

## **AUDIT COMMITTEE**

At a Meeting of the Audit Committee held by Video Conferencing on Wednesday, 17 June 2020 at 10.00 a.m.

**Present:** Jonathan McColl, John Mooney, Martin Rooney and Brian Walker and Lay Member Mr Chris Johnstone.

**Attending:** Joyce White, Chief Executive; Angela Wilson, Strategic Director – Transformation & Public Service Reform; Richard Cairns, Strategic Director – Regeneration, Environment & Growth; Beth Culshaw, Chief Officer, West Dunbartonshire Health & Social Care Partnership (H&SCP); Stephen West, Strategic Lead – Resources; Andi Priestman, Shared Service Manager – Audit & Fraud; and Craig Stewart, Committee Officer.

**Also Attending:** Mr Richard Smith, Senior Audit Manager and Ms Zahrah Mahmood, Senior Auditor, Audit Scotland.

**Apologies:** Apologies for absence were intimated on behalf of Councillors Jim Brown, Karen Conaghan and John Millar.

### **Councillor John Mooney in the Chair**

#### **CHAIR'S REMARKS**

Councillor Mooney, Convener, welcomed everyone to the June meeting of the Audit Committee which was being held remotely, in terms of Section 43 of the Local Government in Scotland Act 2003.

Accordingly, the Convener advised that a process/procedure had been developed for the meeting (a copy of which had previously been circulated to Members). Thereafter, the Committee agreed to note the procedure in place for the conduct of the meeting and the meeting then commenced by video conferencing.

#### **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 20 November 2019 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 2019/20 TO 2029/30 AND TREASURY MANAGEMENT STRATEGY 2020/21 TO 2029/30**

A report was submitted by the Strategic Lead – Resources providing Members with the opportunity to further scrutinise the Prudential Indicators for 2019/20 to 2022/23 and Treasury Management Strategy (including the Investment Strategy) for 2020/21 to 2022/23, and the indicative indicators for the period from 2023/24 to 2029/30.

After discussion and having heard the Strategic Lead, Chief Executive and the Strategic Director, Regeneration, Environment & Growth in further explanation and in answer to Members' questions, the Committee agreed:-

- (1) 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 2022/23:
  - Capital Expenditure and Capital Financing Requirements (Tables A and B);
  - Forecast and estimates of the ratio of financing costs to Net Revenue Stream (Table D);
- (2) to approve the policy for loans fund advances discussed in Appendix 1 in section 3 to the report;
- (3) to approve the Treasury Management Strategy for 2020/21 to 2022/23 (including the Investment Strategy) contained within Appendices 2 to 6 to the report;
- (4) 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 2020/21 to 2022/23:
  - Operational Boundaries (Table F);
  - Authorised Limits (Table G);
  - Counterparty Limits (Table J); and
  - Treasury Management Limits on Activity (Table L);

- (5) to note the draft Prudential and Treasury Management Indicators for the period 2023/24 to 2029/30 discussed in Appendices 1 and 2 to the report and set out within Appendix 6 to the report;
- (6) to approve 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); and
- (7) otherwise to note the comments within the report which highlighted changes that have happened since the original report was issued to Council around the impact of Covid-19 and that a Members' Briefing had been provided to all Members on the specific change in relation to the accounting treatment of leasing costs.

### **INTERNAL AUDIT PLAN 2019/20 – PROGRESS TO 20 MAY 2020**

A report was submitted by the Strategic Lead - Resources informing Members of progress at 20 May 2020 against the Audit Plan 2019/20 and, in particular, advising of:-

- (a) recently issued Internal Audit action plans; and
- (b) progress made against action plans previously issued contained within Internal Audit and External Audit reports.

After discussion and having heard the Shared Service Manager – Audit & Fraud, the Chief Officer, West Dunbartonshire H&SCP and the Chief Executive in further explanation of the report and in answer to Members' questions, the Committee agreed to note the contents of the report.

### **INTERNAL AUDIT PLAN 2020/21**

A report was submitted by the Strategic Lead - Resources advising of the planned programme of work for the Internal Audit Section for the year 2020/21.

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 to approve the Audit Plan for 2020/21.

### **AUDIT SCOTLAND ANNUAL AUDIT PLAN 2019/20**

A report was submitted by the Strategic Lead - Resources presenting Audit Scotland's Annual Audit Plan for the audit of financial year 2019/20 to Committee for information.

After discussion and having heard Mr Smith, Senior Audit Manager, Audit Scotland in further explanation of the report, the Committee agreed to note Audit Scotland's audit plan for their audit of West Dunbartonshire Council for financial year 2019/20.

### **INTERNAL AUDIT ANNUAL REPORT TO 31 MARCH 2020**

A report was submitted by the Strategic Lead - Resources advising of the work undertaken by Internal Audit in respect of the Annual Audit Plan 2019/20 and advising of the contents of the Assurance Statement given to Members of West Dunbartonshire Council, the Chief Executive and the Section 95 Officer (Strategic Lead – Resources) in support of the Annual Governance Statement.

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

- (1) that a Members' Briefing note be issued that would provide more detailed information on two of the Investigations listed in Appendix A to the report, namely 'Titan Crane' and 'Edmundson Electrical Ltd. (Cable Overcharge); and
- (2) otherwise to note the contents of the report.

### **CODE OF GOOD GOVERNANCE AND ANNUAL GOVERNANCE STATEMENT 2019/20**

A report was submitted by the Strategic Lead - 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 Services Manager – Audit & Fraud, the Chief Executive and relevant officers 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 note the detail of the Annual Governance Statement and approved the actions identified by management to improve the internal control environment.

The meeting closed at 11.48 a.m.