

**MINUTES of MEETING of AUDIT AND SCRUTINY COMMITTEE held BY MICROSOFT TEAMS  
on THURSDAY, 14 MARCH 2024**

**Present:**

Martin Caldwell (Chair)

Janice Wason Hall  
Councillor Daniel Hampsey  
Councillor Graham Hardie

Councillor Reeni Kennedy-Boyle  
Councillor Dougie McFadzean

**Attending:**

Kirsty Flanagan, Executive Director/Section 95 Officer  
Anne Blue, Head of Financial Services  
Jane Fowler, Head of Customer Support Services  
Paul MacAskill, Chief Internal Auditor  
Shona Barton, Governance Manager  
Morag Cupples, Finance Manager  
Jennifer Coyle, Senior HR Business Partner  
Mhairi Weldon, Senior Audit Assistant  
Cameron Waddell, Partner, Mazars LLP  
Gregory Odour, Audit Manager, Mazars LLP

**1. APOLOGIES**

The Chair welcomed everyone to the meeting and took the opportunity to introduce Janice Wason Hall, who would be taking over the role of Chair of the Audit and Scrutiny Committee from its next meeting in June 2024.

Apologies for absence were intimated on behalf of Councillor Jim Lynch.

**2. DECLARATIONS OF INTEREST**

There were no declarations of interest intimated.

**3. MINUTE OF PREVIOUS MEETING OF THE AUDIT AND SCRUTINY COMMITTEE HELD ON 19 DECEMBER 2023**

The Minute of the previous meeting of the Audit and Scrutiny Committee, held on 19 December 2023 was approved as a correct record.

**4. 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 four of 2023/24 against the following areas:

**Audits Completed**

- Piers and Harbours
- Pupil and Public Transport
- Human Resources – Casual Workers

## **Audits in Planning/in Progress**

- Client Funds
- Learning and Disability Care Packages
- Financial Ledger
- Scottish Social Services Council (SSSC) Registration
- Freedom of Information Requests
- Cloud Based Computer Services

The report also provided information on the work carried out by the Counter Fraud Team (CFT); the continuous monitoring programme and the progress of work carried out as a result of information received from the National Fraud Initiative (NFI).

### **Decision**

The Audit and Scrutiny Committee reviewed and endorsed the Summary of Activities report.

(Reference: Report by Chief Internal Auditor, dated 14 March 2024, submitted)

## **5. INTERNAL AND EXTERNAL AUDIT REPORT FOLLOW UP 2023-24**

Consideration was given to a report which provided an update on all open actions as at 31 December 2023. The report included information on actions where the agreed implementation date had been rescheduled.

### **Decision**

The Audit and Scrutiny Committee endorsed the contents of the report.

(Reference: Report by Chief Internal Auditor, dated 14 March 2024, submitted)

## **6. INTERNAL AUDIT REPORTS TO AUDIT AND SCRUTINY COMMITTEE 2023/24**

Consideration was given to a report containing the action plans in relation to the following three audits:-

- Human Resources – Casual Workers
- Pupil and Public Transport
- Piers and Harbours

### **Decision**

The Audit and Scrutiny Committee reviewed and endorsed the summary report and detail within each individual report.

(Reference: Report by Chief Internal Auditor, dated 14 March 2024, submitted)

## **7. FLY-TIPPING SCRUTINY REVIEW**

Having noted that the Fly-Tipping Scrutiny Review commenced as per the 2021/22 scrutiny plan and concluded as per the 2023/24 scrutiny plan, the Committee gave consideration to a report which presented the draft Fly-Tipping Scrutiny Report.

### **Decision**

The Audit and Scrutiny Committee:-

1. agreed the draft Fly-Tipping Scrutiny Report; and
2. agreed that the Fly-Tipping Scrutiny Report be presented to the Environment, Development and Infrastructure Committee for consideration.

(Reference: Report by Chair of Scrutiny Panel, dated 14 March 2024, submitted)

## **8. SCRUTINY - IDENTIFICATION OF A TOPIC 2024-25**

The Committee gave consideration to a report which provided an update on the recent engagement on potential scrutiny options in order to identify a topic to take forward in the context of the Scrutiny Manual and Framework as part of the Committee's scrutiny role for 2024-25.

### **Decision**

The Audit and Scrutiny Committee:-

1. agreed that the topic for 2024-25 would be a review of the Council's Complaints process based on the responses provided to the Chief Internal Auditor as part of the recent communications with the Committee and in accordance with the agreed process of assessment which is detailed in the Scrutiny Framework and Manual;
2. appointed Councillor Jim Lynch as the Panel Chair with the new Chair of the Committee, Janice Wason Hall shadowing; and
3. requested that the Chief Internal Auditor extend an invite to all Members of the Committee seeking nominations for a further two members to form a Scrutiny Panel for the review which will commence within financial year 2024-25.

(Reference: Report by Chief Internal Auditor, dated 14 March 2024, submitted)

## **9. INTERNAL AUDIT PLAN 2024-25**

The Committee gave consideration to a report which introduced the Internal Audit Plan for 2024-25.

### **Decision**

The Audit and Scrutiny Committee agreed and endorsed the Internal Audit Plan 2024/25, as attached at Appendix 1 to the report.

(Reference: Report by Chief Internal Auditor, dated 14 March 2024, submitted)

## **10. REGULATION OF INVESTIGATORY POWERS (SCOTLAND) ACT 2000 (RIPSA) ANNUAL REPORT**

Having noted the legal requirements placed on the Council in relation to covert surveillance, the Committee gave consideration to a report which advised that between 1 January and 31 December 2023, the Council undertook no covert surveillance operations.

### **Decision**

The Audit and Scrutiny Committee considered and noted the terms of the report.

(Reference: Report by Executive Director with responsibility for Legal and Regulatory Support, dated 14 March 2024, submitted)

Councillor Daniel Hampsey joined the meeting during discussions of agenda item 11 (2022-23 Audited Annual Accounts).

## **11. 2022-23 AUDITED ANNUAL ACCOUNTS**

### **(a) 2022-23 Draft Annual Audit Report**

The Committee gave consideration to a report and a short verbal update outlining the unqualified opinion of the External Auditors, Mazars LLP, on the audit of the financial statements.

### **Decision**

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

(Reference: Report by Mazars LLP, dated March 2024, submitted)

### **(b) 2022-23 Argyll and Bute Council - ISA 580 Letter of Representation**

Consideration was given to the ISA 580 letter of representation on the audit of the annual accounts of Argyll and Bute Council for the year ended 31 March 2023.

### **Decision**

The Audit and Scrutiny Committee:-

1. noted the contents of the ISA 580 letter of representation; and
2. agreed to recommend to Council that the ISA 580 letter of representation be approved for signing.

(Reference: ISA 580 Letter of Representation by Section 95 Officer, dated March 2024, submitted)

### **(c) 2022-23 Audited Annual Accounts**

The Committee gave consideration to a report presenting the Audited Annual Accounts of the Council for the year ended 31 March 2023.

The Chair took the opportunity to thank the Finance team for the provision of highly informative management commentary and for their continued hard work in the provision of the annual accounts.

### **Decision**

The Audit and Scrutiny Committee:-

1. noted that the audit is substantially complete and Mazars have advised the Council that they are expecting to issue an unqualified opinion on the Council's Accounts for the year ended 31 March 2023;
2. agreed to accept and endorse the set of Accounts as attached to the report and refer them to the Council for approval;
3. noted that if the Council receive a follow-up letter from Mazars confirming that there are no material changes to the Accounts, there would be no impediment to the Council signing off the Annual Accounts;
4. noted that if the Council receive a follow-up letter from Mazars confirming there was a material change, it would be a matter for the Council to take forward the approval of the Accounts having regard to that. It was further noted that in this event, a further report would be submitted to the Audit and Scrutiny Committee for their information; and
5. noted that the Audit of the Charitable Trusts has still to be completed and the Charitable Trust Accounts will be submitted to the most appropriate meeting of the Council with a copy to the Audit and Scrutiny Committee for information.

(Reference: Report by Section 95 Officer, dated 7 March 2024, submitted)

## **12. UNAUDITED ANNUAL ACCOUNTS 2023-24**

Consideration was given to a report which outlined the plans in place for financial year end 31 March 2023 and the preparation of the Council's Unaudited Annual Accounts for 2023-24.

### **Decision**

The Audit and Scrutiny Committee noted that plans are in place to prepare the Council's Annual Accounts, consistent with the Accounting Code of Practice for submission to Council prior to 30 June 2024.

(Reference: Report by Section 95 Officer, dated 21 February 2024, submitted)

## **13. TREASURY MANAGEMENT STRATEGY AND ANNUAL INVESTMENT STRATEGY**

Consideration was given to a report which outlined the proposed Treasury Management Strategy Statement and Annual Investment Strategy and set out the policy for the repayment of loans fund advances for 2024-25.

### **Decision**

The Audit and Scrutiny Committee:-

1. agreed to endorse the proposed Treasury Management Strategy Statement and Annual Investment Strategy and the indicators contained within;
2. noted the continued use of the asset life method for the repayment of loan fund advances using a 5.1% annuity interest rate, with the exception of spend to save schemes where the funding/income profile method could be used;
3. noted the proposed asset repayment periods as detailed within section 2.7 of the Treasury Management Strategy Statement; and
4. noted the ability to continue to use countries with a sovereign rating of AA- and above, as recommended by the Council's external treasury management advisors.

(Reference: Report by Head of Financial Services, dated 15 February 2024, submitted)

## **14. CORPORATE IMPROVEMENT PLAN UPDATE**

The Committee gave consideration to a report which provided an update on the progress of the new Corporate Improvement Plan (CIP) within the Performance Excellence Project and highlighted completed work and upcoming activities to facilitate the development and implementation of the new plan.

### **Decision**

The Audit and Scrutiny Committee considered and noted the work undertaken to date on the Corporate Improvement Plan and the activities planned to deliver and implement it.

(Reference: Report by Chief Executive, dated 12 February 2024, submitted)

## **15. INTERNAL AUDIT CHARTER AND INTERNAL AUDIT MANUAL**

Consideration was given to a report which outlined the proposed changes to the Internal Audit Charter and Internal Audit Manual.

### **Decision**

The Audit and Scrutiny Committee:-

1. approved the amended Internal Audit Charter, as attached at Appendix 1 to the report; and
2. approved the amended Internal Audit Manual, as attached at Appendix 2 to the report.

(Reference: Report by Chief Internal Auditor, dated 14 March 2024, submitted)

## **16. SCRUTINY FRAMEWORK AND MANUAL ANNUAL REVIEW**

The Committee gave consideration to a report which concluded the annual review to determine whether any changes were required to the Council's Scrutiny Framework and Manual.

### **Decision**

The Audit and Scrutiny Committee agreed to note the outcome of the annual review of the Scrutiny Framework and Manual, as outlined in Appendices 1 and 2 of the report.

(Reference: Report by Chief Internal Auditor, dated 14 March 2024, submitted)

## **17. LOCAL GOVERNMENT IN SCOTLAND - FINANCIAL BULLETIN 2022-23**

Consideration was given to a report which presented the main issues raised in the recent Local Government Financial Bulletin 2022-23 report by the Accounts Commission and highlighted relevant issues.

### **Decision**

The Audit and Scrutiny Committee noted the contents of the Accounts Commission report.

(Reference: Report by Section 95 Officer, dated 20 February 2024, submitted)

## **18. WORKPLAN**

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

### **Decision**

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

(Reference: Audit and Scrutiny Workplan, dated 14 March 2024, submitted)

On noting that this was his last meeting as Chair, Martin Caldwell took the opportunity to thank the officers and Members of the Committee, past and present for their support and assistance over the years.

On behalf of the Internal Audit and Counter Fraud teams, the Chief Internal Auditor, Paul MacAskill expressed gratitude to Mr Caldwell who in his role as Chair has steered the Committee for over a decade. Mr MacAskill also thanked Mr Caldwell for the support he has provided to him in both a professional and personal capacity since he took up the position of Chief Internal Auditor.

Councillor Hardie, on behalf of the Committee, also took the opportunity to thank Mr Caldwell for all his work in the role of Chair of the Audit and Scrutiny Committee over the years, and wished him well for the future.