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## MINUTES of MEETING of AUDIT AND SCRUTINY COMMITTEE held BY SKYPE on TUESDAY, 15 JUNE 2021

**Present:** Martin Caldwell (Chair)

Councillor Jim Findlay	Councillor Alan Reid
Councillor George Freeman	Councillor Richard Trail
Councillor Jim Lynch	Councillor Andrew Vennard
Councillor Sir Jamie McGrigor	

**Attending:** Kirsty Flanagan, Executive Director and Chief Financial Officer  
Jane Fowler, Head of Customer Support Services  
Fergus Murray, Head of Development and Economic Growth  
Laurence Slavin, Chief Internal Auditor  
Shona Barton, Committee Manager  
Anne Blue, Finance Manager  
Iain Jackson, Governance and Risk Manager  
Sonya Thomas, Performance and Improvement Officer  
Annemarie McLean, Auditor  
Moir Weatherstone, Auditor  
Councillor Sandy Taylor, Chair of Strategic Housing Fund Review Panel  
John Cornett, Audit Scotland  
Gordon McAllister, Audit Scotland

### 1. APOLOGIES

The Chair welcomed everyone to the meeting.

There were no apologies for absence intimated.

### 2. DECLARATIONS OF INTEREST

There were no declarations of interest intimated.

### 3. MINUTE OF PREVIOUS MEETING HELD ON 16 MARCH 2021

The minute of the previous meeting of the Audit and Scrutiny Committee, held on 16 March 2021, was approved as a correct record.

### 4. COUNCIL 6-MONTH PERFORMANCE REPORT - OCTOBER TO MARCH 2021

The Committee gave consideration to a report presenting the Council's 6-month Performance Report and Scorecard for October 2020 to March 2021 as agreed by the Senior Management Team (SMT). Information was also provided on planned activity for Performance Management and Reporting during 2021/22 onwards.

Discussion took place in respect of the reduction in staff absence; the adapted process for completing Display Screen Equipment (DSE) assessments to allow for working from home and street lighting. Further discussion was had in relation to UK – EU Post Transition, with the Head of Development and Economic Growth providing information in relation to

the replacement of EU funding and in particular information relating to the Community Renewal fund, the Levelling Up fund and the forthcoming UK Shared Prosperity Fund.

### **Decision**

The Audit and Scrutiny Committee:-

1. reviewed the Council 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 2021/22 onwards.

(Reference: Report by Chief Executive, dated 4 June 2021, submitted)

### **5. INTERNAL AUDIT AND COUNTER FRAUD SUMMARY OF ACTIVITIES**

Consideration was given to a report providing a summary of Internal Audit activity and progress during quarter one of 2021/22 against the following areas:

#### **Audits Completed**

- Capital Monitoring
- Sickness Absence
- Intercompany Controls
- Charging for Non-residential Care services
- Disaster Recovery Planning(ICT)
- Warden Services
- Workforce Planning

#### **Audit in Progress**

- Land and Asset Disposal

Information was also provided on the progress of the Counter Fraud Team (CFT) and Counter Fraud activity for 2021/22.

### **Decision**

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

(Reference: Report by Chief Internal Auditor, dated 15 June 2021, submitted)

### **6. INTERNAL AND EXTERNAL AUDIT REPORT FOLLOW UP 2020-21**

A report was considered which provided an update on all open actions as at 31 March 2021 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 15 June 2021, submitted)

## **7. INTERNAL AUDIT REPORTS TO AUDIT AND SCRUTINY COMMITTEE 2020/21**

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

- Capital Monitoring
- Intercompany Controls (LiveArgyll)
- Charging for Non-residential Care Services
- Sickness Absence
- Workforce Planning
- Warden Services
- Disaster Recovery Planning (ICT)

## **Decision**

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

(Reference: Report by Chief Internal Auditor, dated 15 June 2021, submitted.)

## **8. INTERNAL AUDIT - ANNUAL REPORT 2020/21**

Consideration was given to a report advising of the work undertaken by Internal Audit in respect of the Annual Audit Plan 2020/21 and the contents of the 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 Chief Internal Auditor and the Chair recorded his thanks and appreciation of the work of the Chief Internal Auditor and his team.

(Reference: Report by Chief Internal Auditor, dated 15 June 2021, submitted)

The Chair ruled and the Committee agreed to vary the order of business at agenda items 9 (2020/21 Audit Progress Report) and 10 (Annual Audit Plan 2020/21) to allow for colleagues from Audit Scotland to present the Annual Audit Plan before presenting a Progress Report against the Plan.

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

Consideration was given to a report presenting the annual audit plan, which contained an overview of the planned scope and timing of the audit and set out the work required to allow for an independent auditor's report on the annual accounts and the audit of Best Value.

## **Decision**

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

(Reference: Report by Audit Scotland, submitted)

## **10. 2020/21 AUDIT PROGRESS REPORT**

The Committee gave consideration to a report providing an update on current progress of external audit activity and recent national performance reports which have been published or are due.

## **Decision**

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

(Reference: Report by Audit Scotland, dated June 2021, submitted)

## **11. SCRUTINY - DEVELOPMENT SESSION**

The Committee gave consideration to a report providing a summary of the Scrutiny development session held on 27 April 2021 which considered an update on the Council's Waste Strategy, future scrutiny topics and amendments to the scrutiny process going forward.

## **Decision**

The Audit and Scrutiny Committee:-

1. approved the decision taken at the Scrutiny Development Session that a scrutiny topic focused on the Council's Waste Strategy would not add value at the current time;
2. approved the decision to adopt a more flexible approach to scrutiny with scrutiny topics to be identified by members of the Audit and Scrutiny Committee;
3. approved two new scrutiny topics with those being the Community Asset Transfer process and Fly Tipping;
4. agreed that the Chair, Martin Caldwell would lead on the Community Asset Transfer scrutiny review joined by Councillors Trail and McGrigor and Councillor Lynch would lead on the Fly Tipping scrutiny review joined by Councillors Vennard and Freeman; and
5. noted that the Chief Internal Auditor would amend the Scrutiny Framework and Scrutiny Manual to reflect the changes set out in the report and bring it back to a future meeting of the Committee for approval.

(Reference: Report by Chief Internal Auditor, dated 19 May 2021, submitted)

## **12. STRATEGIC HOUSING FUND SCRUTINY REPORT**

Consideration was given to the Strategic Housing Fund Scrutiny Review which was carried out as per the 2019/20 Scrutiny Plan. The Scrutiny Panel consisted of Councillors Sandy Taylor (Chair), George Freeman and Andrew Vennard with support provided by

internal audit officers. The Strategic Housing Fund was chosen for inclusion in the scrutiny priorities, as a review had been approved by the Community Services Committee in December 2018. It was agreed to continue existing funding for RSL's but extend it to community organisations in certain areas, thus reducing the risk of not providing affordable homes in areas that RSL's do not wish to develop.

### **Decision**

The Audit and Scrutiny Committee agreed:-

1. the Draft Strategic Housing Fund Scrutiny Report; and
2. that the Strategic Housing Fund Scrutiny Report be presented to the Environment, Development and Infrastructure Committee for consideration.

(Reference: Report by Chair of the Strategic Housing Fund Scrutiny Panel, dated 15 June 2021, submitted)

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

The Committee gave consideration to a report advising that the Code of Corporate Governance Action Plan 2020/21 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 2020/21.

The Governance and Risk Manager advised that the following sentence had been inserted at section 4 of the draft statement, contained within Appendix 4 of the report ahead of it being finalised:

“This work recognises the impact of the pandemic on widening inequalities and acknowledges that longer term social and economic impacts are not yet fully understood.”

### **Decision**

The Audit and Scrutiny Committee:-

1. agreed to note the updates in the Action Plan for 2020/21;
2. considered and approved the content of the Code of Corporate Governance for 2020/21;
3. considered and approved the content of the Action Plan for 2021/22; and
4. considered and approved the draft statement of governance and internal control for 2020/21.

(Reference: Report by Executive Director with responsibility for Legal and Regulatory Support, dated 15 June 2021, submitted)

## **14. UNAUDITED FINANCIAL ACCOUNTS**

The Committee gave consideration to a report presenting an overview of the Unaudited Annual Accounts for 2020-21 and a summary of the significant movements from 2019-20. The report also provided information on the revenue outturn for 2020-21.

### **Decision**

The Audit and Scrutiny Committee considered the Unaudited Annual Accounts for the year ended 31 March 2021.

(Reference: Report by Section 95 Officer, dated 11 June 2021, submitted)

## **15. 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 15 June 2021, submitted)