



**MINUTES OF THE MEETING OF THE
AUDIT AND GOVERNANCE COMMITTEE**

**TUESDAY 18 FEBRUARY 2020
COUNCIL CHAMBER, TOWN HOUSE, HADDINGTON**

Committee Members Present:

Councillor J Henderson (Convener)
Councillor S Currie
Councillor F Dugdale
Councillor C Hoy
Councillor G Mackett
Councillor K Mackie
Councillor K McLeod
Councillor J Williamson

Other Elected Members Present:

Councillor L Bruce
Councillor J Goodfellow
Councillor J McMillan

Council Officials Present:

Ms M Patterson, Chief Executive
Mr T Reid, Head of Infrastructure
Ms A MacDonald, Director of East Lothian Health & Social Care Partnership
Ms L Brown, Chief Operating Officer - Education
Ms S Fortune, Chief Operating Officer - Finance
Ms J Tait, Chief Operating Officer - Children's Services
Mr P Vestri, Service Manager – Corporate Policy & Improvement
Mrs K MacNeill, Service Manager – People & Governance
Mr D Stainbank, Service Manager – Internal Audit
Mr E John, Service Manager – Sport, Countryside & Leisure
Ms A Eperjesy, Commercial Programme Manager
Mr C Redpath, Team Manager – Engineering & Operations
Mr S Allan, Senior Auditor
Mr P Moore, Senior Auditor
Mr R Baty, Business Development Manager
Mr S Kennedy, Emergency Planning, Risk and Resilience Officer

Clerk:

Miss F Currie

Visitors Present:

Ms G Woolman, Audit Scotland
Ms E Scoburgh, Audit Scotland
Mr W Axon, Enjoyleisure
Mr S Birse, Enjoyleisure

Apologies:

None

Declarations of Interest:

Item 7 – Councillor Mackett declared an interest as a Director of Enjoyleisure.

1. MINUTES OF THE AUDIT AND GOVERNANCE COMMITTEE MEETING ON 26 NOVEMBER 2019

The minutes of the Audit and Governance Committee meeting held on 26 November 2019 were approved as a true record.

2. INTERNAL AUDIT REPORT – FEBRUARY 2020

A report was submitted by the Depute Chief Executive (Resources & People Services) informing the Committee of Internal Audit reports issued and follow-up work completed since the last meeting of the Committee and providing an update on the progress against the 2019/20 annual audit plan.

Duncan Stainbank, Service Manager – Internal Audit, presented the report outlining the purpose of the audits and indicating that as a result of this work an assessment of ‘moderate assurance’ had been given on Procurement, Homecare Services, Records Management and Performance Indicators; and ‘reasonable assurance’ on Roads Contracts. He summarised the main findings of each audit, highlighting areas where controls were met and those with scope for improvement. Officers responded to questions from Members.

Procurement

Mr Stainbank undertook to clarify the arrangements in place within the Council to regularly review procedures to ensure continued compliance with legislation and best practice. Monica Patterson, Chief Executive, added that the Council had well embedded procedures in place across its services which were regularly updated.

Mr Stainbank explained that the audit had identified one instance where there had been a lack of evidence available to show how a preferred contractor had been identified. While Internal Audit have been advised that evidence existed it had not been stored correctly and was not accessible to other staff within the team. This had now been addressed.

Agnes Eperjesy, Commercial Programme Manager, explained that anything above £50,000 was recorded electronically but, until recently, there had been no central storage area for this information. This had now been rectified. She also advised that following a recent service review an additional Senior Procurement Officer post had been created providing better continuity to cover staff absence or departure.

Mr Stainbank said he was not aware of any repercussions from the failure to provide the 2018/19 annual report on procurement to the Scottish Government. He confirmed that it was now too late to submit this information.

Homecare Services

Mr Stainbank advised that, on average, members of staff had 20 unused hours and that arrangements were in place to ensure that these hours were worked. He also clarified that there were 80 staff within the service and that the statement “...not submitting timesheets on a regular basis...” referred to the late submission of timesheets rather than non-completion.

Alison MacDonald, Director of East Lothian Health & Social Care Partnership, informed Members that a new system had been introduced in 2014 to deal with banked hours, however this was now being reviewed. Some of the issues identified in the audit would be addressed through the introduction of a new HR system and others as a result of the review. She also confirmed that the issue of how best to communicate with staff, particularly those who work remotely, had been reviewed. This had resulted in investment in the use of new technology, such as providing staff with better phones, or other devices which allowed them to spend less time in the office and more time in the community delivering services.

Ms MacDonald confirmed that the service review would look at both the Hospital to Home and Home Care services and that it would include consideration of travel issues such as the use of pool cars or electric cars and identifying the most appropriate routes to and from clients. She confirmed that both of these services were rehabilitation services and so did not fall under the remit of the Care Inspectorate.

Mr Stainbank advised that the report summary was designed to present the key findings from the audit; whereas the recommendations in the action plan reflected all areas with scope for improvement.

The Convener said it was an important audit report and it had been reassuring to hear that the service review was ongoing.

Records Management

Mr Stainbank said that efficient records management underpinned General Data Protection Regulation (GDPR) and Freedom of Information (FOI) legislation and these had helped to bring into greater focus the issues highlighted in the audit report.

Kirstie MacNeill, Service Manager – People & Governance, advised that the Councillors' records which related to constituency work did not fall within the scope of the Council's policies, however their records relating to Council committee work were included. The current five year plan would shortly be completed and work would then begin on the next five year plan. It would look at both paper and electronic records and would establish an information asset register to define ownership and responsibility for individual records. Zarya Rathe, Team Manager – Information Governance, was the Council's Data Protection Officer and she would be leading on this work.

Performance Indicators

Mr Stainbank explained that the performance indicators were chosen following an analytical review and were usually those that had changed significantly from previous years or which, from audit team experience, appeared as if they may contain inaccuracies.

Roads Contracts

Calum Redpath, Team Manager – Engineering & Operations, advised that all contracts included an allocated maintenance period during which the contractor was liable for any work. The industry standard was one year and a period of up to three years could be added to cover reinstatement works. He also explained that where a Variation Order was required, it had to be drafted, approved, signed and a copy placed in the appropriate file. The audit had identified one case where there was no signed copy in the file and this had now been rectified.

Mr Stainbank acknowledged that the 'reasonable' assurance rating was accurate, had there been a clearer audit trail in some aspects of the work reviewed, this may have

increased the level of assurance to 'substantial'. The report had identified a number of areas where controls were working effectively.

Mr Stainbank also drew attention to the two follow up reviews for two audits reported in previous years. Following the audit on Business Grants all ten recommendations had been implemented; and in relation to the Contracts audit seven of the ten recommendations had been implemented and three partially implemented with revised completion dates set for the outstanding recommendations.

Lastly, Mr Stainbank highlighted the Internal Audit progress report for 2019/20. He stated that the planned audit on Fleet Management would now be completed as part of the 2020/21 audit plan. Of the remaining audits within the current plan, ten had been completed, two were in progress and two were recently commenced. All of the remaining audit work would be completed by June 2020.

In response to a question on the outstanding recommendations from the Contracts audit, Mr Stainbank explained that a procedure is in place to authorise all invoices that would include verification of contract rates. The recommendation partially outstanding was to implement a formal process to confirm that verification of correct rates were being checked on a regular basis.

Decision

The Committee agreed to note:

- (i) the main findings and recommendations from Internal Audit reports issued during the period from November 2019 to February 2020;
- (ii) the findings from Internal Audit's follow-up work;
- (iii) Internal Audit's progress against the annual audit plan for 2019/20.

3. INTERNAL AUDIT REPORT - NATIONAL FRAUD INITIATIVE

A report was submitted by the Depute Chief Executive (Resources & People Services) informing the Committee of the work undertaken on the 2018/19 National Fraud Initiative (NFI).

Mr Stainbank presented the report outlining the background and purpose of the NFI data matching exercise which involved all local authorities and public sector bodies. He summarised the outcome of investigations undertaken for the data matches identified from information submitted by the Council during the 2018/19 exercise. He outlined some of the results of the investigations, including errors and overpayments, but emphasised that no instances of fraud had been detected. Investigations into the remaining matches would be concluded prior to 31 March 2020.

Stuart Allan, Senior Auditor, responded to questions from Councillor McLeod on Northgate Public Services. He advised that the company operated the 'blue badge' system across the country and had an agreement with the Cabinet Office to provide information to the NFI on behalf of all local authorities. He added that Northgate may also have other roles but, in terms of the NFI, their involvement related only to the 'blue badge' system.

Tom Reid, Head of Infrastructure, offered to report back to Councillor McLeod with details of any other work that Northgate undertook on behalf of East Lothian Council.

Councillor Mackett queried the repayment by contractors of identified overpayments and whether this had any impact on future relationships. Mr Stainbank indicated that this may be taken in to account in future procurement exercises.

Sarah Fortune, Chief Operating Officer – Finance, assured Members that controls were in place to identify irregularities but consideration was being given to improving processes to avoid similar occurrences in future.

Replying to questions from Councillor Williamson and the Convener, Mr Stainbank confirmed that this exercise covered the period going back to the last exercise and that the number of matches identified from data resubmitted in January 2020 had been higher than the previous assessment. However, this had been expected as the Electoral Register was more up-to-date as a result of the recent General Election.

Gillian Woolman, Audit Scotland, welcomed the Council commitment to the pursuit of identified matches arising from the NFI exercise. She said that the Scottish Government held the exercise in high regard and it was important for a number of reasons; not least to provide assurance on where internal controls were working effectively.

Decision

The Committee agreed to note the content of the report.

4. INTERNAL AUDIT PLAN 2020/21

A report was submitted by the Depute Chief Executive (Resources & People Services) informing the Committee of Internal Audit's operational plan for 2020/21.

Mr Stainbank presented the report outlining the factors taken into account when preparing the annual audit plan, Internal Audit's primary role and the range of financial and non-financial audits covered by the plan.

In response to a question from Councillor Dugdale, Mr Stainbank advised that order of the audit work was not based on priority levels but that the timing of each audit would be discussed and agreed with individual service areas.

Ms Woolman welcomed early sight of the plan and confirmed that Audit Scotland would take cognisance of this when drawing up their own audit plan for 2020/21.

Decision

The Committee approved the Audit Plan for 2020/21.

5. CIPFA ROLE OF THE HEAD OF INTERNAL AUDIT

A report was submitted by the Service Manager – Internal Audit informing the Committee of the CIPFA statement on the role of the head of internal audit in Public Service Organisations (2019 edition) and highlighting the key organisational

responsibilities associated with the Audit and Governance Committee within the statement.

Mr Stainbank presented the report summarising the key principles for the Head of Internal Audit (HIA) and the identified areas of interaction between the HIA and the audit committee that support these principles.

Councillor McMillan sought clarification on the role of Elected Members in the appointment of the HIA. Ms Fortune indicated that while Elected Members had not been directly involved in Mr Stainbank's appointment, it had been subject to internal procedures. She added that there may be a role for Elected Members in future appointments but that this would have to be carefully thought through.

At the request of the Convener, Ms Woolman said she could not recollect NHS Board members being involved in their HIA appointment process. However, she undertook to raise the question of Elected Member involvement directly with CIPFA and to report back to the Committee.

In response to a further question from Councillor McMillan, Mr Stainbank confirmed that he and his team continued to maintain their CPD despite the financial challenges faced by the Council, and public sector bodies more generally.

Decision

The Committee agreed to note:

- i. the two key principles through which the head of internal audit (HIA) (for East Lothian Council this is currently the Service Manager – Internal Audit), plays a critical role in delivering strategic objectives;
- ii. the three key principles that the HIA must comply with to perform this role; and
- iii. the identified areas of interaction between the HIA and the audit committee that support these principles.

6. EAST LoTHIAN COUNCIL ANNUAL AUDIT PLAN 2019/20

A report was submitted by Audit Scotland setting out the terms of the 2018/19 Annual Audit Plan.

Ms Woolman presented the report. She provided Members with an overview of the audit plan including the key audit risks, the audit dimensions and planned works. She drew specific attention to timetable, the proposed audit fee, issues of materiality and to the reliance placed on the work of Internal Audit. She also advised that follow-up work would be carried out in relation to the Best Value Assurance report including progress on the Action Plan.

Ms Fortune responded to questions from Councillor McLeod and Councillor Mackie. She outlined the background to the Loans Fund Review and the financial benefit accrued in 2018/19. She explained that while it currently formed part of the Council's agreed financial strategy it would not continue to provide financial benefits in perpetuity. The review undertaken in the current financial year was expected to be identify a further benefit and this would be used to mitigate the Council's projected overspend. She added that this was only one of a range of factors, such as enhanced financial controls and additional funding becoming available in-year, which could be used to bring the Council back into financial balance.

In reply to a question from Councillor Currie, Ms Woolman advised that the audit undertaken for 2018/19 had been rigorous and that officers had advised her team in November 2018 of the Loans Fund Review. A lot of work had been carried out by officers and auditors to ensure that prudence was adhered to with regard to the repayment of these loans. She said that this was not area that would need to be revisited unless the life of an asset were likely to be curtailed. In which case, her team would engage with officers to consider what this might mean for the loan repayment.

Decision

The Committee agreed to note the contents of the audit plan.

7. ENJOYLEISURE REPORT 2018/19

A report was submitted by Enjoyleisure outlining the organisation's activities and financial position during 2018/19.

Bill Axon, General Manager of Enjoyleisure, presented the report. He provided a detailed summary of the salient points of his report. He provided information on the background to Enjoyleisure, its governance arrangements, attendances figures, swimming and other social benefit programmes and staffing. He concluded by observing that Enjoyleisure had faced significant challenges related to a reduction in its contract grant and an increase in costs but that it continued to look for ways to deliver its services in a way that also achieved best value.

Scott Birse of Enjoyleisure outlined the financial statements attached to the report. He stated that the organisation had recorded a deficit for 2018/19, that the income for the year had been flat on 2017/18 but that expenditure (minus the impact of pension changes) had been lower than the previous year. He also confirmed that Enjoyleisure had received an unqualified audit report for 2018/19.

Mr Axon responded to questions from Councillor Currie. He said it was difficult to know if the reduction in contract grant had directly impacted on the withdrawal of the 'free swims' offer during the school summer holidays. It had been only one part of a package of efficiency saving options put forward for consideration by the Board. However, he confirmed that the changes to the 'learn to swim' programme – specifically the withdrawal of free swims – had resulted in 9000 fewer attendances during the summer holiday period.

Regarding the impact of new gym facilities opening in the area, he acknowledged that numbers had reduced as a result but that he expected some recovery in the figures for 2019/20. He pointed out that one of Enjoyleisure's objectives was to maintain facilities in every town in East Lothian and this had been achieved. He added that two of their major income streams were from gym memberships and swimming and they were looking to expand both areas in future.

Mr Axon also reported that the membership scheme had been evaluated and steps taken to encourage uptake in different parts of the community. However, he acknowledged that affordable alternatives to gym membership must also be considered. He reiterated Enjoyleisure's commitment to getting people more physically active to improve their health and wellbeing.

Replying to Councillor Hoy, Mr Axon point out that it was not fair to make a direct comparison between Enjoyleisure and commercial enterprises such as Pure Gym. Enjoyleisure's purpose was social benefit rather than commercial return. While he accepted that it would always be necessary to review and adapt the range of options available to make them as competitive as possible, Enjoyleisure also had to be mindful of its charitable status.

Mr Axon provided further clarification of this point stating that while not mutually exclusive there needed to be a balance between commercial gain and social benefit. Although the Office of the Scottish Charity Regulator (OSCR) accepted a level of commerciality, it was essential to get the balance right.

Eamon John, Service Manager – Sport, Countryside & Leisure, emphasised that despite a reduction in funding and commercial pressures from elsewhere, Enjoyleisure was fulfilling its social benefit objectives and providing support to schools and other community organisations that was not available through organisations such as Pure Gym.

Mr Axon responded to further questions from Councillors McLeod, Mackie and Dugdale. He said that staff training was an important issue and he continued to work with colleagues to enhance the options available. He noted the particular importance of encouraging attendance at workshops to improve staff awareness of mental health issues.

He confirmed that the café facilities had been reviewed and that the Board had agreed to continue these for 12 months and then look again at performance. He also acknowledged that the menus needed to be looked at and alternative, healthier options considered. Although he pointed out that when this had been tried previously, healthier options had not proved popular with everyone.

Mr Axon agreed that previously social benefit had been difficult to quantify, however Enjoyleisure was considering specific tools which would allow them to do assess this and to use the information to improve services in the future. For the meantime, he said their focus remained on raising public awareness of the health and wellbeing benefits of physical exercise.

The Convener concurred with Councillor McMillan's request that the Committee thank the outgoing Chair of Enjoyleisure and welcome the new appointee. She also thanked Mr Axon and Mr Burse for their presentations.

Decision

The Committee agreed to note the contents of the report.

8. EAST LoTHIAN INVESTMENTS LTD 2018/19

A report was submitted by the Fund Manager, East Lothian Investments Ltd (ELI), informing the Committee of the work undertaken by ELI in 2018/19.

Richard Baty, Business Development Manager, presented the report outlining the background and governance arrangements for ELI. He advised that since formation ELI had awarded 338 loans to the value of £2,951,000 which had levered in private investment of £16,730,082. He summarised lending activity in 2018/19 indicating that the loan fund had been exhausted and subsequently suspended in August 2018.

Additional funding was provided by the Council in June 2019 allowing the fund to reopen and a further 15 loans had been awarded since then. Mr Baty also reported on the launch of the East Lothian Gift Card in July 2018; in the first quarter 127 businesses had signed up to accept the card and 235 cards had been purchased to the value of £12,824. East Lothian was currently the only county in Scotland to have a county-wide gift card programme.

Mr Baty responded to questions from Members confirming that consideration was being given to making the gift card available to purchase at council or retail outlets and that while the Council did purchase cards for the Star Awards it was not a significant percentage of the overall card sales. He also confirmed that ELI's level of bad debt was currently 3% but that he expected this to reduce in future years.

The Convener thanked Mr Baty for his clear and concise report adding that the Committee greatly valued the work of ELI.

Decision

The Committee agreed to note the contents of the report.

The Committee agreed to take agenda item 10 next.

10. EDUCATION AND CHILDREN'S SERVICES RISK REGISTER

A report was submitted by the Chief Executive presenting to the Committee the Education and Children's Services Risk Register for discussion, comment, and noting.

Scott Kennedy, Emergency Planning, Risk and Resilience Officer, outlined the salient points in his report. He advised that the Register included 1 Very High risk, 12 High risks, 9 Medium risks and 3 Low risks. In line with the Council's Risk Strategy only 'Very High' and 'High' risks were being reported to the Committee.

Mr Kennedy responded to questions from Councillor Currie and the Convener. He explained that the column in the risk register headed 'Timescale for Completion/ Review Frequency' related to the date for finalising the planned risk control measure and the point at which it should be having an impact on the risk score. He acknowledged that the wording may need to be reviewed to make this clearer. In relation to risk E&CS6, he confirmed that the risk rating had reduced from 12 to 9 as a result of control measures put in place. The information contained in the far right hand column of the register was historical.

Lesley Brown, Chief Operating Officer - Education, acknowledged that the impact of the changing demographic on the school estate was a significant issue. She advised that the Education Authority carried out its own projections based on new housing developments coming forward within the county. Fortnightly meetings were held to review these projections and officers worked closely with other areas of the Council. She was confident that appropriate control measures were in place to manage this risk.

Ms Brown replied to further questions from Councillors Mackie and Goodfellow. She accepted that there had been a lack of communication to parents regarding plans for the new high school at Wallyford and indicated that when the information was available it would be circulated to parents. She clarified the term 'partnership' as referring to the

education partnership with Moray House, and the salary benchmarking arrangements. She also outlined the work underway on innovative approaches to encouraging people into teaching and confirmed that progress would be reported to the Education Committee.

Councillor Dugdale asked about the planned risk control measure for implementation of phase 2 of the vulnerable children's project. Judith Tait, Chief Operating Officer - Children's Services, confirmed that the Council was making progress with the recommendations; some of which were being addressed through improvement plans. She added that while some actions were 'quick fixes' others were longer-term but the Council was committed to maintaining momentum on this project.

Ms Tait also responded to a question about the impact of investment in a new IT system. She said it was a challenge to get quality information and better interaction between existing systems to improve forecasting and that a decision would have to be made shortly on procuring replacements for current systems.

Decision

The Committee agreed to note the Education and Children's Services Risk Register and in doing so, noted that:

- i. the relevant risks had been identified and that the significance of each risk was appropriate to the current nature of the risk;
- ii. the total profile of the Education and Children's Services risk could be borne by the Council at this time in relation to the Council's appetite for risk; and
- iii. although the risks presented were those requiring close monitoring and scrutiny over the next year, many were in fact longer term risks for Education and Children's Services and were likely to be a feature of the risk register over a number of years.

9. 2018-2020 COUNCIL IMPROVEMENT PLAN MONITORING REPORT

A report was submitted by the Chief Executive presenting the 2018-2020 Council Improvement Plan monitoring report to the Committee.

Paolo Vestri, Service Manager – Corporate Policy and Improvement, presented the report reminding Members that the 2018-2020 Plan had been approved by Council in December 2018 and the seven actions in the Plan had been based on the recommendations and actions identified in the Best Value Assurance Report. The Plan was subsequently updated by the Committee in June 2019 with a further seven actions arising from the 2019 Corporate Governance Self-evaluation. He referred Members to the appendix which outlined progress made since last year and confirmed that all actions would be completed by their deadlines.

Responding to questions from the Convener, Mr Vestri advised that the Council would only evaluate those partnerships on which it took the lead, such as the East Lothian Partnership. This self-evaluation would draw on frameworks developed by Audit Scotland, the Improvement Service and EFQM and would also be reviewed by Audit Scotland as part of their follow up to the Best Value Assurance Report.

Decision

The Committee agreed to note the progress in achieving the Council Improvement Plan as detailed in the monitoring report.

11. HEALTH & SOCIAL CARE PARTNERSHIP RISK REGISTER

A report was submitted by the Chief Executive presenting to the Committee the Health & Social Care Partnership Risk Register for discussion, comment, and noting.

Mr Kennedy presented the report noting that the risk register included 7 High risks and 12 Medium risks. In line with the Council's Risk Strategy only risks rated as 'Very High' and 'High' were being reported to the Committee.

Councillor Currie queried the completion dates listed for some of the risks, whether it would be possible to have updates on progress towards completion of individual actions and whether some risks would continue to be scored as 'high' regardless of the control measures put in place.

Ms MacDonald confirmed that several risks would by their nature be continuous rather than time-limited. She advised that the Datix system (which holds the risk register) issued automatic reminders to key officers to review risks and actions and that regular discussions were also taking place to monitor these risks. She drew attention to a new risk that had been added to reflect NHS Lothian recently being placed on escalation measures. The Health & Social Care Partnership would have a role in delivering aspects of the required recovery plans but this work, and the associated risk, would be time-limited.

Ms MacDonald said she would be happy to provide updates on progress in delivering agreed risk control measures and she invited Members to contact her after the meeting. Mr Kennedy added that he would review the register and consider including additional information in future.

In response to a question from Councillor Dugdale, Ms MacDonald advised that two substance misuse workers had been appointed with MELDAP funding to provide the new service for young people based in Musselburgh. Ms Tait added that the new staff had made contact with each of the six secondary schools in the county and would also help to support the new community resource working group.

Decision

The Committee agreed to note the Health & Social Care Partnership Risk Register and in doing so, noted that:

- i. the relevant risks had been identified and that the significance of each risk was appropriate to the current nature of the risk;
- ii. the total profile of the Health & Social Care Partnership risk could be borne by the Council at this time in relation to the Council's appetite for risk; and
- iii. although the risks presented were those requiring close monitoring and scrutiny over the next year, many were in fact longer term risks for the Health & Social Care Partnership and were likely to be a feature of the risk register over a number of years.

**12. LOCAL GOVERNMENT IN SCOTLAND: FINANCIAL OVERVIEW 2018/19
(ACCOUNTS COMMISSION, DECEMBER 2019)**

A report was submitted to the Committee by the Chief Executive reviewing east Lothian Council's position in relation to the findings of the Accounts Commission report, *'Local Government in Scotland: Financial Overview 2018/19'*.

Mr Vestri presented the report drawing Members' attention to a small amendment to paragraph 3.34: the second sentence amended to read "...IJBs that reported a surplus position would have recorded..." He summarised the four key messages contained in the Accounts Commission report, the key findings and the East Lothian position.

In response to questions from Councillors McLeod and Goodfellow, Esther Scoburgh, Audit Scotland, agreed to seek further clarification regarding the content of the report as it related to the use of 'net' debt figures, reporting of HRA income and what was meant by a 'real terms' drop in LA revenue income.

The Convener commented that the report was a useful reference document.

Decision

The Committee agreed to:

- i. Note the position of East Lothian Council in regard to the key messages in the Accounts Commission report, *'Local Government in Scotland: Financial Overview 2018/19'*; and
- ii. Use the recommendations in the Accounts Commission report to identify any further information or scrutiny activity it would wish to have reported back to future meetings of the Audit & Governance Committee.

Signed

Councillor Jane Henderson
Convener of the Audit and Governance Committee