

Minute

Monitoring and Audit Committee

Thursday, 11 November 2021, 14:00.

Microsoft Teams.



Present

Councillors John T Richards, David Dawson, Andrew Drever, Stephen G Clackson, John A R Scott and Heather N Woodbridge.

Also Present

Councillor James W Stockan (for Items 1 to 3).

Clerk

- Sandra Craigie, Committees Officer.

In Attendance

- John W Mundell, Interim Chief Executive (for Items 1 to 3).
- Gareth Waterson, Interim Executive Director of Finance, Regulatory, Marine and Transportation Services.
- Hayley Green, Interim Executive Director of Environmental, Property and IT Services.
- Gavin Mitchell, Head of Legal Services.
- Colin Kemp, Interim Head of Finance.
- Karen Greaves, Head of Executive Support.
- Andrew Groundwater, Head of HR and Performance.
- Shonagh Merriman, Interim Corporate Finance Senior Manager (for Items 1 to 3).
- Andrew Paterson, Chief Internal Auditor.

Audit Scotland:

- Gillian Woolman, Audit Director.
- Claire Gardiner, Senior Audit Manager.
- Alison Turner, Audit Manager.

Observing

- Joanne Wallace, Acting Principal, Orkney College.
- Paul Kemp, Strategic Finance Manager.
- Rebecca McAuliffe, Press Officer.

Apology

- Councillor Steven B Heddle.

Declarations of Interest

- Councillor Stephen G Clackson – Item 3.
- Councillor David Dawson – Item 3.
- Councillor Andrew Drever – Item 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 (recorded vote).

2. Audit Report to those charged with Governance

After consideration of a report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, copies of which had been circulated, and after hearing a report from the Audit Director, Audit Scotland, the Committee:

Noted:

2.1. That Audit Scotland, as the Council's external auditor, had concluded its audit of Orkney Islands Council's Financial Statements for the year ended 31 March 2021.

2.2. That Audit Scotland had provided an unmodified audit certificate on the Council's Financial Statements for the year ended 31 March 2021.

2.3. That the draft audit certificate stated that the financial statements had been properly prepared in accordance with applicable law, accounting standards and other reporting requirements.

2.4. That, during the course of the audit, a number of presentational and monetary adjustments within the financial statements were identified, which had been adjusted in the final accounts.

2.5. That no material weaknesses in the accounting and internal control systems were identified during the audit.

2.6. Audit Scotland's covering letter in respect of the Orkney Islands Council Annual Audit Report, attached as Appendix 1 to the report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, in accordance with the International Standard on Auditing 260.

2.7. Orkney Island's Council's Letter of Representation to Audit Scotland in connection with its audit of the financial statements of Orkney Islands Council for the year ended 31 March 2021, attached as Appendix 2 to the report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services.

2.8. The Annual Audit Report to Members and the Controller of Audit in respect of the Orkney Islands Council Annual Accounts, attached as Appendix 3 to the report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services.

Due to internet connectivity issues, Councillor Andrew Drever was not present during all of the discussion relating to this item.

3. Annual Accounts

Councillors Stephen G Clackson, David Dawson and Andrew Drever declared non-financial interests in this item, being Council-appointed directors on the Board of Orkney Ferries Limited, but concluded that their interests did not preclude their involvement in the discussion.

After consideration of a report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, copies of which had been circulated, and after hearing a report from the Interim Head of Finance, the Committee:

Noted:

3.1. The requirement, in terms of the Local Authority Accounts (Scotland) Regulations 2014, for a local authority, or a committee of the authority, whose remit included audit or governance functions:

- To consider and approve the audited Annual Accounts for signature no later than 30 September immediately following the financial year to which the accounts related.
- To publish the accounts on a website by 31 October.

3.2. That, in terms of the Coronavirus (Scotland) Act 2020, the deadline for publication of final accounts could be extended by two months, if required, from 31 October 2021 to 31 December 2021.

3.3. That, in order to enable Audit Scotland to manage competing priorities, a revised timetable had been agreed and the signed Annual Accounts, together with an appropriate audit certificate, would be published by 30 November 2021.

3.4. The management commentary, comprising pages 1 to 16 of the Annual Accounts, attached as Appendix 1 to the report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, which provided an overview of the most significant matters reported in the Annual Accounts for financial year ended 31 March 2021, with the key facts and figures summarised at section 4.3 of the report.

The Committee resolved, in terms of delegated powers:

3.5. That the Annual Accounts for financial year 2020/21, attached as Appendix 1 to this Minute, be approved.

4. Internal Audit Plan – Progress Update

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

Scrutinised progress made to date in completing the Internal Audit Plan for 2021/22, as detailed in Appendix 1 to the report by the Chief Internal Auditor, and obtained assurance with regard to delivery of the Plan.

5. Internal Audit Report: Orkney College – Credits

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

Noted:

5.1. That Internal Audit had undertaken a review of the further education statistical return and supporting systems, known as Credits, at Orkney College in relation to academic year 2020/21.

5.2. That an audit certificate and an audit report were provided to the Scottish Funding Council to report the findings of the review.

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

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

5.4. That, having reviewed the audit findings referred to at paragraph 5.3 above, assurance was obtained that action had been taken or agreed where necessary.

6. Conclusion of Meeting

At 15:02 the Chair declared the meeting concluded.

Signed: John T Richards.