

**MINUTES of MEETING of AUDIT COMMITTEE held in the MEMBERS ROOM, KILMORY,
LOCHGILPHEAD
on THURSDAY, 27 MARCH 2008**

Present:

Ian M M Ross (Chair)

Councillor Mary Jean Devon
Councillor Gordon Chalmers
Councillor Roderick McCuish

Councillor Bruce Marshall
Councillor Ron Simon

Attending:

Bruce West, Head of Strategic Finance
Shirley MacLeod, Area Corporate Services Manager
Ian Nisbet, Internal Audit Manager
Gary Devlin, Grant Thornton UK, LLP
Stephen Vallely, Grant Thornton UK, LLP
Grant McCrae, KPMG

Apologies:

Dr Christopher Valentine

1. DECLARATIONS OF INTEREST

None.

2. MINUTES

The Minutes of the Audit Committee meeting held on 14 December 2007 were approved as a correct record.

3. ANNUAL ACCOUNTS 2007/2008 - FINANCIAL STATEMENTS

A report advising Members on the plans in place for financial year end 31 March 2008 and the preparation of the Council's Financial Statements for 2007-2008 was considered.

Decision

To note that plans are in place to prepare the Council's Annual Accounts, consistent with the Accounting Code of Practice and submit them to Council prior to 30 June 2008 in line with the Scottish Government's requirements.

(Reference: Report by Head of Strategic Finance dated 22 February 2008, submitted)

4. AUDIT PLAN 2007/2008

Grant Thornton UK LLP has been appointed by the Accounts Commission for Scotland as the external auditor of Argyll and Bute Council for the five year period commencing 2006-2007. A Plan outlining how they will approach the audit of the Council in the second year of their appointment was considered.

Decision

To note the Audit Plan for 2007/2008.

(Reference: Report by Grant Thornton UK LLP dated February 2008, submitted)

5. PROGRESS REPORT ON INTERNAL AUDIT PLAN 2007-2008

An interim progress report advising Members of the progress against the Annual Audit Plan up to 1 February 2008 was considered.

Decision

To approve the progress made with the Annual Audit Plan for 2007-2008.

(Reference: Report by Internal Audit Manager dated 11 February 2008, submitted)

6. STRATEGIC AUDIT PLAN 2008-2011

Consideration was given to the Strategic Audit Plan for 2008-2011 and the Annual Audit Plan for 2008-2009.

Decision

To approve the Strategic Audit Plan 2008-2011 and the Annual Audit Plan for 2008-2009.

(Reference: Report by Internal Audit Manger dated 22 February 2008, submitted).

7. EXTERNAL AND INTERNAL REPORT FOLLOW UP 2007-2008

The Committee considered a report detailing the results from a review performed by Internal Audit on recommendations due to be implemented by 31 December 2007.

Decision

1. To note the contents of the report and that they will be followed up by Internal Audit; and
2. To request that the Head of Planning and Performance report to the next meeting on the reasons for the delay in the Computer Services Review.

(Reference: Report by Internal Audit Manager dated 15 February 2008, submitted)

8. RISK MANAGEMENT AND BUSINESS CONTINUITY STRATEGY

A report advising on progress with the implementation of the Council's Risk Management and Business Continuity Strategy was considered.

Decision

To note the terms of the report.

(Reference: Report by Governance and Risk Manager dated February 2008, submitted)

9. SUMMARY OF QUARTERLY PERFORMANCE REPORTS

A report providing a summary of the Service Quarterly reports for the period October to December 2007 consisting of the exceptional performance sections only was considered.

Decision

1. To note the Service performance in the report;
2. To note that the Internal Audit Manager will investigate the reason why there was a rise from 71 to 100 employees in the top 2% of earners in this 3 month period;
3. To note that the Internal Audit Manager will investigate the reason for the rise in exception reports relating to Adult Care;
4. To request that the Head of Personnel Services report to the next Audit Committee the mechanisms in place for monitoring sickness absence and actions identified to remedy these; and
5. To note that the Chair of the Audit Committee will report to the next Audit Committee the outcome of the Best Value Review of Protective Services.

(Reference: Report by Chief Executive's Unit, submitted)

10. INTERNAL AUDIT REPORTS TO AUDIT COMMITTEE

A report detailing executive summaries and action plans (where applicable) for finalised audit work was before the Committee for consideration.

Decision

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

(Reference: Report by Internal Audit Manager dated 11 February 2008, submitted)