

**MINUTES of MEETING of AUDIT COMMITTEE held in the COUNCIL CHAMBER, KILMORY,  
LOCHGILPHEAD  
on FRIDAY, 16 MARCH 2012**

**Present:**

Mr Ian M M Ross (Chair)

Mr Martin Caldwell

Councillor James Robb

Councillor George Freeman

**Attending:**

Alison Younger, Central Governance Manager

Bruce West, Head of Strategic Finance

Jane Fowler, Head of Improvement and Strategic HR (for items 5 and 6)

Jim Robb, Head of Adult Care (for item 4)

Ian Nisbet, Chief Internal Auditor

David Jamieson, Senior Audit Manager, Audit Scotland

Russell Smith, Senior Auditor, Audit Scotland

**1. APOLOGIES FOR ABSENCE**

Apologies for absence were intimated from Councillors Gordon Chalmers, Daniel Kelly and David Kinniburgh.

**2. DECLARATIONS OF INTEREST**

None declared.

**3. MINUTES**

The Minutes of the Audit Committee meeting held on 9 December 2011 were approved as a correct record subject to the following amendment:-

Item 12 – Internal Audit – Terms of Reference

The Decision should be amended to read –

1. Noted and approved the contents of the report;
2. Agreed to recommend to the Council approval of the revised Terms of Reference for Internal Audit to reflect the change requested by Grant Thornton in respect of the appointment of a Chief Internal Auditor;
3. Noted that the Internal Audit Manual has also been amended accordingly; and
4. Noted that the updating of the Council Constitution is undertaken by Customer Services – Governance and Law.

**4. REVIEW OF DEBTORS ACCOUNTS: DIRECT PAYMENTS**

At the Audit Committee on 9 December 2011 an update on progress with actions

identified in the Internal Audit Report – Debtors Accounts in respect of Direct Payments was requested which was now before the Committee for consideration.

### **Decision**

1. Noted the contents of the report;
2. Noted with concern that the report, in common with its December precursor, was deficient in explaining the timelines and substance of the aberrations identified in October 2010 and confirmed in the Internal Audit Report of November 2011;
3. Accepted that a comprehensive report should be brought to the June meeting of the Audit Committee providing detail on all the issues and challenges faced in respect of Direct Payments.

(Reference: Report by Head of Adult Care dated 5 March 2012, submitted)

## **5. PLANNING AND PERFORMANCE MANAGEMENT QUARTERLY UPDATE**

A report updating the Audit Committee on the progress being made across the Council relating to the key elements of the Planning and Performance Management Framework (PPMF) was considered.

### **Decision**

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

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

## **6. AUDIT SCOTLAND NATIONAL REPORTS TO AUDIT COMMITTEE 2011 - 2012**

A report advising of a recently published report by Audit Scotland entitled “The Role of Community Planning Partnerships in Economic Development” along with a management response to this was considered.

### **Decision**

Noted the contents of the report and that these will be followed up by Internal Audit.

(Reference: Report by Chief Internal Auditor dated 20 February 2012, submitted)

## **7. INTERNAL AUDIT REPORTS TO AUDIT COMMITTEE**

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

### **Decision**

1. Noted the contents of the reports in respect of the following audits and that these will be followed up by Internal Audit:-
  - (a) Customer Services – Council Tax and Non Domestic Rates;
  - (b) Community Services – Carefirst;
  - (c) Customer Services – Review of Business Continuity;
  - (d) Customer Services – Capital Accounting;
  - (e) Customer Services – Review of Travel and Subsistence; and
  - (f) Development and Infrastructure Services – Review of Planning Applications.
2. Noted concerns expressed regarding the extended implementation dates in respect of actions 2 and 3 detailed in the report on the Internal Audit Review of Carefirst and agreed to request for the June Audit Committee an interim report on progress from the Head of Customer and Support Services and the Head of Adult Care to ensure there is continued momentum with this issue as well as an indication on whether or not there was potential for the implementation date in respect of these actions to be brought forward.

(Reference: Report by Chief Internal Auditor dated 6 March 2012, submitted)

#### **8. INTERNAL AUDIT PLAN 2011 - 2012**

An interim progress report covering the audit work performed by Internal Audit as at 17 February 2012 was considered.

##### **Decision**

Noted the progress made with the Annual Audit Plan 2011 – 2012.

(Reference: Report by Chief Internal Auditor dated 17 February 2012, 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 January 2012 was considered.

##### **Decision**

Noted and approved the contents of the report.

(Reference: Report by Chief Internal Auditor dated 15 February 2012, submitted)

#### **10. ANNUAL AUDIT PLAN 2012 - 2013 - DRAFT**

A report introducing the draft Annual Audit Plan for 2012 – 2013 was considered.

##### **Decision**

Approved the draft Annual Audit Plan for 2012 – 2013.

(Reference: Report by Chief Internal Auditor and Draft Annual Audit Plan 2012 – 2013 dated 27 February 2012, submitted)

**11. NATIONAL FRAUD INITIATIVE (NFI) - NATIONAL EXERCISE 2010/11**

A report providing the current position of National Fraud Initiative match investigations as at 29 February 2012 was considered.

**Decision**

Noted the contents of the report and that these will be followed up by Internal Audit.

(Reference: Report by Chief Internal Auditor, submitted)

**12. RISK MANAGEMENT UPDATE**

A report updating the Audit Committee on progress and issues relating to risk management was considered.

**Decision**

Noted the contents of the report.

(Reference: Report by Head of Strategic Finance dated 16 March 2012, submitted)

**13. FINANCIAL STATEMENTS 2011 - 2012**

A report advising the Audit Committee on the plans in place for financial year end 31 March 2012 and the preparation of the Council's Financial Statements for 2011 – 2012 was considered.

**Decision**

Noted that plans are in place to prepare the Council's financial statements, consistent with the Accounting Code of Practice, and submit them to Council prior to 30 June 2012 in line with the Scottish Government's requirements.

(Reference: Report by Head of Strategic Finance dated 5 March 2012, submitted)

**14. EXTERNAL AUDIT PLAN 2011 - 2012**

The Council's External Auditors, Audit Scotland, presented their Annual Audit Plan which detailed their planned audit activity for 2011/12 for consideration.

**Decision**

Noted the contents of the report.

(Reference: Annual Audit Plan 2011/12 dated February 2012, submitted)

## **15. VALEDICTORY**

The Chair thanked the Council Members of the Audit Committee for their support and input to the Committee and wished them well in the forthcoming elections.

Councillor James Robb, on behalf of the Members, thanked the Chair and Vice Chair for doing an excellent job and advised that they had enjoyed working with them.

It was noted that the Chair's appointment had been extended by the Council for a further 6 months until 30 September 2012.