

The background of the slide features the official coat of arms of the City of Vancouver. It is a shield divided into four quadrants. The top-left quadrant shows a city skyline with a prominent tower. The top-right quadrant depicts a stag's head with large antlers and a cross above it. The bottom-left quadrant shows a three-masted sailing ship on the water. The bottom-right quadrant features a grizzly bear standing on its hind legs. Above the shield is a crown with four maple leaves. A banner at the bottom of the shield contains the motto in Gaelic.

**Agenda Item**

**3**

**Minute**

**FALKIRK COUNCIL**

**Minute of the meeting of the Audit Committee held in the Municipal Buildings, Falkirk on Monday 20 November 2017 at 9.30 a.m.**

**Members:**

Councillor Joan Coombes  
Roseann Davidson (Convener)  
Nigel Harris  
Cecil Meiklejohn  
Pat Reid

**Officers:**

Karen Algie, Head of HR and Business Resources  
Rhona Geisler, Director of Development Services  
Gary Greenhorn, Head of Planning and Resources  
Gordon O'Connor, Internal Audit Manager  
Brian Pirie, Democratic Services Manager  
Mary Pitcaithly, Chief Executive

**Also Attending:**

Keith MacPherson, Ernst and Young

**AC19. Apology**

An apology was intimated on behalf of Provost Coleman.

**AC20. Declarations of Interest**

No declarations were made.

**AC21. Minute**

**Decision**

**The minute of the meeting of the Audit Committee held on 28 September 2017 was approved.**

**AC22. Internal Audit Progress Report**

The committee considered a report by the Internal Audit Manager setting out progress in completing the 2017/18 Internal Audit Plan.

The plan had included 21 assignments. A further two audits had been added since the plan was agreed by the Audit Committee. These were:-

- Carbon Reduction Commitment Energy Efficiency Scheme; and
- LEADER funding.

At October 2017, 6 draft/final reports had been issued, 10 audits had begun and 7 audits had yet to begin. This was broadly comparable with progress in the previous year.

Following a question on the additional audits, the Director of Development Services explained that the purpose of the Carbon Reduction Commitment Energy Efficiency Scheme audit was to ensure that the Council was properly measuring and reporting carbon emissions, and accounting for these appropriately. The committee discussed the success of Development Services in securing external, particularly EU, funding. In regard to EU funding, the Director stated that the implications of BREXIT were not known and it would be a matter for Government to determine how funding currently directed to the EU would be distributed post BREXIT.

Following a question on the impact of the joint working arrangements with Clackmannanshire Council on Internal Audit's ability to meet its key targets and complete the Audit Plan, the Internal Audit Manager explained that the work plans for each authority were separate and as such he did not anticipate that the Clackmannanshire Council work would impact on the team's performance. In regard to the plan and the time allocated to each individual audit, he encouraged a degree of flexibility to ensure that the assurance provided to committee is balanced and fully evidenced.

The committee then asked about specific audits. Following questions, the Internal Audit Manager set out the purpose of the audit of Cyber Security and explained why this audit had not started. He highlighted that the Scottish Government had recently published its Cyber Security Strategy, and that Local Authorities are expected to work towards attaining Cyber Essentials accreditation by October 2018. The Internal Audit review would, therefore, be deferred to avoid any duplication.

Following a question in regard to a planned audit of Welfare Reform, which had not started, the Internal Audit Manager explained that the review would begin at the most appropriate time and this could potentially be in 2018/19. There was however flexibility to adapt the timescales as risks emerge and evolve, for example the roll out of Universal Credit.

The Internal Audit Manager explained, in response to a question in regard to the review of Social Care and Education Transport that work was required to ensure all drivers were subject to the appropriate PVG checks.

## **Decision**

**The Committee noted progress being made with completing the 2017/18 Internal Audit Plan.**

### **AC23. Council of the Future Update**

The committee considered a report by the Director of Corporate and Housing Services providing an update on the Council of the Future project.

The committee had requested, at its meeting on 21 August 2017 (ref AC8), updates at each meeting on the project plan progress.

Council had, on 20 September 2017, agreed the Council of the Future programme (ref FC38) and that update reports would be provided to the Executive. The Council of the Future Board had agreed a risk register for the programme. The risks would be monitored by the Board and the update reports to the Executive would provide oversight of the management of the risks.

The committee discussed the risk register, highlighting political support and decision making for the programme as a risk to the delivery of the programme, stating that consistent support across the parties was vital. Similarly, there was a need for clear communication in regard to the project, its aims and progress between the Board and all elected members and with all staff. The Chief Executive echoed members' comments, particularly in regard to the need for the strategic direction to be maintained and for distractions to be minimised.

Following a question in regard to ownership of the project, the Chief Executive stated that the Board, group leaders and the Corporate Management Team all had an ownership and leadership role. Beyond this, all staff were encouraged to buy-in and come forward with initiatives. The Head of HR and Business Transformation agreed, stating that the Board would take decisions but the success of the project would rely on buy-in from all members and staff. The employee survey had shown that the majority (85%) of those who responded understood the need for change but only 16% felt involved. The Head of HR and Business Management gave details of staff engagement events including listening events involving 600 members of staff and the Chief Executive explained the role of the Change Agents Network (CAN). The committee agreed that there was enthusiasm for change and members remarked that presentations given by Project lead officers on their change projects had been inspirational. Following discussion on the Contact Centre proposals,

the Chief Executive to arrange a briefing for all members at an appropriate point in the project timeline.

### **Decision**

**The committee noted the report.**