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MINUTES of MEETING of AUDIT AND SCRUTINY COMMITTEE held in the COUNCIL CHAMBERS, KILMORY, LOCHGILPHEAD on TUESDAY, 24 SEPTEMBER 2019

Present:

Martin Caldwell (Chair)

Councillor Jim Findlay
Councillor George Freeman
Councillor Sir Jamie McGrigor

Councillor Sandy Taylor
Councillor Richard Trail
Councillor Andrew Vennard

Attending:

Cleland Sneddon, Chief Executive
Kirsty Flanagan, Head of Financial Services
Jim Smith, Head of Roads and Infrastructure Services
Laurence Slavin, Chief Internal Auditor
Shona Barton, Area Committee Manager
John Cornett, Director, Audit Scotland
Jim Rundell, Manager, Audit Scotland
David Meechan, Senior Auditor, Audit Scotland

The Chair moved and the Committee agreed to vary the order of business to facilitate the commitments of officers in attendance. This minute reflects the order in which discussion took place.

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1. APOLOGIES FOR ABSENCE

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. AUDITED 2018//19 ANNUAL ACCOUNTS

The Committee gave consideration to a report presenting the audited accounts and audit certificate for 2018/19.

Decision:

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

(Reference: Report by Head of Financial Services, dated 24 September 2019, submitted.)

4. MINUTES

The Minute of the Audit and Scrutiny Committee as held on Tuesday, 18 June 2019 was approved as an accurate record.

5. INTERNAL AUDIT SUMMARY OF ACTIVITIES

The Committee gave consideration to a report providing a summary of Internal Audit activity and progress during Quarter 2 of 2019/20, against a number of areas which included:

- 2019/20 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 24 September 2019, submitted.)

6. INTERNAL AUDIT REPORTS TO AUDIT & SCRUTINY COMMITTEE 2019/2020

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

- Additional Support Needs
- Oban Airport
- LEADER
- Health and Safety
- Cleaning
- School Attendance
- Business Continuity Planning

Decision:

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

(Reference: Report by Chief Internal Auditor, dated 24 September 2019, submitted.)

7. INTERNAL AND EXTERNAL AUDIT REPORT FOLLOW UP 2019-20

The Committee gave consideration to a report providing an update on all open actions as at 30 June 2019 including information on actions where the agreed implementation date has been rescheduled.

Decision:

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

(Reference: Report by Chief Internal Auditors, dated 24 September 2019, submitted.)

8. EXTERNAL AUDIT ANNUAL AUDIT REPORT

The Committee gave consideration to a report from Audit Scotland summarising the findings arising from the 2018/19 audit of Argyll and Bute Council and its group (the Council), together with the ISA 260/580 and covering letters from Audit Scotland in

relation to the 2018/19 annual accounts and Charitable Trusts as administered by Argyll and Bute Council.

Decision:

The Audit and Scrutiny Committee:-

1. Noted the ISA 260 reports;
2. Endorsed the ISA 580 letters of representation for signing; and
3. Confirmed that they were not aware of any instances of fraud which required investigation.

(Reference: Report, ISA 260/580 and Covering Letters by Audit Scotland, dated 24 September 2019, submitted.)

9. INTERNAL AUDIT - ANNUAL SELF-ASSESSMENT

The Committee gave consideration to a report providing the findings from the recent internal self-assessment of the Council's Internal Audit service performed by the Chief Internal Auditor (CIA).

Decision:

The Audit and Scrutiny Committee agreed to endorse the findings of the assessment including the identified areas for improvement.

(Reference: Report by Chief Internal Auditor, dated 24 September 2019, submitted.)

10. STRATEGIC RISK ASSURANCE MAPPING

The Committee gave consideration to a report setting out Internal Audit's assessment of the sources of assurance for the Committee on the management of the Council's strategic risks.

Decision:

The Audit and Scrutiny Committee agreed:

1. that the Chief Internal Auditor (CIA) provides an assurance mapping exercise on an annual basis with the report replacing the annual requirement for a risk management report;
2. that Internal Audit perform an audit of compliance with risk management arrangements every three years unless issues are brought to the attention of the CIA which would suggest a review is required outwith that cycle;
3. to note the risk assurance map at appendix 1; and
4. to consider the implications for audit or scrutiny coverage in the respective audit and scrutiny annual plans in 2020/21 plan and/or beyond. In particular a potential scrutiny review focusing on waste management.

(Reference: Report by Chief Internal Auditor, dated 24 September 2019, submitted.)

The Chair ruled and the Committee agreed, to adjourn for a comfort break at 1.05pm. The Committee reconvened at 1.25pm with all in attendance as per the sederunt.

11. AUDIT & SCRUTINY COMMITTEE ANNUAL REPORT 2018/19

The Committee gave consideration to a report providing an overview of their activity during the financial year 2018/19 and a summary of key developments since the commencement of 2019/20.

Decision:

The Audit and Scrutiny Committee agreed:

1. to endorse the Chair's Annual Report; and
2. that the Chair present the report to the full Council meeting on 28 November 2019.

(Reference: Report by Chair of the Audit and Scrutiny Committee, dated 24 September 2019, submitted.)

12. FRAUD AND IRREGULARITY UPDATE 2018/19

The Committee gave consideration to a report from Audit Scotland providing information about cases where internal control weaknesses in public bodies have led to fraud and irregularities, to help prevent similar circumstances from happening again.

Decision:

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

(Reference: Report by Audit Scotland, dated 24 September 2019, submitted.)

*** 13. ROADS RESURFACING SCRUTINY REVIEW**

The Committee gave consideration to a report providing the findings of the roads resurfacing scrutiny review, being the second scrutiny review carried out as per the 2018/19 scrutiny plan.

Decision:

The Audit and Scrutiny Committee agreed:

1. to note the contents of the report; and
2. that the roads resurfacing scrutiny review be presented to the Council's Environment, Development and Infrastructure Committee for consideration.

14. AUDIT AND SCRUTINY COMMITTEE WORKPLAN

In order to facilitate future 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 and the addition of the report on the review of Traffic Regulation Orders, as agreed by the Oban, Lorn and the Isles Area Committee, which will come to a future meeting.

(Reference: Audit and Scrutiny Committee Workplan, dated 24 September 2019, submitted.)

The Committee resolved in terms of Section 50A(4) of the Local Government (Scotland) Act 1973, to exclude the public for the following item of business on the grounds that it was likely to involve the disclosure of exempt information as defined in paragraph 1 of Part 1 of Schedule 7A to the Local Government (Scotland) Act 1973.

E1 15. WHISTLEBLOWING INVESTIGATION REPORT

The Committee gave consideration to a report outlining the findings of a whistleblowing investigation report.

Decision:

The Audit and Scrutiny Committee agreed to endorse the whistleblowing investigation report.

(Reference: Report by Chief Internal Auditor, dated 24 September 2019, submitted.)

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