

Minute

Monitoring and Audit Committee

Thursday, 4 June 2020, 10:30.

Microsoft Teams.



Present

Councillors John T Richards, David Dawson, Stephen G Clackson, Andrew Drever, Steven B Heddle and John A R Scott.

Clerk

- Hazel Flett, Senior Committees Officer.

In Attendance

- Gillian Morrison, Executive Director of Corporate Services.
- Gareth Waterson, Head of Finance.
- Gavin Mitchell, Head of Legal Services.
- Karen Greaves, Head of Executive Support (for Items 1 to 4).
- Darren Richardson, Head of Infrastructure and Strategic Projects.
- Andrew Paterson, Chief Internal Auditor.
- Anna Whelan, Strategy Manager.

Audit Scotland:

- Claire Gardiner, Senior Audit Manager.

Observing

- David Hartley, Communications Team Leader.

Declaration of Interest

- Councillor John T Richards – Item 7.3.

Chair

- Councillor John T Richards.

1. Form of Voting

The Committee resolved that, should a vote be required in respect of the matters to be considered at this meeting, notwithstanding Standing Order 21.4, the form of voting should be by calling the roll or recorded vote.

2. Local Code of Corporate Governance

Annual Assessment and Improvement Plan

After consideration of a report by the Executive Director of Corporate Services, copies of which had been circulated, the Committee:

Noted:

2.1. That the Council's annual self-assessment process against the Local Code of Corporate Governance had been carried out for financial year 2019 to 2020 as part of the Council's annual review of the effectiveness of its governance framework, including the system of internal control, based on the Chartered Institute of Public Finance and Accountancy Framework.

2.2. That the Senior Management Team had undertaken an evaluation of the Council's compliance with the Local Code of Corporate Governance as part of the preparation of the Annual Governance Statement, which formed part of the Statement of Accounts.

2.3. The Improvement Action Plan, attached as Appendix 1 to the report by the Executive Director of Corporate Services, which addressed identified improvements with regard to the Local Code of Corporate Governance.

3. Audit Scotland

COVID-19 – What it means for public audit in Scotland

After consideration of a report by the Head of Finance, copies of which had been circulated, and after hearing a report from the Senior Audit Manager, Audit Scotland, the Committee:

Noted:

3.1. The Audit Scotland briefing, COVID-19 – What it means for public audit in Scotland, attached as Appendix 1 to the report by the Head of Finance.

3.2. That Audit Scotland was having to adapt its working practices and reprioritise activities in light of the coronavirus pandemic.

3.3. That the Auditor General for Scotland and the Accounts Commission were considering extending current audit appointments by one year.

4. Audit Scotland – Management Report

After consideration of a report by the Head of Finance, copies of which had been circulated, and after hearing a report from the Senior Audit Manager, Audit Scotland, the Committee:

Noted:

4.1. The summary of the key issues identified during the interim audit work carried out at Orkney Islands Council by Audit Scotland, attached as Appendix 1 to the report by the Head of Finance.

4.2. That the interim audit work included testing of key controls within financial systems to gain assurance over the processes and systems used in preparing the annual accounts.

4.3. That Audit Scotland's evaluation of the Council's key financial systems found that key controls were operating satisfactorily and consequently, Audit Scotland was able to take planned assurance for the audit of the financial statements.

5. Internal Audit Charter

After consideration of a report by the Chief Internal Auditor, copies of which had been circulated, the Committee:

Noted:

5.1. That, in order to comply with the Public Sector Internal Audit Standards, an Internal Audit Charter, which defined the purpose, authority and responsibility of the Council's internal audit activity, required to be prepared.

5.2. That the existing Internal Audit Charter, covering the period 2018 to 2020, approved in June 2018, required updating.

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

5.3. That the Internal Audit Charter for 2020 to 2022, attached as Appendix 1 to this Minute, be approved.

6. Internal Audit Strategy and Plan

After consideration of a report by the Chief Internal Auditor, copies of which had been circulated, the Committee:

Noted:

6.1. That a comprehensive audit planning process had been undertaken by the Chief Internal Auditor for 2020/21.

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

6.2. That the Internal Audit Strategy and Plan for 2020/21, attached as Appendix 2 to this Minute, be approved.

7. Internal Audit Reports

7.1. Council Tax

After consideration of a report by the Chief Internal Auditor, copies of which had been circulated, the Committee:

Noted:

7.1.1. That Internal Audit had undertaken an audit of the processes and procedures governing operation of the Council Tax billing and collection system.

7.1.2. The findings contained in the internal audit report, attached as Appendix 1 to the report by the Chief Internal Auditor, relating to Council Tax.

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

7.1.3. That, having reviewed the audit findings, referred to at paragraph 7.1.2 above, assurance was obtained that action had been taken or agreed where necessary.

7.2. Payroll

After consideration of a report by the Chief Internal Auditor, copies of which had been circulated, the Committee:

Noted:

7.2.1. That Internal Audit had undertaken an audit of the processes and procedures relating to Payroll.

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

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

7.2.3. That, having reviewed the audit findings, referred to at paragraph 7.2.2 above, assurance was obtained that action had been taken or agreed where necessary.

7.3. Pension Fund Investment

Councillor John T Richards declared a financial interest in this item, being a recipient of a Local Government pension, as well as contributing to a Local Government Pension Scheme, but concluded that his interest did not preclude his involvement in the discussion.

After consideration of a report by the Chief Internal Auditor, copies of which had been circulated, the Committee:

Noted:

7.3.1. That Internal Audit had undertaken an audit of the processes and procedures relating to Pension Fund Investment.

7.3.2. The findings contained in the internal audit report, attached as Appendix 1 to the report by the Chief Internal Auditor, relating to Pension Fund Investment.

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

7.3.3. That, having reviewed the audit findings, referred to at paragraph 7.3.2 above, assurance was obtained that action had been taken or agreed where necessary.

8. Conclusion of Meeting

At 11:30 the Chair declared the meeting concluded.

Signed: John T Richards.