

**MINUTES of MEETING of AUDIT AND SCRUTINY COMMITTEE held in the SKYPE  
on TUESDAY, 22 SEPTEMBER 2020**

**Present:**

Martin Caldwell (Chair)

Councillor Jim Findlay	Councillor Sandy Taylor
Councillor George Freeman	Councillor Richard Trail
Councillor Sir Jamie McGrigor	Councillor Andrew Vennard

**Attending:**

Pippa Milne, Chief Executive  
Jane Fowler, Head of Customer Support Services  
Laurence Slavin, Chief Internal Auditor  
Shona Barton, Committee Manager  
Anne MacDougall, Finance Manager  
Iain Jackson, Governance, Risk and Safety Manager  
Sonya Thomas, Performance and Improvement Officer  
Colin Rae, Counter Fraud Team Leader  
John Cornett, Audit Scotland  
Mark Ferris, Audit Scotland

**1. APOLOGIES**

The Chair welcomed everyone to the meeting.

Apologies for absence were intimated on behalf of Councillor Alan Reid.

**2. DECLARATIONS OF INTEREST**

There were no declarations of interest intimated.

**3. MINUTE OF PREVIOUS MEETING HELD ON 17 MARCH 2020**

The minute of the previous meeting of the Audit and Scrutiny Committee held on 17 March 2020, was approved as an accurate record, subject to the following amendment:-

Item 2 – Declarations of Interest

To add the word charity following “Board of Rothesay Pavilion.”

The Chief Internal Auditor took the opportunity to introduce Colin Rae to the Committee, who had recently taken up the post of Counter Fraud Team Leader and outlined the ongoing recruitment processes within his team.

Mr Slavin spoke of the departure from normal working practices caused by the Covid-19 pandemic particularly in relation to the Audited Accounts. He advised that the intention was to present the Audited Accounts to Council at its meeting on 26 November 2020 and enquired as to the possibility of holding a Special Audit and Scrutiny Committee meeting to sign off the Audited Accounts prior to this date. Having noted that the Committee were happy to adopt this approach, Mr Slavin undertook to liaise with colleagues from Audit

Scotland and the Council's Legal and Regulatory Support to finalise a timeframe and suitable meeting arrangements.

#### **4. INTERNAL AUDIT SUMMARY OF ACTIVITIES**

The Committee gave consideration to a report providing a summary of Internal Audit activity and progress during quarters one and two of 2020/21 against the following areas:

##### **Audits Completed**

- School Purchasing
- Logical Access
- HSCP Contract Management
- Legionella Improvement Plan

##### **Audits in Progress**

- Interfaces/Reconciliations
- Scottish Welfare Fund
- Welfare Rights
- Oban Airport
- LEADER

Information in relation to the impact of Covid-19 on the progress of the 2019/20 audit plan and the subsequent knock on effect to the draft 2021/22 audit plan was also provided.

##### **Decision:**

The Audit and Scrutiny Committee agreed to:-

1. note and endorse the Summary of Activities report; and
2. approve the removal of the draft 2021/22 audit plan from the December meeting of the Committee.

(Reference: Report by Chief Internal Auditor, dated 22 September 2020, submitted.)

#### **5. INTERNAL AUDIT REPORTS TO AUDIT AND SCRUTINY COMMITTEE 2019/20**

The Audit and Scrutiny Committee gave consideration to a report containing the action plans in relation to the following 4 audits:

- Legionella Improvement Plan
- Social Care Contract Management
- School Purchasing
- Logical Access

##### **Decision:**

The Audit and Scrutiny Committee agreed to endorse the summary report and the detail within each individual report.

(Reference: Report by Chief Internal Auditor, dated 22 September 2020, submitted.)

## **6. INTERNAL AND EXTERNAL AUDIT REPORT FOLLOW UP**

Consideration was given to a report providing an update on all open actions as at 30 June 2020 including information on actions where the agreed implementation date had been rescheduled.

### **Decision:**

The Audit and Scrutiny Committee agreed to endorse the contents of the report.

(Reference: Report by Chief Internal Auditor, dated 22 September 2020, submitted.)

## **7. 2019/20 AUDIT PROGRESS REPORT**

A report providing an update on current progress on external audit activity and recent national performance reports which have been published or are due was considered by the Committee.

### **Decision:**

The Audit and Scrutiny Committee agreed to note the contents of the report.

(Reference: Report by Audit Scotland, submitted.)

## **8. AUDIT SCOTLAND REPORT: COVID 19 - GUIDE FOR AUDIT AND RISK COMMITTEES**

Audit Scotland recently published a report providing guidance for public bodies and auditors drawing on their recent experience of auditing public bodies during the Covid-19 pandemic. The Committee gave consideration to this report, with the Chief Internal Auditor providing a verbal overview on the four broad areas - internal controls and assurance; financial management and reporting; governance and risk management.

### **Decision:**

The Audit and Scrutiny Committee agreed to note the contents of the report and the verbal update on the four broad areas, as outlined in the report, provided by the Chief Internal Auditor.

(Reference: Report by Audit Scotland, submitted.)

## **9. REVISED 2020/21 INTERNAL AUDIT ANNUAL PLAN**

The Audit and Scrutiny Committee gave consideration to a report presenting the revised 2020/21 Internal Audit Annual Audit Plan.

### **Decision:**

The Audit and Scrutiny Committee agreed to approve the revised Internal Audit Annual Audit Plan 2020/21, as attached at Appendix 1 of the report.

(Reference: Report by Chief Internal Auditor, dated 22 September 2020, submitted.)

#### **10. INTERNAL AUDIT ANNUAL REPORT 2019/20**

Consideration was given to a report which outlined the work undertaken by Internal Audit in respect of the Annual Audit Plan 2019/20 and provided the contents of the Chief Internal Auditor's independent opinion on the effectiveness of the Council's risk management, internal control and governance processes.

##### **Decision:**

The Audit and Scrutiny Committee agreed to endorse the content of the report and the associated annual opinion of the Chief Internal Auditor.

(Reference: Report by Chief Internal Auditor, dated 22 September 2020, submitted.)

#### **11. UPDATE BY CHAIR(S) OF THE SCRUTINY PANELS**

The Chair provided a short update on the progress made in relation to the review of the Council's Economic Strategy. He outlined a number of elements being taken forward by the Scrutiny Panel and thanked Councillors Findlay and McGrigor for their input.

As Chair of the second Scrutiny Panel, Councillor Taylor gave a short update on the progress made in relation to the review of the Strategic Housing Fund. He advised of a forthcoming meeting between the Scrutiny Panel and the Housing Regulators and advised that he hoped to be in a position to report back to Committee in due course.

##### **Decision:**

The Audit and Scrutiny Committee agreed to note the contents of the updates by the Chairs of the Scrutiny Panels.

#### **12. STRATEGIC RISK REGISTER**

The Committee gave consideration to a report providing an update on the Council's Strategic Risk Register.

Discussion took place in respect of current mitigations against the aging population; the promotion of Argyll and Bute to business; waste management and in particular to the challenges arising from the delay of the landfill ban and the planned engagement with Scottish Government officers in this regard.

Further discussion was had in relation to the need for Members to better understand the Strategic Risk Register, particularly in relation to the red risks. The Chief Internal Auditor offered assurance to Members by confirming that for the majority of risks in the Council's Strategic Risk Register there are either sufficient assurances in place or internal audit have scheduled work to fill identified gaps. He also outlined the role of the Committee in relation to their scrutiny function and advised that he intended to engage with Members over the next three months with a view to identifying areas they wished to see covered in the Audit Plan for 2020/21.

##### **Decision:**

The Audit and Scrutiny Committee agreed to endorse the updated Strategic Risk Register, as attached at Appendix 1 of the report.

(Reference: Report by Chief Executive, dated 22 September 2020, submitted.)

### **13. STRATEGIC RISK REGISTER - ASSURANCE MAPPING**

A report providing Internal Audit's assessment of the sources of assurance for the Audit and Scrutiny Committee on the management of the Council's strategic risks was considered by the Committee.

Discussion took place in respect of the assurances required in relation to the delivery of waste management and the delivery of the Council's Best Value Action Plan.

#### **Decision:**

The Audit and Scrutiny Committee:

1. agreed to note the risk assurance map, at Appendix 1 of the report; and
2. gave consideration to the implications for audit or scrutiny coverage in the respective audit and scrutiny annual plans in 2021/22 plan and/or beyond. In particular potential scrutiny focusing on waste management and the delivery of the Council's Best Value Action Plan.

(Reference: Report by Chief Internal Auditor, dated 22 September 2020, submitted.)

### **14. AUDIT SCOTLAND/ACCOUNTS COMMISSION STATUTORY REPORT AND COUNCIL ACTION PLAN**

Consideration was given to the Best Value Assurance Report and subsequent Council Action Plan.

Discussion was had in relation to the need to improve community engagement and the use of performance information to drive improvement. The Chair asked Audit Scotland whether it would be possible to share sources of good practice from other local authorities who may be able to offer some learning points going forward. Mr Cornett advised that, while he may not necessarily hold up other Council's for best practice in this area, he would be happy to share other sources for information purposes.

#### **Decision:**

The Audit and Scrutiny Committee agreed to note the contents of the report and the Council Action Plan.

(Reference: Report by Audit Scotland, submitted.)

### **15. AUDIT AND SCRUTINY COMMITTEE ANNUAL REPORT 2019/20**

The Committee gave consideration to a report providing the Chair of the Audit and Scrutiny Committee's annual overview of the Committee's activity during the financial year 2019/20 and a summary of key developments since the commencement of 2020/21.

#### **Decision:**

The Audit and Scrutiny Committee:

1. agreed to endorse the Chair's Annual Report; and
2. agreed that the Chair presents the report to a future meeting of the Council at a date to be confirmed.

(Reference: Report by Chair of the Audit and Scrutiny Committee, dated 22 September 2020, submitted.)

## **16. TRUST FUND ANNUAL ACCOUNTS**

The Audit and Scrutiny Committee gave consideration to a report presenting the conclusion of the audit of the Charitable Trust accounts.

### **Decision:**

The Audit and Scrutiny Committee agreed to approve the audited Charitable Trust accounts for signature.

(Reference: Report by Audit Scotland, submitted.)

## **17. COUNCIL 6-MONTH PERFORMANCE REPORT - OCTOBER 2019 TO MARCH 2020**

A report providing an update on the delivery of outcomes; the key challenges and how these are managed and other strategic activity along with implemented and planned changes to the Performance Improvement Framework was considered by the Committee.

Discussion was had in relation to the Rural Growth Deal and in particular to the monies secured from both the UK and Scottish Governments. The Chair enquired as to the progress being made in relation to the strategic transport projects. The Head of Customer Support Services agreed to enquire as to the position with the Head of Development and Economic Growth and provide feedback to the Committee by email.

### **Decision:**

The Audit and Scrutiny Committee:

1. reviewed the Council's 6-month Performance Report and Scorecard as presented for the purposes of scrutinising the Council's performance;
2. noted that due to Covid-19 demands on staff and resources, Performance Management was deprioritised; and
3. noted the planned activity for Performance Management and Reporting during 2020/21 onwards.

(Reference: Report by Chief Executive, dated 28 August 2020, submitted.)

## **18. REVIEW OF CODE OF CORPORATE GOVERNANCE**

Consideration was given to a report advising that the code of corporate governance action plan for 2019/20 has been reviewed and updated along with the content of the code to reflect the governance position within the Council for 2019/20.

Discussion took place in respect of the incomplete actions contained within Appendix 1 of the report and the progress of the plan to fully digitalise all document and evidence for Local Development Plan 2 “Examination in Public” process. Mr Jackson agreed to seek clarity from the Head of Development and Economic Growth as to the progress of this plan and provide an update to the Committee by email.

The Chief Internal Auditor and the Governance, Risk and Safety Manager undertook to look at the best way to present the findings of the annual review to the Committee in advance of the next Review of Code of Corporate Governance.

**Decision:**

The Audit and Scrutiny Committee agreed to:

1. note the updates in the Action Plan for 2019/20;
2. approve the content of the revised Code of Corporate Governance for 2019/20;
3. approve the content of the Action Plan for 2020/21; and
4. approve the draft statement of governance and internal control for 2019/20.

(Reference: Report by Executive Director with responsibility for Governance, Risk and Safety, dated 22 September 2020, submitted.)

**19. CORPORATE COMPLAINTS ANNUAL REPORT 2019/20**

The Committee gave consideration to a report providing information on how the Council has dealt with complaints during the period between 1 April 2019 and 31 March 2020 and performed against the statutory indicators which have been agreed between the Scottish Public Services Ombudsman (SPSO) and the Local Authorities Complaint Handlers Network.

**Decision:**

The Audit and Scrutiny Committee agreed to note the content of the report.

(Reference: Report by Executive Director with responsibility for Governance, Risk and Safety, dated 22 September 2020, submitted.)

**20. FREEDOM OF INFORMATION - ANNUAL REPORT 2019-20**

A report providing an update on the position regarding the recording, responding to, monitoring and reporting of requests for information under the Freedom of Information (Scotland) Act 2002 (FOISA) and the Environmental Information (Scotland) Regulations 2004 (EIR's) for the period between 01 April 2019 and 31 March 2020 was considered by the Committee.

**Decision:**

The Audit and Scrutiny Committee agreed to note the content of the report.

(Reference: Report by Executive Director with responsibility for Governance, Risk and Safety, dated 22 September 2020, submitted.)

## **21. AUDIT AND SCRUTINY WORKPLAN**

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

The Chief Internal Auditor requested that the workplan be updated to reflect discussions during agenda item 13 (Strategic Risk Register – Assurance Mapping) in respect of the Best Value Action Plan and Waste Management.

### **Decision:**

The Audit and Scrutiny Committee agreed to note the outline workplan.

(Reference: Audit and Scrutiny Committee workplan, dated 22 September 2020, submitted.)