

**MINUTES of MEETING of AUDIT COMMITTEE held in the COUNCIL CHAMBERS, KILMORY,  
LOCHGILPHEAD  
on FRIDAY, 8 NOVEMBER 2002**

**Present:**

Councillor John Stirling(Chair)

Councillor Gordon McKinven  
Councillor James McQueen

Councillor Robert MacIntyre  
Mr Graham Michie

**Attending:**

Stewart McGregor, Director of Finance  
Charles Reppke, Head of Democratic & Community Services  
Gerry Wilson, Head of I.T. Infrastructure  
Alistair Bovaird, Head of Corporate Policy  
Ian Nisbet, Audit Manager  
Kevin Anderson, Education Finance Team  
Asif Haseeb, Audit Scotland  
Steve Clark, KPMG  
Steve Keightly, KPMG

**Apologies:**

Councillor Alistair MacDougall  
Mr Vincent Bradbury

**1. MINUTES**

The Committee approved the Minutes of the Audit Committee of 26 July 2002 as a correct record.

**2. EDUCATION FINANCIAL POSITION**

The progress, for the period to 30 August 2002, on the improvements to financial control within Education was reported on by the Education Finance Team.

**Decision**

To note the progress made by the Education Finance Team

(Ref: Report by Education Finance Control Monitoring Group dated 11 September 2002, submitted)

**3. EXTERNAL AUDIT REPORTS TO COUNCIL FROM 1999/00 TO PRESENT - PROGRESS REPORT**

A review regarding the progress made by management in the implementation of External Audit from Pricewaterhouse Coopers has been undertaken and was reported on by the Internal Audit Manager.

**Decision**

To note the contents of the Internal Audit Manager's report and that it be followed up by Internal Audit.

(Ref: Report by Internal Audit Manager dated 8 November 2002, submitted)

(a) INFORMATION TECHNOLOGY UPDATE

The Head of I.T. Infrastructure provided an update on the outstanding items on the second interim management letter 2000/01.

**Decision**

1. To note the explanations offered by the I.T. department and to request a further report to the next meeting on progress on compliance in the content of the KPMG review of the I.T. service and the departments success or otherwise in attracting the extra resources necessary to ensure compliance.
2. That a follow up report from Internal Audit on I.T. update be submitted to the Strategic Policy Committee.

(Ref: Report by Head of I.T. Infrastructure dated 30 October 2002, submitted)

(b) CORPORATE POLICY UPDATE

The Head of Corporate Policy submitted a report on Statutory Performance Indicators which was presented to the Strategic Policy Committee on 3 October 2002.

**Decision**

Agreed to note the present position and to continue to monitor progress.

(Ref: Report by Head of Corporate Policy dated 8 November 2002, submitted, Report by Head of Corporate Policy dated 3 October 2002, submitted)

**4. EXTERNAL AUDIT REPORTS TO COUNCIL FROM 2001/2002**

The Internal Audit Manager outlined the progress made by management in the implementation of recommendations made by Audit Scotland, the Council's new External Auditors.

**Decision**

Agreed to note the contents of the report.

(Ref: Report by Internal Audit Manager dated 8 November 2002, submitted)

## **5. INTERNAL AUDIT RESOURCES 2002/03 - UPDATE REPORT**

The Internal Audit Manager updated the Committee on the review which was carried out in order to ascertain the position of Internal Audit in relation to resources and time available against the objectives set out in the Annual Audit Plan for 2002/03.

### **Decision**

Agreed to note the contents of the report.

(Ref: Report by Internal Audit Manager dated 8 November 2002, submitted)

## **6. INTERNAL AUDIT PLAN 2002-2003 - PROGRESS REPORT**

The progress on the Audit work performed by Internal Audit during the second quarter of 2002/03 was reported on by the Internal Audit Manager.

### **Decision**

1. To note the progress made with the Annual Audit Plan 2002/03
2. That further progress reports be presented to future meetings of the Committee.

(Ref: Report by Internal Audit Manager dated 8 November 2002, submitted)

## **7. LOCAL CODE OF CORPORATE GOVERNANCE**

The Director of Corporate & Legal Services submitted a report which had previously been before the Standards Committee, on 31 October 2002.

### **Decision**

1. Agreed to note the appendix action points.
2. Agreed that a report on Risk Management be presented to the next meeting

(Ref: Report by Director of Corporate & Legal Services dated October/November 2002, submitted)

## **8. FUTURE ARRANGEMENTS FOR THE AUDIT COMMITTEE**

The Director of Corporate & Legal Services submitted a report detailing the need to look forward to the period up to and beyond the Council Elections in May 2003.

### **Decision**

1. Agreed to add in wording 'ceased to be a Councillor on or since the day of the preceding ordinary Elections' as stated in 3.7 (1) & (2) of the report.
2. Agreed to endorse the Standards Committee approach regarding continuation of Independent Members serving no more than two consecutive terms and that a person should not be appointed as an Independent Member who is a

relative or a close friend of a current Councillor of this Council.

3. Agreed to recommend the foregoing to the Council.

(Ref: Report by Director of Corporate & Legal Services dated 8 November 2002, submitted).