

Minute of Meeting

Audit Committee
Tuesday 28 May 2019
Item No: 4.1



Audit Committee

Date	Time	Venue
Tuesday 12 March 2019	10.00 am	Council Chambers, Midlothian House, Dalkeith, EH22 1DN

Present:

Mike Ramsay (Chair)
Councillor Baird
Councillor Hardie
Councillor Milligan
Councillor Muirhead
Councillor Parry
Councillor Small
Peter de Vink (Independent Member)

In attendance:

Grace Vickers	Chief Executive
Kevin Anderson	Acting Director Resources
Gary Fairley	Head of Finance and Integrated Service Support
Stephen Reid	Ernst and Young
Chris Lawson	Risk Manager
Jill Stacey	Chief Internal Auditor
Elaine Greaves	Principal Auditor
Mike Broadway	Democratic Services Officer

1. Welcome and Apologies

The Chair, Mike Ramsay welcomed everyone to the meeting, following which there was a round of introductions. There were no apologies.

2. Order of Business

The order of business was confirmed as outlined in the agenda that had been previously circulated.

3. Declarations of interest

No declarations of interest were received.

4. Minutes of Previous Meetings

4.1 The minutes of the meeting of 29 January 2019 were submitted and approved as a correct record having been proposed by Councillor Muirhead and seconded by Councillor Smail.

4.2 The Action log was submitted and the following agreed:

- 1) 'Annual Governance Statement 2017/18' - To note the completion date for this was June 2019.
- 2) 'Treasury Management and Investment Strategy 2019/20' - To note that the issue of further briefings on this and any other subject would be picked up as part of the self-assessment training needs analysis.
- 3) 'Delivering Excellence – Governance Arrangements' - To note this would be addressed through the BTSG and reported back to the Audit Committee, as required.

5. Public Reports

Report No.	Report Title	Submitted by:
5.1	Risk Management Q3 Update for 1 October 2018 – 31 December 2018	Risk Manager
Outline of report and summary of discussion		
<p>There was submitted report, dated 21 February 2019 by the Risk Manager providing the Committee with the 2018/19 Quarter 3 strategic risk management update, covering the period 1 October 2018 – 30 December 2018. The Strategic Risk Profile sought to provide a strategic look at the current issues, future risk and opportunities facing the Council.</p> <p>Thereafter Officers responded to questions and comments raised by members, which included:</p> <ul style="list-style-type: none">• Shawfair.• Developer Contributions.		

- Schools Learning Estate Strategy.
- Lothian Buses Pension Fund.

With regards to the Lothian Buses Pension Fund it was felt that a further report addressing the potential risks and any possible future financial implications to the Council would be useful. Consideration may also require to be given to adding it to the risk register.

Decision

The Audit Committee agreed to –

- seek a further report on Lothian Buses Pension Fund; and
- otherwise note the current response to the issues, risks and opportunities highlighted in the Quarter 3 2018/19 Strategic Risk Profile.

Action

Legal Manager/Head of Finance and Integrated Services Support/Risk Manager

Report No.	Report Title	Submitted by:
5.2	External Audit Annual Plan 2018/19 for Midlothian Council	Stephen Reid, EY, External Auditors

Outline of report and summary of discussion

There was submitted the Midlothian Council Annual External Audit Plan 2018/19. Stephen Reid, External Auditor presented the Plan to the Committee explaining this Annual Audit Plan was prepared for the benefit of the Council and Audit Committee and provided Members with a summary and update on the planned audit approach for the audit of the financial year ending 31 March 2019. He went on to explain that their responsibilities fell into two main areas, one in respect of the financial statements and the other in respect of their responsibility around the wider-scope public sector audit dimensions and highlighted some key sections from the Report.

Thereafter the External Auditor responded to questions and comments raised by members of the Committee.

Decision

The Audit Committee noted the content of the report.

Report No.	Report Title	Submitted by:
5.3	Final Internal Audit Report – Workforce Strategy and Planning	Chief Internal Auditor

Outline of report and summary of discussion

A report dated 22 February 2019 was presented by the Chief Internal Auditor. The purpose of this audit was to review the approach to workforce development in alignment with business and financial planning processes to provide skills, knowledge and competency requirements for service delivery to meet the Council's objectives.

Thereafter the Chief Internal Auditor in responding to questions and comments raised by Members emphasised that the audit had focused on examining and evaluating the Framework and Governance arrangements rather than the specifics of the Policy itself, which were picked up elsewhere.

Decision

The Audit Committee noted the content of the report.

Report No.	Report Title	Submitted by:
5.4	Final Internal Audit Report – Information Governance Framework and GDPR	Chief Internal Auditor

Outline of report and summary of discussion

A report dated 22 February 2019 was presented by the Chief Internal Auditor. The purpose of this audit was to review the Council’s Information Governance Framework including roles and responsibilities, policy development, and implementation. This included a review of the Council’s compliance with the requirements of the General Data Protection Regulations (GDPR).

Thereafter a discussion took place regarding the take-up of the GDPR training module and the monitoring of data breaches. It was highlighted that the low completion level for Elected Members would be reviewed and if required additional follow up would be taken to encourage completion. It was further reported that key areas where data breaches may occur – letters/email being sent to the wrong person - were being targeted, with control/monitoring be undertaken by the Information Management Group (IMG) and Corporate Management Team (CMT). It was also acknowledged that a dedicated Data Protection Officer (DPO) appointment had now been made.

Decision

The Audit Committee noted the content of the report.

Report No.	Report Title	Submitted by:
5.5	Internal Audit Strategy and Annual Plan 2019/20	Chief Internal Auditor

Outline of report and summary of discussion

There was a report submitted dated 12 February 2019 presented by the Chief Internal Auditor for approval to the proposed Internal Audit Strategy and Annual Plan 2019/20 to enable the Chief Internal Auditor to prepare annual opinions on the adequacy of the overall control environment of Midlothian Council, and Midlothian Health and Social Care Integration Joint Board.

The Internal Audit Strategy at Appendix 1 outlined the strategic direction for Internal Audit to provide independent and objective assurance on the systems of internal control, risk management, and governance to the relevant organisation’s senior management and board/audit committee.

The Internal Audit Annual Plan 2019/20 developed by the Shared Chief Internal Auditor is presented at Appendix 2. The proposed reviews have been grouped into key themes as set out in the Internal Audit Strategy at Appendix 1.

Thereafter the Chief Internal Auditor and Chief Executive responded to questions raised by members of the Committee.

Decision

The Audit Committee approved the Audit Strategy and Annual Plan 2018/19.

Action

Chief Internal Auditor

6. Private Reports

No private business was discussed.

7. Date of Next Meeting

The next meeting will be held on Tuesday 28 May 2019.

The meeting terminated at 11.42 am