

## **AUDIT & PERFORMANCE REVIEW COMMITTEE**

At a Meeting of the Audit & Performance Review Committee held in Committee Room 3, Council Offices, Garshake Road, Dumbarton on Wednesday, 25 September at 2.05 p.m.

**Present:** Councillors George Black, Jonathan McColl, Michelle McGinty, Ian Murray, Tommy Rainey, Gail Robertson, Martin Rooney and Mr Edward Haynes.

**Attending:** Joyce White, Chief Executive; Angela Wilson, Executive Director of Corporate Services; Terry Lanagan, Executive Director of Educational Services; Stephen West, Head of Finance and Resources; Jim McAloon, Head of Regeneration and Economic Development; Gillian McNeilly, Finance Manager; Colin McDougall, Audit and Risk Manager; Joe Gillespie, Section Head, Internal Audit; Craig Stewart, Committee Officer, Legal, Democratic and Regulatory Services.

**Also Attending:** Ms Elaine Boyd, Senior Audit Manager, Mr Laurence Slavin, Senior Auditor, and Mr Christopher Gardner, Senior Auditor, Audit Scotland.

**Apologies:** Apologies for absence were intimated on behalf of Councillor Jim Brown, Mr Francis McNeill and Mr Stevie J. Doogan.

**Councillor Jonathan McColl in the Chair**

### **CHAIR'S REMARKS**

Prior to commencing with the business of the meeting, Councillor McColl, Chair, informed the Committee of the recent resignation of Ms Margaret Ward, as a Lay Member, due to personal commitments. On behalf of the Committee, it was agreed that Councillor McColl write a letter of thanks to Ms Ward for her previous service to the Committee, which was much valued and appreciated.

In other remarks, Councillor McColl congratulated Councillor McGinty who had recently married and Councillor Robertson, who had recently been given a certificate for smoking cessation by NHS Scotland.

## **DECLARATION OF INTEREST**

It was noted that there were no declarations of interest in any of the items of business on the agenda at this point in the meeting.

## **MINUTES OF PREVIOUS MEETINGS**

The Minutes of Meetings of the Audit & Performance Review Committee held on 22 May 2013 were submitted and approved as a correct record.

## **TREASURY MANAGEMENT ANNUAL REPORT 2012/13**

A report was submitted by the Executive Director of Corporate Services providing an update on treasury management during 2012/13.

The Committee agreed:-

- (1) to note the treasury management stewardship information within the report; and
- (2) to note the 2012/13 actual prudential indicators as advised within the report.

## **SCOTLAND'S PUBLIC FINANCES: ADDRESSING THE CHALLENGES: A TARGETED FOLLOW-UP REPORT – AUGUST 2013**

A report was submitted by the Executive Director of Corporate Services providing a report which had been received from the Council's external auditors, Audit Scotland, and providing information to Members as to management actions implemented following receipt of this report.

After discussion and having heard Mr Slaven, Senior Auditor, the Executive Director of Corporate Services and relevant officers in further explanation and in answer to Members' questions, the Committee agreed:-

- (1) to note the terms of the discussion that had taken place in respect of this matter; and
- (2) to note the report and the agreed management improvement actions.

## **AUDIT SCOTLAND: REVIEW OF GOVERNANCE ARRANGEMENTS AND MAIN FINANCIAL SYSTEMS REPORT – JUNE 2013**

A report was submitted by the Executive Director of Corporate Services providing for information a report which had been received from the Council's external auditors, Audit Scotland, and providing information to Members as to management actions implemented following receipt of this report.

After discussion and having heard Mr Slaven, Senior Auditor, the Chief Executive and Executive Director of Corporate Services in further explanation and in answer to Members' questions, the Committee agreed to note the contents of the report and progress made to date in relation to the agreed improvement actions.

### **AUDIT SCOTLAND FINAL ACCOUNTS MEMBERS REPORT**

A report was submitted by the Executive Director of Corporate Services on the above.

After discussion and having heard Ms Boyd, the Chief Executive and the Executive Director of Educational Services and relevant officers in elaboration and in answer to Members' questions, the Committee agreed:-

- (1) to note the findings of the audit of the financial statements as detailed in Audit Scotland's report dated September 2013;
- (2) to note that a copy of the Council's assets register would be sent to Members of the Committee, for their information; and
- (3) to convey its thanks and appreciation to the External Auditors, Audit Scotland, and Finance staff for their work and effort on the audit of final accounts.

### **SPI 1 & 2 END OF YEAR REPORT**

A report was submitted by the Executive Director of Corporate Services providing a finalised performance review of the Key organisational Performance Indicators for 2012/13, as a follow up to the outline Statutory Performance Indicator (SPI) report prepared for Council on 26 June 2013.

After discussion and having heard the Executive Director of Corporate Services and relevant officers in further explanation and in answer to Members' questions, the Committee agreed:-

- (1) to note the performance of the Council's 45 SPI measures for 2012/13 as submitted to Audit Scotland by August 30th as requested; and

- (2) to note that the SPI measures, as detailed in the proforma, would form a key element of the 2012/13 Public Performance Report - which would be published by the end of September 2013.

### **AUDIT ACTION PLANS**

A report was submitted by the Executive Director of Corporate Services advising of:-

- (a) recently issued Internal Audit action plans; and
- (b) progress being made in actioning recommendations contained within previous Internal Audit and External Audit reports which management have committed to implementing.

The Chief Executive, Executive Director of Corporate Services, Ms Boyd and the Section Head, Internal Audit were all heard in further explanation and answer to Members' questions.

### **ADJOURNMENT**

After hearing Councillor McColl, the Committee agreed to adjourn for a period of 10 minutes.

The meeting reconvened at 3.40 p.m. with all those Members shown in the sederunt in attendance, with the exception of Councillor McGinty.

The Chair, Councillor McColl, ruled a question by Mr Haynes to be out of order in terms of Standing Order 14(b), in that it was not competent in terms of the subject matter under consideration. The position was noted thereto.

Following upon this, and after discussion and having heard the Chief Executive and Executive Director of Educational Services in answer to Members' questions, the Committee agreed to note the contents of the report.

Note: Councillor McGinty re-entered the meeting during consideration of this item.

### **INTERNAL AUDIT PROGRESS REPORT TO 30 JUNE 2013**

A report was submitted by the Executive Director of Corporate Services advising of the work undertaken by the Internal Audit Section against the Action Plan 2013/14.

After discussion and having heard the Chief Executive, Audit and Risk Manager and Section Head, Internal Audit in further explanation and in answer to Members' questions, the Committee agreed:-

- (1) that relevant officers would check the information contained in the Audit Plan for the category 'Contract/Procurement' to ensure consistency and accuracy;
- (2) otherwise to note the contents of the report.

### **INTERNAL AUDIT CHARTER AND PUBLIC SECTOR INTERNAL AUDIT STANDARDS (PSIAS) UPDATE**

A report was submitted by the Executive Director of Corporate Services providing the Committee with:-

- (a) an updated version of the Audit Charter previously submitted to the meeting on 22 May 2013; and
- (b) information relating to a self-assessment checklist completed in relation to the level of compliance with the Public Sector Internal Audit Standards (PSIAS) by the Council's Internal Audit Section.

After discussion and having heard the Executive Director of Corporate Services in further explanation and in answer to Members' questions, the Committee agreed:-

- (1) to approve the revised Internal Audit Charter; and
- (2) to note that the Executive Director of Corporate Services would send the Members of the Committee, for their information, the advice given by the Head of Legal, Democratic and Regulatory Services confirming that this Committee was the proper one to approve the Internal Audit Charter.

### **PUBLIC INTEREST DISCLOSURES FOR THE PERIOD 1 JANUARY 2013 TO 30 JUNE 2013**

A report was submitted by the Executive Director of Corporate Services informing on the level of public interest disclosures received during the period 1 January 2013 to 30 June 2013.

After discussion and having heard the Audit and Risk Manager and the Head of Finance and Resources in elaboration and in answer to Members' questions, the Committee agreed to note the contents of the report.

### **RISK UPDATE**

A report was submitted by the Executive Director of Corporate Services providing an update to Members on work being done in relation to risk.

After discussion and having heard the Executive Director of Corporate Services and the Head of Finance and Resources in further explanation and in answer to Members' questions, the Committee agreed to note the contents of the report.

The meeting closed at 4.18 p.m.

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