

PERFORMANCE AND AUDIT SUB-COMMITTEE

MINUTES OF MEETING HELD ON TUESDAY 13 MAY 2025 AT 1600 HOURS IN THE WALLACE CHAMBERS, JOHN DICKIE STREET, KILMARNOCK

PRESENT: Independent Trustee Jim Roberts; and Councillors Linda Mabon and Graham Boyd, Trustees

ATTENDING: Anneke Freel, Chief Officer; Paul Mathieson, Executive Lead: Places, Projects and Programmes; Lorraine Russell, Strategic Lead: Creating a Solid Foundation for Growth; and Carleen Fitzgerald, Development Officer: Organisational Administration; all East Ayrshire Leisure Trust; Eilidh MacKay, Chief Auditor; and Paul Davies, Audit Manager, both East Ayrshire Council; and Sally Cheeney, Senior Statutory Auditor, Azets Audit Services

CHAIR: Independent Trustee, Jim Roberts.

APOLOGIES

1. Andy Wilson; Trustee; and Jackie Biggart, Executive Lead: People, Policy and Performance

DECLARATIONS OF INTEREST

2. N/A

MINUTES OF PREVIOUS MEETING

3. Were submitted and approved as a correct record of the Minutes from the meeting of the Performance and Audit Sub-Committee held on 25 February 2025 (circulated).

PERFORMANCE REPORT JANUARY – MARCH 2025 (Q4)

4. There was submitted a report dated 1 May 2025 (circulated) by the Chief Officer, which provided details of the Trust's performance for the period January – March 2025, the fourth quarter of the 2024/25 financial year. In line with the organisational review, Strategic Vision and Corporate Delivery Plan, the performance report has been separated into 3 documents: East Ayrshire Leisure Performs; Corporate Delivery Plan Record of Progress; and Financial Performance.

During discussion on the report, the following was noted:

- Attendance figures across Trust venues were 532,500 which is an increase of 1.18% compared to the same period in 2023/24.
- Attendance figures have increased by 7.43% within the Leisure at the Heart of Every Community Team.
- Dean Castle Country Park continues to be Ayrshire's most visited free visitor attraction, however, closures due to storms in January led to a decrease in attendance of 7.36% in this quarter compared to the previous year.
- Risk Register – new risk added to reflect the transfer of additional services.
- New budgetary monitoring process introduced to ensure robust financial management.
- Outturn of the Trust at 31 March 2025 is a deficit position of £30,000.
- 6 month pilot project with Roundhouse Café at Loch Doon. £20,000 required from reserves to refurbish the building and I.T upgrading, security/CCTV etc.

- Audit will be carried out in relation to football pitches and synthetic grass pitches.
- Insurance Claims - Public Liability 3 ongoing, 1 new. Motor claims relate to staff incidents involving minor bumps.
- Half way through the Corporate Delivery Plan 2024-26. Out of the 46 outputs, 6 are completed and 3 still to be started.
- Future Memberships – base package to be offered, with option for customer to choose what they wish to add on to become bespoke to each customer.

It was agreed:

- (i) to approve the East Ayrshire Leisure Performs Report for the period January – March 2025;
- (ii) to approve £20,000 from reserves to refurbish the Roundhouse Café at Loch Doon; and
- (iii) to otherwise note the content of this report.

TRUST BUDGET 2025/26

5. There was submitted a report dated 1 May 2025 (circulated) by the Chief Officer, which confirms the budget position for 2025/26 and shows how the savings target of £120,000 will be achieved.

The following was noted:

- Further to East Ayrshire Council's Leisure review, the Galleon Centre and Vibrant Communities transferred on 1 April 2025. Community and Corporate Catering along with Instrumental Music and Creative Minds are scheduled to transfer on 18 August 2025.
- Savings of £151,000 will be met through efficiencies from revenue budgets in 2025/26 and the remaining £150,000 savings will be met temporarily from Reserves.
- Draft Annual Budget 2025/26 - £8,980,680

It was agreed:

- (i) to approve the budget position shown in this report; and
- (ii) to otherwise note the content of this report.

EXTERNAL AUDIT PLAN 2024/25

6. There was submitted a report dated 1 May 2025 (circulated) by the Strategic Lead: Creating a Solid Foundation for Growth, which presents the External Audit Plan for 2024/25 to Trustees for noting.

The following was noted:

- Significant risks at the financial statement level identified:
 - Management override of controls – very high
 - Going concern – medium risk
- Significant risks at the assertion level:
 - Fraud in revenue recognition - Revenue (Occurrence) – very high. Revenue (Completeness, Cut-off, Accuracy, Presentation & classification) - high

- Pension Assumptions – high
- Audit Workplan Timetable 2025/26 has been detailed within the Audit Plan.
- Ad-hoc advice had been provided in relation to tax advice with the set up of the Trading Subsidiary.

It was agreed:

- (i) to note the External Audit Plan for 2024/25; and
- (ii) to otherwise note the content of this report.

INTERNAL AUDIT PLAN 2025/26

7. There was submitted a report dated 6 April 2025 (circulated) by the Executive Lead: People, Policy & Performance, which provides Trustees with an update on prior audit assignments and outlines the proposed Internal Audit Plan for 2025/26 for consideration and approval.

The following was noted:

- Rolling Assurance programme concluded for Heritage Assets held by the Trust on behalf of the Council, all museum artefacts over £5,000 have been physically checked.
- Audit Plan 2025/26 - Mystery shopping included due to VisitScotland no longer carrying out exercise. Cash handling also added as transferred services deal with cash.
- Service Level Agreement recently agreed.

It was agreed:

- (i) to approve the Internal Audit Plan 2025/26 as proposed in the report; and
- (ii) to otherwise note the content of this report.

ANY OTHER COMPETENT BUSINESS

8. Performance reporting - it was agreed that the Trust would continue with the current reporting format to the end of Corporate Delivery Plan 2025/26, and introduce new a reporting style when start new Plan in April 2026.

DATE OF NEXT MEETING

9. East Ayrshire Leisure Board of Trustees – 27 May 2025
Performance & Audit Sub-Committee – 19 August 2025
Trading Subsidiary – 19 August 2025

The meeting terminated at 17.05 hours.