

## RISK AND AUDIT SCRUTINY FORUM

Minutes of meeting held in Committee Room 2, Council Offices, Almada Street, Hamilton on 23 April 2013

**Chair:**

Councillor Lesley McDonald

**Councillors Present:**

Angela Crawley, Isobel Dorman, Susan Kerr, Janice McGinlay

**Councillors' Apologies:**

Ralph Barker, Archie Buchanan, Graeme Campbell, Brian McKenna

**Attending:**

**Finance and Corporate Resources**

P Manning, Executive Director; Y Douglas, Audit Manager; S Dunsmore, Assistant Risk Manager; P MacRae, Administration Officer; G McCann, Head of Administration and Legal Services; H McNeil, Head of Audit and Improvement; A Norris, Administration Assistant; S Rooney, Research Officer

**Also Attending:**

**PricewaterhouseCoopers**

M Kerr, External Auditor

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### 1 Declaration of Interests

No interests were declared.

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### 2 Minutes of Previous Meeting

The minutes of the meeting of the Risk and Audit Scrutiny Forum held on 5 February 2013 were submitted for approval as a correct record.

**The Forum decided:** that the minutes be approved as a correct record.

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### 3 Internal Audit Activity as at 28 March 2013

A report dated 28 March 2013 by the Executive Director (Finance and Corporate Resources) was submitted on work completed by Internal Audit during the period 17 January to 28 March 2013.

Details were given on the progress of audit assignments and the performance of Internal Audit which highlighted that:-

- ◆ 71% of assignments had been delivered within budget against a target of 80%
- ◆ 82% of draft reports had been delivered within 21 days of field work completion against a target of 80%
- ◆ 89% of the 2012/2013 Internal Audit Plan had been completed to a draft stage, although 37 additional assignments, not included in the 2012/2013 Plan, had also been delivered in the period to 28 March 2013
- ◆ 85% of audit recommendations had been delivered on time against a target of 85%
- ◆ 83% of audit assignments had been concluded to a signed action plan within the target of 7 weeks against a target of 80%

The findings from assignments completed in the period 17 January to 28 March 2013 were detailed in Appendix 2 to the report.

Work on an assignment to review e-tendering procedures, included in the 2012/2013 Audit Plan, would not now be undertaken as it was proposed to move to a new e-tendering system during 2013. An assignment would be undertaken in 2013/2014 reviewing the new e-tendering process to ensure that it was effective and provided best value for the Council.

**The Forum decided:**

- (1) that the report be noted; and
- (2) that the amendment to the 2012/2013 Audit Plan be endorsed.

*[Reference: Minutes of 5 February 2013 (Paragraph 3)]*

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#### **4 Internal Audit Plan 2013/2014**

A report dated 27 March 2013 by the Executive Director (Finance and Corporate Resources) was submitted on the Internal Audit Plan 2013/2014.

A total of 2,150 audit days had been provided for in the Plan. The outline scope of assignments contained in the Plan was detailed in Appendix 1 to the report.

All proposed assignments had been risk assessed prior to inclusion in the Plan. A contingency list of audit assignments had been prepared to allow further risk related work to be carried out during the year if time permitted. The contingency list was attached as Appendix 2 to the report.

**The Forum decided:**

- (1) that the Internal Audit Plan 2013/2014 be endorsed and submitted to a future meeting of the Executive Committee for formal approval; and
- (2) that the contingency list of audit assignments be noted.

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#### **5 Council's Top Risks**

A report dated 25 March 2013 by the Executive Director (Finance and Corporate Resources) was submitted on a review of the Council's top risks.

In reviewing the top risks, the following had been considered:-

- ◆ risks which had previously been identified
- ◆ additional risks identified by Resources
- ◆ the objectives contained in the Council Plan, Connect
- ◆ the broad criteria relating to what constituted a top risk

34 potential top risks, as detailed in Appendix 1 to the report, had been identified as a result of the review. Those risks had been ranked based on their residual risk score, as detailed in Appendix 2 to the report. The 12 risks with residual scores of 7, 8 or 9 would be considered as top risks for monitoring and reporting purposes. The remaining 22 risks would continue to be monitored and recorded on Figtree, the Council's risk management system. Progress reports on the Council's top risks would be submitted to future meetings of the Forum and the Executive Committee, as appropriate.

**The Forum decided:**

- (1) that the review process in relation to the Council's top risks be noted;
- (2) that the proposals in respect of the 34 top risks be noted;
- (3) that the coverage of and links to Connect objectives, priorities and measures of success be noted; and
- (4) that it be noted that the report would be submitted to the Executive Committee for formal approval and the Joint Consultative Forum for noting.

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**6 Good Governance Action Plan 2012/2013 - Year End**

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A report dated 8 April 2013 by the Executive Director (Finance and Corporate Resources) was submitted on the Good Governance Action Plan for 2012/2013.

The Action Plan highlighted improvement areas identified through the annual governance assessment. The year-end update was attached as an appendix to the report. It provided an outline of progress made during 2012/2013 and highlighted actions still being progressed.

**The Forum decided:** that the report be noted.

*[Reference: Minutes of 13 November 2012 (Paragraph 10)]*

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**7 Forward Programme for Future Meetings**

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A report dated 8 April 2013 by the Executive Director (Finance and Corporate Resources) was submitted on the outline forward programme for meetings of the Risk and Audit Scrutiny Forum to November 2013.

As part of future arrangements, members were invited to suggest topics for inclusion in the Forum's forward programme.

**The Forum decided:** that the outline forward programme for the Risk and Audit Scrutiny Forum, attached as an appendix to the report, be noted.

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**8 Urgent Business**

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There were no items of urgent business.