

**MINUTE**  
**of**  
**AUDIT & SCRUTINY COMMITTEE**

**Minute of virtual meeting held at 2.00pm on 18 February 2021.**

**Present:**

Councillor Stewart Miller (Chair)	Councillor Charlie Gilbert
Councillor Barbara Grant (Vice Chair)	Councillor Annette Ireland
Councillor Angela Convery	Councillor Jim McLean

Councillor Miller in the Chair

**Attending:**

Margaret McCrossan, Head of Accountancy (Chief Financial Officer); Michelle Blair, Chief Auditor; Linda Hutchison, Clerk to the Committee; and Liona Allison, Assistant Committee Services Officer.

**Also Attending:**

Morven Fraser, Audit Scotland.

**Apology:**

Councillor Jim Swift.

**DECLARATIONS OF INTEREST**

**1532.** There were no declarations of interest intimated.

**CHAIR'S REPORT**

**1533.** The following matters were raised during the Chair's report:-

Special Meeting of Committee

- (i) Further to consultation, the Chair proposed that a special meeting of the committee take place on 11 March to enable the Treasury Management Strategy to be considered prior to its submission to the full Council.

Audit Scotland COVID-19 Guide for Audit and Risk Committees

- (ii) Under reference to the Minute of the meeting of 26 November 2020 (Page 1337, Item 1444 refers), when the committee had noted a report on the issues raised within the *COVID-19 Guide for Audit and Risk Committees* published by Audit Scotland in August 2020, agreed that a further update be provided in due course, and that the Clerk should liaise with members of the committee at an appropriate time to ascertain which specific issues they wished to seek further feedback and focus on, or seek further assurances about, the Chair reported that he had requested that a report on issues of further interest to the committee be submitted to its first meeting after the end of the current financial year. He clarified that, to enable appropriate feedback to be sought, he had asked the Clerk to write to members of the committee to ascertain their views on the feedback to be sought, encouraging them all to respond when requested.

The committee agreed that:-

- (a) a special meeting of the committee be held on 11 March 2021 as proposed; and
- (b) a further report on issues raised in the *COVID-19 Guide for Audit and Risk Committees* be prepared as proposed, and submitted to a future meeting of the committee.

**INTERNAL AUDIT PLAN PROGRESS REPORT 2020/21 – OCTOBER TO DECEMBER 2020 AND REVISED ANNUAL PLAN**

**1534.** Under reference to the Minute of the meeting of 13 August 2020 (Page 1229, Item 1322 refers), when it had been agreed to approve revisions to the Internal Audit Annual Plan for 2020/21, the committee considered a report by the Chief Auditor regarding progress made on the implementation of the revised Plan from 1 October to 31 December, and proposing further revisions.

It was confirmed that three audit reports in relation to planned 2020/21 audit work had been issued in quarter 3, information on which was provided. Reference was also made to the quarterly performance indicators (PIs) for the section, some of which were not being met due to COVID-19 restrictions on audit work that could be carried out, and delays in departments responding to audit queries. It was confirmed that there had been two new requests for assistance dealt with using contingency time, neither of which had resulted in financial loss to the Council, in addition to which some contingency time had been used to assist the core systems team.

Due to continuing restrictions and a further reduction in audit days available, the report proposed the deletion of further items from the 2020/21 Audit Plan, making reference to various staffing issues, including a vacancy in the section due to an internal secondment. It was highlighted that it had been intended to carry out the remaining audits in the revised Audit Plan approved in August in the latter part of the financial year, but this had proved impractical as key employees within the services involved remained unavailable to answer audit queries as they had been facilitating COVID-19 priority tasks or providing core services in alternative ways. In the circumstances, the completion of audits to enable some year-end assurance to be provided to management had been prioritised. An estimated shortfall of 66 available days remained which would be kept under review until the end of the financial year.

In addition to the above, it was reported that five audits remained outstanding from the 2019/20 plan, with efforts to progress and complete these having proved difficult.

Whilst commenting on the report, the Chief Auditor confirmed that no high risk recommendations had been made in the three audit reports issued, and that all the recommendations made had been accepted. She referred to the challenges associated with pursuing audit work remotely due to the restrictions since March 2020, confirming that some slow progress had been made but how this had been hampered for reasons specified in the report. She added that her section was continuing to provide assistance to other sections, in particular with business grants. The Chief Auditor also referred to the use made of contingency time in the last quarter.

The Chief Auditor commented on the further revisions proposed to the Annual Plan for 2020/21, referring to the extent of the changes made to it since it had been approved originally in March 2020, and the emphasis being placed on trying to complete those audits that were most relevant to being able to provide as much assurance as possible to management on the main systems within the Annual Report. Regarding the main underlying reasons for the proposed changes, she confirmed that these were COVID-19 related restrictions which had impacted on access to premises, documents and officers; greatly reduced staffing resources in her section due to secondment and long term sickness absence; and the impracticality of trying to progress audits in some departments where key officers with whom contact was required had been diverted to addressing COVID-19 related activities. She emphasised that everything possible was being done to strive to complete the revised Plan despite the challenges associated with that.

In response to Councillor Ireland, the Chief Auditor confirmed the current position on each of the five audits that had been outstanding from the 2019/20 Plan and the challenges associated with progressing most of these. Having confirmed that one report had been completed and issued recently, she reported that the remaining audits would be progressed but probably as part of a Plan for a future year.

In response to Councillor Miller, she clarified that it had just been confirmed that the member of her team who had been on secondment would return to the section in April which would be helpful.

The committee agreed:-

- (a) not to seek any of the reports issued during the quarter at this stage;
- (b) to approve the revised Internal Audit Strategic Plan 2020/21; and
- (c) otherwise, to note the report and related comments.

CHAIR

