

Minute

Monitoring and Audit Committee

Thursday, 7 February 2019, 10:30.

Council Chamber, Council Offices, School Place, Kirkwall.



Present

Councillors John T Richards, David Dawson, Stephen G Clackson, Andrew Drever, Steven B Heddle, Stephen Sankey and Gwenda M Shearer.

Clerk

- Sandra Craigie, Committees Officer.

In Attendance

- Gillian Morrison, Executive Director of Corporate Services.
- Gareth Waterson, Head of Finance.
- Gavin Mitchell, Head of Legal Services.
- Andrew Groundwater, Head of HR and Performance.
- Darren Richardson, Head of Infrastructure and Strategic Projects (for Items 1 to 3.1).
- Karen Rorie, Internal Auditor.
- Peter Thomas, Internal Auditor.

Audit Scotland:

- Gillian Woolman, Audit Director.
- Neil Reid, Senior Auditor.

Observing

- Peter Diamond, Head of Education (Leisure, Culture and Inclusion).
- Karen Greaves, Head of Executive Support.
- Andrew Paterson, Chief Internal Auditor Designate.
- Peter Bevan, Engineering Services Manager (for Items 1 to 3.1).
- Garry Burton, Sport and Leisure Manager (for Items 1 to 3.1).
- Leslie Rendall, Revenues Manager.
- Andrew Hamilton, Performance and Best Value Officer.
- Kirsty Groundwater, Press Officer.
- Martin Nolan, Trainee Auditor, Audit Scotland.

Declarations of Interest

- No declarations of interest were intimated.

Chair

- Councillor John T Richards.

1. Audit Scotland – External Audit Plan

After consideration of a joint report by the Chief Executive and the Executive Director of Corporate Services, copies of which had been circulated, and after hearing a report from the Audit Director, Audit Scotland, the Committee:

Noted the external audit annual plan for 2018 to 2019, prepared by Audit Scotland, attached as Appendix 1 to the joint report by the Chief Executive and the Executive Director of Corporate Services.

2. Statutory Performance Information – 2018 Direction

After consideration of a report by the Executive Director of Corporate Services, copies of which had been circulated, and after hearing a report from the Head of HR and Performance, the Committee:

Noted the Accounts Commission's Statutory Performance Information Direction 2018, attached as Appendix 1 to the report by the Executive Director of Corporate Services.

3. Internal Audit Reports

3.1. Grounds Maintenance

After consideration of a report by the Chief Internal Auditor, copies of which had been circulated, and after hearing a report from Karen Rorie, Internal Auditor, the Committee:

Noted:

3.1.1. That Internal Audit had undertaken a review of the process of implementing savings to the grounds maintenance budget for 2018 to 2019.

3.1.2. The findings contained in the internal audit report, attached as Appendix 1 to the report by the Chief Internal Auditor, relating to the process followed for implementing savings made to the grounds maintenance budget for 2018 to 2019.

The Committee resolved to **recommend to the Council**:

3.1.3. That, having reviewed the audit findings referred to at paragraph 3.1.2 above, assurance was not obtained that action had been taken or agreed where necessary.

3.1.4. That the Chief Internal Auditor should undertake a further audit of the process of implementing savings to the grounds maintenance budget for 2018 to 2019, with increased scope in order to provide clarification on the following matters, and thereafter submit a report to the next available meeting of the Committee:

- The chronology of events, including why information from the Senior Management Team on the impact of the reductions to the grounds maintenance budget was not relayed to Councillors prior to the final decision being made in respect of setting the overall revenue budget for financial year 2018 to 2019.
- The lack of input from Councillors as to how the savings within the grounds maintenance service could be achieved.
- How the outcome related to decisions taken and its intent.
- Whether Council process which was followed was effective and/or adequate, including affording appropriate political oversight.
- The degree of latitude afforded or acceptable when interpreting Council decisions of this nature.
- As the budget templates seen by Councillors did not relay the known consequences, whether improvements could be made.

3.2. Income Collection

After consideration of a report by the Chief Internal Auditor, copies of which had been circulated, and after hearing a report from Peter Thomas, Internal Auditor, the Committee:

Noted:

3.2.1. That Internal Audit had undertaken an audit of the processes and procedures relating to income collection carried out at the Council's two Customer Service facilities at Kirkwall and Stromness.

3.2.2. The findings contained in the internal audit report, attached as Appendix 1 to the report by the Chief Internal Auditor, relating to income collection.

The Committee resolved to **recommend to the Council:**

3.2.3. That, having reviewed the audit findings referred to at paragraph 3.2.2 above, assurance was obtained that action had been taken or agreed where necessary.

4. Conclusion of Meeting

At 11:25 the Chair declared the meeting concluded.

Signed: J T Richards.