



COMHAIRLE NAN EILEAN SIAR

AUDIT PANEL

Minute of Meeting held in the
Council Offices, Stornoway,
on Thursday 23 September
2010 at 2.00 pm.

PRESENT Mr Donald I Nicolson (Chairman)
Mr Kenny Maciver
Mrs Catriona Stewart
Mr Kenny Murray
Mr Philip Maclean

IN ATTENDANCE Mr Iain Mackinnon
Mr Robert Emmott
Ms Lesley McDonald
Mr Derek Mackay
Mr Iain Macaulay
Ms Chris Schofield
Mr Paul Macaskill
Mr Donald Macleod
Mr Paul Craig
Mr Russell Smith
Mr Joe MacPhee
Mr Angus Murray

APOLOGIES Mr Angus McCormack
Mr Uisdean Robertson
Mr Keith Dodson

MINUTES

Minute of Meeting of 1 The Minute of Meeting of 15 June 2010 was **approved**.

EXTERNAL AUDIT

Review of Governance Arrangements and Main Financial Systems 2 The Panel considered a Report by Audit Scotland in relation to the 2009/10 audit of the key controls operating within the Comhairle's principal financial systems and Governance arrangements. The Report indicated that the majority of the Comhairle's key controls were operating as required. The Report further detailed an agreed Action Plan to address the risks identified through the audit.

It was agreed to note the Report.

Opening IFRS Balance Sheet Review 3 The Panel considered a Report by Audit Scotland in relation to the opening of the IFRS Balance Sheet prior to the start of 2009/10. The Report stated that in overall terms the opening balance sheet restatement exercise had been completed satisfactorily and most adjustments which were made were in line with the expectations of Audit Scotland and were appropriately supported.

It was agreed to note the Report.

Report to Those Charged with Governance on the 2009/10 Audit 4 The Panel considered a Report by Audit Scotland in relation to the Comhairle's consideration of the relevant matters arising from the audit of the Comhairle's financial statements for 2009/10 which required reporting under ISA 260. The Report stated that an audit of the financial statements was not designed to identify all matters that may be relevant to those charged with governance.

It was agreed to note the Report.

INTERNAL AUDIT – COMPLETED REVIEWS

Internal Audit – Progress Report 2010/11

5 The Director of Finance and Corporate Resources submitted a Report detailing internal audit activity for the period 1 April 2010 to 10 September 2010. The Report stated that activity had been based on the Strategic Audit Plan and the Operational Internal Audit Plan.

It was agreed that the terms of the Report be noted.

Recycling

6 The Director of Finance and Corporate Resources submitted a Report following an internal audit review of the arrangements surrounding Recycling. The Report stated that the Review was designed to obtain assurance that the Comhairle's arrangements for Recycling were appropriate and operating as expected. The recommendations in the review were highlighted together with the Action Plan agreed with management.

It was agreed:

(1) to note the Report; and

(2) to note that a seminar on the Comhairle's Waste Strategy would be held during the October series of Meetings.

Internet Compliance

7 The Director of Finance and Corporate Resources submitted a Report following an internal audit review of arrangements surrounding Internet Compliance. The Report stated that the Review was designed to obtain assurance that the Comhairle's arrangements for Internet Compliance were appropriate and operating as expected. The recommendations in the review were highlighted together with the Action Plan agreed with management.

It was agreed to note the Report.

Technical Services – Piers and Harbours

8 The Director of Finance and Corporate Resources submitted a Report following an internal audit review of compliance with the Port Marine Safety Code. The Report stated that the Review was designed to obtain assurance that the Comhairle's arrangements for Port and Marine Safety and risk associated processes in relation to Comhairle piers were appropriate and operating as expected

The recommendations in the review were highlighted together with the Action Plan agreed with management.

It was agreed that the terms of the Report be noted.

Budget Setting

9 The Director of Finance and Corporate Resources submitted a Report following an internal audit review of the arrangements surrounding Budget Setting in accordance with the operational annual internal audit plan for 2010/11. The Report stated that the Comhairle's budget setting process was appropriate and operating as expected and contributed to sound financial monitoring within available resources. The recommendations in the review were highlighted together with the Action Plan agreed with management.

It was agreed to note the Report.

Property Asset Management

10 The Director of Finance and Corporate Resources submitted a Report following an internal audit review in relation to the Comhairle's arrangements for Property Asset Management. The Report stated that the Asset Management Strategy provided a framework for asset management to enable the Comhairle to generate Asset Management Plans which linked service development to capital investment and revenue management.

The recommendations in the review were highlighted together with the Action Plan agreed with management.

It was agreed:

(1) to note the Report; and

(2) a follow up Report be presented to a future Meeting of the Panel.

Statutory and
Local
Performance
Indicators

- 11 The Director of Finance and Corporate Resources submitted a Report following an internal audit review in relation to Statutory and Local Performance Indicators. The Report stated that the audit sought to provide a degree of assurance over the calculations and processes used in the compilation of the 2009/10 Statutory Performance Indicators and Local Performance Indicators. The recommendations in the review were highlighted together with the Action Plan agreed with management.

It was agreed:

(1) to note the Report; and

**(2) a follow up Report be presented at a future meeting of the Panel;
and**

**(3) a Report on Statutory and Local Performance Indicators would be
submitted to Audit and Scrutiny Committee.**

Western Isles
Credit Union

- 12 The Director of Finance and Corporate Resources submitted a Report following an internal audit review of the arrangements surrounding the establishment of the Western Isles Credit Union in accordance with the operational annual internal audit plan for 2010/11. The Report stated that the Western Isles Credit Union had established procedures which were satisfactory and relevant key controls had been in place throughout the project. The recommendations in the review were highlighted together with the Action Plan agreed with management.

It was agreed that the Report be noted.

Performance
Management

- 13 The Director of Finance and Corporate Resources submitted a Report following an internal audit review of the arrangements surrounding the Comhairle's systems and procedures in relation to Performance Management. The Report stated that the overall objective of the internal audit review was to assess key controls and arrangements that were in place to monitor performance against corporate and service objectives. The recommendations in the review were highlighted together with the Action Plan agreed with management.

It was agreed to note the Report.

Public Health
– Food
Inspection

- 14 The Director of Finance and Corporate Resources submitted a Report following an internal audit review of the arrangements surrounding Public Health – Food Inspection in accordance with the operational annual internal audit plan for 2010/11. The Report stated highlighted the objectives of the review which were measured by evaluation of the operational arrangements and control environment in a number of areas.

The recommendations in the review were highlighted together with the Action Plan agreed with management.

It was agreed:

(1) to note the Report; and

**(2) that a follow up Report be presented at a future meeting of the
Panel.**

INTERNAL AUDIT – FOLLOW UP REPORTS

Council Tax
and i-World

- 15 With reference to item 8 of Minute of Meeting 15 June 2010 the Director of Finance and Corporate Resources submitted a follow up Report in respect of Council Tax and i-World. The Report stated that five of the fourteen recommendations made in the original Reports had been fully implemented and

progress in relation to the outstanding items was detailed

It was agreed to note the Report.

Year End
Stock Review

- 16 With reference to item 12 of Minute of Meeting of 15 June 2010 the Director of Finance and Corporate Resources submitted a follow up Report in relation to year end stock.

The Report stated that at the meeting that four out of the seven recommendations required from a previous Action Plan were to be implemented.

It was agreed to note the Report.

Website and
Information
Handling

- 17 The Director of Finance and Corporate Resources submitted a follow u Report in relation to the Comhairle's website and information handling. The Report stated that at the meeting that none out of the eight recommendations required from a previous Action Plan appeared to be implemented.

It was agreed:

- (1) to note the Report; and**
- (2) that a follow up Report be presented at a future meeting of the Panel**

INVESTIGATIONS

It was agreed that the public including the press be excluded from the meeting during consideration of items 18, 19 and 20 on the grounds that exempt information as defined in Paragraph 1 of Schedule 7A to the Local Government (Scotland) Act 1973 namely information relating to a particular employee, former employee or applicant to become an employee of, or a particular office holder or former office holder, or applicant to become an office holder under, the Comhairle.

Investigation
Report

- 18 The Director of Finance and Corporate Resources submitted a Report in relation to an investigation Report into the award of Accountancy, Audit and Advisory, Services by Sgoiltean Ùra LLP.

It was agreed:

- (1) to note the Report; and**
- (2) that the Chief Executive submit a Report to Audit and Scrutiny Committee seeking to establish a Scrutiny Panel to examine the issue arising from the Report.**

Alleged Fraud
Against the
Comhairle by
an Employee

- 19 The Director of Finance and Corporate Resources submitted a Report in respect of an investigation into alleged fraud against the Comhairle a Home Care Worker.

It was agreed to note the Report.

Alleged
Inappropriate
Actions of
Staff

- 20 The Director of Finance and Corporate Resources submitted a Report in respect of an investigation into alleged inappropriate actions of a member of staff within a Comhairle Day Centre.

It was agreed to note the Report.