

AUDIT COMMITTEE

Minute of Meeting of the Audit Committee held virtually via Microsoft Teams on Monday 7 February 2022 at 09.30am.

Present: Councillors E Drysdale, L Barrett, S Donaldson, A Forbes (substituting for Councillor H Coates), D Illingworth, R McCall and X McDade.

In Attendance: L Simpson, J Clark, K Molley, A Brown, M Pasternak, L McGuigan and B Parker (all Corporate and Democratic Services); F Crofts (Communities); and J Cockburn (Education and Children's Services).

Apology: Councillors H Coates

Councillor E Drysdale, Convener, Presiding.

1. WELCOME AND APOLOGIES/SUBSTITUTIONS

The Convener welcomed everyone to the meeting and an apology was noted above.

2. DECLARATIONS OF INTEREST

There were no declarations of interest made in terms of the Councillors' Code of Conduct.

3. MINUTE OF MEETING OF THE AUDIT COMMITTEE OF 8 DECEMBER 2021 FOR APPROVAL

The minute of meeting of the Audit Committee of 8 December 2021 was submitted and approved as a correct record.

4. INTERNAL AUDIT FOLLOW UP

There was submitted a report by the Chief Internal Auditor (21/30) presenting a current summary of Internal Audit's 'follow up' work relating to actions due for completion up to December 2021.

Councillor S Donaldson raised concerns over the timing of the 16-22 - Roads Maintenance Partnership 'Obtaining Best Value in Works' procedure which is due to be completed by March 2023. F Crofts advised that the target of 2023 had been set to ensure that current procedures are fit for purpose and deliver best value. He added that a Short Life Working Group would be created with members from the roads division, procurement, and the corporate asset management team to add further objectivity to the review. S Donaldson asked for a written update to be brought to the March 2022 committee.

Resolved:

The completion of internal audit actions due within the period September-December 2021 and the current position in respect of the agreed actions arising from internal audit work, be noted.

5. INTERNAL AUDIT UPDATE

There was submitted a report by the Chief Internal Auditor (21/28) presenting a summary of Internal Audit's work undertaken as part of the Internal Audit Plans for 2019/20 and 2020/21.

In response to a question from Councillor D Illingworth regarding staffing resources within the internal audit team, J Clark advised that there are currently three full time members of staff employed, and an additional post would shortly be advertised to recruit another full-time employee. She hoped the post would be filled by April 2022.

In response to a question from Councillor X McDade regarding the outstanding actions with the status 'planned - March 2022' and seeking assurance that actions would be completed before the Local Government elections in May 2022, J Clark seemed confident that the outstanding actions would be completed within the timeframe for existing elected members, however those actions would then be reported to an audit committee following the election.

In response to a question from Councillor S Donaldson regarding A21-06 IT Assets and the scope of the report, J Clark advised that the work would be focused on IT and information assets, and the associated risk within the Corporate Risk Register. A high-level analysis would be undertaken to review controls that are in place to manage specific risks.

Resolved:

The progress with Internal Audit activity, be noted.

5(i) COMMUNITIES

(a) 21-10 LEADER

There was submitted a report by the Chief Internal Auditor (22/29) on an audit to review regulatory compliance for the LEADER projects.

In response to a question from Councillor X McDade regarding EU structural funds, J Clark advised that throughout the early stages of the Leader project, internal audit input was beneficial in providing advice and assurance on how to improve the control environment. Over recent years she had felt that the internal audit process hadn't added much value in terms of improving processes.

F Crofts added that the increase in the number of grants being awarded, the administration of grants and the risk attached, had impacted resources significantly beyond the internal audit team. Under new structural funds, it would be helpful to have internal input and increased focus initially but if things are moving steadily, the frequency of grants and internal audit involvement could be reduced.

Resolved:

The contents of report 22/29, be noted.