

**MINUTES of MEETING of AUDIT COMMITTEE held in the COUNCIL CHAMBER, KILMORY,
LOCHGILPHEAD
on FRIDAY, 16 SEPTEMBER 2011**

Present:

Mr Ian M M Ross (Chair)

Mr Martin Caldwell
Councillor Gordon Chalmers
Councillor George Freeman

Councillor David Kinniburgh
Councillor James Robb

Attending:

Charles Reppke, Head of Governance and Law
Bruce West, Head of Strategic Finance
Jane Fowler, Head of Improvement and Strategic HR (for item 4 and 5)
Ian Nisbet, Chief Internal Auditor
Lynn Finlay, HR Manager (for item 4)
Lynda Thomson, Organisational Development Manager (for item 5)
David Clements, Performance Manager (for item 5)

1. APOLOGIES FOR ABSENCE

Apologies for absence were intimated from Councillor Daniel Kelly.

2. DECLARATIONS OF INTEREST

None declared.

3. MINUTES

The Minutes of the Audit Committee meeting held on 24 June 2011 were approved as a correct record.

4. MANAGING ATTENDANCE 2010/2011

A report providing details of the Council's sickness absence levels for financial year 2010/2011 with comparisons drawn wherever possible with 2009/2010 was considered.

Motion

Noted the contents of the report and the improvements made in managing sickness absence during the past year.

Moved by Councillor Robb, seconded by Councillor Freeman

Amendment

Noted the contents of the report and the improvements made in managing sickness absence during the past year using a number of widely practiced tools and techniques.

Moved by Mr Ross, seconded by Mr Caldwell

Decision

The Amendment was carried by 4 votes to 2 and the Committee resolved accordingly.

(Reference: Report by Head of Improvement and Strategic HR, submitted)

5. PERFORMANCE MANAGEMENT

A report updating the Committee on the progress being made on managing performance across the Council was considered.

Decision

Noted the progress being made in relation to performance management across the Council.

(Reference: Report by Head of Improvement and Strategic HR, submitted)

6. ANNUAL REPORT BY AUDIT COMMITTEE 2010 - 2011

A report summarising the work of the Audit Committee during 2010 – 2011 and outlining its view of the Council's internal control framework, risk management and governance arrangements was considered.

Decision

Noted and approved the contents of the Audit Committee's Annual Report for 2010 - 2011 for submission to the Council.

(Reference: Report by Chief Internal Auditor dated 24 August 2011, submitted)

7. PROGRESS REPORT ON INTERNAL AUDIT PLAN 2011 - 2012

An interim progress report covering the audit work performed by Internal Audit as at 19 August 2011 was considered.

Decision

Approved the progress made with the Annual Audit Plan for 2011 – 2012.

(Reference: Report by Chief Internal Auditor dated 23 August 2011, submitted)

8. INTERNAL AUDIT REPORTS TO AUDIT COMMITTEE

A report detailing final reports, summaries and action plans (where applicable) from recent audits was considered.

Decision

Noted the contents of the reports in respect of the following audits and that these will be followed up by Internal Audit:-

- (a) Community Services (Children & Families) – Review of Cash, Income and Banking
- (b) Customer and Support Services – Review of Creditors
- (c) Review of Statutory Performance Indicators (SPIs) 2010/11
- (d) Chief Executive's Unit (Improvement and HR) – Performance Management
- (e) Customer and Support Services – Review of Car Allowances
- (f) Community Services (Community & Culture) – Review of Leisure Management System – Torex

(Reference: Report by Chief Internal Auditor dated 26 August 2011, submitted)

9. EXTERNAL AND INTERNAL AUDIT REPORT FOLLOW UP 2011 - 2012

Internal Audit document the progress made by departmental management in implementing the recommendations made by both External Audit and Internal Audit. A report detailing the results from a review performed by Internal Audit for recommendations due to be implemented by 31 July 2011 was considered.

Decision

1. Noted and approved the contents of the report; and
2. Agreed that it was unfortunate that the evidence required in respect of an outstanding action following the Review of Argyll Air Services had not been received by Internal Audit and requested that a report be brought to the next Audit Committee giving an assurance that processes were now in place and worked effectively to ensure that the statistics referred to can be reconciled to any statutory and statistical returns that have been submitted to internal and external parties and to provide evidence in support of this.

(Reference: Report by Chief Internal Auditor dated 19 August 2011, submitted)

10. AUDIT SCOTLAND NATIONAL REPORTS TO AUDIT COMMITTEE 2011 - 2012

A report advising of recently published reports by Audit Scotland entitled "Community Health Partnerships", "How Councils Work: An Improvement Series for Councillors and Officers – Arm's Length External Organisations (ALEOs): Are You Getting it Right?" and "Transport for Health and Social Care" was considered.

Decision

1. Noted the contents of the report and that these will be followed up by Internal Audit; and
2. Requested feedback from Departmental Management on action taken in respect of recommendations contained in the reports which affect the Council.

(Reference: Report by Chief Internal Auditor dated 22 August 2011, submitted)

12. EXTERNAL AUDIT 2010/11 ACCOUNTS AUDIT

A report setting out the key issues arising from the External Auditor's audit of the financial statements of Argyll and Bute Council for the year ending 31 March 2011 was considered. This report meets the mandatory requirements of International Standard on Auditing 260 (ISA 260) to report the outcome of the audit to 'those charged with governance', designated as the Audit Committee.

Decision

Noted the contents of the report.

(Reference: Report by Grant Thornton, UK LLP, External Auditors dated 9 September 2011, submitted)

13. EXTERNAL AUDIT PROGRESS REPORT 2010 - 2011

A summary of progress with the External Audit Plan for the year ending 31 March 2011 was considered.

Decision

Noted the contents of the report.

(Reference: Report by Grant Thornton, UK LLP, External Auditors, submitted)

14. RISK MANAGEMENT QUARTERLY UPDATE REPORT

A report advising of progress and issues relating to Risk Management was considered.

Decision

Noted the contents of the report.

(Reference: Report by Head of Strategic Finance dated 5 September 2011, submitted)