

PERFORMANCE AND AUDIT SUB-COMMITTEE

MINUTES OF MEETING HELD ON TUESDAY 23 AUGUST 2016 AT 1800 HOURS IN THE RECEPTION ROOM, GRAND HALL, LONDON ROAD, KILMARNOCK

PRESENT: Councillors Eòghann MacColl and Neil McGhee; and Independent Trustees Robin Hume and June Minnery.

ATTENDING: John Griffiths, Chief Executive; Adam Geary, Cultural Services Manager; Chris Murphy, Sports and Community Venues Manager, Jackie Biggart, People and Finance Manager; Dianne McGregor, Marketing and Development Manager; Anneke Freel, Countryside Services Manager; and Lorraine Russell, Senior Accountant, all East Ayrshire Leisure Trust; and Gillian Hamilton, Democratic Services Officer, East Ayrshire Council.

ALSO ATTENDING: Karen Jones, Scott-Moncrieff (for item 6 below).

APOLOGIES: Independent Trustee Elizabeth Young.

CHAIR: Independent Trustee Robin Hume.

DECLARATIONS OF INTEREST

- I. No declarations of interest were intimated.

MINUTE OF PREVIOUS MEETING

2. There was submitted and approved as a correct record the Minute of the Performance and Audit Sub-Committee meeting held on 23 May 2016 (circulated).

2.1 Matters Arising

It was noted:-

- (i) the 2015/16 Annual Performance Report was presented to Council on 18 August 2016 and had met with a good level of approval for the performance achieved; and
- (ii) E-books would go out to tender on 29 August 2016.

ORDER OF BUSINESS

3. It was agreed to reorder the business to that shown below.

PERFORMANCE REPORT APRIL TO JUNE 2016

4. There was submitted a report dated 15 August 2016 (circulated) by the Chief Executive which provided the Board with a summary of the performance of Trust services for the period April to June 2016 and highlighted significant aspects of performance for Trustees' consideration.

It was agreed:-

- (i) to approve the East Ayrshire Leisure Performance report for April to June 2016;
- (ii) to note the new, succinct format Performance report that linked to the Business Plan;
- (iii) to note that the projected outturn at 30 June 2016 was a surplus of £70,450 and that it was envisaged that this would be utilised to assist in the management of the £141,090 2016/17 budget savings to be identified;

- (iv) to note the reasons in the report for the favourable variances in People and Finance and Sport and Community Venues and that these savings were non-recurring;
- (v) to note that the review of Sport and Community Venues was ongoing and the findings would be integrated with the best value review of all services that is currently being carried out in conjunction with East Ayrshire Council;
- (vi) to note the verbal update provided by the Chair in relation to holiday pay provision and pension reserve in Reserves Table A;
- (vii) to note the verbal update provided by the Chief Executive on the final stage HLF bid for the Dean Castle project and the 13 September 2016 anticipated outcome date;
- (viii) to note that a Trustees' development session led by Scott-Moncrieff on the Risk Register would be held during October 2016; and
- (ix) otherwise. to note the report.

INTERNAL AUDIT REPORT

5. There was submitted a report dated 15 August 2016 (circulated) by the People and Finance Manager which provided the findings of a location audit carried out by the Council's Internal Audit Service on cash handling and other operating procedures at Auchinleck Leisure Centre. The report concluded that sound assurance could be taken from most areas of the assessment. In addition, an audit of Hospitality Services had also been completed and had concluded that limited assurance could be taken from the current systems and procedures.

It was agreed:-

- (i) to note the rationale behind the selection of Auchinleck Leisure Centre and Hospitality Services for audit;
- (ii) to note the audit findings and the steps being taken to address the issues identified;
- (iii) to note that a follow up audit of Hospitality Services would be carried out during September;
- (iv) to note that learning from the respective audits was being cascaded throughout East Ayrshire Leisure;
- (v) that a summary of performance in Hospitality Services be provided in the next performance report, comparing Q1 with Q2 (post audit);
- (vi) that audit reports should be "pink papers", as they contained commercially sensitive information; and
- (vii) otherwise, to note the report.

2015/16 ANNUAL REPORT AND ACCOUNTS

6. Karen Jones, Scott-Moncrieff was welcomed to the meeting.

There was submitted a report dated 18 August 2016 (circulated) by the Chief Executive which presented the 2015/16 Report and Accounts for approval and showed that the Trust had established sound procedures for financial management and our external auditors, Scott-Moncrieff, were satisfied with accuracy of our accounts and the procedures that were in place to manage our finances.

It was agreed:-

- (i) to approve the 2015/16 Report and Accounts for submission to the East Ayrshire Leisure Annual General Meeting;
- (ii) to approve the East Ayrshire Leisure Audit Management Report including the Letter of Representation to accompany the accounts; and
- (iii) otherwise, to note the contents of the report.

Trustees wished to thank Scott-Moncrieff for the audit and the People and Finance Manager and Senior Accountant, East Ayrshire Leisure for their assistance in the audit process.

DATES OF NEXT MEETINGS

7. Trust AGM/Board: 13 September 2016.

Performance and Audit Sub-Committee: 14 November 2016.

The meeting terminated at 1840 hours.