

Public Document Pack

MINUTES of MEETING of AUDIT AND SCRUTINY COMMITTEE held BY MICROSOFT TEAMS on TUESDAY, 14 SEPTEMBER 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: David Logan, Head of Legal and Regulatory Support
Jane Fowler, Head of Customer Support Services
Laurence Slavin, Interim Head of Financial Services
Shona Barton, Committee Manager
Colin Rae, Counter Fraud Team Leader
Sonya Thomas, Performance & Improvement Officer
Fiona Anderson, Special Projects Officer
Kyle McAulay, Senior Audit Manager, 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 FROM PREVIOUS MEETING HELD ON 15 JUNE 2021

The minute of the previous meeting, held on 15 June 2021, 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 two of 2021/22 against the following areas:

Audits Completed

- Land and Asset Disposal
- Complaints Handling
- LEADER

Audits in Progress

- Purchasing Cards
- Fixed Asset Register
- Child Protection Services
- Contract Management in Roads and Infrastructure Services

The report also provided information on the structure of the Internal Audit and Counter Fraud teams for the period until 22 September 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 14 September 2021, submitted)

Councillor Lynch joined the meeting during discussion of the previous item of business.

.

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

Consideration was given to a report providing an update on all open actions as at 30 June 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 Interim Chief Internal Auditor, dated 14 September 2021, submitted)

Councillor Vennard joined the meeting during discussion of the previous item of business.

.

6. INTERNAL AUDIT REPORTS TO AUDIT AND SCRUTINY COMMITTEE 2020/2021

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

- Complaints Handling
- Land and Asset Disposal
- LEADER

Decision

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

(Reference: Report by Interim Chief Internal Auditor, dated 14 September 2021, submitted)

Councillor Freeman joined the meeting during discussion of the previous item of business.

.

7. EXTERNAL AUDIT UPDATE

The Committee gave consideration to a verbal update from the Senior Audit Manager of Audit Scotland who outlined work undertaken to date, which included documenting the key financial systems in place; assessing the design and implementation of key controls within the key financial systems and early substantive testing covering income and expenditure.

Mr McAulay advised that the design and implementation of controls was found to be satisfactory with the exception of the segregation of duties control in the Accounts Receivable System. He advised that Management had agreed to implement a mitigating control in response to the issue identified and that Internal Audit would build this into their continuous monitoring programme. Mr McAulay further advised that the audit of Financial Statements was progressing well with no significant issues identified to date. He noted that sign off of the audit was on schedule for 24 November 2021.

Decision

The Audit and Scrutiny Committee agreed to note the contents of the verbal update by the Senior Audit Manager of Audit Scotland.

8. INTERNAL AUDIT - ANNUAL SELF-ASSESSMENT

Consideration was given to a report informing of the findings from the recent internal self-assessment of the Councils Internal Audit service, performed by a member of the Internal Audit Team.

Decision

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

(Reference: Report by Interim Chief Internal Auditor, dated 14 September 2021, submitted)

9. COUNTER FRAUD TEAM 2021 ANNUAL REPORT

The Committee gave consideration to a report updating on the progress of the two year pilot Counter Fraud Team (CFT), which was established in September 2020.

Decision

The Audit and Scrutiny Committee:

1. Endorsed the 2021 CFT Annual Report, setting out the progress of the CFT since its inception in September 2020; and
2. Noted that the 2022 CFT Annual Report will be presented to the Committee upon its expiry of the two year pilot in September 2022.

(Reference: Report by Interim Head of Financial Services, dated 14 September 2021, submitted)

10. UPDATE BY CHAIR(S) OF THE SCRUTINY PANELS

Martin Caldwell, the Chair of the Community Asset Transfer Review Panel provided a short update in relation to the progress of the review. He advised that work had started with a session being undertaken with Councillors Trail and McGrigor and the Senior Audit Assistant, which had resulted in a suite of questions being drafted and signed off. Mr Caldwell advised that a further meeting of the Panel was scheduled for some time in October with a more substantive update to be provided to the Committee at their next meeting.

Councillor Lynch advised that work had yet to begin on the review of Fly Tipping. He advised that Internal Audit had prepared a briefing note which he expected to receive in the near future, at which point a meeting of the Panel will be convened in order to progress further. Councillor Lynch advised that an update would be provided to the Committee at their next meeting on 14 December 2021.

Decision

The Audit and Scrutiny Committee agreed to note the contents of the verbal updates by the Chairs of the Scrutiny Panels.

11. 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 14 September 2021, submitted)

12. STRATEGIC RISK ASSURANCE MAPPING

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

Decision

The Audit and Scrutiny Committee:

1. Noted the risk assurance map at Appendix 1 of the report; and
2. Considered the implications for audit and scrutiny coverage in the respective audit and scrutiny annual plans in 2022/23 and/or beyond, and in particular requested an update on the Council's progress against the Best Value Action Plan in March 2022 with further annual updates reported in March of each year until the plan is fully delivered.

(Reference: Report by Interim Head of Financial Services, dated 14 September 2021, submitted)

13. AUDIT AND SCRUTINY COMMITTEE ANNUAL REPORT 2020/21

Consideration was given to a report providing the Chair of the Audit and Scrutiny Committee's annual overview of the Committee's activity during the financial year 2020/21 and a summary of key developments since the commencement of 2021/22. The report also set out how the Committee had fulfilled its remit and provided assurances to the Council.

Decision

The Audit and Scrutiny Committee:

1. Noted and endorsed the Chair's Annual Report; and
2. Agreed that the Chair present the report to the Council at its meeting on 25 November 2021.

(Reference: Report by Chair of the Audit and Scrutiny Committee, dated 14 September 2021, submitted)

14. LOCAL GOVERNMENT IN SCOTLAND OVERVIEW 2021

The Committee gave consideration to the first in a series of reports that reflected the evolving and long-term nature of the impact of Covid-19; outlining the initial response phase of the pandemic from March 2020 and including financial data, correct as at end of February 2021. The report also provided case study examples of Council responses to new challenges and outlined future reporting which will include a more detailed analysis of the impact of the pandemic and lessons learned from it and further progress including renewal and recovery.

Decision

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

(Reference: Report by Audit Scotland, submitted)

15. LOCAL GOVERNMENT BENCHMARKING FRAMEWORK 2019/20 - ANALYSIS AND COMMENTARY

Consideration was given to a report presenting the final Local Government Benchmarking Framework (LGBF) 2019/20 data for Argyll and Bute, which included "How We Performed" and "Expected Future Performance and Impact of Policy Decisions" commentary from Heads of Service.

The Chair took the opportunity to thank both the Head of Customer Support Services and the Performance and Improvement Officer for all their hard work in the provision of data for the LGBF 2019/20.

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 2019/20 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 29 July 2021, submitted)

16. AUDIT SCOTLAND REPORT - DIGITAL PROGRESS IN LOCAL GOVERNMENT

The Committee gave consideration to a report which presented Audit Scotland's audit report "Digital Progress in Local Government" and provided information on the progress of the Council towards becoming a Digital First Council. The report also outlined the current position of the Council in respect of the areas of priority as per the Council's strategic plans for digital.

Decision

The Audit and Scrutiny Committee:

1. Noted the content of the Audit Scotland Report;
2. Noted the progress made by the Council towards becoming a Digital First Council; and
3. Considered and commented on the current position of the Council in respect of the areas of priority highlighted in the report.

(Reference: Report by Executive Director with responsibility for Customer Support Services, dated 19 August 2021, submitted)

17. AUDIT SCOTLAND - 2020/21 FRAUD AND IRREGULARITY REPORT

Consideration was given to a report providing reassurance that the Council has appropriate governance and counter fraud arrangements in place to mitigate, as far as possible, the risks highlighted in Audit Scotland's "Fraud and Irregularity 2020/21" report.

Decision

The Audit and Scrutiny Committee endorsed the contents of the report and noted the assurance that the Council has robust policy and procedures to, as far as possible, mitigate the risks identified in Audit Scotland's Fraud and Irregularity Report.

(Reference: Report by Interim Head of Financial Services, dated 14 September 2021, submitted)

18. CORPORATE COMPLAINTS - ANNUAL REPORT 2020-21

The Committee gave consideration to a report providing information on how the Council has dealt with complaints during the period between 1 April 2020 and 31 March 2021 and performed against 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 note the content of the report.

(Reference: Report by Executive Director with responsibility for Legal and Regulatory Support, dated 24 August 2021, submitted)

19. FREEDOM OF INFORMATION - ANNUAL REPORT 2020-21

Consideration was given to a report providing an update on the position regarding the recording, responding to, monitoring and reporting of requests for information under the Freedom of Information (Scotland) Act 2002 (FOISA) and the Environmental Information (Scotland) Regulations 2004 (EIR's) for the period between 1 April 2020 and 31 March 2021.

Decision

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

(Reference: Report by Executive Director with responsibility for Legal and Regulatory Support, dated 24 August 2021, submitted)

20. AUDIT AND SCRUTINY 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 workplan, dated 14 September 2021, submitted)

This page is intentionally left blank