

**MINUTES of MEETING of AUDIT COMMITTEE held in the COUNCIL CHAMBER, KILMORY,
LOCHGILPHEAD
on FRIDAY, 9 DECEMBER 2005**

- Present:** Councillor Gary Mulvaney (Chair)
- Councillor Elaine Robertson Councillor John Tacchi
Ian M M Ross
- Attending:** Charles Reppke, Head of Democratic Services & Governance
Bruce West, Head of Strategic Finance
Ian Nisbit, Internal Audit Manager
Steve Keightley, KPMG
Jim Cumming, Audit Scotland
David Jamieson, Audit Scotland
Angela Cassels, Audit Scotland
- Apologies:** Councillor John McAlpine Councillor Donald MacMillan
Christopher Valentine

1. MINUTES

(a) AUDIT COMMITTEE 2 SEPTEMBER 2005

The minutes of the Audit Committee of 2 September 2005 were approved as a correct record.

Arising under item 3 (**Strathclyde Pension Fund**) it was agreed to circulate the full text of the Chair and Vice-Chairs comments to Members of the Audit Committee.

(b) AUDIT COMMITTEE 29 SEPTEMBER 2005

The minutes of the Audit Committee of 29 September 2005 were approved as a correct record.

2. AUDIT OF ACCOUNTS 2004/2005: MEMBERS LETTER/AUDIT OF ACCOUNTS AND CERTIFIED ACCOUNTS

The external auditors, Audit Scotland, had completed their audit of the Council's Accounts for the year to 31 March 2005. The certified Accounts and Report to Members was noted by the Council on 14 November 2005 together with the Audit Certificate which contained no qualifications.

Decision

1. Agreed to monitor the external auditors recommendations as contained within the submitted action plan.

2. Noted that a report on the new Risk and Assurance Plan would be submitted to the next meeting of the Audit Committee by Audit Scotland.

(Reference: Report by Head of Strategic Finance dated 3 November 2005, 2004-05 Annual Accounts and Audit Certificate, submitted)

3. PROGRESS REPORT ON INTERNAL AUDIT PLAN 2005 - 2006

The committee were asked to give consideration to an interim progress report which had been prepared regarding the audit work performed by Internal Audit up to 11 November 2005.

Decision

To note the good progress made with the Annual Audit Plan for 2005-2006.

(Reference: Report by Internal Audit Manager dated 25 November 2005, submitted)

4. ADAPTING TO THE FUTURE 2003 - 2004

A report detailing progress by Community Services Department Management with the implementation of recommendations contained within the national report "Adapting to the future" which had been issued by the Accounts Commission – Audit Scotland was considered.

Decision

1. To note the contents of the report and request this be followed up by Internal Audit;
2. To note that 9 of the 21 recommendations listed in the Action Plan had been addressed as at 8 November 2005;
3. To note that AGE Ltd had been awarded a consultancy contract to address the 12 remaining recommendations; and
4. To note that progress by AGE Ltd would be monitored by Internal Audit and reported to the March Audit Committee.

(Reference: Report by Internal Audit Manager dated 25 November 2005, submitted)

5. MAINTAINING SCOTLAND'S ROADS

Audit Scotland issued a national report towards the end of November 2004 entitled "Maintaining Scotland's Roads". In response the Head of Roads and Amenity Services prepared an action plan incorporating the report's 9 recommendations and added a further 3 to reflect dependent issues.

Decision

1. To note the contents of the report and request this be followed up by

Internal Audit;

2. To note that as at 31 October 2005 of the 12 recommendations reported by the Head of Roads and Amenity Services to the SPC in December 2004, only 2 now remain to be implemented;
3. To note the report prepared by the Head of Roads and Amenity Services updating the SPC on progress made; and
4. To note that the Scottish Executive has recognised that roads maintenance is under funded and from the financial year 2006-2007 an additional £60 million would be awarded to Scotland's Councils through additional GAE contribution.

(Reference: Report by Internal Audit Manager dated 31 October 2005 and Report by Director of Operational Services dated 17 November 2005, submitted)

6. RECENT EXTERNAL AUDIT REPORTS 2004 - 2005

A report containing an Executive Summary and Action Plan for new reports issued by Audit Scotland since the last Audit Committee together with details of the progress made by management on implementing the report recommendations was considered.

Decision

1. To note the contents of the report and request that this be followed up by Internal Audit;
2. To note that the Action Plan accompanying the report issued by Audit Scotland in August 2005 entitled "Business Continuity Planning Review" contained 3 recommendations and that progress was continuing;
3. To note that the Action Plan accompanying the report issued by Audit Scotland in November 2005 entitled "Financial Strategy" detailed 8 recommendations, 5 of which had implementation dates of between January 2006 and March 2007 with the further 3 recommendations to be in place for the 2007 – 2008 budget cycle; and
4. To note that the Action Plan accompanying the report issued by Audit Scotland at the end of November 2005 entitled "Following the Public Pound" listed 18 recommendations with 2 considered high and 16 of medium priority.

(Reference: Report by Internal Audit Manager dated 1 December 2005, submitted)

7. EXTERNAL & INTERNAL AUDIT REPORT FOLLOW UP 2004 - 2005

A report setting out the results from a review performed by Internal Audit for recommendations due to be implemented by 31 October 2005 was considered.

Decision

1. To note the contents of the report and request that this be followed up by Internal Audit.
2. To note that the report on the scrutiny review of Legal Services would be submitted to the Strategic Policy Committee in January 2006.
3. To request that if compliance has not been achieved by January 2006 in regard to item D(2) that the appropriate Heads of Services be requested to attend the Committee in March 2006 to explain the circumstances around the non compliance.

(Reference: Report by Internal Audit Manager dated 25 November 2005, submitted)

8. REVIEW AND CONSOLIDATION OF OUTSTANDING AUDIT RECOMMENDATIONS RELATED TO BUDGETARY CONTROL

At the previous Audit Committee it was agreed that a separate note be prepared consolidating the various outstanding recommendations on budgetary control and setting a new base line for future reporting, be brought to the Audit Committee for consideration.

Decision

To note the revised action plan relative to the outstanding audit recommendations related to budgetary control.

(Reference: Report by Head of Strategic Finance dated 30 November 2005, submitted)

9. ASSET MANAGEMENT STRATEGY

The Audit Committee on the 2 September 2005 requested an update on progress with the asset register and implementation of asset management strategy/planning. A report identifying the main elements of asset management planning and progress to date was considered.

Decision

To note the contents of the report, and the good progress made.

(Reference: Report by Chief Asset Manager dated 9 November 2005, submitted)

10. HMIE ACTION PLAN

A copy of the HMIE report was provided to the Audit Committee on 2 September 2005. In response to the HMIE requirement, the Education Services management at the beginning of September 2005 agreed an Action Plan to address areas requiring improvements. This Action Plan was presented and approved by the Strategic Policy Committee on 8 September 2005.

Decision

To note the contents of the report and request that this be followed up by Internal Audit.

(Reference: Report by Internal Audit Manager, dated 25 November 2005, submitted)

11. STRATHCLYDE PENSION FUND

In June 2005 Glasgow City Council published a consultation paper suggesting a scheme for a representative forum for Strathclyde Pension Fund member organisations and stakeholders. The Council responded to this paper in August 2005 and the Audit Committee considered this response at its meeting on 2 September. A report outlining the results of the Glasgow City Council consultation and the form the representation forum will now take was considered.

Decision

1. To note the content of the report, and request a further report on whether the proposal for executive control of the fund meets the legislative requirements governing such funds.
2. To note that the Council, at its meeting on 14 November 2005, appointed Councillor Gary Mulvaney to be the Council's representative on the forum and that Councillor Elaine Robertson would act as an alternative if Councillor Mulvaney was unavailable.
3. To request that the Head of Democratic Services & Governance write to Glasgow City Council requesting the dates of the Forum's meetings for 2006 and this be circulated to the Council's representatives.

(Reference: Report by Head of Strategic Finance dated 9 December 2005, submitted)

