

**MINUTES of MEETING of AUDIT AND SCRUTINY COMMITTEE held BY MICROSOFT TEAMS
on TUESDAY, 17 DECEMBER 2024**

Present: Janice Wason Hall (Chair)

Councillor Graham Hardie
Councillor Fiona Howard
Councillor Reeni Kennedy-Boyle

Councillor Gary Mulvaney
Councillor Andrew Vennard

Attending: Paul MacAskill, Chief Internal Auditor
Carolyn Earl, Interim Head of Financial Services
Shona Barton, Governance Manager
Robert Miller, Customer Engagement and Transformation Manager
Carolyn Cairns, HR&OD Manager
Mhairi Weldon, Senior Audit Assistant
David Love, Audit Scotland
Bernadette Milligan, Audit Scotland
Mark Outterside, Forvis Mazars
Gregory Oduor, Forvis Mazars
Martin Caldwell, Chair of the Scrutiny Review Panel

1. APOLOGIES

Apologies for absence were intimated on behalf of Councillor Daniel Hampsey.

2. DECLARATIONS OF INTEREST

There were no declarations of interest intimated.

3. MINUTE OF PREVIOUS MEETING OF THE AUDIT AND SCRUTINY COMMITTEE HELD ON 5 SEPTEMBER 2024

The Minute of the previous meeting, held on 5 September 2024 was approved as a correct record.

4. AUDIT SCOTLAND DIGITAL EXCLUSION NATIONAL PERFORMANCE AUDIT

The Committee gave consideration to a report presenting the Audit Scotland Digital Exclusion National Performance Audit which had been published on 22 August 2024. Audit Scotland were in attendance at the meeting to present their findings and recommendations.

Decision

The Audit and Scrutiny Committee:-

1. considered and noted the report and the presentation by Audit Scotland;
2. noted the specific issues facing Argyll and Bute in digital exclusion; and

3. noted the progress that the Council is making in tackling digital exclusion and that further work will be undertaken by officers to address recommendations in the report where appropriate.

(Reference: Report and Presentation by Audit Scotland, 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 three of 2024/25 against the following areas:

Audits Completed

- Non-Domestic Rates (NDR)
- IR35 Off-Payroll Working and Compliance
- IT Risk Register and Mitigation Processes
- Community Education
- Culture (HSCP)
- Joint Strategic Planning (HSCP)
- Information Governance (HSCP)

Audits in Planning/in Progress

- Asbestos Management
- Bridges Asset Management Plan and Inspection Regime
- Oban Airport
- Trading Standards
- Disclosure Checks – protecting vulnerable groups
- Roads and Flood Prevention
- Data Security and Information Security

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

Decision

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

(Reference: Report by Chief Internal Auditor, dated 17 December 2024, submitted)

6. INTERNAL AND EXTERNAL AUDIT REPORT FOLLOW UP 2024-25

The Committee gave consideration to a report which provided an update on all open actions as at 30 September 2024 including 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 17 December 2024, submitted)

7. INTERNAL AUDIT REPORTS TO AUDIT AND SCRUTINY COMMITTEE 2024/2025

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

- Non-Domestic Rates (NDR)
- IR35 Off-Payroll Working and Compliance
- IT Risk Register and Mitigation Processes
- Community Education
- Culture (HSCP)
- Joint Strategic Planning (HSCP)
- Information Governance (HSCP)

Decision

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

(Reference: Report by Chief Internal Auditor, dated 17 December 2024, submitted)

8. VERBAL UPDATE BY CHAIR OF SCRUTINY PANEL

Martin Caldwell, Chair of the Scrutiny Panel tasked with conducting a review of the Council's complaints process advised that the first meeting of the Panel was held on 29 November 2024. He advised that during this meeting the Panel had agreed a scoping document and planned approach to collating evidence. He further advised that this work would be undertaken and once completed, a further meeting of the Panel would be held to discuss the results of the work and potential conclusions and recommendations. The Chair of the Committee, Janice Wason Hall advised that she was shadowing Mr Caldwell in this role, she advised that it was anticipated that the findings of the Scrutiny Review would be reported to the Committee at their meeting in March 2025, and took the opportunity to thank all Members of the Scrutiny Panel for the work undertaken so far.

9. PERFORMANCE UPDATE

The Committee gave consideration to a report which provided an update on the progress of the review of the Council's Performance Improvement Framework (PIF) that is being undertaken as part of the Performance Excellence Project. The report highlighted the work completed to date and set out the remaining planned activities in phase two of the project.

Decision

The Audit and Scrutiny Committee noted the progress to date of the Performance Excellence Project and the remaining activities for phase two.

(Reference: Report by Executive Director with responsibility for Customer Support Services, dated 19 November 2024, submitted)

10. 2023/24 COUNCIL ANNUAL REPORT

Consideration was given to a report which presented the 2023/24 Council Annual Report (CAR). The CAR is a key document for the Council's statutory Public Performance Reporting (PPR) duties and is published on the Council website.

Decision

The Audit and Scrutiny Committee noted the content of the Council Annual Report.

(Reference: Report by Executive Director with responsibility for Customer Support Services, dated 19 November 2024, submitted)

11. WORKFORCE INNOVATION - HOW COUNCILS ARE RESPONDING TO WORKFORCE CHALLENGES - BEST VALUE THEMATIC WORK IN ARGYLL AND BUTE COUNCIL 2023-24

Having noted that the Council had recently introduced a strategic Workforce Plan covering the period 2024-2028, consideration was given to a report which set out how the Council is responding to the current workforce challenges through building capacity and increasing productivity and innovation.

Decision

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

(Reference: Report by Forvis Mazars, submitted)

*** 12. AUDITED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024**

(a) Annual Audit Report - Year Ended 31 March 2024

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

Decision

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

(Reference: Report by Forvis Mazars, dated December 2024, submitted)

(b) 2023-24 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 2024.

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 December 2024, submitted)

(c) Audited Annual Accounts for the year ended 31 March 2024

The Committee gave consideration to a report presenting the Audited Annual Accounts of the Council for the year ended 31 March 2024.

The Interim Head of Financial Services advised of a presentational change which would be required to the accounts in respect of Cash and Cash Equivalents as at 31 March 2024, to be reflected within Current Liabilities in the Balance Sheets and the Management Commentary.

Decision

The Audit and Scrutiny Committee:-

1. noted that the audit is substantially complete and that Forvis 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 2024;
2. agreed to accept and endorse the Annual Accounts, and refer to the Council for approval, subject to a presentational change in respect of Cash and Cash Equivalents as at 31 March 2024, to be reflected within Current Liabilities in the Balance Sheets and the Management Commentary;
3. noted that if the Council receive a follow-up letter from Forvis Mazars confirming that there are no material changes to the Accounts, there would be no impediment to the Council signing off the Annual Accounts; and
4. noted that if the Council receive a follow-up letter from Forvis 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.

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

* **13. TREASURY MANAGEMENT STRATEGY AND ANNUAL INVESTMENT STRATEGY - MID-YEAR REVIEW 2024/25**

Having noted that the Local Government (Scotland) Act 2003, and supporting regulations, requires local authorities to have regard to the CIPFA Code of Practice on Treasury Management and that the code requires full Council to receive an annual Treasury Management Strategy Statement, including the Annual Investment Strategy for the year ahead, a Mid-year Review Report and an Annual Report following the year end, the Committee gave consideration to a report which provided the Mid-year Review for 2024/25.

Decision

The Audit and Scrutiny Committee agreed to recommend to Council:-

1. that the report and the treasury activity during the period 1 April to 30 September 2024 be noted; and
2. that the changes to the prudential indicators as set out in paragraph 5.2 of the report are approved.

(Reference: Report by Section 95 Officer, dated 29 November 2024, submitted)

14. 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: Workplan of the Audit and Scrutiny Committee, dated 17 December 2024, submitted)

The Chair took the opportunity to thank all Members and Officers for their support during her first term on the Committee and wished everyone a Merry Christmas and a Happy New Year.