

Minutes

Financial Audit and Assurance
Committee

Thursday 24 August 2023, 9.15am

Online via Microsoft Teams

Present:

Tim McKay
Geraldine Wooley
Nichola Brown
Ronnie Hinds
Christine Lester

Apologies:

Andrew Cowie

In attendance:

Helena Gray, Controller of Audit
Douglas Black, Interim Secretary
John Boyd, Audit Director, Audit Services Group (ASG) (item 4)
Anne MacDonald, Senior Audit Manager, ASG (item 4)
Paul O'Brien, Director of Quality and Support, Innovation and Quality (item 5)
Antony Clark, Executive Director of Performance Audit and Best Value (item 6)

1. Apologies for absence

It was noted that apologies for Andrew Cowie had been received.

2. Declaration of connections or conflict

Helena Gray declared a connection relating to item 4 as a homeowner in Highland Council.

3. Minutes of meeting of 27 April 2023

The minutes of the meeting of 27 April 2023 were noted, the Commission having previously approved them as a correct record and agreed the recommendations therein.

Arising therefrom, the:

- Chair thanked colleagues for the further information provided on the Finance Circular.
- Noted that all other actions were complete or would form part of the November FAAC update.

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:

- Asked to be kept informed by auditors of the RAAC issues (reinforced autoclaved aerated concrete) and highlighted the need for long term ongoing inspection by local authorities to ensure they are identifying relevant properties, inspecting them, and addressing their RAAC issues where appropriate. (Geraldine Wooley)

Action: Controller of Audit

- Asked for the Cost of Living (Tenant Protection) Act 2022 to be considered as a topic for inclusion in next local government overview report (Tim McKay)

Action: Executive Director of Performance Audit and Best Value

- Noted borrowing costs are having an impact on councils' capital projects. Is there any scope for future work in this area or inclusion in financial bulletin (Tim McKay)?

Action: Executive Director of Performance Audit and Best Value and Controller of Audit

- Regarding Paragraph 3 of the report relating to the Aberdeenshire IJB – suggested Moray IJB should have its own heading (Christine Lester)

Action: Controller of Audit

- With regards to voting by audit committee members, as mentioned in paragraph 18, consideration should be given to not commenting on this in the future (Tim McKay).

Action: Controller of Audit

- Asked whether ongoing monitoring of equal pay claims in Dundee City Council will be extended to all councils that are addressing equal pay claims (Tim McKay).

Action: Controller of Audit

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.

5. Accounting and auditing developments

The Committee considered a report by the Director of Quality and Support informing members of accounting and auditing developments. This report is prepared six-monthly.

During discussion, the Committee:

- Queried if we will be responding to the call for evidence by the Financial Reporting Council on the new sustainability standards for the UK. The Director of Quality and Support assured the Committee that the team will look at any areas we can reasonably contribute to, and a suitable response would be drafted if this transpires.
- Ronnie Hinds referred to the Audit Quality inspection report; asked what the scope of the quality assessments entailed; and whether this information was taken into account by Audit Scotland when appointing firms. Antony Clark advised that this is considered by the

Audit Quality and Appointments Team, who routinely monitor this information and use it to inform their thinking around the procurement process.

- In response to a comment from Tim McKay with regards to the situation in England and addressing backlogs, Paul O'Brien advised the Committee that Kenny Oliver, the Executive Director for Quality and Improvement, would be leading a discussion at the Audit Scotland Executive Team on potential risks in Scotland and any action to be taken.

Following discussion, the Committee noted the report.

6. Risk assessment and implications for the work programme

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

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 09:45 am.