.

A Member of the Panel sought clarification on the term SMART and suggested that its definition should be incorporated into the report. The Assistant Director of Corporate Policy, Strategy, and Performance explained that SMART was an acronym for Specific, Measurable, Achievable, Relevant, and Time-bound, and confirmed that the full acronym would be shared following the meeting.

A Member of the Panel referred to Section 13 of the report, namely the absence of a connection to Shaping Our Future Council, enquiring if there was a specific reason for the omission. The Assistant Director of Corporate Policy, Strategy and Performance clarified that his interpretation of that Section pertained to whether it was directly related to Transformation. He further advised that when he was preparing a performance report, he did not seek approval for anything other than noting the performance, therefore, it did not have a direct influence on Shaping Our Future Council. He did, however, agree that Best Value did have an impact and would ensure that the 's' box was checked in future reports.

The Panel

**Decided:**

- (1) to scrutinise the content of the Best Value Action Plan update report; and
- (2) to consider the progress through the narrative set out within Appendix 1.

The meeting ended at 10:30 a.m.

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## **Audit and Governance Panel**

### **Action Log**

**Agenda Item No. 4.**

## Audit and Governance Panel

| No | Date of Meeting | Issue | Actions   | Assigned/<br>Re-assigned to                  | Update  | Completed |
|----|-----------------|-------|---|--|---|-----------|
| 1  | 25/03/26        |       | <p>A Member of the Panel gave their views and commented on the urgency regarding Building Safety and Compliance Inspections Risk and enquired what action was being taken. The Assistant Director, Planning and Development advised that there were Building Safety procedures in place and was happy to provide Members with a briefing note regarding these. Furthermore, it was noted that there was a rigorous programme of Compliance Inspection for all properties but was happy to report back to Members in more depth. The Assistant Director, Planning and Development advised they would consult with the Monitoring Officer to determine the most suitable Panel for reporting.</p> | Assistant Director, Planning and Development | A report will be brought to AGP following the Summer 2026 recess. | Yes       |

## Audit and Governance Panel

|   |          |  |  |                             |  |     |
|---|----------|--|--|-----------------------------|--|-----|
| 2 | 06/05/26 |  | <p>A discussion took place concerning ICT Security Critical incident Response and Business Continuity Plans, following which a Member sought clarification on what it meant to not be entirely dependent on suppliers. The Chief Financial Officer offered a brief summary of his understanding of the matter and advised that he would reach out to the appropriate team to obtain more detailed information for Members.</p> | The Chief Financial Officer | <p>Clarification issued to all Members of the Panel on 19<sup>th</sup> May 2026 -</p> <p>ICT have recovery plans for systems which are hosted on premises. For other systems which are hosted elsewhere and are "supplier dependant" ICT are <b>not</b> responsible for system recovery and services have to own the engagement with their suppliers and include contingencies in their business continuity plans.</p> | YES |
|---|----------|--|--|-----------------------------|--|-----|

## Audit and Governance Panel

### Work Programme 2026

|    | <b>Issue</b>  | <b>Actions</b>  | <b>Assigned To</b>   | <b>Due Date to Panel</b>     | <b>Latest update</b> |
|----|---|-----------------|--|------------------------------|----------------------|
| 1. | <b>Internal Audit – Corporate Fraud Activity</b>          | Report to Panel | Chief Internal Auditor   | 3 June 2026 (Biannually)     | Report to this Panel |
| 2. | <b>Audit and Governance Panel – 2025/26 Annual Report</b> | Report to Panel | Chief Financial Officer/ Chief Governance Officer              | 3 June 2026 (Annually)       | Report to this Panel |
| 3. | <b>Draft Annual Accounts 2025/26</b>                      | Report to Panel | Chief Financial Officer  | 24 June 2026 (Annually)      | Being drafted        |
| 4. | <b>Strategic Risk Management</b>                          | Report to Panel | Chief Governance Officer                                       | 24 June 2026 (Biannually)    | Being drafted        |
| 5. | <b>Delivering Good Governance – 2025/26 Assessment</b>    | Report to Panel | Assistant Director, Corporate Policy, Strategy and Performance | 24 June 2026 (Annually)      | Being drafted        |
| 6. | <b>Internal Audit Annual Report 2025/26</b>               | Report to Panel | Chief Internal Auditor   | 24 June 2026 (Annually)      | Being drafted        |
| 7. | <b>Treasury Management Annual Report 2025/26</b>          | Report to Panel | Chief Financial Officer  | 24 June 2026 (Annually)      | Being drafted        |
| 8. | <b>Internal Audit – Progress Report Quarter 1</b>         | Report to Panel | Chief Internal Auditor   | 2 September 2026 (Quarterly) | Not yet started      |

## Audit and Governance Panel

|     | <b>Issue</b>  | <b>Actions</b>  | <b>Assigned To</b>   | <b>Due Date to Panel</b>           | <b>Latest update</b> |
|-----|---|-----------------|--|------------------------------------|----------------------|
| 9.  | <b>Corporate Lets</b>   | Report to Panel | Director of Communities and Transformation                     | 2 September 2026<br>(Annually)     | Not yet started      |
| 10. | <b>Treasury Management and Investment Strategy Quarter 1 Report 2026/27</b> | Report to Panel | Chief Financial Officer  | 2 September 2026<br>(Quarterly)    | Not yet started      |
| 11. | <b>Final Report on the 2025/26 Audit</b>                                    | Report to Panel | Chief Financial Officer  | 30 September 2026<br>(Annually)    | Not yet started      |
| 12. | <b>South Ayrshire IJB External Annual Audit Report 2025-26</b>              | Report to Panel | Director of Health & Social Care                               | November 2026<br>(Annually)        | Not yet started      |
| 13. | <b>Internal Audit – Progress Report Quarter 2</b>                           | Report to Panel | Chief Internal Auditor   | November 2026<br>(Quarterly)       | Not yet started      |
| 14. | <b>Internal Audit Plan 2026/27 – Mid-year review</b>                        | Report to Panel | Chief Internal Auditor   | November 2026<br>(Annually)        | Not yet started      |
| 15. | <b>Accounts Commission - Annual Report</b>                                  | Report to Panel | Chief Financial Officer  | November 2026<br>(Annually)        | Not yet started      |
| 16. | <b>Internal Audit – Corporate Fraud Activity</b>                            | Report to Panel | Chief Internal Auditor   | November 2026<br>(Biannually)      | Not yet started      |
| 17. | <b>Strategic Risk Management</b>  | Report to Panel | Chief Governance Officer                                       | 2<br>December 2026<br>(Biannually) | Not yet started      |
| 18. | <b>Best Value Action Plan – Progress Update</b>                             | Report to Panel | Assistant Director, Corporate Policy, Strategy and Performance | December 2026<br>(Biannually)      | Not yet started      |

**South Ayrshire Council**

**Report by Internal Audit Corporate Fraud Team  
to Audit and Governance Panel  
of 3 June 2026**

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**Subject: Corporate Fraud Team –Activity Report and National Fraud Initiative update**

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**1. Purpose**

- 1.1 The purpose of this report is to advise the Audit and Governance Panel of the Corporate Fraud Team's (CFT) activity for the year to 31 March 2026, the outcome of the 2024/25 National Fraud Initiative (NFI) and the start dates for the 2026/27 National Fraud Initiative.

**2. Recommendation**

**2.1 It is recommended that the Panel:**

**2.1.1 Notes the CFT activity for the year to 31 March 2026.**

**2.1.2 Notes the update on the 2024/25 NFI exercise and the estimated timetable for the 2026-27 exercise.**

**3. Background**

- 3.1 Update reports on the work of the CFT are submitted to the Audit and Governance Panel (AGP) six monthly. The last report was submitted to Panel on 3 December 2025 and covered the six month period 1 April 2025 to 30 September 2025. This report covers the CFT activity for the year to 31 March 2026 and the status of the NFI 2024/25 exercise.
- 3.2 The primary scope of CFT work involves dealing with referrals of fraud received through the online reporting portal or from other Council services and from completing pro-active exercises around Council Tax, Business Rates, Housing Tenancy and debt, Scottish Welfare Fund, and Blue Badges. The CFT also investigate Council Tax Reduction Scheme, Single Person Discount and Business Rates matches identified through NFI exercises and assist with co-ordinating and reporting on the full NFI exercise for South Ayrshire Council.
- 3.3 The responsibility for investigating Housing Benefit fraud lies with the Department of Work and Pensions' Single Fraud Investigation Service (SFIS). Issues identified by the CFT during their work which can result in changes being made to benefits will be reported to SFIS for further investigation.

## 4. Detail

### Corporate Fraud Activity

- 4.1 Table one below details new referrals received by the CFT in the year to 31 March 2026 split between the source and category of referral. Totals from the year to 31 March 2025 have been included for information.

Table One: New Referrals received in period 1 April 2025 to 31 March 2026

| Referral Category                                  | NDR       | CT        | Housing General | Housing locate & trace | SWF      | School Placement | HB        | Blue Badges | Other     | Total to 31 Mar 2026 | Total to 31 Mar 2025 |
|--|-----------|-----------|-----------------|------------------------|----------|------------------|-----------|-------------|-----------|----------------------|----------------------|
| Source   |           |           |                 |                        |          |                  |           |             |           |                      |                      |
| Online referral                                    | 2         | 26        | 24              |                        |          |                  | 9         | 7           | 15        | 83                   | 67                   |
| Email/Telephone                                    |           |           |                 |                        |          |                  |           |             | 1         | 1                    |                      |
| Other Council Services                             | 7         | 36        | 26              | 63                     | 4        | 1                |           |             |           | 137                  | 165                  |
| Anti-Fraud and Anti-Bribery/ Whistleblowing Policy |           |           |                 |                        |          |                  |           |             |           |                      |                      |
| Other Local Authority/ Organisations               |           |           |                 |                        |          |                  |           | 4           | 2         | 6                    |                      |
| <b>Total to 31 March 2026</b>                      | <b>9</b>  | <b>62</b> | <b>50</b>       | <b>63</b>              | <b>4</b> | <b>1</b>         | <b>9</b>  | <b>11</b>   | <b>18</b> | <b>227</b>           |                      |
| <b>Total to 31 March 2025</b>                      | <b>22</b> | <b>40</b> | <b>45</b>       | <b>85</b>              | <b>2</b> | <b>2</b>         | <b>15</b> | <b>7</b>    | <b>14</b> |                      | <b>232</b>           |

- 4.2 The majority (60%) of the referrals received in this period were from other Council services and online referrals accounted for 37% of the total referrals received. There were no referrals received through the Anti-Fraud and Anti-Bribery/Whistleblowing Policy which is consistent with the previous year.
- 4.3 Communication was circulated to staff, Members and members of the public during the 2025 National Fraud Awareness Week which took place from 16 to 22 November 2025. This included a link to the Council's current Council's Anti-Fraud and Anti-Bribery Strategy<sup>1</sup>, highlighted the work of the CFT and changes in legislation. It served as a reminder of the Council's zero tolerance to fraud and of ways to report fraud.
- 4.4 The source of referrals will continue to be monitored by the CFT, and steps taken to increase publicity of referral methods where required. Communication will be sent to staff, Members and members of the public during this year's National Fraud Awareness Week from 15 to 21 November 2026. The type of referrals received by the CFT is dependent on external factors which are outwith the control of the CFT. However, the Chief Internal Auditor reviews referrals to identify trends or increases that may indicate rising risk or control weaknesses relevant to the annual Internal Audit Plan.
- 4.5 Table two below details the action taken by the CFT split by the category of the referral. The totals from the last annual report have been include for comparison.

<sup>1</sup> The Council's Anti-Fraud and Anti-Bribery Strategy is currently being updated to reflect the new Failure to Prevent Fraud Offence and will be shared with staff and Members once approved by Cabinet, expected to be in 2026

Table Two: New Referrals received in period 1 April 2025 to 31 March 2026 split by action taken

| Referral Category                                     | Investigated By CFT | Passed to Other Council Service | Passed to External Agency | Total to 31 March 2026 | Total to 31 March 2025 |
|---|---------------------|---------------------------------|---------------------------|------------------------|------------------------|
| <b>Non-Domestic Rates</b>                             | 9                   |                                 |                           | 9                      | 22                     |
| <b>Council Tax</b>                                    | 62                  |                                 |                           | 62                     | 40                     |
| <b>Housing General</b>                                | 50                  |                                 |                           | 50                     | 45                     |
| <b>Housing locate and trace</b>                       | 63                  |                                 |                           | 63                     | 85                     |
| <b>Social Welfare Fund</b>                            | 4                   |                                 |                           | 4                      | 2                      |
| <b>School Placement</b>                               | 1                   |                                 |                           | 1                      | 2                      |
| <b>Blue Badge</b>                                     | 11                  |                                 |                           | 11                     | 7                      |
| <b>Housing Benefit</b>                                |                     |                                 | 9                         | 9                      | 15                     |
| <b>Others</b>   |                     |                                 | 18                        | 18                     | 14                     |
| <b>Total Referrals in six months to 31 March 2026</b> | <b>200</b>          |                                 | <b>27</b>                 | <b>227</b>             |                        |
| <b>Total Referrals in six months to 31 March 2025</b> | 199                 | 4                               | 29                        |                        | 232                    |

4.6 The referrals received during this period can be split into nine separate categories as follows;

- Non-Domestic Rates referrals relating to allegations that businesses may be claiming reliefs and/or discount which they are not entitled to.
- Council tax referrals relating to allegations that there has been a failure to declare changes in income, residency or other changes that may affect discounts and exemptions.
- Tenancy referrals relating to allegations that the tenant is not residing in the property and may be sub-letting without permission. Referrals on homeless applications and tenancy succession applications may also be received from Housing Services.
- Housing Locate and Trace referrals are made by Housing Services where a local authority tenant has left/absconded from a tenancy with outstanding rent arrears and cannot be traced by Housing Services.
- Scottish Welfare Fund (SWF) referrals came from Benefits and Revenues and relate to community care grant applications for household goods.
- Housing benefit referrals relating to allegations that housing benefit is being claimed where there is no entitlement. Referrals of these types are passed to external agencies for investigation.
- Blue Badge referrals relate to either allegations of Blue Badge misuse or that there is no entitlement to the blue badge. The CFT investigate allegations of misuse in conjunction with the Parking Unit within the Ayrshire Road Alliance who are responsible for administering penalty notices in relation to Blue Badge misuse. As the Council is not responsible for issuing Blue Badges, allegations in relation to non-entitlement are passed to SFIS for investigations.

- School placement referrals usually come from Education Services and relate to school placement requests which cannot be verified by the service.
- Other referrals include operational complaints which were passed to the relevant service for action and complaints that do not relate to Council services which are passed to the relevant external organisation for action. Referrals relating to employee fraud will also be included within this category. Employee investigations will be dealt with in consultation with HR Services and line with the Council's Special Investigation Procedure. There were no CFT referrals relating to employee fraud reported within this period

4.7 Action is taken on all referrals received by the CFT. The majority (88%) of referrals received in the period were investigated by the Corporate Fraud Team which is broadly in line with the proportion completed in 2025 (86%). However, the action taken is dependent on the category of referral received. There were 27 (12%) referrals received which either did not relate to Council services or they related to operational issues rather than potential fraud. The referrals received in this period which related to Housing Benefit were passed on to the SFIS and a Housing Association and referrals which related to operational complaints rather than fraud were forwarded to the relevant services for further action where required.

4.8 Table three below details the number of investigations concluded by the CFT in the year to 31 March 2026. The table also show the statistics for the same period in 2025 for comparison.

Table Three: Number of Investigations Concluded in period 1 April 2025 to 31 March 2026 split by outcome

| <b>Outcome</b>   | <b>Number of Cases year ending 31 March 2026</b> | <b>Number of Cases year ending 31 March 2025</b> |
|--|--|--|
| Open Cases at 1 April 2025                                       | 13   | 40   |
| Referrals made during the period                                 | 227  | 232  |
| Referred to another agency or Council Service for investigation  | (27)   | (33)   |
| <b>Total CFT Referral Caseload in period</b>                     | <b>213</b>                                       | <b>239</b>                                       |
| CFT Investigations Closed with no issues identified              | (127)  | (194)  |
| CFT Investigations Closed with results achieved (See Table four) | (42)   | (32)   |
| <b>Open Referrals at 31 March 2026</b>                           | <b>44</b>  | <b>13</b>  |

4.9 Table four below details the outcomes of investigations and proactive work concluded by the CFT in the year to 31 March 2026. The table also show the statistics for the same period in 2025 for comparison.

Table Four: Concluded investigation outcomes split by category.

| Category   | Year ending 31 March 2026 |   | Year ending 31 March 2025 |  |
|--|---------------------------|---|---------------------------|--|
|  | Number of Cases           | Value (£)   | Number of Cases           | Value (£)  |
| <i>Financial Outcomes (Referrals)</i>                                      |                           |   |                           |  |
| Non-Domestic Rates   | 9                         | £18,445   | 5                         | £13,091  |
| Council Tax  | 17                        | £39,274   | 15                        | £32,776  |
| Housing Locate & Trace   | 7                         | £10,783   | 6                         | £10,992  |
| Scottish Welfare Fund  | 2                         | £3,039  | 2                         | £790   |
| <b>Financial Outcomes from Referrals</b>                                   | <b>35</b>                 | <b>£71,541</b>  | <b>28</b>                 | <b>£57,649</b>   |
| <i>Other Outcomes (Referrals)</i>  |                           |   |                           |  |
| Blue Badges  | 3                         | Blue Badge Misuse Warnings                                | -                         | Nil  |
| Education  | 1                         | School Placement rejected                                 | 1                         | School Placement rejected                                |
| Tenancy  | 3                         | 2 Tenancies terminated<br>1 Homeless application rejected | 3                         | 2 Tenancies terminated<br>1 Housing application rejected |
| <b>Total Other Outcomes</b>  | <b>7</b>                  |   | <b>4</b>                  |  |
| <b>Financial Outcomes (Proactive Work)</b>                                 |                           |   |                           |  |
| SBBS Exercise  | -                         | -   | 30                        | £30,744  |
| <b>Total Financial Outcome (Proactive Work)</b>                            | <b>-</b>                  | <b>-</b>  | <b>30</b>                 | <b>£30,744</b>   |
| <b>Total Outcomes for Fraud Investigations completed in financial year</b> | <b>42</b>                 | <b>£71,541</b>  | <b>64</b>                 | <b>£88,393</b>   |

- 4.10 In addition to investigating referrals received, the CFT also carry out pro-active exercises in fraud risk areas. A Small Business Bonus Scheme (SBBS) pro-active exercise on business rate payers in receipt of 100% relief was completed by the CFT in the year to 31 March 2025 (as included in table 4 above). A smaller proactive exercise was completed in the year ended 31 March 2026. This exercise concentrated on business rate payers in receipt of less than 100% but did not result in any outcomes. Therefore, the next proactive exercise in this area will concentrate on business rate payers in receipt of 100% relief only. The results of the next SBBS exercise will be included in the next Corporate Fraud Activity Report in December 2026.
- 4.11 Steps are taken to recover all financial outcomes where possible. Updated annual bills are issued where outcomes have been identified for Council Tax Reduction and Discounts and Non-Domestic Rates cases. Debtor accounts are issued for all other financial outcomes where required.

## **National Fraud Initiative**

- 4.12 The 2024/25 National Fraud Initiative (NFI) Exercise has been completed. The 2024/25 exercise investigation results for South Ayrshire Council are included in [Appendix 1](#).
- 4.13 Within South Ayrshire Council, officers are assigned responsibility for investigating matches within their service area. However, the CFT are responsible for investigating Business Rates matches and Single Person Discount (SPD) matches to multiple data sets, deceased records and to His Majesty's Revenues and Customs (HMRC) Household Composition data sets.
- 4.14 There were 79 Council Tax Reduction Scheme (CTRS), 49 Business Rates and 1,069 Single Person Discount (SPD) investigations completed by the CFT as part of the 2024/25 NFI exercise. These investigations have resulted in total financial outcomes of £103,982, £19,295 of which are from six CTRS cases, £16,170 from three Rates SBBS cases and £68,667 from 56 SPD cases. The results of CFT NFI investigations are included within Appendix 1 together with the results of investigations carried out by other services.
- 4.15 A national report on NFI exercises is completed by Audit Scotland around July following the conclusion of each NFI exercise. Once completed, a copy of the Audit Scotland report together with a Members' Bulletin on the 2024-25 exercise within South Ayrshire Council will be shared with Members.
- 4.16 The 2026-27 NFI exercise is due to commence around August 2026 when the Council will be advised of the dataset specifications for the new exercise. The datasets will require to be uploaded to the NFI Website in October 2026 with the resultant matches being made available to the Council around December 2026. The Internal Audit and Corporate Fraud Team will liaise with Council Services to ensure timescales are met and arrangements are made to investigate matches received. Updates on this exercise will continue to be reported to the Audit and Governance Panel through the CFT Activity Reports until the exercise is concluded.

## **5. Legal and Procurement Implications**

- 5.1 There are no legal implications arising from this report.
- 5.2 There are no procurement implications arising from this report.

## **6. Financial Implications**

- 6.1 Recovery of the amounts due is in progress. In Council Tax Reduction, Single Person Discount and Non-Domestic Rates cases, the debtor is rebilled reflecting the amount due. The savings identified from CFT referrals of £71,541 and NFI investigations of £103,982 represents the amount that would have been lost to the Public Purse had the fraud/error/debt remained undetected by the Council's CFT.

## **7. Human Resources Implications**

- 7.1 Not applicable.

## **8. Risk**

8.1 Fraud risk is considered when planning all Internal Audit assignments and testing conducted to ensure there are adequate controls in place to mitigate the risk where required. In addition, anti-fraud reviews will be considered for inclusion within annual Internal Audit Plans where the CFT work indicates a high fraud risk within specific service areas.

## 8.2 ***Risk Implications of Adopting the Recommendations***

8.2.1 There are no risks associated with adopting the recommendations.

## 8.3 ***Risk Implications of Rejecting the Recommendations***

8.3.1 Rejecting the recommendation may result in ineffective scrutiny of the Council's control arrangements in relation to anti-fraud.

## 9. **Integrated Impact Assessment (incorporating Equalities)**

9.1 Our Integrated Impact Assessment (IIA) considers the following areas:

- Public Sector Equality Duty, Human Rights and Fairer Scotland Duty;
- United Nations Convention on the Rights of the Child (UNCRC);
- Sustainability, climate change and biodiversity;
- Potential impact on older people;
- Rural communities;
- Health and wellbeing;
- A trauma informed organisation; and
- The Promise.

9.2 The proposals in this report allow scrutiny of performance. The report does not involve proposals for policies, strategies, procedures, processes, financial decisions, and activities (including service delivery), both new and at review, that affect the Council's communities and employees, therefore an Integrated Impact Assessment is not required.

## 10. **Sustainable Development Implications**

10.1 ***Considering Strategic Environmental Assessment (SEA)*** - This report does not propose or seek approval for a plan, policy, programme or strategy or document otherwise described which could be considered to constitute a plan, programme, policy or strategy.

## 11. **Options Appraisal**

11.1 An options appraisal has not been carried out in relation to the subject matter of this report.

## 12. **Link to Council Plan**

12.1 The matters referred to in this report contribute to the three priorities in the Council Plan; Spaces and Places; Live, Work, Learn and, Civic and Community Pride.

13. Link to Shaping Our Future Council Yes  No

14. Results of Consultation

14.1 There has been no public consultation on the contents of this paper.

14.2 Consultation has taken place with Councillor Ian Davis, Policy Lead for Finance and Corporate Services, and the contents of this report reflect any feedback provided.

**Background Papers** [Corporate Fraud Team - Six Monthly Activity Report and 2024-25 National Fraud Initiative Update \( 3 December 2025\)](#)  
[Annual Corporate Fraud Activity Report and 2024- 2025 National Fraud Initiative Update \(04 June 2025\)](#)  
[2024-25 National Fraud Initiative](#)

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**Date:** 7 May 2026

## 2024/25 National Fraud Initiative Final Investigations Results

| Match Area Current Results   | Total Matches No. | Target Investigation No. | Target Completed No. | Target Completed % | Additional Investigations completed No. | Total Investigations Completed No. | Errors No. | Fraud No. | Outcome £      |
|--|-------------------|--------------------------|----------------------|--------------------|---|------------------------------------|------------|-----------|----------------|
| Housing Benefit  | 33                | 11                       | 11                   | 100%               | 2                                       | 13                                 | 0          | 0         | 0              |
| Payroll  | 177               | 148                      | 148                  | 100%               | 29                                      | 177                                | 0          | 0         | 0              |
| Housing Tenants  | 494               | 174                      | 174                  | 100%               | 63                                      | 237                                | 0          | 0         | 0              |
| Blue Badge   | 469               | 427                      | 427                  | 100%               | 35                                      | 462                                | 0          | 0         | 0              |
| Private Care Homes   | 16                | 16                       | 16                   | 100%               | 0                                       | 16                                 | 0          | 0         | 0              |
| Personal Budgets   | 3                 | 3                        | 3                    | 100%               | 0                                       | 3                                  | 0          | 0         | 0              |
| Waiting List   | 223               | 71                       | 71                   | 100%               | 61                                      | 132                                | 0          | 0         | 0              |
| Council Tax Reduction Scheme   | 1,111             | 70                       | 70                   | 100%               | 9                                       | 79                                 | 0          | 6         | 19,295         |
| Creditors ( <b>Note 1</b> )  | 1,425             | 77                       | 77                   | 100%               | 0                                       | 77                                 | 0          | 0         | 0              |
| Procurement  | 34                | 34                       | 34                   | 100%               | 0                                       | 34                                 | 0          | 0         | 0              |
| Business Rates   | 49                | 49                       | 49                   | 100%               | 0                                       | 49                                 | 3          | 0         | 16,170         |
| CT Single Person Discount (Benefits and revenues investigations) ( <b>Note 2</b> ) | 2,216             | 33                       | 33                   | 100%               | 297                                     | 330                                | 0          | 0         | 0              |
| CT Single Person Discount (Corporate Fraud Team Investigations)) ( <b>Note 3</b> ) | 6,758             | N/A                      | N/A                  | N/A                | N/A                                     | 1,069                              | 56         | 0         | 68,517         |
| <b>Total</b>   | <b>13,008</b>     | <b>1,113</b>             | <b>1,113</b>         | <b>100%</b>        | <b>496</b>                              | <b>2,678</b>                       | <b>59</b>  | <b>6</b>  | <b>103,982</b> |

**Note 1:** The target number of investigations for these matches was reduced as, after an initial review by Accounts Payable, it was found that many of the matches in the reports were not duplicates.

**Note 2:** SPD matches are not ranked by risk rating, therefore it has been agreed that a 10% sample check will be completed for SPD matches. The original sample size has been reduced from 222 to 33 on the advice of NFI who advised that, as report 804 (Council Tax to all datasets) was a combination of reports 801 (Council

*tax to electoral register) and 803 (Council tax to other datasets) there was no requirement to investigate all three reports. The CFT investigated report 804, therefore there was no need for Revenues and Benefits to investigate reports 801 and 803. A 100% check was completed by Revenues and Benefits on report 802 (Council Tax to rising 18s).*

*Note 3 CT SPD total matches are split over three separate reports, however the actual number of matches is likely to be much lower as the same match could be included in multiple reports therefore it has not been possible to set a target for these investigations. The CFT continue to risk assess the matches on an ongoing basis as investigations progress.*

**South Ayrshire Council**

**Joint Report by Chief Financial Officer and Chief Governance Officer  
to Audit and Governance Panel  
of 3 June 2026**

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**Subject: Audit and Governance Panel – 2025/26 Annual Report**

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**1. Purpose**

1.1 The purpose of this report is to provide the Panel with the Audit and Governance Panel annual report for 2025/26.

**2. Recommendation**

**2.1 It is recommended that the Panel:**

**2.1.1 considers the Audit and Governance Panel annual report for 2025/26 (attached as [Appendix 1](#)); and**

**2.1.2 remits the report to Council on 25 June 2026 for consideration.**

**3. Background**

3.1 At its meeting on 6 December 2023, as part of its consideration of the report entitled 'Audit and Governance Panel – 2023 Annual Self-Assessment Outcome', the Panel agreed to receive an annual joint report by the Chief Governance Officer and the Chief Financial Officer outlining the work of the Audit and Governance Panel for the previous financial year; and thereafter to remit the report to Council for consideration.

**4. Proposals**

4.1 The Audit and Governance Panel (AGP) annual report for 2025/26 is attached as [Appendix 1](#) and contains information on the following:

4.1.1 AGP membership and meetings held during the year;

4.1.2 summary information on AGP activity and decisions during the year; and

4.1.3 an annual assurance statement by the Chair of the AGP.

4.2 The Panel is asked to:

4.2.1 consider and approve the Audit and Governance Panel annual report for 2025/26;

4.2.2 request that the report is remitted to Council on 25 June 2026 for consideration.

## **5. Legal and Procurement Implications**

5.1 There are no legal implications arising from this report.

5.2 There are no procurement implications arising from this report.

## **6. Financial Implications**

6.1 Not applicable.

## **7. Human Resources Implications**

7.1 Not applicable.

## **8. Risk**

### **8.1 *Risk Implications of Adopting the Recommendations***

8.1.1 There are no risks associated with adopting the recommendations.

### **8.2 *Risk Implications of Rejecting the Recommendations***

8.2.1 There are no risks associated with rejecting the recommendations.

## **9. Integrated Impact Assessment (incorporating Equalities)**

9.1 The proposals in this report do not require to be assessed through an Integrated Impact Assessment.

## **10. Sustainable Development Implications**

10.1 ***Considering Strategic Environmental Assessment (SEA)*** - This report does not propose or seek approval for a plan, policy, programme or strategy or document otherwise described which could be considered to constitute a plan, programme, policy or strategy.

## **11. Options Appraisal**

11.1 An options appraisal has not been carried out in relation to the subject matter of this report.

## **12. Link to Council Plan**

12.1 The matters referred to in this report contribute to Priority 4 of the Council Plan: Efficient and effective enabling services.

**13. Link to Shaping Our Future Council** Yes  No

13.1 Not applicable.

**14/**

## **14. Results of Consultation**

- 14.1 There has been no public consultation on the contents of this report.
- 14.2 Consultation has taken place with Councillor Ian Davis, Portfolio Holder for Finance, Human Resources and ICT, and the contents of this report reflect any feedback provided.

**Background Papers**     **Report to Audit and Governance Panel of 6 December 2023 – [Audit and Governance Panel – 2023 Annual Self-Assessment Outcome](#)**

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**Date: 19 May 2026**

# **Audit and Governance Panel Annual Report 2025/26**

Draft for Approval

# Contents

1. **Introduction**
2. **Audit and Governance Panel (AGP) Terms of Reference and Delegations**
3. **AGP Membership and Meetings**
4. **AGP Activity and Performance**
5. **AGP Assurance Statement**

## **1. Introduction**

The Chartered Institute of Public Finance and Accountancy (CIPFA) published recommended best-practice guidance for the operation of Audit Committees in local authorities across the United Kingdom in its publication entitled 'Audit Committees: Practical Guidance for Local Authorities and Police (2013)' (the 'guidance'); and in its subsequent 'Position Statement: Audit Committees in Local Authorities and Police (2022)' (the 'position statement').

The guidance and position statement are seen as an integral element of the corporate governance framework.

A key element of the guidance is that an Audit Committee should be held to account on a regular basis. In practice within South Ayrshire Council this means accountability to full Council. The guidance recommends that the preparation of an annual report by the Audit Committee can be a helpful way to enable the Committee to demonstrate its accountability to the Council.

Within South Ayrshire Council, the Audit and Governance Panel undertakes the 'Audit Committee' role alongside its wider governance remit.

## **2. Audit and Governance Panel Terms of Reference and Delegations**

The terms of reference and delegations to the Audit and Governance Panel derive from the decision made by South Ayrshire Council to establish an Audit and Governance Panel and to delegate specific powers to the Panel rather than to reserve those powers to itself.

The current terms of reference and delegations to the Audit and Governance Panel are set out in detail in Section 3 ('Terms of Reference and Delegations to Scrutiny Panels') of the Council's Scheme of Delegation, effective November 2025.

The core remit of the Audit and Governance Panel is to provide independent assurance on the adequacy of the Council's arrangements for risk management, corporate governance, and internal control.

This Annual Report has been prepared to:

- meet the requirements of the CIPFA guidance and position statement;
- meet the requirements of the Council's Scheme of Delegation;
- ensure that the Panel clearly reports to the Council on the adequacy of the Council's risk management, corporate governance, and internal control arrangements; and
- inform the Council about the Audit and Governance Panel's activity and performance for the 2025/26 financial year.

## **3. Audit and Governance Panel Membership and Meetings**

### **Panel Membership**

The following elected members served on the Audit and Governance Panel during 2025/26:

- Councillor Julie Dettbarn (Chair);
- Councillor Brian McGinley (Vice-Chair);
- Councillor Kenneth Bell;

- Councillor Wullie Hogg (from January 2026)
- Councillor Mary Kilpatrick (until December 2025);
- Councillor Alan Lamont (until December 2025);
- Councillor Bob Pollock;
- Councillor Cameron Ramsey; and
- Councillor George Weir.

Quorum for the Audit and Governance Panel is three Members.

In December 2025 both Councillors Kilpatrick and Lamont resigned from the panel with one of the vacant positions being filled by Councillor Wullie Hogg. At present there is still one vacant position remaining unfilled.

### Meeting schedule

The Audit and Governance Panel met on ten occasions during 2025/26:

|                |                 |                  |                                |
|----------------|-----------------|------------------|--------------------------------|
| 4 June 2025    | 25 June 2025    | 3 September 2025 | 24 September 2025<br>(Special) |
| 1 October 2025 | 5 November 2025 | 3 December 2025  | 25 February 2026               |
|                | 25 March 2025   | 6 May 2026       |                                |

All Panel meetings took place in compliance with the Council's Scheme of Delegation and Standing Orders. Since August 2020 meetings have been held using the Council's hybrid meeting platform to allow remote and physical participation. Since June 2022, meetings have been live-streamed and made available publicly on the Council's live streaming website.

Overall, a 71% Panel Member attendance at meetings was achieved during the year, either in person or remotely, as shown in the table below. This is a deterioration from the 82% achieved in 2024/25.

| Date of meeting   | In Person | Remote | Apologies  | Total | % attendance |
|-------------------|-----------|--------|------------|-------|--------------|
| 4 June 2025       | 5         | 1      | 2          | 8     | 75.0%        |
| 25 June 2025      | 6         | 1      | 1          | 8     | 87.5%        |
| 3 September 2025  | 3         | 2      | 3          | 8     | 62.5%        |
| 24 September 2025 | 4         | 1      | 3          | 8     | 62.5%        |
| 1 October 2025    | 4         | -      | 4          | 8     | 50.0%        |
| 5 November 2025   | 5         | 1      | 2          | 8     | 75.0%        |
| 3 December 2025   | 6         | 1      | 1          | 8     | 87.5%        |
| 25 February 2026  | 3         | 1      | 3          | 7     | 57.1%        |
| 25 March 2026     | 4         | 2      | 1          | 7     | 85.7%        |
| 6 May 2026        | 5         | -      | 2          | 7     | 71.4%        |
|                   |           |        | <b>Ave</b> |       | <b>71.4%</b> |

## 4. Audit and Governance Panel Activity and Performance

The Audit and Governance Panel Annual Report enable the Panel to clearly demonstrate delivery of its key responsibilities and accountabilities for providing the Council with independent assurance on the adequacy of arrangements for risk management, governance, and internal control.

### Scrutiny Activity

The Panel performed its scrutiny work during 2025/26 by receiving a total of forty-one reports (thirty-nine in 2024/25) in relation to, considering, scrutinising, and following up the outcomes from reports from various assurance providers, including:

- Internal Audit and Corporate Fraud;
- Corporate Finance;
- External Audit;
- Risk Management;
- External Regulatory or Assurance bodies; and
- Other Governance and Scrutiny reporting.

Detailed information on the reports received and action taken in relation to the above is shown in [Annex A](#) (pages 8 to 18 of this appendix).

Copies of the AGP agenda papers for the current meeting cycle and approved Minutes of meetings of the Audit and Governance Panel are available to the public on the Council's website.

### Training Activity

A number of Members briefing sessions took place during 2025/26 to ensure the continued development of Members knowledge, skills and experience. Details of all the sessions that were held during the year are provided in the table below. Some of the sessions, as described in the table, had a specific relevance for Members of the AGP.

| Date          | Title of training session              | Specific relevance to AGP |
|---------------|--|---------------------------|
| 23 April 2025 | Common Good                            | No                        |
| 23 April 2025 | Financial Inclusion                    | No                        |
| 21 May 2025   | Dolphin House Outdoor Education Centre | No                        |
| 21 May 2025   | Accessible Ayr Project                 | No                        |
| 28 May 2025   | Ayr Parking Strategy                   | No                        |
| 11 June 2025  | Community Benefits Process             | No                        |

| <b>Date</b>   | <b>Title of training session</b>                      | <b>Specific relevance to AGP</b> |
|---------------|---|----------------------------------|
| 11 June 2025  | Rural Housing Study                                   | No                               |
| 21 Aug 2025   | SA Charitable Trust                                   | No                               |
| 21 Aug 2025   | Development of Potential Capital Projects             | No                               |
| 27 Aug 2025   | 2026-27 Budget Briefing                               | No                               |
| 27 Aug 2025   | Belleisle Golf Options Appraisal                      | No                               |
| 11 Sept 2024  | Memorial Policy                                       | No                               |
| 44 Sept 2024  | Health and Wellbeing Team (Sport & Physical Activity) | No                               |
| 22 Oct 2025   | 2026-27 Budget Update                                 | No                               |
| 22 Oct 2025   | Cyber Risk and Business Continuity                    | Yes                              |
| 19 Nov 2025   | The Promise   | No                               |
| 19 Nov 2025   | Local Development Plan 3 (LDP3) - Process & Progress  | No                               |
| 10 Dec 2025   | Child and Adult Protection                            | No                               |
| 21 Jan 2026   | Disruptive Weather                                    | No                               |
| 26 Jan 2026   | 2026-27 Budget Update                                 | No                               |
| 3 Feb 2026    | Scrutiny Panel Workshop                               | Yes                              |
| 18 Feb 2026   | Safe & Together                                       | No                               |
| 18 Feb 2026   | Ayr Town Centre Regeneration Update                   | No                               |
| 25 Mar 2026   | ARA Parking Review and Outsourcing                    | No                               |
| 22 April 2026 | Good Governance Framework                             | Yes                              |

## **Annual Survey – Feedback**

**Members** – Twenty-one Elected Members were asked for anonymous feedback on their interaction with the Panel during the year. Seven responses were received and are presented below.

| Rating   | Strongly Agree % | Agree % | Disagree % | Strongly Disagree % |
|--|------------------|---------|------------|---------------------|
| Quality of Panel Reports                             | 43               | 57      | 0          | 0                   |
| Interaction During Meeting                           | 4                | 86      | 0          | 0                   |
| Effective Role of Panel in Decision Making Structure | 0                | 86      | 14         | 0                   |

The information above reflects that Members are satisfied (strongly agree or agree) with the quality of reports at Panel and the manner in which the Panel conducts its business as part of the Council's decision-making structure.

**Officers** - Twelve officers, who regularly interact with the Panel were asked for feedback on their interaction with the Panel during the year. Seven responses were received and are presented below.

| Rating  | Strongly Agree % | Agree % | Disagree % | Strongly Disagree % |
|---|------------------|---------|------------|---------------------|
| Panel's Understanding of Tabled Reports                                       | 57               | 43      | 0          | 0                   |
| Effective Role in Decision Making Structures Relative to Service Requirements | 57               | 43      | 0          | 0                   |

The information above similarly reflects officers' satisfaction in relation to the Panel's understanding of reports and its effective decision making relative to individual services..

### Self-Assessment Performance

In line with the CIPFA document 'Audit Committees: Practical Guidance for Local Authorities and Police – 2022 Edition', with particular reference to the 'Self-Assessment of Good Practice – Checklist' provided within that document, the Audit and Governance Panel undertook its annual self-assessment in September 2025, with the results being reported to the Panel in December 2025.

In general terms, the outcome of the self-assessment, as evidenced by the score of 196 out of 200, is an improvement on the self-assessment undertaken in 2024 (192 out of 200), with Members being satisfied with the effectiveness of the Panel in undertaking its role and discharging its functions within the Council's decision-making arrangements in most respects.

Notwithstanding the considered overall general effectiveness of the Panel, one important matter was raised relative to which an action for improvement was required. A summary of the agreed action is provided in the table below along with an assessed status update on progress to date.

| Proposed action   | Responsible Officer                  | Due Date | Status   |
|---|--------------------------------------|----------|--|
| Reassess Members training needs and develop a new training programme as required. | Service Lead – Democratic Governance | Feb 2026 | <b>Complete</b> – Proposed Panel specific training report considered by Audit and Governance Panel in March 2026 |

## 5. Audit and Governance Panel Assurance Statements

The work of the Audit and Governance Panel during and in relation to 2025/26 is detailed at Section 4. This work was supported by reports, information and assurance statements from various sources including internal and external auditors, council management and regulatory or inspection bodies.

I have taken account of the breadth and depth of work performed by the Panel during the year to enable the Panel to provide the Council with independent assurance on the adequacy of its arrangements for risk management, governance, and control.

I can, therefore, provide the Council with reasonable assurance of the adequacy of the arrangements for risk management, governance, and control, based on the work undertaken by the Panel.

I can also confirm, in relation to its terms of reference, delegations and performance, that during the year the Panel:

- operated in accordance with the Council's Scheme of Delegation which sets out the approved remit and delegations to the Audit and Governance Panel;
- operated in accordance with the requirements of the CIPFA 'Audit Committees Practical Guidance for Local Authorities and Police (2013)' and 'Position Statement: Audit Committees in Local Authorities and Police (2022)';
- received and took assurance from updates for Internal Audit reviews and assignments, sought any necessary clarification from council management on audit findings and assurance from management that agreed improvement actions to internal control, risk management and corporate governance arrangements would be implemented as agreed;
- satisfied itself that, for all improvement actions set out in Internal Audit reports, appropriate systems are in place to follow-up, monitor, evidence and report their implementation;
- noted the Internal Audit Annual Reports for 2024/25 and the Chief Internal Auditor's 'Audit Opinions for the Annual Governance Statement'. The Reports provided the Panel with reasonable assurance from the Chief Internal Auditor on the adequacy and effectiveness of the Council's internal control, risk management and corporate governance arrangements, based on the work of Internal Audit during the respective year;
- noted reports from the Council's external auditor, Audit Scotland, including the Annual Reports to Members and the Controller of Audit for the financial year ended 31 March 2025. The Panel sought any necessary clarification from management on audit findings and assurance that any agreed improvement actions to internal control, risk management and corporate governance arrangements would be implemented as agreed;
- noted and took assurance from risk management reports to fulfil its delegated function to monitor the effective development and operation of arrangements for the management of risk in the Council. The Panel undertook regular review and scrutiny of the development of the Strategic Risk Register and corporate risk management arrangements;
- noted corporate fraud reports on actual and potential frauds, losses, thefts, or financial irregularities reported or identified from counter fraud work and the Council's participation in the National Fraud Initiative exercise. This enabled the Panel to fulfil its delegated function to monitor the effective development and operation of

arrangements for the prevention and investigation of fraud and irregularity. The Panel scrutinised and monitored the Council's counter fraud activity and compliance with best practice and any legal requirements;

- noted the audited Annual Accounts for the Council and for the Council's Common Goods Funds and Charitable Trusts for 2024/25 and considered the draft, unaudited Annual Accounts for 2024/25 prior to submission to the external auditor; and
- approved the minutes of meetings held by the Panel as a record of attendance, its proceedings and the decisions made by the Panel.

In terms of the statutory requirements and timescales set out in the Local Authority Accounts (Scotland) Regulations 2014 I can also confirm that the Audit and Governance Panel undertook the following activities in relation to the Council's annual accounts during the year (as those related specifically to the 2024/25 annual accounts process):

- received and noted the Council's draft, unaudited Annual Accounts for 2024/25 by the statutory deadline of 30 June and considered the draft, unaudited Annual Accounts prior to submission to the external auditor;
- received and noted the draft Annual Governance Statement for 2024/25 included within the draft Annual Accounts by the statutory deadline of 30 June; and
- received and took assurance from the Internal Audit report on the annual review of the effectiveness of the Council's risk management, corporate governance and internal control arrangements and compliance with the Council's Code of Corporate Governance, which informed the Panel's consideration of the Annual Governance Statement for 2024/25.

**Councillor Julie Dettbarn**  
**Chair of the Audit and Governance Panel**

**May 2026**

**Internal Audit and Corporate Fraud**

The Panel received twelve reports from the Chief Internal Auditor in relation to planned and unplanned audits, other annual assurance work, and counter-fraud activity.

This enabled the Panel to oversee the work of Internal Audit and Corporate Fraud in relation to the provision of assurance on the Council's framework of arrangements for risk management, corporate governance, and internal control and in terms of corporate counter-fraud arrangements. Details of the Internal Audit and Corporate Fraud reports and other outputs considered during, or in relation to, 2025/26 are set out in Table 1 below.

**Table 1**

| <b>Report</b>   | <b>Panel Date</b> | <b>Purpose</b>   | <b>Panel Action</b>   |
|---|-------------------|--|---|
| Corporate Fraud – Activity report and update on 2024/25 National Fraud Initiative | 4 June 2025       | to advise Members of the Corporate Fraud Team’s (CFT) activity for the year to 31 March 2025 and to provide an update on the progress of the 2024/25 National Fraud Initiative exercise  | <ul style="list-style-type: none"> <li>considered the CFT activity for the year to 31 March 2025</li> <li>noted the update on the 2024/25 National Fraud Initiative (NFI)</li> </ul>  |
| The Global Internal Audit Standards (GIAS) in the UK Public Sector                | 4 June 2025       | to advise the Audit and Governance Panel of the requirements of the new Global Internal Audit Standard (GIAS), the Application Note: GIAS in the UK Public Sector and the CIPFA Code of Practice for the Governance of Internal Audit in Local Government. | <ul style="list-style-type: none"> <li>noted the new requirements of the Global Internal Audit Standards</li> <li>and that the results of the self-assessment against conformance with the new standards will be reported to this Panel in February 2026</li> </ul> |
| Internal Audit annual Report 2024/25  | 25 June 2025      | to report on the internal audit activity during 2024/25 and to provide an independent opinion on the adequacy and effectiveness of the Council's   | <ul style="list-style-type: none"> <li>noted the Internal Annual Audit report and assurance statement</li> </ul>  |

| Report  | Panel Date  | Purpose  | Panel Action  |
|---|-------------|--|---|
|   |             | governance, risk management and internal control systems   |   |
| Internal Audit Annual Update Report – Integration Joint Board (IJB)       | 3 Sept 2025 | to provide an annual report for information to the Panel on internal audit work carried out for the Integration Joint Board (IJB) by the South Ayrshire Council for the year ended 31 March 2025 | <ul style="list-style-type: none"> <li>noted the content of the report.</li> </ul>  |
| Internal Audit – Progress Report (Quarter 1 2025/26)                      | 3 Sept 2025 | to advise Members of progress of the 2024/25 internal audit plan, progress of the 2025/26 internal audit plan, directorates’ progress against implementation of internal audit action plans      | <ul style="list-style-type: none"> <li>considered the content of the report</li> <li>approved the request for an extension to Internal Audit action 2025/06.01- to develop good practice guidance for using consultancy service to 30 September 2025.</li> </ul>  |
| Internal Audit Investigation Outcome Report (Confidential – Members only) | 3 Sept 2025 | to advise Members of the outcome of the investigation completed by Internal Audit  | <ul style="list-style-type: none"> <li>noted the outcome of the report and that Senior Management have also received a copy of the investigation report for information and further action where required</li> <li>noted the improvement actions contained in the report being taken forward by Senior Management and agrees that progress of the actions will be included within the Internal Audit quarterly progress reports to the Audit and Governance Panel until fully implemented</li> <li>noted there are various audit assignments included in the 2025/26 audit plan which are relevant to the areas included in this investigation</li> </ul> |

| <b>Report</b>   | <b>Panel Date</b> | <b>Purpose</b>   | <b>Panel Action</b>   |
|---|-------------------|--|---|
| Internal Audit – Progress Report to 30 September 2025                                   | 5 Nov 2025        | to advise Members of progress of the 2024/25 and 2025/26 internal audit plans and directorates’ progress against implementation of internal audit action plans                   | <ul style="list-style-type: none"> <li>considered the content of the report</li> </ul>  |
| Internal Audit Plan 2025/26 – Midyear Review  | 5 Nov 2025        | to seek approval for a revision to the 2025/26 Internal audit plan   | <ul style="list-style-type: none"> <li>approved the revised 2025/26 Internal Audit plan</li> </ul>  |
| Corporate Fraud Team – Six Monthly Activity Report and National Fraud Initiative Update | 3 Dec 2025        | to advise Members of the Corporate Fraud Team’s (CFT) activity from 1 April 2025 to 30 September 2025 and to provide an update on the National Fraud Initiative exercise to date | <ul style="list-style-type: none"> <li>considered the CFT activity for the six-month period to 30 September 2025</li> <li>noted the update on the 2024/25 NFI exercise which will continue to be included within future CFT activity reports until the exercise concludes</li> </ul>  |
| Internal Audit – Progress Report (Quarter 3 2025/26)                                    | 25 Feb 2026       | to advise Members of progress of the 2024/25 and 2025/26 internal audit plans and directorates’ progress against implementation of internal audit action plans                   | <ul style="list-style-type: none"> <li>considered the content of the report</li> <li>Agreed to extend the implementation date of action IA2023/30/04.01 to 30 April 2026</li> </ul>   |
| Global Internal Audit Standard in the UK Public Sector – Self Assessment Results        | 25 Feb 2026       | to advise Members of the outcome of the Internal Audit self-assessment of conformance against the Global Internal Audit Standards (GIAS) in the UK Public Sector                 | <ul style="list-style-type: none"> <li>noted the contents of the report, the summary results for all domains in Appendix 1, the self-assessment action plan in Appendix 2 and the detailed self-assessment outcome against Domain III “Governing the Internal Audit Function” in Appendix 3</li> <li>agreed that progress against the action plan will be included within the quarterly update reports to this Panel until fully implemented</li> </ul> |

| Report   | Panel Date    | Purpose  | Panel Action   |
|--|---------------|--|--|
| Proposed Internal Audit Plan 2026/27 (including Annual Review of Internal Audit Charter) | 25 March 2026 | to seek Audit and Governance Panel (AGP) approval for the revised Internal Audit Charter and the proposed Internal Audit Strategy and Internal Audit Plan and the reserve list for 2026-27 | <ul style="list-style-type: none"> <li>• approved the revised Internal Audit Charter (Appendix 1)</li> <li>• approved the Audit Strategy (Appendix 2)</li> <li>• approved Annual audit plan and reserve list for 2026/27 (Appendix 3)</li> </ul> |

## Corporate Finance

The Panel received various reports from the Council's Chief Financial Officer. This allowed the Panel to oversee the annual accounts process for the Council, for Common Good Funds and for the charitable trusts of which the Council is a trustee. The Panel also oversaw the Treasury Management activity through consideration of quarterly and annual update reports. Details of the eight reports considered are set out in Table 2.

**Table 2**

| Report                                    | Panel Date   | Purpose   | Panel Action  |
|---|--------------|---|---|
| Annual Accounts 2024/25                   | 25 June 2025 | to present unaudited Annual Accounts for the year ended 31 March 2025   | <ul style="list-style-type: none"> <li>• approved the accounting policies contained in the unaudited accounts</li> <li>• considered the unaudited South Ayrshire Council and unaudited charitable trust accounts prior to submission to the External Auditor</li> </ul> |
| Treasury Management Annual Report 2024/25 | 25 June 2025 | to present, 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 2024/25 | <ul style="list-style-type: none"> <li>• considered the Annual Treasury Management Report 2024/25</li> <li>• remitted the Annual Treasury Management Report to the Council meeting on 18 September for approval</li> </ul>  |

| <b>Report</b>   | <b>Panel Date</b> | <b>Purpose</b>   | <b>Panel Action</b>  |
|---|-------------------|--|--|
| External Audit Reports – Progress to 30 June 2025                           | 3 Sept 2025       | to provide Members with an update on the progress that the Council is making in relation to external audit improvement actions   | <ul style="list-style-type: none"> <li>scrutinised the progress against the Council's external audit improvement actions as presented in the report</li> </ul>                 |
| Treasury Management and Investment Strategy Quarter 1 Update Report 2025/26 | 3 Sept 2025       | to provide Members with an update on the 2025/26 treasury prudential indicators for the period April-June 2025 (Quarter 1) and provide an update on the latest wider economic position       | <ul style="list-style-type: none"> <li>scrutinised the contents of the report</li> </ul>   |
| Treasury Management and Investment Strategy Mid-Year Report 2025/26         | 3 Dec 2025        | to provide Members with a mid-year treasury management update for the financial year 2025/26   | <ul style="list-style-type: none"> <li>scrutinised the contents of this report</li> <li>remitted the report to the Council meeting of 19 February 2026 for approval</li> </ul> |
| External Audit Reports – Progress to 31 December 2025                       | 25 Feb 2026       | to provide Members with an update on the progress that the Council is making in relation to external audit improvement actions   | <ul style="list-style-type: none"> <li>scrutinised the progress against the Council's external audit improvement actions as presented in the report</li> </ul>                 |
| Treasury Management and Investment Strategy Quarter 3 Update Report 2025/26 | 25 Feb 2026       | to provide Members with an update on the 2025/26 treasury prudential indicators for the period October-December 2024 (Quarter 3) and provide an update on the latest wider economic position | <ul style="list-style-type: none"> <li>scrutinised the contents of this report</li> </ul>  |
| External Audit Reports – Progress to 31 March 2026                          | 6 May 2026        | to provide Members with an update on the progress that the Council is making in relation to external audit improvement actions   | <ul style="list-style-type: none"> <li>scrutinised the progress against the Council's external audit improvement actions as presented in the report</li> </ul>                 |

## External Audit

The Panel received reports from the Council's appointed external auditor, Audit Scotland.

The reports from Audit Scotland provided independent assurance and opinions *'to those charged with governance'* on the Council's annual financial statements, annual governance statements, governance arrangements, 'best value' arrangements and service performance. Details of the three reports considered are set out in Table 3.

**Table 3**

| Report  | Panel Date             | Purpose  | Panel Action  |
|---|------------------------|--|---|
| Final Report on the 2024/25 Audit                       | 24 Sept 2025 (Special) | to submit the Annual Accounts for the financial year ended 31 March 2025 and the proposed independent auditor's report to Members of the Council, and to allow the auditor to communicate the matters raised during the audit to the Panel | <ul style="list-style-type: none"> <li>noted the contents of the Audit Scotland audit completion letter</li> <li>accepted the proposed 2024/25 Annual Audit Report by Audit Scotland, and noted that the Annual Accounts and Charitable Trust Accounts have an unmodified audit opinion</li> <li>approved the Council's audited Annual Accounts for signature and their subsequent issue by 30 September 2025</li> <li>approved the Charitable Trusts' audited Annual Accounts for signature and their subsequent issue by 30 September 2025</li> </ul> |
| South Ayrshire IJB External Annual Audit Report 2024/25 | 5 Nov 2025             | to present Audit Scotland's Annual Audit Report on South Ayrshire IJB's Annual Accounts for the period 2024-25.  | <ul style="list-style-type: none"> <li>considered the Annual Audit report of South Ayrshire IJB for period 2024-25</li> <li>noted the contents of the Annual Audit report for 2024-25</li> </ul>  |
| Audit Scotland: Annual Audit Plan 2025/26               | 25 March 2026          | to provide background to the presentation by Audit Scotland of their Annual Audit Plan 2025/26   | <ul style="list-style-type: none"> <li>agreed the attached Annual Audit Plan 2025/26 (Appendix 1)</li> </ul>  |

## Risk Management

The Panel received one report from the Chief Governance Officer in relation to risk management. This enabled the Panel to oversee the Council's risk management arrangements. Details of the report considered is set out in table 4.

**Table 4**

| Report                    | Panel Date  | Purpose  | Panel Action   |
|---------------------------|-------------|--|--|
| Strategic Risk Management | 3 Sept 2025 | to update Members on the reviewed Strategic Risk Register in line with the agreed reporting framework. | <ul style="list-style-type: none"> <li>considered the reviewed Strategic Risk Register (Appendix 1) updated by Chief Officers</li> <li>noted the 16 key risks and endorses the work currently being undertaken or proposed by risk owners to mitigate these risks</li> </ul> |

## External Regulatory Bodies or Assurance Providers

The Panel received other reports provided or published by external regulatory bodies and assurance providers, primarily Audit Scotland. These included 'thematic' reports on national issues that the Chief Governance Officer and the Chief Financial Officer considered to be relevant to the Audit and Governance Panel's terms of reference and delegations, as set out in the Council's Scheme of Delegation. Details of the six reports considered are set out in Table 5.

**Table 5**

| Report   | Panel Date | Purpose   | Panel Action   |
|--|------------|---|--|
| Audit Scotland Report – Delivering for the future: Responding to the workforce challenge | 5 Nov 2025 | to advise Members of the recent publication of Audit Scotland's 'Delivering for the future: Responding to the workforce challenge' report | <ul style="list-style-type: none"> <li>Considered the key messages in the report and provided feedback comments to officers</li> </ul> |

| Report  | Panel Date  | Purpose   | Panel Action   |
|---|-------------|---|--|
| Accounts Commission Annual Report 2024/25                                 | 5 Nov 2025  | to advise the Panel of the Accounts Commission Annual Report 2024/25  | <ul style="list-style-type: none"> <li>considered the findings outlined in the Accounts Commission Annual Report 2024/25 (attached as Appendix 1)</li> </ul>   |
| Audit Scotland Report – Improving care experience: Delivering the Promise | 3 Dec 2025  | to advise Members of the recent publication of Audit Scotland’s ‘Improving care experience: Delivering the Promise’ report and to highlight progress made in South Ayrshire   | <ul style="list-style-type: none"> <li>considered the key messages in the report, notes the progress in South Ayrshire, and provided feedback of comments to officers</li> </ul>   |
| Accounts Commission – Senior Officer Exit Packages                        | 3 Dec 2025  | to advise the Panel of the Accounts Commission report relating to the 2023/24 Audit of Glasgow City Council – Senior Officer Exit Packages and to determine if any changes are required to the Council’s Scheme of Delegation | <ul style="list-style-type: none"> <li>considered the findings outlined in the Accounts Commission report relating to the 2023/24 Audit of Glasgow City Council – Senior Officer Exit Packages</li> <li>noted that there were no changes required to the Council’s current Scheme of Delegation as the control of the Chief Officer establishment is a power reserved to Council ensuring good governance and full transparency in relation to decision making on these matters</li> </ul> |
| Local Government in Scotland: Financial Bulletin 2024/25                  | 25 Feb 2026 | to present the findings and recommendations included in the Audit Scotland report ‘Local Government in Scotland: Financial Bulletin 2024/25’, published in January 2026   | <ul style="list-style-type: none"> <li>noted the findings and recommendations from the Audit Scotland report (attached as Appendix 1)</li> <li>noted the local arrangements in place</li> </ul>  |
| Audit Scotland: Integration Joint Boards – Finance Bulletin 2024/25       | 7 May 2025  | to present the findings of the Audit Scotland report entitled ‘Integration Joint Boards – Finance Bulletin 2024/25’, published in February 2026.  | <ul style="list-style-type: none"> <li>notes the findings of the Audit Scotland report (attached as Appendix 1)</li> <li>notes the local arrangements in place</li> </ul>  |

## Other Governance and Scrutiny reporting

In fulfilling its wider Governance and Scrutiny role the Panel considered a number of other reports. These included 'call-in' reports from Cabinet, Best Value progress reports, the Annual Good Governance assurance report and other update reports that the Chief Governance Officer considered to be relevant to the Audit and Governance Panel's terms of reference and delegations, as set out in the Council's Scheme of Delegation. Details of the eleven reports considered are set out in Table 6.

**Table 6**

| Report   | Panel Date   | Purpose   | Panel Action   |
|--|--------------|---|--|
| Best Value Action Plan – Progress Update           | 4 June 2025  | to update members on the progress toward delivering the Council's Best Value Action Plan  | <ul style="list-style-type: none"> <li>scrutinised the content of the Best Value Action Plan update report</li> <li>considered the progress through the narrative set out within Appendix 1 to the report</li> </ul>   |
| Audit and Governance Panel – 2024/25 Annual Report | 4 June 2025  | to provide the Panel with the Audit and Governance Panel annual report for 2024/25.   | <ul style="list-style-type: none"> <li>considered the Audit and Governance Panel annual report for 2024/25 (attached as Appendix 1)</li> <li>remitted the report to Council on 26 June 2025 for consideration.</li> </ul>  |
| Delivering Good Governance – 2024/25 Assessment    | 25 June 2025 | to invite Members to review the 2024/25 year-end assessment against the Council's Delivering Good Governance Framework              | <ul style="list-style-type: none"> <li>reviewed and agreed the 2024/25 year-end assessment</li> <li>noted the progress against the 2024/25 improvement actions</li> <li>noted the new set of Improvement Actions agreed by Corporate Leadership Team for the period 2025/2026</li> </ul> |
| Corporate Lets                                     | 3 Sept 2025  | to provide an annual update in relation to requests for discretion to be applied to let charges from 1 April 2024 to 31 March 2025. | <ul style="list-style-type: none"> <li>reviewed the information in the report</li> </ul>   |

| Report   | Panel Date    | Purpose  | Panel Action   |
|--|---------------|--|--|
| Best Value Action Plan – Progress update                         | 1 Oct 2025    | to update Members on the progress toward delivering the Council's Best Value Action Plan   | <ul style="list-style-type: none"> <li>scrutinised the content of the Best Value Action Plan update report</li> <li>considered the progress through the narrative set out within Appendix 1</li> </ul> |
| Audit and Governance Panel – 2025 Annual Self-Assessment Outcome | 3 Dec 2025    | to confirm the outcome of the Audit and Governance Panel Self-Assessment for 2025, which was undertaken on 30 September 2025; and to seek agreement of the resulting updated action plan | <ul style="list-style-type: none"> <li>noted the outcome of the 2025 self-assessment</li> <li>approved the updated action plan for improvement</li> </ul>  |
| Final Investigation Report (Confidential – Members only)         | 3 Dec 2025    | to advise Members of the findings of an investigation report commissioned from an independent consultant   | <ul style="list-style-type: none"> <li>considers the terms of the Consultant's report</li> <li>provided feedback on comments to officers</li> </ul>  |
| Audit and Governance Panel – 2026/27 Training Programme          | 25 March 2025 | to update the Panel on the proposed training programme for the Panel for 2026/27   | <ul style="list-style-type: none"> <li>noted the training programme set out in Appendix 1 of the report and provided feedback to the Chief Governance Officer</li> </ul>                               |
| Grey Fleet Miles   | 25 March 2025 | to present the findings of analysis on the comparison of grey fleet miles driven by staff between the period 2023/2024 and 2024/2025   | <ul style="list-style-type: none"> <li>noted the findings of the analysis on the comparison of grey fleet miles between the period 2023/2024 and 2024/2025</li> </ul>                                  |

| Report   | Panel Date  | Purpose  | Panel Action   |
|--|-------------|--|--|
| Asset Management- Best Value Thematic Work in South Ayrshire Council | 25 Mar 2026 | to present Members with Audit Scotland's thematic report on Asset Management in South Ayrshire | <ul style="list-style-type: none"> <li>• scrutinised the content of Audit Scotland's thematic report on Asset Management in South Ayrshire</li> <li>• notes the improvement actions identified in Appendix 1 of the report</li> <li>• agreed these actions be incorporated within the existing Best Value Action Plan and reported quarterly to the Audit and Governance Panel and the Best Value Working Group</li> </ul> |
| Best Value Action Plan – Progress Update                             | 6 May 2026  | to update members on the progress toward delivering the Council's Best Value Action Plan       | <ul style="list-style-type: none"> <li>• scrutinised the content of the Best Value Action Plan update report</li> <li>• considered the progress through the narrative set out within Appendix 1</li> </ul>   |