



**MINUTES OF THE MEETING OF THE
AUDIT AND GOVERNANCE COMMITTEE**

**TUESDAY 25 NOVEMBER 2025
COUNCIL CHAMBER, TOWN HOUSE, HADDINGTON
& HYBRID MEETING SYSTEM**

Committee Members Present:

Councillor Bruce ®
Councillor Menzies (Convener)
Councillor McGuire
Councillor McFarlane
Councillor McLeod ®
Councillor Ritchie
Councillor Trotter

Other Councillors Present:

N/A

Council Officials Present:

Mr L Rockey, Chief Executive
Ms S Fortune, Depute Chief Executive
Ms L Brown, Depute Chief Executive
Mr S Kennedy, Team Manager – Emergency Planning & Resilience
Ms H Barnett, Head of Corporate Support
Ms E Dunnet, Head of Finance
Mr D Stainbank, Service Manager – Internal Audit
Mr T Reid, Head of Infrastructure
Ms A Glancy, Service Manager – Corporate Accounting
Mr E John, Head of Communities & Partnerships Infrastructure
Mr K Dingwall, Head of Development
Mr A Cruickshank, Strategic Digital Lead

External Audit:

Mr J Boyd, Senior Audit Manager – Audit Scotland

Clerk:

Ms M Scott

Apologies:

Councillor Jardine

The Convener advised that the meeting was being held as a hybrid meeting, as provided for in legislation; that the meeting would be recorded and live streamed; and that it would be made available via the Council's website as a webcast, in order to allow public access to the democratic process in East Lothian. She noted that the

Council was the data controller under the Data Protection Act 2018; that data collected as part of the recording would be retained in accordance with the Council's policy on record retention; and that the webcast of the meeting would be publicly available for five years from the date of the meeting.

The clerk recorded the attendance of Members by roll call.

Declarations of Interest:

N/A

Transparency Statement:

Councillor Menzies made the Committee aware she was an honorary members of the Tranent Wombles, a board members of Fa'side Community Kitchen and a Council appointed member of Enjoy Leisure.

Councillor Ritchie also declared she was a board member for Enjoy Leisure.

Ms Sarah Fortune, Depute Chief Executive made Members aware the lead officer for East Lothian Land Ltd was unwell and unable to attend the meeting therefore the decision had been made to postpone the paper until the next Committee meeting.

1. MINUTES OF AUDIT & GOVERNANCE COMMITTEE 16 SEPTEMBER 2025

The minutes from the Audit and Governance Committee from 16 September 2025 were approved as an accurate record.

2. AUDIT & GOVERNANCE ANNUAL WORK PLAN 2025/26

No presentation was necessary for this item.

All Members were happy to note the Action Record and Annual Work Plan.

3. AUDIT & GOVERNANCE ACTION RECORD 2025/26

The clerk provided an update to the action record since its circulation. The Head of Housing had provided further information on the Council's housing list, and this was circulated to Members on 19 November and could now be recommended for closure.

Members agreed to close the items that were marked recommended for closure.

4. RISK REGISTERS

A report had been submitted by the Chief Executive to present to the Audit & Governance Committee the Infrastructure, Finance and Corporate Support Risk Registers for discussion, comment and noting. The Risk Registers are developed in keeping with the Council's Risk Management Strategy and are live documents, which are reviewed and refreshed on a regular basis, led by the Local Risk Working Groups (LRWG) within each service.

Scott Kennedy, Team Manager – Emergency Planning & Resilience provided a summary of his report and highlighted the Very High, High and Medium risks for the Infrastructure, Finance and Corporate Support Risk Registers.

a) Infrastructure

Mr Tom Reid, Head of Infrastructure responded to questions regarding the pressures of ash dieback on the tree team, the recruitment issues with taxi drivers for home to school transport and the pressures of replacing fleet to meet environmental targets. He also confirmed there was a statutory requirement on the Council to provide home to school transport for ASN and supported needs and provided Members with information on burial provisions within East Lothian.

Councillor McLeod asked a question relating to the progress of the housing land audit and it was agreed this would be added to the action record to allow the correct officers to provide a response.

There were no comments.

b) Finance

Ms Ellie Dunnet, Head of Finance provided an update on the spending of the Scottish Welfare Fund.

There were no comments.

c) Corporate Support

Alan Cruickshank, Strategic Digital Lead responded to a question relating to the failure of power or cooling in the John Muir House Data Centre.

The Convener extended her thanks to all officers involved in the risk registers.

Decision

The Audit and Governance Committee agreed to note:

- The relevant risks that had been identified, and that the significance of each risk was appropriate to the current nature of the risk
- The total profile of the risks could be borne by the Council at this time in relation to the Council's appetite for risk
- Although the risks presented are those requiring close monitoring and scrutiny over the next year, many are in fact longer- term risks that are likely to be a feature of the risk registers over a number of years

5. CORPORATE GOVERNANCE FRAMEWORK

A report was submitted by the Depute Chief Executive for Resources and Economy to present the East Lothian Council Local Code of Corporate Governance and to confirm the approach to the development of the Annual Governance Statement for 2025/26.

Following the presentation of her report, Ms Hayley Barnett, Head of Corporate Support responded to questions relating to the difference between this iteration and the national guidelines, the processes that were carried out to ensure the correct stakeholders were selected as a good fit for East Lothian and what measures had been included to ensure transparency and enable public scrutiny of the Council's governance arrangements.

Members stated the report was an important piece of work underlying everything the Council are doing and to demonstrate the commitment to good governance. They also appreciated the report being set out in plain language, making it clear what the expectations are for Councillors and Council officers.

Decision

The Audit and Governance Committee agreed to:

- Recommend approval of the Local Code of Corporate Governance to East Lothian Council
- Note the approach to the 2025/26 annual assurance process and the development of the Annual Governance Statement

6. INTERNAL AUDIT REPORT – NOVEMBER 2025

A report was submitted by the Service Manager – Internal Audit to inform the Audit and Governance Committee of Internal Audit reports issued since the last meeting of the Committee, provide details of Internal Audit's follow-up work undertaken and provide an update on progress made against the 2025/26 annual audit plan.

Duncan Stainbank, Service Manager for Internal Audit provided Members with a summary of the report. Officers responded to questions from Members in relation to complying with legislation in respect of roads management and made it clear that the current policy was fully appropriate and relevant therefore a review and refresh would be carried out, but it would not be a completely different document. Officers also provided information on the replacement jobs costing system used by roads and where funding would be sourced for this.

Decision

The Audit and Governance Committee agreed to note:

- The main findings and recommendations from the Internal Audit reports issued during the period from June 2025 to August 2025 as contained in Appendix 1
- The findings from Internal Audit's follow up work
- Internal Audit's progress against the annual audit plan for 2025/26 as set out in Appendix 2

7.a) EAST LOTHIAN COUNCIL AUDIT OF 2024/25 ANNUAL ACCOUNTS INCLUDING PROPOSED INDEPENDENT AUDITOR'S REPORT AND LETTER OF REPRESENTATION

John Boyd, Audit Director – Audit Scotland presented his report and outlined the key documents within. He was pleased to report that subject to the conclusion of the outstanding procedures Audit Scotland planned to issue an unmodified opinion on the accounts.

Mr Boyd and officers responded to questions relating to the succession planning for Council employees over the age of 55 and discussed in detail the recommended steps to strengthen financial resilience. Officers also reassured Members they were making sure conversations around funding and pressures of rapid population growth were front and centre with the Scottish Government.

Michelle Cockburn, Transformation and Digital Portfolio Manager provided an insight into the significant and sustained transformational plans for the Council including improved processes, bringing in digital, looking at assets and income generation.

Decision

The Audit and Governance Committee agreed to note the report.

7.b) DR BRUCE FUND AUDIT OF 2024/25 ANNUAL ACCOUNTS INCLUDING PROSED INDEPENDENT AUDITOR'S REPORT AND LETTER OF REPRESENTATION

Mr Boyd also presented the report for the Dr Bruce Fund noting an unmodified opinion of the fund will be subject to sign off for an approval from the Committee.

There were no questions from Members on the Dr Bruce Fund Annual Accounts.

Members welcomed the positive reports, unmodified opinion on the accounts and the good reporting of transformational work going on within the Council and how this has been communicated. They noted that although transformation would include positive change and making services better, more accessible and flexible there would also be difficult decisions that would be felt by all staff and residents within East Lothian. Members also drew attention to the financial gap the Council will face over the next five years and noted that although Council's may be receiving more money, the costs associated with all services has significantly raised as has the number of things the Council is now responsible for, and this had to be taken seriously. They noted the impact of this financial gap would be devastating to communities if ways are not found to close it and keeping services running the best we can.

The Convener thanked Audit Scotland and all of the Council's Finance Team for the hard work they put in all year round.

8. ANNUAL ACCOUNTS 2024/25

A report was submitted by the Depute Chief Executive for Resources and Economy to provide the Committee with an update on any changes arising during the audit of the draft financial statements, and to ask the Committee to approve the audited accounts 2024-25, noting that some further changes to the accounts are still being finalised.

After providing Committee with a summary of her report, Ms Ann-Marie Glancy, Service Manager – Corporate Accounting responded to questions from Members relating to the specific adjustments made to the revaluations, the amendments that were required to the found misstatement and what changes have taken place nationally with the way accounting is done that has had a material change to Council resources.

Members noted the positives facts and figures within the report including the education of over 15,000 pupils, early learning and child care to over 2,500 children, the provision of over 20,000 hours of care at home each week to vulnerable adults and older people as well as approximately four and a half million household waste collections each year. They commented on the story the accounts told such as the changes to bin collections being made three weekly instead of weekly, which did not start out as a positive but has now shown some very positive outcomes and expressed their want to really prove to the public they are doing the best they can to get the best value for money.

A roll call vote was carried out where a unanimous decision was reached to approve the recommendations.

Decision

The Audit and Governance Committee agreed to:

- Approve the audited Accounts for the Council and Group components.
- Delegate responsibility to the Council’s Chief Finance Officer and Chair of the Audit and Governance Committee to make appropriate changes to the Accounts, subject to completion of audit work relating to asset valuations, and formal sign off from External Audit.
- Approve the 2024-25 audited accounts for the Dr Bruce Fund

9. Treasury Management Mid-Year Review Report

A report was submitted by the Depute Chief Executive for Resources and Economy to provide an update to the Committee on Treasury Management activity during the first six months of 2025-26.

Ms Ann-Marie Glancy, Service Manager – Corporate Accounting presented the report, drawing attention to the economic update and summary of Treasury management activity in the first half of the year which included the impact of updated capital expenditure projections and sets out performance against prudential indicators.

Officers provided information on the short term investments made by the Council, who makes the decision on short term lending and how money is spread between the bank investments.

Decision

The Audit and Governance Committee agreed to note the report.

Signed

Councillor L Menzies
Convener of the Audit and Governance Committee