

APPENDIX 1

Managing Links with Scrutiny in Argyll and Bute Council

The Audit Committee has agreed to develop the links with the PRS Committee in regard to the receipt of Audit Scotland National Reports and more generally in linking the programmes of Audit and Scrutiny within the Council. This note lays out the agreed arrangements which will become effective forthwith.

Routing Audit Scotland National Reports.

A process has been introduced and is in place whereby the Internal Audit Team review National reports that have been published and agree the most appropriate recipient. Where reports are cross-cutting there may be a number of recipients. For reports that have recommendations Internal Audit undertake a high level follow up as part of the continuous monitoring programme.

Where reports are required to go before members for consideration, these are routed via the S95 Officer and a short covering report will be prepared.

A standard issuing template is in place and is shown below:

Name(s),

Audit Scotland provides the Auditor General and the Accounts Commission with the services they need to check that public money is spent properly, efficiently and effectively. They issue National reports covering a range of topics from "Borrowing and treasury management" to "community planning" covering all areas of services provided by Local Authorities.

Please find the National Report on (insert name of report) within the strategic finance site - <https://sharepoint.argyll-bute.gov.uk/sites/StrategicFinanceLive/SFH/SitePages/External%20Audit.aspx>.

Where the report contains recommendations to be implemented, Internal Audit may follow up progress in respect of any actions or activities taken, via our continuous monitoring programme.

If you wish to discuss the report or have any queries please contact Kevin Anderson, Chief Internal Auditor.

Improve Links between Audit and Scrutiny.

A number of actions are now in place in respect of this development point.

- It has been agreed that the Chief Internal Auditor will now have a support role to the Scrutiny side of the PRS committee which by default provides a clear and continuing link between committees.
- As part of the Scrutiny plan preparation, an annual meeting will take place between the respective Chairpersons. An initial meeting took place 25th February 2016. Regular dialogue will also take place where required. For example, where the Audit

Committee have concerns which are of a scrutiny nature in relation to Internal Audit reports.

- Audit Committee terms of reference ('Other monitoring') allow for consideration of performance / inspection reports for relevant scrutiny bodies.
- A Guide to Scrutiny which includes reference to Internal Audit reports within a series of selection criteria has also been developed.

The development of these close linkages at corporate level between audit and scrutiny functions will provide for the Council a strengthened oversight capability. The combined programmes of work agreed by the respective committees and monitored by the respective Chairpersons will address in a more coherent manner the challenges of policy development, good governance and risk control within the Council.

End