

EAST AYRSHIRE COUNCIL

RISK AND AUDIT SCRUTINY GROUP

MINUTES OF MEETING HELD ON WEDNESDAY 16 NOVEMBER 2005 AT 1400 HOURS IN MEETING ROOM 1, COUNCIL HEADQUARTERS, LONDON ROAD, KILMARNOCK

PRESENT: Councillors William Crawford, Daniel Coffey, Douglas Reid, Gordon Cree, Stuart Finlayson and Elaine Dinwoodie; and Fiona Lees, Chief Executive; and Alex McPhee, Executive Head of Finance.

ATTENDING: James Lavery, Executive Director of Development and Property Services; John Clayton, Head of Corporate Development and Communication; Colin Houston, Chief Auditor; Michela Costa, Audit Manager (Client Services); and Stuart Nelson, Administrative Officer.

ALSO ATTENDING: Cameron Revie, Engagement Partner; and Joanne McWilliams, Engagement Manager, both PricewaterhouseCoopers.

APOLOGIES: Councillors Stephanie Young and Eric Jackson.

CHAIR: Councillor William Crawford, Chair.

CHAIR'S REMARKS

1. The Chair welcomed to the meeting James McKendrick and Mellina Manochin, from Glasgow Caledonian University, as observers.

DEVELOPMENT PROGRAMME FOR MEMBERS OF THE RISK AND AUDIT SCRUTINY GROUP

2. It was noted that an Information File had been circulated to each of the Members of the Group at the meeting, in order to further assist them in carrying out their role relative to Risk and Audit Scrutiny; and that the File would be supplemented from time to time as appropriate.

EXTERNAL AUDITOR'S ANNUAL REPORT TO THE CONTROLLER OF AUDIT AND TO COUNCIL MEMBERS: 2004/2005 AUDIT

3. There was submitted the External Auditor's Annual Report to the Controller of Audit and to Council Members: 2004/2005 Audit, dated September 2005 (circulated) by PricewaterhouseCoopers, LLP, directing attention to matters of significance which had arisen out of the 2004/2005 Audit process and confirming what action was planned by management to address these matters.

During a full discussion, Cameron Revie and Joanne McWilliams responded to a range of questions put, and issues raised by, members of the Group. The Chief Executive confirmed the key role of the Corporate Management Team in reviewing those Action Points set out in the External Auditor's Report, on a quarterly basis.

It was agreed:-

- (i) to note the terms of the report and the further information provided by Cameron Revie, Joanne McWilliams and the Chief Executive; and
- (ii) that in order to further facilitate Members' considerations, future reports of this

type should incorporate an Executive Summary extract.

INTERNAL AUDIT PLAN 2005/2006: PROGRESS REPORT

4. There was submitted a report dated November 2005 (circulated) by the Chief Auditor, providing a mid-year progress report on performance against the Internal Audit Plan for financial year 2005/2006.

Following discussion, it was agreed:-

- (i) that the Chief Auditor would review the housing allocations audit working papers to establish if there had been any difficulty in obtaining information for the housing allocations assignment from the Orchard housing management system;
- (ii) that, where appropriate, the Chief Auditor give consideration to taking views of elected Members in future audit assignments; and
- (iii) otherwise, to note the terms of the report.

Councillor Dinwoodie left the meeting at this point.

EXTERNAL AUDIT PERFORMANCE AUDIT REPORT

5.1 FOLLOWING THE PUBLIC POUND: PERFORMANCE STUDY – A LOCAL AUDIT REPORT

There was submitted a report dated August 2005 (circulated) by PricewaterhouseCoopers, LLP, on the Council's arrangements for the funding of external organisations.

Following discussion, and having heard Joanne McWilliams in explanation of points raised by members of the Group, it was agreed to note the terms of the report.

5.2 VFM – PROJECT MANAGEMENT ARRANGEMENTS: 2004/2005 AUDIT

There was submitted a report dated October 2005 (circulated) by PricewaterhouseCoopers, LLP, on the Council's arrangements for the management of larger scale projects.

During discussion, Cameron Revie and Joanne McWilliams responded to questions raised by members of the Group; and the Chief Executive provided further detailed information on historical progress and continuing development within the Council in respect of Project Management arrangements and related training initiatives currently being planned.

It was agreed to note the terms of the report and the further information provided.

CORPORATE RISK REGISTER

6. There was submitted a report dated 7 November 2005 (circulated) by the Executive Head of Finance, advising of progress with regard to the establishment and maintenance of a Corporate Risk Register.

It was agreed:-

- (i) to note the progress made with regard to the management of Corporate Risk, as set out in the report; and

- (ii) that future reports on this subject include information on the top level risks for each of the Council's Services.

EXTERNAL AUDIT APPROACH FOR 2005/06

7. There was submitted a report dated November 2005 (circulated) by PricewaterhouseCoopers, LLP, on how they plan to discharge their responsibilities as the Council's External Auditors for 2005/2006.

Following discussion, it was agreed to note the terms of the report.

The meeting terminated at 1525 hours.

EAST AYRSHIRE COUNCIL

RISK AND AUDIT SCRUTINY GROUP

MINUTES OF MEETING HELD ON MONDAY 12 DECEMBER 2005 AT 1404 HOURS IN THE MEETING ROOM, COUNCIL HEADQUARTERS, LONDON ROAD, KILMARNOCK

PRESENT: Councillors William Crawford, Daniel Coffey, Douglas Reid, Gordon Cree and Stuart Finlayson; and Fiona Lees, Chief Executive; and Alex McPhee, Executive Head of Finance.

ALSO PRESENT: Councillors Drew McIntyre and John Knapp, as observers.

ATTENDING: John Mulgrew, Executive Director of Educational & Social Services; William Stafford, Executive Director of Neighbourhood Services; John Clayton, Head of Corporate Development and Communication; Robert Paton, Head of Economic Development/Technical Services; Martin O'Rourke, Best Value and Performance Manager; and Stuart Nelson, Administrative Officer

ALSO ATTENDING: Professor Arthur Midwinter and Joanne McWilliams, Engagement Manager, PricewaterhouseCoopers, LLP.

APOLOGIES: Councillors Stephanie Young and Elaine Dinwoodie

CHAIR: Councillor William Crawford

CHAIR'S REMARKS

1. The Chair welcomed to the meeting Professor Arthur Midwinter and Joanne McWilliams, Engagement Manager, PricewaterhouseCoopers, LLP.

THE AUDIT OF BEST VALUE AND COMMUNITY PLANNING STRATEGIC SELF-ASSESSMENT OF PERFORMANCE

2. There was submitted a report dated 1 December 2005 (circulated) by the Chief Executive, seeking validation of the Council's Strategic Self-Assessment of Performance, undertaken as part of the preparations for the Best Value and Community Planning Audit.

Councillor Reid joined the meeting at this point.

The Chief Executive and the Head of Corporate Development and Communication explained the terms of the report, and in detail, the results of the Self-Assessment. There then followed discussion on matters arising, during which Officers responded to questions put by Elected Members. Thereafter, it was agreed: -

- (i) to note the process of Strategic Self-Assessment of Performance undertaken by the Corporate Management Team with the assistance of Professor Midwinter; and
- (ii) to validate the results of the Strategic Self-Assessment of Performance as detailed in the Appendix to the report.

BRIEFING NOTE FOR MEMBERS ON AUDIT OF BEST VALUE/COMMUNITY PLANNING

3. There was submitted a Briefing Note dated 5 December 2005 (circulated) by Professor Arthur Midwinter, the Council's 'Critical Friend', on the Audit of Best Value and Community Planning.

Professor Midwinter expanded on the terms of the Briefing Note, commenting generally about the enthusiasm and purpose adopted by the Council in its preparations for the audit to date. The Professor thereafter responded to a range of issues raised, and questions put, by members of the Group.

It was agreed:

- (i) to note the terms of the Briefing Note and the issues highlighted by the Professor and;
- (ii) to note that the Council's final submission to the Audit Team would reflect and respond to the helpful contribution made by the Professor.

The Chair thanked the Professor for his attendance at the meeting and his contribution in the capacity as a "Critical Friend" in relation to the Council's Strategic Self-Assessment of Performance.

The meeting terminated at 1537 hours.