

**MINUTES of MEETING of AUDIT AND SCRUTINY COMMITTEE held BY MICROSOFT TEAMS
on THURSDAY, 23 JUNE 2022**

Present:

Martin Caldwell (Chair)

Councillor Daniel Hampsey
Councillor Graham Hardie
Councillor Mark Irvine

Councillor Reeni Kennedy-Boyle
Councillor Andrew Vennard

Attending:

Jane Fowler, Head of Customer Support Services
Paul MacAskill, Chief Internal Auditor
Moirra Weatherstone, Interim Chief Internal Auditor
Shona Barton, Committee Manager
David Forshaw, Finance Manager
Iain Jackson, Governance and Risk Manager
Kyle McAulay, Audit Scotland
Gordon McAllister, Audit Scotland

In order to facilitate officer attendance, the Chair moved and the Committee agreed to vary the order of business. This minute reflects the order in which discussion took place.

1. APOLOGIES

The Chair welcomed everyone to the meeting, and advised that due to technical difficulties, a decision had been taken to hold the meeting by Microsoft Teams.

Apologies were intimated on behalf of Councillor Jim Lynch.

2. DECLARATIONS OF INTEREST

There were no declarations of interest intimated.

3. MINUTE OF PREVIOUS MEETING HELD ON 15 MARCH 2022

The Minute of the previous meeting of the Audit and Scrutiny Committee, held on 15 March 2022 was approved as a correct record.

4. COUNCIL 6-MONTH PERFORMANCE REPORT - OCTOBER TO MARCH 2022

Consideration was given to a report which presented the Council's 6-month Performance Report and Scorecard for October to March 2022 focussing on key performance indicators.

Decision

The Audit and Scrutiny Committee:-

1. Noted that this report presented the Council performance on strategic activities across all services;
2. Reviewed and scrutinised the Council's 6-month Performance Report and Scorecard;
3. Noted that the Strategic and Area Committees have responsibility to scrutinise operational performance; and
4. Noted the planned activity for Performance Management and Reporting during 2022/23 onwards.

(Reference: Report by Executive Director with responsibility for Customer Support Services, dated 23 June 2022, submitted)

5. LOCAL GOVERNMENT BENCHMARKING FRAMEWORK 2020/21 - ANALYSIS AND COMMENTARY

The Committee gave consideration to a report which presented the final Local Government Benchmarking Framework (LGBF) 2020/21 data for Argyll and Bute which included 'How We Performed' and 'Expected Future Performance and Impact of Policy Decisions' commentary from Heads of Service.

Decision

The Audit and Scrutiny Committee:

1. Considered the contents of the report for scrutiny activity and performance reporting purposes; and
2. Noted that the completed LGBF 2020/21 is published on our website as part of the Council's statutory Public Performance Reporting duty.

(Reference: Report by Executive Director with responsibility for Customer Support Services, dated 23 May 2022, submitted)

6. INTERNAL AUDIT AND COUNTER FRAUD SUMMARY OF ACTIVITIES

The Committee gave consideration to a report providing a summary of Internal Audit activity and progress during quarter one of 2022/23 against the following areas:

Audits Completed

- Civil Contingencies
- Climate Change Act
- Complaints Handling – HSCP
- ELC Parental Satisfaction
- ICT – Remote Working
- Planning Applications
- School Fund Governance

Audits in Progress

- Heritage Assets
- EMA
- Workforce Planning (HSCP)

The report also included information on the work carried out by the Counter Fraud Team (CFT) and provided an update on total billing to date as a direct consequence of their work at the end of April 2022.

Decision

The Audit and Scrutiny Committee agreed to note and endorse the Summary of Activities report.

(Reference: Report by Interim Chief Internal Auditor, dated 23 June 2022, submitted)

7. INTERNAL AND EXTERNAL AUDIT REPORT FOLLOW UP 2021-22

The Committee gave consideration to a report providing an update on all open actions as at 31 March 2022, 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 Interim Chief Internal Auditor, dated 23 June 2022, submitted)

8. INTERNAL AUDIT REPORTS TO AUDIT AND SCRUTINY COMMITTEE 2021/2022

The Audit and Scrutiny Committee gave consideration to a report containing the action plans in relation to the following 7 audits:-

- Civil Contingencies
- Climate Change Act
- ELC Parental Satisfaction
- ICT – Remote Working
- Planning Application
- School Fund Governance
- Complaints Handling – HSCP

Decision

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

(Reference: Report by Interim Chief Internal Auditor, dated 23 June 2022, submitted)

9. EXTERNAL AUDIT UPDATE REPORT

Consideration was given to a verbal update from Audit Scotland which outlined the interim work carried out for the 2022 Audit of the Council; the progress made in terms of Best Value work to ensure that arrangements are in place to secure financial sustainability; the planned work for the commencement of the financial statement preparations and arrangements and the process of the Annual Accounts. It was also noted that Mazars would be taking over as the new Auditors following the completion of the Annual Accounts process, and Audit Scotland would continue to liaise closely with them to ensure a smooth transition.

Decision

The Audit and Scrutiny Committee agreed to note the verbal update provided.

(Reference: Verbal Update by Audit Scotland)

10. REVISED 2022/23 INTERNAL AUDIT ANNUAL PLAN

Consideration was given to a report which presented the revised Internal Audit Annual Plan for 2022/23.

Decision

The Audit and Scrutiny Committee agreed and approved the revised Internal Audit Annual Plan 2022/23 (Appendix 1).

(Reference: Report by Interim Chief Internal Auditor, dated 23 June 2022, submitted)

11. VERBAL UPDATE BY CHAIR(S) OF THE SCRUTINY PANEL

Having noted the apologies for Councillor Jim Lynch, Martin Caldwell, Chair of the Community Asset Transfer Review Panel advised that he would talk to the following items relating to the Community Asset Transfer Scrutiny Review and the Fly-tipping Scrutiny Review.

12. COMMUNITY ASSET TRANSFER SCRUTINY REVIEW

The Committee gave consideration to a report presenting the findings of the Community Asset Transfer Scrutiny Review, which was carried out as per the 2021/22 scrutiny plan. The report identified 'a perception that the Council's current asset transfer process is complex and does not fully support community empowerment to allow community groups to progress transfer request without significant support'.

Discussion was had in relation to the opportunity this afforded to expose the opportunities of Community Asset Transfer to a wider audience, with it being noted that delegated authority for Asset Transfers lies with the Policy and Resources Committee.

Decision

The Audit and Scrutiny Committee:-

1. Agreed the draft Community Asset Transfer Scrutiny Report; and

2. Agreed that the Community Asset Transfer Scrutiny Report be presented to the Council's 4 Area Committees in the first instance, for information and to facilitate promotion to community groups to consider, noting that any recommendations arising would require to be referred to the Policy and Resources Committee for consideration.

(Reference: Report by Chair of the Community Asset Transfer Scrutiny Panel, dated 23 June 2022, submitted)

13. FLY-TIPPING SCRUTINY REVIEW

The Committee gave consideration to a report presenting the findings of the Fly-tipping Scrutiny Review, which was carried out as per the 2021/22 scrutiny plan.

Discussion was had in relation to the relationship between the volume of fly-tipping complaints and the request for special uplifts, with it being agreed that there was an opportunity to see if a link could be established. The absence of information relating to the Fly-tipping Scotland app which was introduced in 2015 was also discussed, with the Committee agreeing that this report was still a work in progress.

Decision

The Audit and Scrutiny Committee:-

3. Noted that the draft Fly-tipping Scrutiny Report is a work in progress; and
4. Requested that the Chair of the Fly-tipping Scrutiny Review Panel consider the information discussed and determine the best way to proceed in order to progress the initial piece of work undertaken.

(Reference: Report by Chair of the Community Asset Transfer Scrutiny Panel, dated 23 June 2022, submitted)

14. LOCAL GOVERNMENT IN SCOTLAND - FINANCIAL OVERVIEW 2020-21

Consideration was given to a report which presented the recent Local Government Financial Overview 2020-21 report by the Accounts Commission and highlighted relevant matters which included comments on the Council's income in 2020-21; the Council's financial position at the 2020-21 year end and the financial outlook for councils in 2021-22.

Decision

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

(Reference: Report by Interim Head of Financial Services, dated 7 June 2022, submitted)

15. EXTERNAL AUDIT 2021/22 MANAGEMENT REPORT

It was noted that this item was covered as part of the verbal update provided by Audit Scotland in relation to the External Audit Update.

16. LOCAL GOVERNMENT IN SCOTLAND - OVERVIEW 2022

The Committee gave consideration to a report by Audit Scotland which reported on the impact of Covid-19 on local government; the progress towards recovery and renewal; managing resources; managing the workforce and actions and recommendations for leadership within councils. The report also included information on meeting local needs; the impact of Covid-19 on services and inequality; collaboration and communities and actions and recommendations for leadership going forward.

Decision

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

(Reference: Report by Audit Scotland, submitted)

17. STRATEGIC RISK REGISTER

Consideration was given to a report providing an update on the Council's Strategic Risk Register (SRR).

Decision

The Audit and Scrutiny Committee agreed to endorse the updated SRR at Appendix 1 of the report.

(Reference: Report by Chief Executive, dated 23 June 2022, submitted)

18. INTERNAL AUDIT - ANNUAL REPORT 2021/22

Consideration was given to a report advising of the work undertaken by Internal Audit in respect of the Annual Audit Plan 2021/22 and the contents of the Interim Chief Internal Auditor's (CIA) independent annual opinion on the effectiveness of the Council's risk management, internal control and governance processes.

Decision

The Audit and Scrutiny Committee endorsed the content of the report and the associated annual opinion of the Interim Chief Internal Auditor.

(Reference: Report by Interim Chief Internal Auditor, dated 23 June 2022, submitted)

19. REVIEW OF CODE OF CORPORATE GOVERNANCE

The Committee gave consideration to a report advising that the Code of Corporate Governance Action Plan 2021/22 has been reviewed and updated along with the content of the code to reflect the governance position within the Council for 2020/21. It also noted that the review allows the Council to include a statement of governance and internal control in the Annual Accounts for 2021/22.

Decision

The Audit and Scrutiny Committee:-

1. Noted the updates in the Action Plan for 2021/22;

2. Considered and approved the content of the revised Code of Corporate Governance for 2021/22;
3. Considered and approved the content of the Action Plan for 2022/23; and
4. Considered and approved the draft statement of governance and internal control for 2021/22.

(Reference: Report by Executive Director with responsibility for Legal and Regulatory Support, dated 23 June 2022, submitted)

20. UNAUDITED FINANCIAL ACCOUNTS

The Committee gave consideration to a report presenting an overview of the Unaudited Annual Accounts for 2021-22 and a summary of the significant movements from 2021-22. The report also provided information on the revenue outturn for 2021-22.

Decision

The Audit and Scrutiny Committee considered the Unaudited Annual Accounts for the year ended 31 March 2022.

(Reference: Report by Section 95 Officer, dated 17 June 2022, submitted)

21. WORKPLAN

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

Decision

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

(Reference: Audit and Scrutiny Committee workplan, dated 23 June 2022, submitted)

The Chair took the opportunity to thank the Interim Chief Internal Auditor, Moira Weatherstone for her help and assistance following the departure of the previous Chief Internal Auditor, Laurence Slavin noting that Moira was leaving the Council and wishing her all the best for the future. He also welcomed the new Chief Internal Auditor, Paul MacAskill to the organisation and advised that he was looking forward to working with him in the months to come.