

**MINUTES of MEETING of AUDIT COMMITTEE held in the COUNCIL CHAMBERS, KILMORY,  
LOCHGILPHEAD  
on FRIDAY, 24 MARCH 2017**

**Present:** Martin Caldwell (Chair)

Councillor Michael Breslin                      Councillor Richard Trail  
Councillor Roderick McCuish                  Sheila Hill  
Councillor Elaine Robertson

**Attending:** Kirsty Flanagan, Head of Strategic Finance  
Kevin Anderson, Chief Internal Auditor  
Graeme Forrester, Area Committee Manager  
David McConnell, Audit Scotland  
Ursula Lodge, Senior Manager - Audit Scotland

The Chair welcomed Councillor McCuish and Ursula Lodge, Senior Manager from Audit Scotland, to their first meeting of the Audit Committee.

**1. APOLOGIES FOR ABSENCE**

Apologies for absence were intimated on behalf of Councillor Iain MacLean.

**2. DECLARATIONS OF INTEREST**

There were no declarations of interest intimated.

**3. MINUTES**

The Minutes of the Audit Committee held on Friday 2 December 2016 were approved as a correct record subject to the following additional wording in relation to the All Weather Pitch audit in item 6:

The Audit Committee noted that contrary to the report and specifically to the 3<sup>rd</sup> paragraph on page 128, the accounts of CCSP were not audited as CCSP had claimed exemption from audit under section 477 of the 2006 Companies Act. However, Financial Statements have been prepared in accordance with relevant legislation and where applicable have been subject to independent examination.

**4. INTERNAL AUDIT SUMMARY OF ACTIVITIES**

The Committee considered a report which provided an update on Internal Audit activity during Quarter 4 against a number of areas including 2016/17 Audit Plan progress; Individual Audits undertaken; Continuous Monitoring Programme Testing; Internal Audit Development Plan and Performance Indicators.

**Decision**

The Committee noted the contents of the report.

(Reference: Report by Chief Internal Auditor dated 24 March 2017, submitted)

## **5. INTERNAL AUDIT REPORTS**

The Committee considered a report providing detail in respect of the below 6 audits;

- Education Maintenance Allowance (EMAs);
- Service Planning;
- Common Good Property;
- Use of Pool Cars;
- Sustainable Communities; and
- Risk Management.

Discussion focussed on the use of pool cars and their use in partnership working, SEEMis and potential challenge to Common Good property registers.

### **Decision**

The Committee noted the contents of the summary report and the detail within each individual report.

(Reference: Report by Chief Internal Auditor dated 24 March 2017, submitted)

## **6. EXTERNAL & INTERNAL AUDIT REPORT FOLLOW-UP 2016 - 2017**

Consideration was given by the Committee to a report and attached appendices documenting the results of progress made by departmental management in implementing recommendations made by both External and Internal Audit which were due to be implemented by 31 January 2017.

### **Decision**

The Committee noted the contents of the report.

(Reference: Report by Chief Internal Auditor dated 24 March 2017, submitted)

## **7. INTERNAL AUDIT ANNUAL PLAN 2017 - 2018**

A report introducing the Internal Audit Annual Plan for the financial year 2017/18 was considered by the Audit Committee.

### **Decision**

The Committee agreed and approved the Internal Audit Annual Plan 2017/18

(Reference: Report by Chief Internal Auditor dated 24 March 2017, submitted)

## **8. EXTERNAL AUDIT PLAN 2017 - 2018**

An annual report containing an overview of the planned scope and timing of Audit Scotland's audit which will be carried out in accordance with International Standards on Auditing (ISAs) Code of Audit Practice and other relevant guidance was considered by the Committee. The plan identified how Audit Scotland will provide an opinion on the financial statements and related matters and how it will meet the wider scope of public sector audit requirements including the new approach to Best Value.

Members were made aware that audit risks 1 and 2 in the plan associated with financial statement issues are requirements of auditing standards and not because anything that has been identified specifically to the Council and it is Audit Scotland's opinion that this year's budget setting process was reasonable and they will therefore not be reporting on this.

### **Decision**

The Committee noted the contents of the report.

(Reference: Report by Audit Scotland dated March 2017, submitted)

## **9. STRATEGIC RISK ASSURANCE MAPPING**

The Committee gave consideration to a report which set out Internal Audit's assessment of the sources of assurance for the Audit Committee on the management of the Council's strategic risks. The report described the approach to the work and the outcomes including recommendations for improvement.

### **Decision**

The Committee noted;

- a) the report: and
- b) the Risk Assurance Map.

(Reference: Report by Grant Thornton dated 24 March 2017, submitted)

## **10. FINANCIAL STATEMENTS TIMETABLE 2016-2017**

The Audit Committee gave consideration to a report advising on the plans for financial year end 31 March 2017 and the preparation of the Council's Unaudited Annual Accounts for 2016-17. The Committee noted that the timescales for the production of the figures for the Integrated Joint Board have been brought forward to 21 April 2017.

### **Decision**

The Committee noted that plans are in place to prepare the Council's Annual Accounts, consistent with the Accounting Code of Practice which are to be submitted to the Council prior to 30 June 2017, in line with the Scottish Government's requirements.

(Reference: Report by Head of Strategic Finance dated 24 March 2017, submitted)

## **11. DRAFT AUDIT COMMITTEE WORK PLAN 2017 - 2018**

In order to facilitate forward planning of reports to the Audit Committee Members considered the outline Audit Committee workplan.

### **Decision**

The Committee noted the draft workplan.

(Reference: Audit Committee Workplan dated 24 March 2017, submitted)

The Chair thanked Members for their attendance, deliberation and involvement in the Audit Committee to help ensure a reasonable degree of assurance that issues are properly managed.