

**MINUTES of MEETING of AUDIT AND SCRUTINY COMMITTEE held in the COUNCIL
CHAMBERS, KILMORY, LOCHGILPHEAD
on TUESDAY, 18 DECEMBER 2018**

Present: Martin Caldwell (Chair)

Councillor Jim Findlay (by VC)	Councillor Sandy Taylor
Councillor George Freeman	Councillor Richard Trail
Councillor Alan Reid	Councillor Andrew Vennard

Attending: Cleland Sneddon, Chief Executive
Charles Reppke, Head of Governance and Law
Jane Fowler, Head of Improvement and HR
Laurence Slavin, Chief Internal Auditor
Shona Barton, Area Committee Manager
Stuart Green, Corporate Support Manager
Sonya Thomas, Performance Management and Improvement Officer
Leanne Rennie, Audit Assistant
Mark Roberts, Audit Scotland
Jim Rundell, Audit Scotland
David Meechan, Audit Scotland
Dafydd Jones, Audit Scotland

The Chair ruled, and the Committee agreed, that the additional Audit Scotland guidance, which had been issued on Friday, 14 December: Assessing public bodies' response to EU withdrawal, be considered as a matter of urgency to inform the Committee's consideration of Agenda item 9 - Withdrawal from European Union.

1. APOLOGIES FOR ABSENCE

The Chair welcomed everyone to the meeting and general introductions were made.

Apologies for absence were intimated on behalf of Councillor Sir Jamie McGrigor.

2. DECLARATIONS OF INTEREST

There were no Declarations of Interest intimated.

3. MINUTES

The Minutes of the Audit and Scrutiny Committee as held on Tuesday, 25 September 2018 were approved as a true record.

4. INTERNAL AUDIT SUMMARY OF ACTIVITIES

The Committee gave consideration to a report providing a summary of Internal Audit activity and progress during Quarter 3 of 2018/19 against a number of areas, which included:

- 2018/19 Audit Plan progress
- Additional audit team activity
- Continuous monitoring

- Internal Audit development plan
- Performance indicators

Decision:

The Audit and Scrutiny Committee agreed to endorse the report.

(Reference: Report by Chief Internal Auditor, dated 18 December 2018, submitted)

5. INTERNAL AUDIT REPORTS TO AUDIT AND SCRUTINY COMMITTEE 2018/19

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

- Marine Services (Ferries)
- Housing Benefit and Council Tax Reduction
- Oban Airport
- Financial Planning
- Leader
- VAT
- Risk Management

Decision:

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

(Reference: Report by Chief Internal Auditor, dated 14 December 2018, submitted)

6. INTERNAL AUDIT REPORT FOLLOW-UP 2018/19

The Committee gave consideration to a report and accompanying appendices which documented the results from a review performed by Internal Audit into the progress made by departmental management across all services in completing open actions which were due to be implemented by 31 October 2018. The report also included 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 18 December 2018, submitted)

7. DRAFT 2019/20 INTERNAL AUDIT PLAN

The Committee gave consideration to a report introducing the draft 2019/20 internal audit plan. Discussion took place in relation to the financial affairs of the Health and Social Care Partnership, with Members acknowledging that the recent change in the membership of the Integrated Joint Board, which now included the Leader and Depute Leader of the Council together with the Leader of the Opposition and the actions of the acting Section 95 Officer provided a degree of comfort for the future.

Decision:

The Audit and Scrutiny Committee agreed to note the proposed content of the draft internal audit plan and provided feedback to the Chief Internal Auditor in this regard.

(Reference: Report by Chief Internal Auditor, dated 18 December 2018, submitted)

8. COUNCIL 6 MONTH PERFORMANCE: APRIL TO SEPTEMBER 2018

The Committee gave consideration to a report presenting the recent developments of the Performance Improvement Framework (PIF) and the Council's performance report with associated scorecard for performance for FQ1 and FQ2 – April to September 2018.

Decision:

The Audit and Scrutiny Committee:

1. agreed to review the Council report and scorecard as presented for the purposes of scrutinising the Council's performance;
2. provided feedback on the revised reporting template; and
3. noted the planned improvements and changes to the PIF for 2018/19 onwards.

(Reference: Report by Executive Director of Customer Services, dated 18 December 2018, submitted)

9. WITHDRAWAL FROM EUROPEAN UNION

The Committee gave consideration to a report by Audit Scotland, which outlined the key audit issues for the Scottish public sector on the withdrawal from the European Union. The Committee also gave consideration to additional information from Audit Scotland, entitled Notes for guidance: 2018/19 audits – Assessing public bodies' response to EU withdrawal. Discussion was had in relation to the lack of supportive information being provided by both the UK and Scottish Government; the resilience measures being adopted by the Council to prepare for a no deal Brexit and the possible implications for the care industry and other sectoral areas. Further discussion took place in relation to continuity plans with the Head of Governance and Law confirming that these would be adjusted as and when information comes to the fore.

Decision:

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

(Reference: Report by Audit Scotland, dated 18 December 2018, submitted.)

10. CORPORATE COMPLAINTS - ANNUAL REPORT 2017/18

The Committee gave consideration to a report providing information on how the Council has dealt with complaints during the period between 1 April 2017 and 31 March 2018 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 endorse the content of the report.

(Reference: Report by Executive Director of Customer Services, dated 18 December 2018, submitted)

11. AUDIT AND SCRUTINY COMMITTEE 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 noted the outline workplan.

(Reference: Audit and Scrutiny Committee Workplan dated 18 December 2018, submitted)

12. RECOMMENDATION FROM BUTE AND COWAL AREA COMMITTEE HELD ON 4 DECEMBER 2018

The Committee gave consideration to a recommendation from the Bute and Cowal Area Committee at its meeting held on Tuesday, 4 December 2018 in relation to the progress of the Rothesay Pavilion Adaptive Restoration and Extension Works project following completion of the funding package in September 2017 and the award of the construction contract to Messrs CBC Ltd (CBC) in November 2017.

In order to allow the discussion of Item 12 (c) on the Agenda, the Audit and Scrutiny Committee resolved in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973 to exclude the press and public for part of the discussion as it was likely to involve the disclosure of exempt information as defined in Paragraphs 8 and 9 of Part 1 of Schedule 7A to the Local Government (Scotland) Act 1973.

In line with the Protocol for Video Conferencing and due to Councillor Findlay being unable to access a Council building, he left the meeting during this discussion and re-entered prior to the decision being made.

Decision:

Due to the concerns of the Bute and Cowal Area Committee around the significant level of financial support from the Council, relevant officers are asked to engage with the Charitable Trust in terms of the future development and management of the building.

(Reference: Recommendation from Bute and Cowal Area Committee at its meeting held on 4 December 2018, submitted)