

## **PERFORMANCE AND AUDIT SUB-COMMITTEE**

### **MINUTES OF MEETING HELD ON MONDAY 23 MAY 2016 AT 1800 HOURS IN THE MEETING ROOM, ST JOSEPH'S ACADEMY, GRASSYARDS ROAD, KILMARNOCK**

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

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

**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 14 March 2016 (circulated).

##### **2.1 Matter Arising**

It was noted in relation to performance monitoring and reporting 2016/19, that all decisions taken at the previous meeting had been incorporated into the new format performance report. Background information would be available to Trustees on the new information portal.

#### **EXTERNAL AUDIT PLAN 2015/16**

3. There was submitted a report dated 11 May 2016 (circulated) by the Chief Executive which presented the External Audit Plan for 2015/16 for noting by the Sub-Committee

It was agreed:-

- (i) to consider and note the External Audit Plan for 2015/16;
- (ii) to note that some adjustment might be required to the proposed audit timetable shown in Section 30 of the External Audit Plan 2015/16, however it was still on target for reporting to the Performance and Audit Sub Committee on 15 August and to the full Board on 13 September 2016. All working papers had already been submitted to Scott-Moncrieff and an audit visit was anticipated in due course;
- (iii) to note the safeguards in Section 16 of the External Audit Plan 2015/16 to ensure the audit process is independent and the auditor's objectivity is not compromised;
- (iv) to provide clarification on any impact of Financial Reporting Standard 102 - Jackie Biggart would follow up with Joe McLachlan;
- (v) to look at comparative figures restated in accordance with Financial Reporting Standard 102; and
- (vi) otherwise, to note the contents of the report.

Councillor Neil McGhee joined the meeting.

#### **INTERNAL AUDIT PROGRAMME 2016/17**

4. There was submitted a report dated 4 May 2016 (circulated) by the Chief Executive which put forward proposals for the Internal Audit Programme 2016/17 as discussed at the special Performance and Audit Sub-Committee on 14 March 2016.

It was agreed:-

- (i) to consider and approve the Internal Audit Programme 2016/17 as proposed in the report
- (ii) to note that Internal Audit resources would be deployed to support the delivery of the Business Plan and assist in addressing significant risks identified in the Risk Register;
- (iii) to note the follow up audits planned which would revisit previous reports;
- (iv) to note that external IT specialists (Scott-Moncrieff) were being brought in for the follow up audit of the ticketing and booking system;
- (v) to note that future location audits would be carried out by Trust staff;
- (vi) to note the details, as reported verbally by Jackie Biggart, of the facility audits which had already been carried out by Trust staff at Cumnock Town Hall and Catrine Games Hall, the rationale for selecting these facilities and the audit recommendations which had already been implemented and signed off by team leaders;
- (viii) to note that 2 facility audits were planned per year. Additional audits could be triggered if problems are identified;
- (ix) that the respective External and Internal Audit Plans placed the Trust in a stronger position going forward;
- (x) that audit reports be presented to Trustees at initial, rather than follow up stage; and
- (xii) otherwise, to note the contents of the report.

#### **DRAFT ANNUAL PERFORMANCE REPORT APRIL 2015 TO MARCH 2016**

5. There was submitted a report dated 12 May 2016 (circulated) by the Chief Executive which provided details of the Trust's performance for the financial year April 2015 to March 2016.

It was agreed:-

- (i) to consider the draft Annual Performance Report and propose any necessary changes to the report prior to its submission to the Board of Trustees;
- (ii) to note that future performance reports would be delivered in the new agreed format;
- (iii) to note in relation to actual expenditure as % of annual estimate, the reasons provided for the variances in "Management Fee" (£30,000 retained by East Ayrshire Council per annum pending introduction of e-books) and "Employee Costs" (delays in filling vacancies);
- (iv) that the presentation of financial information could be reviewed, to adjust the forecast column to reflect when reduced expenditure was anticipated against budget lines and to provide more by way of narrative. However the same level of variances/overall savings were not expected to recur given planned service reviews/savings targets and asset rationalisation;

- (v) to note the October timescale for implementing e-books that would trigger release of funds from East Ayrshire Council;
- (vi) to provide Councillor MacColl with details of the 12 Local Authorities comprising the e-books consortium;
- (vii) to provide Trustees with update reports on the implementation and roll out of e-books in East Ayrshire, including consideration of any set up costs, in due course;
- (viii) to amend under “attendance” the narrative for Caprington Golf Course to clarify that the Trust had only traded for 4 months;
- (ix) to note that a session was being arranged for Trustees, to be held on 19 July 2016 (to be confirmed) on the Risk Register;
- (x) to note the ongoing actions in the Action Plan and that a lot of activity had taken place that was not reflected in the Plan. The new format Action Plan would make it easier to track progress against targets;
- (xi) in response to a query from Councillor McGhee, to note the processes in place for writing off bad and doubtful debt, and the shift to customers paying up front, resulting in less time spent on debt recovery; and
- (xv) otherwise, to note the contents of the report.

#### **RESIGNATION OF INDEPENDENT TRUSTEE**

6. It was noted that Independent Trustee Eddie Rutherford had resigned from the Board due to ill health. The resignation would be accepted at the next Board meeting. Thereafter, consideration would be given to recruitment of a replacement Trustee and in this regard, the preference was for an appointment from the South of the Authority.

#### **DATES OF NEXT MEETINGS**

7. Trust Board: 7 June 2016  
Performance and Audit Sub-Committee: 15 August 2016

The meeting terminated at 1910 hours.