



**MINUTES OF MEETING of the AUDIT COMMITTEE held within the Council Chamber,
Kilncraigs, Greenside Street, ALLOA, FK10 1EB, on THURSDAY 26 SEPTEMBER 2019
at 9.30 am.**

PRESENT

Councillor Dave Clark (Convenor)
Councillor Martha Benny (S)
Councillor Ellen Forson
Councillor Darren Lee
Councillor Helen Lewis
Councillor Tina Murphy

IN ATTENDANCE

Stuart Crickmar, Strategic Director, Partnership and Performance
Lindsay Sim, Chief Finance Officer
Gordon O'Connor, Internal Audit Manager
Ashley MacGregor, Team Leader
Elizabeth Hutcheon, Management Accountancy Team Leader
Chris Alliston, Senior Manager HR and Workforce Development
Cherie Jarvie, Senior Manger Partnership and Transformation
Derek Barr, Procurement Manager
Michael Boyle, Improving Outcomes Business Manager
Gordon Smail, External Auditors
Tom Reid, External Auditors
Lindsay Thomson, Senior Manager, Partnership and Performance (Clerk to the Committee)
Melanie Moore, Committee Services

AC(19)23 APOLOGIES

Apologies for absence were received from Councillor Bill Mason and Councillor Derek Stewart. Councillor Martha Benny acted as substitute for Councillor Mason.

AC(19)24 DECLARATIONS OF INTEREST

None.

AC(19)25 CONFIRM MINUTES OF MEETING HELD 20 JUNE 2019

The minutes of the Meeting of the Audit Committee held on 20 June 2019 were submitted for approval.

Decision

Subject to the amendments, the minutes of the Meeting of the Audit Committee held on 20 June 2019 were agreed as a correct record and signed by the Convenor.

AC(19)26 INTERNAL AUDIT ANNUAL PROGRESS REPORT 2019/20

The report, submitted by the Internal Audit Manager, provided an update on progress with completing the 2019/20 Internal Audit Plan.

Motion

That Committee agrees the recommendations set out in the report.

Moved by Councillor Tina Murphy. Seconded by Councillor Helen Lewis.

Decision

The Committee agreed to note progress being made in completing the 2019/20 Internal Audit Plan.

AC(19)27 COUNCIL FINANCIAL PERFORMANCE 2018/19

The report, submitted by the Chief Finance Officer, provided an update on the financial performance for the Council, as at 31 March 2019 in respect of the General Fund (GF) revenue and capital spend and the achievement of approved savings and the Housing Revenue Account (HRA) revenue and capital spend.

Motion

That Committee agrees the recommendations set out in the report.

Moved by Councillor Helen Lewis. Seconded by Councillor Darren Lee.

Decision

Having commented on and challenged the report, the Committee agreed to note:

1. The improved position on General Fund revenue spend with an underspend of £(2,595)m including carry forwards for the year to 31 March 2019;
2. The Health and Social Care Partnership (H&SCP) overspend for the year of £0.613m;
3. The Housing Revenue Account (HRA) revenue surplus for the year of £(0.956m);
4. The Capital programme for both HRA and GF spend and carry-forwards, and
5. The improved achievement in delivering the £7.2m savings programme, of 87% at 31 March 2019 (85.7% December).

AC(19)28 FINANCIAL STATEMENTS 2018/19

The report, submitted by the Chief Finance Officer, provided the Committee with the Audited Financial Statements for the financial year 2018/19 to 31 March 2019. The report highlighted the material changes that have been made to the draft financial statements during the audit period.

Motion

That Committee agrees the recommendations set out in the report.

Moved by Councillor Ellen Forson. Seconded by Councillor Darren Lee.

Decision

The Committee agreed to:

1. Approve the 2018/19 Financial Statements;
2. Approve the submission of the Financial Statements to the Controller of Audit no later than 30 September 2019, and
3. Note the contents of the report.

Action

Chief Finance Officer

AC(19)29 ANNUAL REPORT TO THOSE CHARGED WITH GOVERNANCE AND THE CONTROLLER OF AUDIT FOR FINANCIAL YEAR ENDED 2018/19

The report, submitted by the Chief Finance Officer, set out the findings arising from the work carried out by the External Auditors on the Audit of the 2018/19 Financial Statements.

Motion

The Committee agrees the recommendations set out in the report.

Moved by Councillor Dave Clark. Seconded by Councillor Ellen Forson.

Decision

The Committee:-

1. Note the content of the Independent Auditor's Report;
2. Approve the content of the Letter of Representation (ISA 580);
3. Note the significant audit findings within Exhibit 3 of the Internal Audit Report, and
4. Note the recommendations for improvement and the follow up on prior year recommendation with Appendix 1 of the Annual Audit Report.

Action

Chief Finance Officer

AC(19)30 COUNCIL FINANCIAL PERFORMANCE 2019/20 – JUNE OUTTURN

The report, submitted by the Chief Finance Officer, provided and update on the financial performance for the Council as at June 2019 in respect of the General Fund (GF) revenue and capital spend and the achievement of savings to date, for the current financial year, 2019/20. The paper also provided and update on the financial performance for the Council in respect of the Housing Revenue Account (HRA) revenue and capital spend, for the current financial year, 2019/20.

Motion

That Committee agrees the recommendations set out in the report.

Moved by Councillor Ellen Forson. Seconded by Councillor Helen Lewis.

Decision

Having commented on and challenged the report, the Committee agreed to note:

1. GF revenue spend is forecasting an overspend of £0.038m for the year to 31 March 2020;
2. The Health and Social Care Partnership (H&SCP) is forecasting an overspend for the year of £1.652m, which was reported to the Partnership and Performance Committee in August;
3. The forecast HRA forecasted revenue surplus over budgeted surplus for the years of £(0.369m) to March 2020, which was reported to Place Committee in September;
4. The Capital programme for both HRA and GF are currently forecasting an underspend, and
5. Progress to date in delivering the £4.810m savings programme currently 83.3%, as at the end of June 2019.

AC(19)31 REGULATION OF INVESTIGATORY POWERS (SCOTLAND) ACT 2000

The report, submitted by the Strategic Director Partnership and Performance, updated the Committee on the outcome of a recent inspection of the Council's use of The Regulation of Investigatory Powers (Scotland) Act 2000 (RIPSA) by a representative of the Investigatory Powers Commissioner's Office (IPCO), the recommendations made and the actions required following on from that.

Motion

That Committee agrees the recommendations set out in the report.

Moved by Councillor Ellen Forson. Seconded by Councillor Darren Lee.

Decision

The Committee is asked to note:-

1. the outcome of the IPCO inspection, Appendix A; and
2. there were no authorisations granted under RIPSA in 2018, and that two authorisations were granted in 2017.

AC(19)32 EXCEPTIONS FROM THE APPLICATION OF CONTRACT STANDING ORDERS

The report, submitted by the Strategic Director Partnership and Performance, provided detail to Committee on Exceptions to Contract Standing Orders submitted in the previous quarter.

Motion

That Committee agrees the recommendation set out in the report.

Moved by Councillor Tina Murphy. Seconded by Councillor Darren Lee.

Decision

Having commented on and challenged the report, the Committee agreed to note the report.

AC(19)33 PROCUREMENT ANNUAL REPORT

The report, submitted by the Strategic Director Partnership and Performance, updated the Committee on key procurement activity and statistical performance during the Financial Year 2018-19 and provided an overview of the resources that are available to deliver effective procurement.

There was a typographical error in paragraph 1.2 which should be “Financial Year 2018-19” and not “2017-18”

Motion

That Committee agrees the recommendation set out in the report.

Moved by Councillor Helen Lewis. Seconded by Councillor Darren Lee.

Decision

Having commented on and challenged the report, the Committee agreed to note the report.

Ends 1035 hours

