

AUDIT AND GOVERNANCE PANEL.

Minutes of a hybrid webcast meeting on 5 October 2022 at 10.00 a.m.

Present in

County Hall: Councillors Peter Henderson (Chair), Gavin Scott and George Weir.

Present

Remotely: Councillors Chris Cullen, Brian McGinley and Cameron Ramsay.

Attending in E. Howat, Chief Executive; T. Baulk, Head of Finance, ICT and Procurement;

County Hall: C. Caves, Head of Legal and Regulatory Services; C. McGhee, Chief Internal Auditor; J. McClure, Committee Services Lead Officer; and E. Moore, Committee Services Assistant.

Opening Remarks.

The Chair

- (1) welcomed everyone to the meeting; and
- (2) outlined the procedures for conducting this meeting and advised that this meeting would be broadcast live.

1. Sederunt and Declarations of Interest.

The Chair called the Sederunt for the meeting and having called the roll, confirmed that there were no declarations of interest by Members in terms of Council Standing Order No. 17 and the Councillors' Code of Conduct.

2. Minutes of Previous Meeting.

The [Minutes](#) of the meeting 7 September 2022 of (issued) were submitted and approved.

3. Action Log and Work Programme.

There was submitted an update of the [Action Log and Work Programme](#) for this Panel (issued).

Comments were made by Panel Members in relation to:-

- (1) Item 4 on the Action Log with the action “Equality and Diversity Forum to be requested to investigate training for Elected Members and employees on Equalities; and the format that this should take” when it was noted that this action was currently being considered however due to resourcing issues no specific date had been agreed at this stage; and the Member noted that this was worrying as this matter should be a priority. The Chief Executive then advised that she would pick this matter up with the relevant Service Lead and obtain a date for this training; and
- (2) Item 5 on the Action Log entitled “Best Value Action Plan 2021-22 – Update - when is the “appropriate time” for the engagement strategy to be developed and delivered through the Thriving Communities Team”; and the Member highlighted that this matter should not be delayed due to awaiting the Council Plan and should be progressed timeously.

A question was raised by a Panel Member in relation to Item 6 on the Action Log entitled “Best Value Action Plan 2021-22 – Update – a number of targets 0% or 10% progress and the Best Value report required these to be addressed within the timescales” and whether this had been progressed; and the Chief Executive advised that she had raised this matter with the Leader stressing the importance of identifying priorities in the Council Plan as a number of actions could not be progressed until that had been addressed; that a meeting of the Best Value Working Group would shortly be taking place in order to progress this matter; that a Members’ briefing would be taking place with the Improvement Service; that she would keep focus on this area; and that she would provide an update to the next meeting of this Panel.

The Panel

Decided: to note the current status of the Action Log and Work Programme.

External Audit Report

4. Audit Scotland: Fraud and Irregularity 2021/22

There was submitted a [report](#) (issued) of 23 September 2022 by the Head of Finance, ICT and Procurement advising the Panel of the Audit Scotland report ‘Fraud and Irregularity 2021/22’.

The Head of Finance, ICT and Procurement provided a summary of the report advising that Section 3 of the report highlighted the key messages and the recommendations; and that the Council’s approach to Covid-19 and irregularity and fraud in general was outlined within the report.

A question was raised by a Panel Member in relation to fraud risks and whether alerts could be issued to Senior Managers to make them aware of any risks; and the Head of Finance, ICT and Procurement advised that alerts of risks were not received often, however, the Chief Internal Auditor advised the relevant service of any risks; and that he would discuss this matter with the Chief Internal Auditor to ascertain if anything further could be done on receipt of risk alerts.

Comments were made by Members in relation to:

- (1) the difficulties associated with “quick spend” and dealing with the emerging problems from this; and that officers should be commended for implementing new processes and checks to ensure that monies were spent appropriately, despite the lack of guidance from Scottish Government; and that better support and direction should be provided from Scottish Government on how monies should be spent when funding like this was provided in the future;
- (2) the Council’s robust systems which had ensured there was no noticeable level of fraud due to these good processes; and
- (3) the section of the Audit Scotland report entitled “Ways to Reduce Counter-Fraud Risk” which should read “Ways to Reduce Fraud Risk”; and the Head of Finance, ICT and Procurement advised that this was a valid point, however, this was a national report using Audit Scotland’s phraseology.

The Panel, having considered the findings outlined in the Audit Scotland report ‘Fraud and Irregularity 2021/22’ (attached as Appendix 1 to the report),

Decided: to note the contents of the report.

5. Audit Scotland: Scotland’s Financial Response to Covid-19

There was submitted a [report](#) (issued) of 23 September 2022 by the Head of Finance, ICT and Procurement advising the Panel of the Audit Scotland report ‘Scotland’s Financial Response to Covid-19’.

The Head of Finance, ICT and Procurement provided Panel with a background to this report and advised that item 3.1 of the report provided the key messages from the Audit Scotland report; that item 3.2 of the report provided the recommendations from the Audit Scotland report; and that paragraph 4.2 of the report outlined the Council’s response to the recommendations in the Audit Scotland report.

Comments were made by Members in relation to:-

- (1) commending staff who worked tirelessly to ensure that the funding was paid to businesses and individuals as soon as possible while working with limited guidance from the Scottish Government;
- (2) the lack of guidance provided by Scottish Government; and that the better the guidance, the more robust processes would be and easier to avoid fraud as some individuals would be tempted to defraud the Council, however, officers had ensured there were robust processes in place and were to be commended for their fastidiousness with this; and
- (3) the lack of fraudulent claims being due to staff’s insight, knowledge and experience; that the Scottish Government had now provided guidance which could be utilised for any future emergencies, however, this lack of guidance had contributed to the pressures staff were working under.

The Panel

Decided: to note the contents of the report.

Other Governance Reports

6. Accounts Commission Annual Report 2021/22

There was submitted a [report](#) (issued) of 23 September 2022 by the Head of Finance, ICT and Procurement advising the Panel of the Accounts Commission Annual Report 2021/22.

The Head of Finance, ICT and Procurement provided Panel with an overview of this report, advising that this was a wide ranging national report from the Accounts Commission attached as Appendix 1 to the report; and that he had highlighted the findings and recommendations pertinent to this Council.

Comments were made by Panel Members in relation to:-

- (1) the Accounts Commission's report being very similar to those of many other local authorities; and that he did not accept many of the issues highlighted, such as further work required in driving forward transformation as during the pandemic funds had been limited and staff had been working tirelessly to assist with matters relating to the pandemic;
- (2) commending the Head of Finance, ICT and Procurement's report which had helpfully highlighted the issues relating to this authority; and raising concerns that the issues of "tackling poverty and inequalities" did not appear to have progressed and advising that he would raise this matter at the next meeting of the Best Value Working Group; and
- (3) that the Equalities Impact Assessment of reports now had added weight due to the cost of living crisis and these reports should reflect the reality of life at the moment.

The Chief Executive responded in relation to the above comments and advised that Members required to focus on the matters the Council agreed to take forward as a result of the Best Value Audit Report and ensure that action had been taken against those matters and completed, which was the information reported to this Panel.

The Panel, having considered the findings in the Accounts Commission Annual Report 2021/22 (attached as Appendix 1 to the report),

Decided: to note the contents of the report.

7. Audit Report

There was submitted a [report](#) (issued) of 23 September 2022 by the Chief Executive updating the Panel on progress towards addressing the recommendations of the fact finding audit undertaken by Audit Glasgow (the Internal Audit team from Glasgow City Council).

The Chief Executive advised that she had submitted a report to the meeting of this Panel on 23 February 2022 highlighting a number of actions which required to be carried out to address the recommendations of the fact finding audit carried out by Glasgow City Council; that a further report on 22 June 2022 had updated the Panel advising that two actions were still outstanding; and that this report provided the final update outlining that all actions had now been completed and a report had been submitted to Cabinet on 30 August 2022 in terms of the transfer of the land at Mainholm and a review undertaken in terms of any valuations applied in other land transfers, which was circulated to Members on 12 July 2022.

The Chair highlighted that this had been a useful exercise and that lessons had now been learned.

The Panel, having scrutinised the report,

Decided: to note the contents of the report.

The meeting ended at 10.45 a.m.

DRAFT