

STIRLING COUNCIL

MINUTES of MEETING of the AUDIT COMMITTEE held via MICROSOFT TEAMS on THURSDAY 2 SEPTEMBER 2021 at 10.00 am

Present

Councillor Martin EARL (Convener)

Councillor Neil Benny
Councillor Graham HOUSTON

Councillor Alastair MAJURY
Councillor Alasdair TOLLEMACHE

In Attendance

Stephen Clark, Chief Officer - Housing
Jim Dickie, Team Leader - Resilience and Risk - HR&OD
Barbara Docherty, Cemeteries Officer
Morven Graham, Interim Manager – Additional Support Needs
Michael Grassom, Manager – Justice Social Work
Nick Hyde, Head of Procurement
Drew Leslie, Senior Manager – Infrastructure
Colin Mackay, Team Leader – Land Services
Bryony Monaghan, Interim Head of Education - Schools, Learning & Education
Julia Mountford, Solicitor
George Murphy, Accounting Operations Manager - Finance
Gordon O'Connor, Audit Service Manager
Bruce Reekie, Senior Manager - Environment & Place
Brian Roberts, Chief Operating Officer – Infrastructure & Environment
Stuart Oliver, Senior Manager – Economic Development & Communities
Julia McAfee, Chief Officer - Governance (Clerk)
Sheila McLean, Governance Officer – Governance (Minutes)

Also Present

Adam Haahr, Audit Scotland, External Auditor

Recording of Meeting started

Prior to the commencement of business, Councillor Earl, as Convener of the Audit Committee, welcomed and thanked everyone for attending the meeting via MS Teams. A statement was read to the meeting, providing detail on the procedures related to MS Teams and the protocols that both Members and Officers should adhere to throughout the meeting.

The Convener asked the Clerk to carry out a roll call of all Members participating in the meeting.

AC228 APOLOGIES AND SUBSTITUTIONS

Apologies were submitted on behalf of Councillor Alison Laurie. There were no substitutions.

AC229 DECLARATIONS OF INTEREST

There were no declarations of interest.

AC230 URGENT BUSINESS BROUGHT FORWARD BY THE CONVENER

There were no items of urgent business.

AC231 MINUTES – AUDIT COMMITTEE

The Minutes of the Audit Committee held on 27 May 2021 were submitted for approval.

Decision

The Committee agreed to approve the Minutes of Meeting held on 27 May 2021 as an accurate record of proceedings.

AC232 ROLLING ACTION LOG

The Rolling Action Log was submitted for review.

Decision

The Committee agreed to note the Action Log.

AC233 RISK MANAGEMENT – STRATEGIC RISK REGISTER

A report by the Chief Officer - Finance summarised the Strategic Risk Register, enabling Audit Committee members to examine the significant risks facing the Council and the risk treatments put in place to reduce the risks.

The report included a progress update on risks since the last meeting of the Committee and highlighted a number of substantive risks.

In response to questions, officers undertook to feed back information on the City Region Deal and on work around annual budget setting.

Decision

The Committee agreed to note the risks within the Strategic Risk Register with specific attention to the scoring contained within Appendix 1.

(Reference: Report by Chief Officer – Finance dated 24 August 2021, submitted)

AC234 INTERNAL AUDIT UPDATE REPORT

A report by the Audit Service Manager provided a summary of the findings arising from Internal Audit assignments finalised since the last meeting of the Audit Committee on 27 May 2021, and an update on work relating to action tracking and verification.

(a) Additional Support Needs

A review was undertaken of arrangements in respect of the support provided to children and young people who had been identified as having Additional Support Needs.

Five low risks had been identified.

The Audit Opinion was that substantial assurance could be given that the Council had appropriate arrangements in place for enabling access to appropriate specialist provision for identified additional support needs that reflected Council policies and relevant legislation, and to manage the allocation, proper use and maintenance of special equipment to meet the requirements for assessed needs of children with additional support needs.

Officers from the service responded to a number of questions from Members.

Members noted the summary report and agreed actions.

(b) Corporate Procurement Procedures

The objectives of the review were to select a sample of procurements undertaken across the Council, including Service-led activity, and covering a range of procurement routes from three quotes to formal tender.

One high, four medium and one low risk had been identified.

The Audit Opinion was that substantial assurance could be given that the sample procurements:-

- were consistent with, and supported the achievement of, the Council's commissioning and procurement objectives set out in the Commissioning and Procurement Strategy 2018-2021;
- had been properly performed in terms of the required procurement processes set out in the Council's Contract Standing Orders, Scheme(s) of Delegation and, in particular, the detailed Procurement Guidance issued by Strategic Commissioning;
- met all relevant legal obligations under the Procurement Reform (Scotland) Act 2014, the Public Contracts (Scotland) Regulations 2015, the Procurement (Scotland) Regulations 2016, and related legislation and regulations;
- had been properly administered, reported, authorised, and recorded within relevant Service and/or Strategic Commissioning procurement files (and including those of the Public Contracts Scotland (PCS) and the PCS – Tenders portals); and
- had been included, where required, in all relevant contract registers including those registers made publicly available on the PCS portal and the Council's website.

The Head of Procurement responded to a number of questions from Members. Members noted the summary report and agreed actions.

(c) Cemeteries

The scope of the review was to consider the risks, operational management and effectiveness of arrangements for (i) the management of lair purchases and interments, use of the Epilog system and the data it provided to support invoicing and payment of relevant charges, and whether records were accurate and robust; and (ii) lair management and whether job instructions or work orders were sufficient and clear to enable lairs to be correctly opened, prepared and closed timeously. The review further considered whether there were opportunities to improve service delivery and for the Service to operate more efficiently and effectively.

One high, two medium and four low risks had been identified.

The Audit Opinion was that substantial assurance could be given that the above objectives were being met.

Members noted the report and the agreed actions and welcomed the assurances contained within the report.

(d) Justice Social Work

The scope of the review covered arrangements for the provision of a Justice Social Work Service that was required to meet a range of statutory obligations and to deliver those services in line with published standards and national outcomes set by the Scottish Government.

One medium and four low risks had been identified.

The Audit Opinion was that substantial assurance could be given that:-

- effective arrangements were in place to properly record, monitor, and review the work of the Justice Social Work Service, and that these were consistent with the legislation and related best practice guidance;
- robust processes and procedures were in place to deliver against national outcomes and performance standards;
- appropriate reporting arrangements were in place to effectively highlight the performance of the Justice Social Work Service; and
- suitable arrangements were in place to ensure that Council-wide “corporate” packages of care and support were appropriate to meet long term goals.

The Justice Social Work Service Manager responded to a number of questions from Members and undertook to provide an update on replacement of the SWIFT system.

Members noted the report and the agreed actions.

Members considered and noted the summary of Action Tracking and Verification provided at Appendix 5 to the report. The Audit Service Manager undertook to provide further information on the process in place to ensure that actions were followed up.

Decision

The Committee agreed to take assurance from:

1. the findings and conclusions arising from Internal Audit assignments completed since 27 May 2021; and
2. the position in relation to action tracking and verification work.

(Reference: Report by Audit Service Manager dated 23 August 2021, submitted)

AC235 CORPORATE FRAUD UPDATE

A report by the Audit Service Manager provided an update on progress with the actions set out in the Corporate Fraud Plan 2021/22, which had been presented to the Audit Committee on 27 May 2021.

The report and Plan detailed work undertaken by the Service in fraud prevention, proactive fraud work and fraud investigation.

Members requested that more information be provided on investigations. The Audit Service Manager undertook to include this in future reports and in the meantime to circulate information on current investigations.

Decision

The Committee agreed:-

1. to take assurance from the work undertaken to progress the actions set out in the Corporate Fraud Plan 2021/22;
2. that summary information on investigations be included in future reports.

(Reference: Report by Audit Service Manager dated 23 August 2021, submitted)

AC236 REGULATION OF INVESTIGATORY POWERS (SCOTLAND) ACT 2000 ANNUAL REPORT 2020

A report by the Chief Officer – Governance provided an update on the operation of the Regulation of Investigatory Powers (Scotland) Act 2000 by the Council during the period from 1 January 2020 to 31 December 2020. Members noted the annual requirement to report to the Audit Committee, as well as the Investigatory Powers Commissioner's Office (IPCO). The report provided detail on the number of requests for authorisation of directed surveillance and the use of covert human intelligence sources as well as the outcome of the IPCO inspection held on 7 April 2021.

Decision

The Committee agreed to note:

1. that there were no authorisations for directed surveillance granted during the period from 1 January 2020 to 31 December 2020;
2. that there were no active covert human intelligence sources in place as at 31 December 2020, with none recruited or used during the period from 1 January 2020 to 31 December 2020;

3. that there were no breaches of the Council's Regulation of Investigatory Powers (Scotland) Act 2000 Policy identified during the period from 1 January 2020 to 31 December 2020;
4. the continued actions taken to comply with the Regulation of Investigatory Powers (Scotland) Act 2000 and in particular the advisory points detailed in the IPCO inspection letter dated 16 April 2021; and
5. that any revisions made to the Council's RIPSAs Policy will be submitted to a Meeting of Stirling Council for approval.

(Reference: Report by Chief Officer - Governance dated 24 August 2021, submitted)

AC237 ACCOUNTS COMMISSION REPORTS

A report by the Audit Service Manager provided information on the Accounts Commission's national reports entitled 'Covid-19 – Emerging Fraud Risks' and 'Fraud and Irregularity 2020/21'.

Presentation of Accounts Commission national reports enabled the Audit Committee to discharge its remit under the Council's Scheme of Delegation to consider the reports of external audit and inspection agencies.

The Audit Service Manager responded to a number of questions from Members and provided assurance that the Council was pro-active in communicating risks by way of social media and other means.

Discussion took place around Covid grant applications and the potential for fraud which these presented. The Audit Service Manager provided an assurance that this was recognised and addressed within the Council. It was agreed that a report be presented to the next meeting to provide the opportunity for Committee to discuss in more detail.

Decision

The Committee agreed:-

1. to note the Accounts Commission's national reports: 'Covid-19 – Emerging Fraud Risks' and 'Fraud and Irregularity 2020/21';
2. that a report on Covid Grant Applications be submitted to the next meeting of the Committee.

(Reference: Report by Audit Service Manager dated 24 August 2021, submitted)

The Convener declared the Meeting closed at 11.25 am