

EAST AYRSHIRE COUNCIL

GOVERNANCE AND SCRUTINY COMMITTEE

**MINUTES OF MEETING HELD ON FRIDAY 28 SEPTEMBER 2007 AT 1000 HRS
IN THE MEETING ROOM, COUNCIL HEADQUARTERS,
LONDON ROAD, KILMARNOCK**

PRESENT: Councillors Tom Cook, Willie Coffey, Helen Coffey, John Campbell, John Knapp, Stuart Finlayson and Eric Ross.

ATTENDING: Elizabeth Morton, Depute Chief Executive/Executive Director of Corporate Support; Graham Short, Executive Director of Educational and Social Services; Alex McPhee, Executive Head of Finance; Bill Walkinshaw, Head of Democratic Services; David Mitchell, Head of Legal, Procurement and Regulatory Services; Joseph McLachlan, Corporate Accounting Manager; Julie Jamieson, Chief Accountant; Michela Costa-Watt, Audit Manager (Client Service); and Christine Baillie, Administrative Officer.

ALSO ATTENDING: Peter Tait, Dave Richardson and Jamie Robertson, Audit Scotland.

APOLOGIES: Councillors Maureen McKay, Alan Brown and Barney Menzies.

CHAIR: Councillor Tom Cook, Chair.

PREVIOUS MINUTES

1. There were submitted and approved as a correct record, Minutes of Meeting held on 24 August 2007 (circulated).

1.1 Matter Arising - Initial Draft Guidance Document on Governance and Scrutiny Within East Ayrshire Council (Item 2(iii), Page 97, 07/11)

Having heard from the Chair that two topics had been identified by Members which could, potentially, be added to the Committee's Work Programme for 2007/08, it was agreed to discuss these items further at the end of the Agenda.

**DRAFT GUIDANCE DOCUMENT ON GOVERNANCE AND SCRUTINY WITHIN
EAST AYRSHIRE COUNCIL (Item 2, Pages 96 & 97 , 07/11)**

3. There was submitted and approved the draft guidance document on Governance and Scrutiny within East Ayrshire Council.

FINANCE CAPITAL REPORT FOR PERIOD 4 (29 JULY 2007)

4. There was submitted a report dated 14 September 2007 (circulated) by the Executive Head of Finance and Asset Management which advised Members of the projected financial position for General Services and Housing Investment Capital Programmes based on information provided by Executive Directors.

The Committee, having received a presentation by Alex McPhee, Executive Head of Finance and Asset Management on this matter, agreed to note the contents of this report.

BEST VALUE AND COMMUNITY PLANNING IMPROVEMENT AGENDA

5. There was submitted a report dated 6 September 2007 (circulated) by the Chief Executive which advised of the progress made against each of the detailed Improvement Action Plans which underpinned the Council's Improvement Agenda resulting from the Best Value and Community Planning Audit.

Elizabeth Morton, Depute Chief Executive/Executive Director of Corporate Support highlighted progress in respect of each of the Action Plans and their outcomes which were included in the appendix to the report.

The Committee agreed:

- (i) to note the progress that had been made against the detailed Improvement Plans contained within the appendix to the report;
- (ii) to assist the follow-up review by External Audit;
- (iii) to receive a further annual update report in respect of the implementation of the Improvement Plans around September 2008; and
- (iv) otherwise, to note the terms of the report.

COMMUNICATION OF AUDIT MATTERS TO THOSE CHARGED WITH GOVERNANCE

6. There was submitted a letter dated 28 September 2007 (circulated) from Peter Tait, Assistant Director Audit (Local Government) which highlighted issues from the East Ayrshire Audit of Financial Statements 2006/07.

Mr Tait spoke to the letter, highlighted the summary of the findings and advised that the Council had received a clear, unmodified report with no unadjusted misstatements or material weaknesses in the accounting and internal control systems identified during the audit. Mr Tait then passed on his congratulations to the Executive Head of Finance and Asset Management and his staff.

He further highlighted changes to the Local Government Pension Scheme, as detailed in paragraph 20 of Appendix C to the report, which would effectively reduce the value of the Council's pension liabilities by £4.681m.

The Committee noted the outcome of the Audit as detailed above and the undernoted minor amendments to Appendix D:

- Paragraph 1 - Group Accounts - going concern - Line 4 should now read "assets of £136.127m; and
- Paragraph 2 - Overall Financial Position: (based on unamended accounts) - "The Council made a net revenue surplus in 2006/07 of £10.42m. The General Fund surplus now standard at £21.267m. The Executive Head of Finance and Asset Management has confirmed that a substantial portion of this is earmarked for future use. Other reserve funds on the balance sheet total £25.276m".

WORK PROGRAMME FOR 2007/08

7. Bill Walkinshaw, Head of Democratic Services, advised that the two items identified by Members for consideration as part of the Committee's work programme for 2007/08 were as follows:-

- Review of Waste Recycling Policy (linked to Audit Scotland report); and

- Charging levels by Building and Works.

Councillor Eric Ross then asked that an evaluation of the Masternaut Vehicle Tracker System be also included.

Committee agreed that the Head of Democratic Services submit scoping papers to the next meeting of this Committee to allow the Committee to consider and prioritise, as appropriate, these topic suggestions.

The meeting terminated at 1050 hrs.