

Minute of Meeting



Audit Committee

Date	Time	Venue
Tuesday 6 December 2022	11.00am	Council Chamber

Present:

Councillor Smaill (Chair)
Councillor McEwan
Councillor McKenzie
Councillor Milligan
Councillor Scott

In Attendance:

Grace Vickers	Chief Executive
Kevin Anderson	Executive Director Place
Alan Turpie	Legal and Governance Manager / Monitoring Officer
Derek Oliver	Chief Officer Place
David Gladwin	Acting Chief Financial Officer
Saty Kaur	Chief Officer Corporate Solutions Acting
Elaine Greaves	Principal Internal Auditor
Gary Thomson	Senior Finance Business Partner
Andrew Henderson	Democratic Services Officer

1. Welcome and Apologies for Absence

The Clerk took the opportunity to welcome members to the meeting of Audit. The Clerk advised that an independent Chair had still not been appointed and invited members to nominate a chair for the meeting. It was noted that, in terms of the Scheme of Administration, this would require to be a non-cabinet member. Councillor Milligan, seconded by Councillor McEwan submitted a block proposal that Councillor Smaill sit as chair until the start of the summer recess of 2023, thereafter Councillor Milligan would sit as chair until the start of the summer recess of 2024 and thereafter Councillor McEwan would sit as chair until the start of the summer recess of 2025. The proposal was approved unanimously and Councillor Smaill presided as chair for the remainder of the meeting.

Apologies were submitted on behalf of Morag Barrow.

2. Order of Business

The order of business was as detailed in the agenda.

3. Declarations of interest

No declarations of interest were intimated at this stage of the proceedings.

4. Minutes of Previous Meetings

- 4.1 The minute of the meeting of 27 September 2022 was submitted and approved as correct record.
- 4.2 The Action log was submitted, Kevin Anderson provided a brief update in relation to each of the action points. The action log was subsequently noted.

5. Public Reports

Report No.	Report Title	Submitted by:
5.1	Treasury Management Mid-Year Review Report 2022/23	Acting Chief Financial Officer
Outline of report and summary of discussion		
David Gladwin provided a brief overview of the report and appendices making reference to the Treasury management activity undertaken during the first half of 22/23, forecast activity for the second half of 22/23 and prudential indicators for 22/23. Following comments from members, David Gladwin agreed to look into the possibility of setting up a session for members on responsible treasury management. David Gladwin then took the opportunity to respond to members questions.		

A discussion ensued in relation to over borrowing with reference being made to the councils over borrowed position and whether members should have had involvement prior to this occurring in addition to what measures could be used to ensure councillor involvement should this happen again in the future. David Gladwin highlighted that borrowing commitments are made on a long term perspective in line with the annual borrowing requirement and the capital financing requirement. David Gladwin outlined that council has been sighted on this, but that this could be brought back to members if they wished to discuss the matter further.

In responding to comments regarding transient borrowing and the resultant ethical issues, Gary Thomson confirmed that environmental and social impacts were considered as part of the treasury management process and that councils are required to formulate a policy on this.

With regard to the approach of borrowing when rates are more attractive, David Gladwin confirmed that the council had an overall borrowing requirement as opposed to individual projects and that the charge to the council's revenue account was a consequence of the overall position.

Decision

- a) Session with members to be considered in relation to responsible treasury management/ethical issues and;
- b) Noted the report and the treasury activity undertaken in the period to 30 September 2022, as outlined in Section 5 and;
- b) Noted the actual and forecast activity during the second-half of the year as outlined in Section 6 and;
- c) Noted the technical revisions to the Prudential Indicators in Section 7 of this report and;
- d) Noted the updated Treasury Management Practices and the self-assessment tool on the scrutiny of Treasury Management as published by CIPFA and undertake a self-assessment in line with the tool.

Report No.	Report Title	Submitted by:
5.2	Internal Audit Work to October 2022	Principal Internal Auditor
Outline of report and summary of discussion		
<p>In speaking to the report, Elaine Greaves provided a brief overview of the Internal Audit Work conducted up until October 2022, making reference to the ongoing audit on street lighting. Officers then took the opportunity to respond to members questions.</p> <p>Responding to comments in relation to street lights, the public use of the 'tell your council' system and the Council's ability to fund night time inspections, Derek Oliver confirmed that this came under the asset management system and that some street lights have technology which indicates if the light is defective so that this could be quickly picked up by partners on a prioritised basis.</p> <p>In response to comments regarding FOI delays, Grace Vickers confirmed that the Executive Director Children Young People and Partnerships would be looking into</p>		

this internally and acknowledged that the outstanding FOI's had been received during bottleneck periods and that further information would be included on the Council's website.

Decision

- a) Noted the Executive Summaries of the final Internal Audit assurance reports issued and;
- b) Noted the Internal Audit Assurance Work in Progress and Internal Audit and Other Work carried out and;
- c) Acknowledged the assurance provided on internal controls and governance arrangements in place for the areas covered by this Internal Audit work.

Report No.	Report Title	Submitted by:
5.3	Follow-Up Reviews of Completed Internal Audit Recommendations & Progress Update	Principal Internal Auditor
Outline of report and summary of discussion		
<p>Elaine Greaves provided a brief overview of the Follow-Up Reviews of Completed Internal Audit Recommendations & Progress Update and highlighted that out of 40 sampled audit recommendations 36 had been satisfactory, 3 had been partially satisfactory and 1 was deemed unsatisfactory and that 4 recommendations had been reopened on Pentana. Elaine Greaves then took the opportunity to respond to points of clarity.</p> <p>In response to comments regarding how councillors could request internal audit work, Elaine Greaves acknowledged that the Internal Audit plan was fluid and that a plan for 2023/24 would be submitted in March outlining intended work. It was also advised that councillors could email herself or the corporate fraud/internal audit mail boxes with any areas of concern.</p>		
Decision		
<ul style="list-style-type: none"> a) Noted the results from the sample check of Internal Audit recommendations that have been marked as completed by Management in the period April 2021 to March 2022 to improve internal controls and governance, and mitigate risks and; b) Acknowledged the progress made by Management in implementing Internal Audit recommendations to improve internal controls and governance, to mitigate risks, and consider whether it is satisfied with the progress made by Management and; c) Approved the report outcomes and; d) Noted that Internal Audit will continue to monitor for completion the outstanding recommendations and will provide update reports to the Audit Committee. 		

Report No.	Report Title	Submitted by:
5.4	Risk Management Update – Strategic Risk Profile Quarter 2 2022/23	Chief Officer Place
Outline of report and summary of discussion		
<p>Derek Oliver provided a brief overview of the Risk Management Update – Strategic Risk Profile Quarter 2 2022/23, making reference to the various risks highlighted and that these would continue to be monitored. Derek Oliver then made further reference to high risks and continued to open to members questions.</p> <p>Derek Oliver clarified that review of the service risk register was a regular process and is signed off by the corporate management team, and that the risk and resilience group has been proposed to help evaluate the risks.</p>		
Decision		
Noted the current risk landscape and organisational response to the most significant risks in Quarter 2 (Q1) 2022/23 (1 July to 30 September 2022)		

Report No.	Report Title	Submitted by:
5.5	Audit Scotland Counter Fraud Reports,	Principal Internal Auditor
Outline of report and summary of discussion		
<p>In speaking to the Audit Scotland Fraud and irregularity 2021/22 and The National Fraud Initiative in Scotland 2022 reports, Elaine Greaves made reference to staffing pressures resulting from the covid 19 pandemic and the strengthening of controls where previous fraud error has been identified. Elaine Greaves then took the opportunity to respond to members questions.</p> <p>A brief discussion ensued in relation to blue badge fraud and Elaine Greaves acknowledged a previous issue with the 'tell us once service' in which the appropriate service had not been notified and highlighted that this has since been rectified.</p>		
Decision		
<p>a) Acknowledged the Audit Scotland counter fraud reports published in recent months and;</p> <p>b) Acknowledged that the Integrity Group of officers considered both reports as part of their counter fraud role and responsibilities.</p>		

6. Private Reports

None

7. Date of Next Meeting

Date of Next Meeting: Tuesday 24 January 2023 at 11am.

(Post meeting comment –rescheduled to Tuesday 7 February 2023 at 1pm.)

The meeting terminated at 11:54 am