

Minute

Monitoring and Audit Committee

Thursday, 8 June 2023, 09:30.

Council Chamber, Council Offices, School Place, Kirkwall.



Present

Councillors Alexander G Cowie, P Lindsay Hall, Stephen G Clackson, W Leslie Manson, John A R Scott and Gillian Skuse.

Present via Remote Link (Microsoft Teams)

Councillor Mellissa-Louise Thomson.

Clerk

- Sandra Craigie, Committees Officer.

In Attendance

- Oliver Reid, Chief Executive.
- Karen Greaves, Corporate Director for Strategy, Performance and Business Solutions.
- Hayley Green, Corporate Director for Neighbourhood Services and Infrastructure.
- Gareth Waterson, Corporate Director for Enterprise and Sustainable Regeneration.
- James Wylie, Corporate Director for Education, Leisure and Housing.
- Erik Knight, Head of Finance.
- Kenny MacPherson, Head of Property, Asset Management and Facilities (for Items 5.2 to 6).
- Gavin Mitchell, Head of Legal and Governance.
- Alex Rodwell, Head of Improvement and Performance.
- Andrew Paterson, Chief Internal Auditor.

KPMG:

- Michael Wilkie, Public Sector Audit Director.

In Attendance via Remote Link (Microsoft Teams)

- Anna Whelan, Service Manager (Strategy and Partnership) (for Items 1 to 3).

Observing

- Andrew Groundwater, Head of Human Resources and Organisational Development.
- Robert Adamson, Service Manager (Payroll and Pensions).
- Thomas Aldred, Service Manager (ICT) (for Item 6).
- Sarah Dawson, Trainee Internal Auditor.
- Obinna Ume, Performance and Best Value Officer.

Declaration of Interest

- Councillor Gillian Skuse – Item 5.1.

Chair

- Councillor Alexander G Cowie.

1. KPMG – External Audit Plan

After consideration of a report by the Corporate Director for Enterprise and Sustainable Regeneration, copies of which had been circulated, and after hearing reports from the Head of Finance and the Public Sector Audit Director, KPMG, the Committee:

Noted the external audit plan for 2022/23, prepared by KPMG, attached as Appendix 1 to the report by the Corporate Director for Enterprise and Sustainable Regeneration.

2. Local Code of Corporate Governance

Annual Self-Assessment and Improvement Action Plan

After consideration of a report by the Corporate Director for Strategy, Performance and Business Solutions, copies of which had been circulated, and after hearing a report from the Service Manager (Strategy and Partnership), the Committee:

Noted:

2.1. That the Council maintained a Local Code of Corporate Governance which was consistent with the Chartered Institute of Public Finance and Accountancy Delivering Good Governance in Local Government Framework.

2.2. That the Corporate Leadership Team carried out an annual self-assessment of compliance with the Local Code of Corporate Governance and prepared an Improvement Action Plan which listed scheduled updates and improvements to governance procedures and documentation planned by Council directorates.

2.3. That the self-assessment was part of the Council's annual review of the effectiveness of its governance framework, including the system of internal control, based on the Chartered Institute of Public Finance and Accountancy Framework, and informed preparation of the Annual Governance Statement, which formed part of the Statement of Accounts.

2.4. That the annual review process was audited during 2022/23 by Internal Audit which recommended that the Improvement Action Plan should include a progress report on the actions included in the previous year's plan.

2.5. That the annual self-assessment process for 2022/23 had been completed and an Improvement Action Plan for 2023/24 prepared, which included a progress update on actions included in the Improvement Action Plan for 2022/23 together with new actions for 2023/24 and beyond.

The Committee resolved to **recommend to the Council:**

2.6. That the Improvement Action Plan 2023/24, attached as Appendix 1 to this Minute, be approved.

3. Internal Audit Actions – Progress Report

After consideration of a report by the Chief Internal Auditor, copies of which had been circulated, the Committee:

Scrutinised progress made to date in completing Internal Audit actions, as detailed in Appendix 1 to the report by the Chief Internal Auditor, and obtained assurance that issues found during internal audits were being actioned and followed up.

4. External Audit Actions – Progress Report

After consideration of a report by the Chief Internal Auditor, copies of which had been circulated, the Committee:

Scrutinised progress made to date in completing actions arising from External Audit annual audit reports, as detailed in Appendix 1 to the report by the Chief Internal Auditor, and obtained assurance that issues identified during external audits were being actioned and progressed.

5. Internal Audit Reports

5.1. Following the Public Pound

Councillor Gillian Skuse declared an interest in this item, her connection being that she was employed by an organisation that had received grant payments from the Council, and was not present during discussion thereof.

After consideration of a report by the Chief Internal Auditor, copies of which had been circulated, the Committee:

Scrutinised the findings contained in the internal audit report, attached as Appendix 1 to the report by the Chief Internal Auditor, reviewing arrangements in place to ensure that suitable and proportionate governance in respect of all Following the Public Pound funding agreements entered into by the Council were in place, and obtained assurance that action had been taken or agreed where necessary.

5.2. Pension Administration

After consideration of a report by the Chief Internal Auditor, copies of which had been circulated, the Committee:

Scrutinised the findings contained in the internal audit report, attached as Appendix 1 to the report by the Chief Internal Auditor, reviewing arrangements in place to ensure that processes and controls for pension administration within the Council were operating effectively, and obtained assurance that action had been taken or agreed where necessary.

5.3. Summary of Small Annual Reviews

After consideration of a report by the Chief Internal Auditor, copies of which had been circulated, the Committee:

Scrutinised the findings contained in the internal audit report, attached as Appendix 1 to the report by the Chief Internal Auditor, relating to procedures and controls in place within the Council relating to Statutory Performance Indicators, Financial Performance Indicators, stock checks and Orkney College Discretionary and Childcare Funds, and obtained assurance that action had been taken or agreed where necessary.

5.4. Disaster Recovery – Information Communications Technology

After consideration of a report by the Chief Internal Auditor, copies of which had been circulated, the Committee:

Scrutinised the findings contained in the internal audit report, attached as Appendix 1 to the report by the Chief Internal Auditor, reviewing whether there were adequate and effective disaster recovery arrangements in place which covered all key systems operating within the Council and that roles and responsibilities of officers in relation to disaster recovery were documented and understood, and obtained assurance that action had been taken or agreed where necessary.

6. Conclusion of Meeting

At 10:50 the Chair declared the meeting concluded.

Signed: A G Cowie.