

FINANCIAL AUDIT AND ASSURANCE COMMITTEE

MEETING: 26 NOVEMBER 2020

REPORT BY: SECRETARY TO THE COMMISSION

MINUTE OF PREVIOUS MEETING

Introduction

1. This paper provides updated information on the previous minute of the Committee.

Updated information

2. At its meeting on 10 September 2020, the Commission approved the attached minute as a correct record.

Conclusion

3. The Committee is asked to note:
 - The attached minute.
 - Any other updates provided at today's meeting.

Paul Reilly
Secretary to the Commission
17 November 2020

**MINUTES OF MEETING OF FINANCIAL AUDIT AND ASSURANCE COMMITTEE OF 27
AUGUST 2020**

Minutes of meeting of the Financial Audit and Assurance Committee of the Accounts Commission held via online meeting on Thursday 27 August 2020 at 9.30am.

PRESENT: Tim McKay (Chair)
 Sheila Gunn
 Elma Murray
 Sharon O'Connor
 Pauline Weetman
 Geraldine Wooley

IN ATTENDANCE: Paul Reilly, Secretary to the Commission
 Fraser McKinlay, Controller of Audit
 Fiona Kordiak, Director of Audit Services (Item 4)
 Anne MacDonald, Senior Audit Manager, Audit Services (Item 4)

Item No Subject

1. Apologies for absence
2. Declarations of interest
3. Minutes of meeting of 20 February 2020
4. Current audit issues in councils
5. Any other business

Opening remarks

Tim McKay, in his role as new Chair of the Committee, paid tribute to Pauline Weetman for her service as outgoing Chair of the Committee. This was supported by the members. The Controller of Audit also thanked Ms Weetman for working with him so well in her role.

1. Apologies for absence

It was noted that apologies for absence had been received from Andrew Burns.

2. Declarations of interest

The following declaration of interest was made:

- Geraldine Wooley, in item 4, as a member of Fife Valuation Appeals Committee (in relation to references to Orkney and Shetland Valuation Joint Board).

3. Minutes of meeting of 20 February 2020

The minutes of the meeting of 20 February 2020 were noted, having previously been approved as a correct record by the Commission.

Arising therefrom, the Committee:

- In relation to item 4, third bullet point, noted advice from the Secretary that he was arranging for Professional Support resources and the Best Value manual to be placed on the Member sharepoint site.
- In relation to item 6, noted advice from the Secretary that the information requested would be part of the next intelligence report to the Committee at its September meeting.

4. Current audit issues in councils

The Committee considered a report by the Controller of Audit on emerging issues and recurring themes, as well as individual issues of interest, in Scottish local authority audits.

During discussion, the Committee agreed:

- Following a contribution from Pauline Weetman, that it was satisfied in the actions taken by the local audit team in relation to erroneous advice given to West Dunbartonshire Council on the accounting treatment of loan debt rescheduling and reprofiling, noting that the chief executive of the Council considers the matter closed.
- Following a contribution from Geraldine Wooley, that it would maintain an interest in developments following the withdrawal by Shetland Islands Council of services to Orkney and Shetland Valuation Joint Board.
- To note advice from the Controller of Audit, in response to a query from Sheila Gunn, that he would report in the Local Government Overview on the distribution of economic stimulus grants and would maintain a watching brief in this regard.

Action: Controller of Audit

- In relation to councils' governance and decision-making arrangements in the

light of the Covid-19 emergency:

- To note advice from the Controller of Audit that he would report back to the Commission on options for reporting issues arising from 2019/20 annual audit reports in this regard (point raised by Tim McKay)

Action: Controller of Audit

- To note that the Commission would consider how to feature the matter as part of annual planning guidance to auditors for the 2020/21 audit (point raised by Sharon O'Connor and Pauline Weetman).

- To note advice from the Controller of Audit, in response to a query from Geraldine Wooley, that he would report back on the progress of Midlothian Council's Covid-19 recovery measures.

Action: Controller of Audit

- That it be kept apprised of any developments in relation to councils' use of severance payback periods (point raised by Sheila Gunn).

Action: Controller of Audit

Following discussion, the Committee noted the report, taking assurance that the auditors' responses detailed in the report recognises the scope of the risk identified and reflects the impact on planned audit work.

5. Any other business

The Committee Chair, having advised that there was no further business for this item, closed the meeting.