

# Minutes

Financial Audit and Assurance  
Committee

Thursday 23 February 2023, 9.15am

Online via Microsoft Teams

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## Present:

Tim McKay  
Andrew Cowie  
Geraldine Wooley  
William Moyes

## Other Commission members in attendance:

Christine Lester  
Malcolm Bell  
Ruth MacLeod

## Apologies:

There were no apologies.

## In attendance:

John Boyd, Audit Director, Audit Services Group (ASG) (item 4)  
Blyth Deans, Senior Manager, Performance Audit and Best Value  
Helena Gray, Controller of Audit  
Anne MacDonald, Senior Audit Manager, ASG (item 4)  
Martin McLauchlan, Policy Manager  
Paul O'Brien, Director of Quality and Support, Innovation and Quality (item 6)

### 1. Apologies for absence

It was noted that no apologies for absence had been received.

### 2. Declaration of connections or conflict

No declarations of connection or conflict were made.

### 3. Minutes of meeting of 24 November 2022

The minutes of the meeting of 24 November 2022 were noted, the Commission having previously approved them as a correct record and agreed the recommendations therein.

Arising therefrom, the Committee:

- In relation to item 3, Tim McKay queried the inclusion of issues relating to accounting for infrastructure assets. Antony Clark advised that this is included within agenda item 6 of this meeting.

- In relation to item 5, it was noted there was an absence of an update on the hearing related to East Dunbartonshire Council. Martin Mclauchlan advised information gathering was ongoing. An update will be provided to the Committee, as available, with revisions to the format of the bi-annual Intelligence Report meaning further information will be provided when that item is tabled at the April FAAC.

*Action: Policy Manager*

#### **4. Current audit issues in councils**

The Committee considered a report by the Controller of Audit providing a summary of emerging issues and recurring themes across local authorities in Scotland.

During discussion, the Committee:

- Agreed, following a point made by Tim McKay, that the impact of potential delays to signing off accounts should be reported to the Commission as soon as clarity arises.
- Noted that delays are not specific to individual audit providers (ASG or firms) but are often the result of prior year sign offs being delayed. For those delays raised by newly appointed auditors, a range of discrete issues have been raised.
- Agreed, following discussion, that the scheduled Section 102 on Glasgow City Council should be presented to either the FAAC or Commission, dependent on the timing of the work.
- Noted, the IJB clawback and the distribution of this across individual IJBs was calculated on the basis of returns and information provided by each IJB.

Following discussion, the Committee:

- Noted the report, taking assurance that the auditors' responses to matters detailed therein recognised the scope of the risk identified and reflected appropriately the impact on planned audit work.
- Noted that it would consider under item 5 matters and issues arising from this report which affect either the business risks of the Commission or audit risk (and thus the planned audit response set out in the work programme).
- Agreed in particular not to require the Controller of Audit to report in detail on any other matters arising.

#### **5. Risk assessment and implications for the work programme**

This item was subject of a joint meeting with the Performance Audit Committee and is contained in a separate minute.

#### **6. Accounting and auditing developments**

The Committee considered a report by the Director of Quality and Support informing members of accounting and auditing developments.

During discussion, the Committee:

- Agreed to note advice from Paul O'Brien that steps were taken to appropriately identify statutory overrides in relation accounting for infrastructure assets to ensure there was no requirement for widescale qualification.

Following discussion, the Committee noted the report.

## **7. Any other business**

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

### **Close of meeting**

The meeting finished at 9.55 am.