

**AUDIT COMMITTEE**

At a Meeting of the Audit Committee held by video conferencing on Wednesday, 16 June 2021 at 10.00 a.m.

**Present:** Councillors Jim Brown, Karen Conaghan, Jonathan McColl, John Mooney, Martin Rooney and Lay Member Mr Christopher Johnstone\*.

**Attending:** Joyce White, Chief Executive; Jo Gibson, Head of Community Health & Care Services, West Dunbartonshire Health & Social Care Partnership (HSCP)\*; Stephen West, Chief Officer – Resources; Angela Wilson, Chief Officer – Supply, Distribution & Property; Malcolm Bennie, Chief Officer – Citizen, Culture & Facilities; Andi Priestman, Shared Service Manager – Audit and Fraud; Gillian McNeilly, Finance Manager; Fiona Taylor, Senior Nurse; and Gabriella Gonda, Committee Officer.

**Also Attending:** Mr Christopher Gardner and Ms Zahrah Mahmood, Audit Scotland.

**Apologies:** Apologies for absence were intimated on behalf of Councillors Daniel Lennie, John Millar, Brian Walker and Lay Member Mr Christopher Todd.

\* Arrived later in the meeting

**Councillor John Mooney in the Chair**

**DECLARATIONS OF INTEREST**

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

**MINUTES OF PREVIOUS MEETING**

The Minutes of Meeting of the Audit Committee held on 10 March 2021 were submitted and approved as a correct record.

**OPEN FORUM**

The Committee noted that no open forum questions had been submitted by members of the public.

## **PRUDENTIAL INDICATORS 2020/21 TO 2030/31 AND TREASURY MANAGEMENT STRATEGY 2021/22 TO 2030/31**

A report was submitted by the Chief Officer – Resources providing Members with the opportunity to further scrutinise the Prudential Indicators for 2020/21 to 2023/24 and the Treasury Management Strategy (including the Investment Strategy) for 2021/22 to 2023/24 and indicative indicators for the period 2030/31.

After discussion and having heard the Finance Manager in further explanation of the report and in answer to Members' questions, the Committee noted that Council:-

- (1) agreed the following Prudential Indicators and Limits discussed in Appendix 1 to the report and set out within Appendix 6 to the report for the period 2020/21 to 2023/24.
  - Capital Expenditure and Capital Financing Requirements (Tables A and B); and
  - Forecast and estimates of the ratio of financing costs to Net Revenue Stream (Table D).
- (2) approved the policy for loans fund advances discussed in Appendix 1 to the report in section 3;
- (3) approved the Treasury Management Strategy for 2021/22 to 2023/24 (including the Investment Strategy) contained within Appendices 2 to 6 to the report;
- (4) agreed the following Treasury Prudential Indicators and Limits discussed in Appendix 2 to the report and set out within Appendix 6 to the report for the period 2021/22 to 2023/24:
  - Operational Boundaries (Table F);
  - Authorised Limits (Table G);
  - Counterparty Limits (Table J); and
  - Treasury Management Limits on Activity (Table L);
- (5) noted the draft Prudential and Treasury Management Indicators for the period 2024/25 to 2030/31 discussed in Appendices 1 and 2 to the report and set out within Appendix 6 to the report;
- (6) approved the statement by the Section 95 Officer regarding the gross debt level in comparison to the Capital Financing Requirement (Appendix 2 to the report – Point 2.3);

Note: Lay Member Mr Christopher Johnstone left the meeting after this item.

### **INTERNAL AUDIT PLAN 2020/21 – PROGRESS TO 19 MAY 2021**

A report was submitted by the Chief Officer – Resources advising Members of:-

- (a) progress at 19 May 2021 against the Audit Plan for 2020/21;
- (b) recently issued Internal Audit reports and action plans; and
- (c) the status of implementation progress relating to action plans from previously issued Internal Audit reports.

After discussion and having heard the Shared Service Manager – Audit and Fraud in further explanation of the report and in answer to Members' questions, the Committee agreed to note the content of the report.

### **INTERNAL AUDIT ANNUAL REPORT TO 31 MARCH 2021**

A report was submitted by the Chief Officer – Resources advising of:-

- (a) the work undertaken by Internal Audit in respect of the Annual Audit Plan 2020/21; and
- (b) the contents of the Assurance Statement given to Members of West Dunbartonshire Council, the Chief Executive and the Section 95 Officer (Chief Officer – Resources) in support of the Annual Governance Statement, and outlining how audit assurances are obtained.

After discussion and having heard the Shared Service Manager – Audit and Fraud in further explanation of the report and in answer to Members' questions, the Committee agreed to note the content of the report.

### **AUDIT SCOTLAND LETTER: WEST DUNBARTONSHIRE COUNCIL – INTERIM AUDIT TESTING 2020/21 – JUNE 2021**

A report was submitted by the Chief Officer – Resources advising Members of the 2020/21 mid-year report which has been received regarding Key Internal Controls, from our external auditors – Audit Scotland – and providing information as to management actions implemented following receipt of this report.

After discussion and having heard Mr Christopher Gardner and Ms Zahrah Mahmood from Audit Scotland in further explanation of the report and in answer to Members' questions, the Committee agreed to note the report and the agreed management actions.

## **ANNUAL REPORT ON THE AUDIT COMMITTEE - 2020/21**

A report was submitted by the Chief Officer – Resources providing an Annual Report on the Audit Committee for 2020/21.

After discussion and having heard the Shared Service Manager – Audit and Fraud in further explanation of the report the Committee agreed:-

- (1) to review and endorse the Chair's Annual Report on the Audit Committee for 2020/21; and
- (2) that the report would be presented to a future meeting of the Council.

## **AUDIT SCOTLAND – COVID-19 GUIDE FOR AUDIT AND RISK COMMITTEES**

A report was submitted by the Chief Officer – Resources providing an update on sub-group activity in relation to the Audit Scotland COVID-19 Guide for Audit and Risk Committees.

After discussion and having heard the Shared Service Manager – Audit and Fraud in further explanation of the report and in answer to Members' questions, the Committee agreed to note the work of the sub-group in establishing the Council's position against the COVID-19 Guide for Audit and Risk Committees and that this report would be circulated to all Elected Members of the Council and to Lay Members.

## **CODE OF GOOD GOVERNANCE AND ANNUAL GOVERNANCE STATEMENT 2020-21**

A report was submitted by the Chief Officer – Resources advising on the outcome of the annual self-evaluation undertaken of the Council's compliance with its Code of Good Governance and inviting Committee to consider the Annual Governance Statement that will be published in the Council's Abstract of Accounts.

After discussion and having heard the Shared Service Manager – Audit & Fraud in further explanation of the report and in answer to Members' questions, the Committee agreed:-

- (1) to note the outcome of the recent self-evaluation process in considering how the Council currently meets the agreed Code of Good Governance together with the issues identified and improvement actions; and
- (2) to consider the detail of the Annual Governance Statement and approve the actions identified by management to improve the internal control environment.

## **ACCOUNTS COMMISSION REPORT: LOCAL GOVERNMENT IN SCOTLAND OVERVIEW 2021**

A report was submitted by the Chief Officer – Resources providing information on a national audit report, for information and consideration, which has been received from the Accounts Commission.

After discussion and having heard the Chief Officer – Resources in further explanation of the report and in answer to Members' questions, the Committee agreed to note the content of the report and the report's key messages as detailed at para 4.1 to the report.

The meeting closed at 11.46 a.m.

