

**EAST AYRSHIRE COUNCIL****GOVERNANCE AND SCRUTINY COMMITTEE****MINUTES OF MEETING HELD ON FRIDAY 26 SEPTEMBER 2008 AT 1000 HOURS IN THE MEETING ROOM, COUNCIL HEADQUARTERS, LONDON ROAD, KILMARNOCK**

**PRESENT:** Councillors Tom Cook, Willie Coffey, Maureen McKay, John Campbell, John Knapp, Alan Brown, Stuart Finlayson and Barney Menzies.

**ATTENDING:** Fiona Lees, Chief Executive; Graham Short, Executive Director of Educational and Social Services; William Stafford, Executive Director of Neighbourhood Services; Alex McPhee, Executive Head of Finance and Asset Management; David Mitchell, Head of Legal, Procurement and Regulatory Services; Euan Couperwhite, Head of Resources; Kay Gilmour, Acting Executive Head of Social Work; Joseph McLachlan, Corporate Accounting Manager; Julie Jamieson, Chief Accountant; Julie McGarry, Administration Manager; and Anne Marie Carr, Senior Administrative Officer.

**ALSO ATTENDING:** Peter Tait, Assistant Director; Dave Richardson, Audit Manager and Mark Simms, Senior Accountant, all Audit Scotland.

**APOLOGIES:** Councillors Helen Coffey and Eric Ross.

**CHAIR:** Councillor Tom Cook, Chair.

**CHAIR'S REMARKS**

1. The Chair welcomed to the meeting Peter Tait, Assistant Director, Dave Richardson, Audit Manager and Mark Simms, Senior Accountant, all from Audit Scotland.

**PREVIOUS MINUTES**

2. There was submitted and approved as a correct record the Minutes of the meeting held on 29 August 2008 (circulated).

**2.1 MATTERS ARISING****2.1.1 East Ayrshire Community Planning Process - 2007/2008 Annual Performance Report**

It was reported and noted that a briefing paper providing an update on the SMART programme prepared by the Community Planning and Partnership Manager had been circulated to all Members of the Governance and Scrutiny Committee.

**PERFORMANCE AND BEST VALUE****BEST VALUE COMMUNITY PLANNING IMPROVEMENT AGENDA**

3. There was submitted a report dated 22 August 2008 (circulated) by the Executive Head of Finance and Asset Management which advised the Governance and Scrutiny Committee of the progress which had been 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.

Councillor Menzies joined the meeting at this point.

During discussion, the Chief Executive confirmed that the Council advocated the use of 37 of the 45 national performance indicators as contained in the Single Outcome Agreement with the Scottish Government in addition to proposing to retain 36 of the statutory performance indicators set by Audit Scotland in anticipation that Audit Scotland would stand down all other remaining indicators and that all such performance measures would be considered in the context of the results from the recent Residents Survey for 2008 which would inform Members on the views expressed by East Ayrshire's Residents Panel.

It was agreed:-

- (i) to note the progress which had been made against the detailed Improvement Plans contained within the Appendix to the report;
- (ii) to receive a further annual update report in respect of the implementation of the Improvement Plans, around September 2009; and
- (iii) otherwise, to note the contents of the report.

## **CORPORATE GOVERNANCE**

### **COMMUNICATION OF AUDIT MATTERS TO THOSE CHARGED WITH GOVERNANCE (ISA 260)**

4. There was submitted a statement from Audit Scotland dated September 2008 (circulated) together with a letter dated 11 September 2008 from the Executive Head of Finance and Asset Management to the Assistant Director of Audit (Local Government) regarding the Council's 2007/08 financial statements.

Having heard Peter Tait, Assistant Director, Audit Scotland, in highlighting the main findings, key outcomes and outlook for the period ahead, it was agreed to note:-

- (i) that the terms of the report, in overall terms, was an excellent report with very positive outcomes over the range of areas covered by the audit;
- (ii) that there were no unadjusted financial misstatements in the financial statements; and
- (iii) that the auditors had received the formal representations from the Executive Head of Finance and Asset Management in respect of the audit and on which Audit Scotland reported that there would require to be further adjustments to the accounts which would be picked up next year regarding an actuarial adjustment following the resolution of the commutation issue regarding the Police Pension Fund and a significant adjustment relating to the accounts for the Strathclyde Partnership for Transport Authority.

The Assistant Director, Audit Scotland and the Chair then congratulated the Executive Head of Finance and Asset Management and his staff on their assistance during the audit.

**SCRUTINY****FINANCE AND SERVICE STRATEGY REPORT FOR PERIOD 4 (27 JULY 2008)**

5. There was submitted a report dated 17 September 2008 (circulated) by the Executive Head of Finance and Asset Management which advised of the projected financial position for the year based on expenditure to 27 July 2008 (Period 4) and information provided by Executive Directors.

It was agreed:-

- (i) having heard the Chief Executive, the Executive Head of Finance and Asset Management and the Executive Director of Educational and Social Services regarding the action being taken to address the variance outlined in the report in respect of the Social Work budget that a report would be submitted to the Cabinet in December in respect of this matter;
- (ii) to note that in respect of Galston Community Facilities (page 17), the project life cycle should read 31 March 2009 and not 31 March 2008;
- (iii) that the Executive Head of Finance and Asset Management advise Councillor Menzies whether the budget allocation for the Netherthird Community Campus included resources for furnishings; and
- (iv) that with respect to the capital works sections of the report, that arrangements be made by the Executive Head of Finance and Asset Management to include the bar chart for all future reports which had been a feature of these reports previously.

The meeting terminated at 1100 hours.