

MINUTE of MEETING of the AUDIT COMMITTEE of WEST LoTHIAN COUNCIL held within COUNCIL CHAMBERS, WEST LoTHIAN CIVIC CENTRE, on 30 JUNE 2017.

Present – Councillors Chris Horne (Chair), Bruce Fairbairn (substituting for Damian Timson) and Dom McGuire (substituting for John McGinty); Noel Lawlor, Lay Member.

Apologies – Councillors Lawrence Fitzpatrick, John McGinty and Damian Timson

In attendance

Donald Forrest (Head of Finance and Property Services), Julie Whitelaw (Head of Corporate Services), James Cameron (Head of Education, Learning, Policy and Resources), Alistair Shaw (Head of Housing, Construction and Building Services), Craig McCorriston (Head of Planning, Economic Development and Regeneration), Kenneth Ribbons (Audit, Risk and Counter Fraud Manager), James Millar (Governance Manager), Donna Adam (Strategic Resource Manager), Rachel MacKay (Contracts and Commissioning Manager), Alice Mitchell (Economic Development Manager), Nicola Gill (Public Transport Manager), Stuart Saunders (Senior Compliance Officer), Robert Evans (Stores Team Coordinator), Paul Stark (Active Schools Manager/West Lothian Leisure representative)

1. DECLARATIONS OF INTEREST

Agenda Item 10 – Internal Audit of Taxi and Private Hire Car Driver Licensing

Councillor Horne declared a non-financial interest due to him being a member of the Licensing Committee.

Agenda Item 13 – Internal Audit of Financial Monitoring & Reporting in relation to West Lothian Leisure

Councillor Horne declared a non-financial interest due to him being a member of West Lothian Leisure Board.

2. ORDER OF BUSINESS

At the suggestion of the Chair, the committee agreed that Agenda Item 6 (Audit Report and Presentation) be deferred to a future meeting of the committee in light of the number of committee members unable to be in attendance today.

3. MINUTES

The committee noted the minute of the former Audit and Governance Committee meeting held on 27 February 2017.

4. COMMITTEE REMIT AND ADMINISTRATIVE ARRANGEMENTS

The committee considered a report (copies of which had been circulated) by the Audit, Risk and Counter Fraud Manager providing details of the Audit Committee's remit, powers and proposed administrative arrangements.

Between May 2012 and May 2017 the council's decision-making structure included the Audit & Governance Committee. It carried out the role of a "traditional" Audit Committee as required by legislation and accounting convention and practice. It also included corporate governance in its remit and, along with that, risk management in the council.

On 7 June 2017 council decided that the existing committee should be replaced by two new committees – Audit Committee and Governance and Risk Committee. The council approved a division of the remit of the former Audit and Governance Committee, to apply with immediate effect. Details of the remit and powers of the Audit Committee were attached at appendix 1 to the report. The committee forms part of the council's scrutiny arrangements, along with the Governance and Risk Committee, Performance Committee, Education (Quality Assurance) Committee and the nine PDSPs.

As this was a new committee no meeting dates had been arranged after the meeting on 30 June 2017. The approved remit provides for quarterly meetings, which required to be approved by Council Executive. The committee was subject to the normal procedural rules in Standing Orders for the Regulation of Meetings.

The regular work of the committee was prescribed by the annual cycle of internal audit, external audit, and counter fraud work. Appendix 2 to the report provided details of the items which were due to be submitted to the committee on a regular basis. These were all submitted annually with the exception of reporting in relation to the National Fraud Initiative (NFI) data matching exercise which was undertaken every two years.

Finally, it was noted that the report advised members of the committee's remit and provided an overview of its main business.

It was recommended that the Audit Committee:

1. Notes the committee's remit and powers in Appendix 1; and
2. Considers and notes the proposed meeting and other arrangements for the committee.

Decision

Approved the recommendations in the report.

5. RISK ACTIONS ARISING FROM AUDIT AND INSPECTION REPORTS

The committee considered a report (copies of which had been circulated) by the Audit, Risk and Counter Fraud Manager providing details of the progress in implementing agreed actions arising from audit and inspection reports.

The report recalled that in November 2011 a report was submitted to the then Risk Management Board in relation to entering agreed actions from audit/inspection reports into the Covalent system as risk actions.

The Board endorsed the recommendation and the report set out the findings which were entered into Covalent as risk actions in accordance with the agreed protocol, which were due to be completed by 31 March 2017, and which were still outstanding. Fifteen outstanding risk actions were identified in the report, one of which related to Audit Scotland and fourteen related to internal audit.

In conclusion, the importance of risk actions being implemented timeously was highlighted as failure to do so could impact adversely on performance and/or compliance with council objectives. Oversight of outstanding risk actions by the Audit Committee would facilitate their completion.

The Chair then commented that he would expect to see the number of outstanding and long outstanding actions substantially reduced before the next update report.

It was recommended that the Audit Committee considers the report and the Outstanding Audit and Inspection Recommendations attached as an appendix to the report, and note that failure to timeously implement agreed actions could impact adversely on performance and/or achievement of council objectives.

In response to members' questions, officers provided further information in relation to bus shelter advertising (PTS13120); cemetery management rules (NLCS12122); ceasing use of the Sanserver (COR14001); an error in an annual compliance statement about information security breaches (COR16007); and school bank accounts (ED15015).

Decision

1. Approved the recommendation in the report; and
2. Noted the committee's concern that there were so many actions so far behind the agreed completion dates, and its view that improvements were required before the committee's next consideration.

6. INTERNAL AUDIT ANNUAL REPORT

The committee considered a report (copies of which had been circulated) by the Audit, Risk and Counter Fraud Manager providing details of the work undertaken by internal audit during 2016/17 to report on internal

audit's performance, and provided a conclusion by the Audit, Risk and Counter Fraud Manager on the council's framework of governance, risk management and control.

The report explained that the Local Authority Accounts (Scotland) Regulations 2014 requires the council or relevant committee to conduct, at least once in each financial year, a review of the effectiveness of its system of internal control. Following the review of the system of internal control, the regulations require the council or relevant committee to approve an annual governance statement. The Public Sector Internal Audit Standards (PSIAS) requires an annual report to be submitted by the Audit, Risk and Counter Fraud Manager timed to support the annual governance statement. The internal audit annual report was therefore submitted to the council's Governance and Risk Committee on 19 June, to facilitate its review of the council's annual governance statement.

As the Audit Committee's remit includes undertaking a corporate overview of the council's control environment, and monitoring the performance of internal audit, the Governance and Risk Committee referred the internal audit annual report to the Audit Committee for further consideration.

Internal audit performance during 2016/17 was summarised in appendix A of the Internal Audit Annual Report 2016/17 attached as an appendix to the report. In particular, the committee was asked to note that the risk based audit plan, as amended by the Audit and Governance Committee at its meeting on 19 December 2016, has been completed.

It is concluded that the council's framework of governance, risk management and control was generally sound. Areas for improvement were set out in the annual report and progress in implementing agreed recommendations would be followed up during 2017/18.

It was recommended that the Audit Committee notes the Audit, Risk and Counter Fraud Manager's conclusion that the council's framework of governance, risk management and control was generally sound.

In response to members' questions, officers provided further information in relation to any common issues involved in the findings of "requires improvement", and more detail in connection with the two findings of "unsound". Officers also confirmed that consideration would be given to allocating more time in the Plan for IT-related risks and to involving the internal audit team from Falkirk Council to supplement council staff and resources. The committee was assured that although the internal audit service was delivered with a comparatively small number of staff and at a low cost, nevertheless it was considered to be adequately resourced for its work.

Decision

Noted the recommendation in the report.

7. FOLLOW UP AUDIT OF INFORMATION SECURITY/INFORMATION ASSET REGISTER

The committee considered a report (copies of which were circulated) by

the Audit, Risk and Counter Fraud Manager, providing details of the outcome of a follow up of a previous audit of information security and the information asset register.

The committee noted that the practice to follow up previous internal audit recommendations ranked “high” to determine whether they had been effectively implemented. A follow up of a previous audit in relation to information security and the council’s information asset register which was issued in February 2016 was undertaken. The resultant follow up audit report was attached as an appendix to the report, which included an action plan with agreed management actions.

Finally, the committee noted that follow up work on information security and the council’s information asset register concluded that control remained unsound.

It was recommended that the Audit Committee note that control was considered to remain unsound.

In response to questions from members, more information was provided in relation to the work proceeding to update the asset register and remove legacy systems which should have been tackled before; to the current and up-to-date progress towards completion of outstanding tasks; and to training of and communication to staff. Members were also given a brief overview of the work started to prepare for the introduction of the General Data Protection Regulation (GDPR) in mid-2018. The committee was assured that there were risk controls in place and that they were regularly reviewed.

Decision

Noted the recommendation in the report.

8. INTERNAL AUDIT OF TAXI AND PRIVATE HIRE CAR DRIVER LICENSING

The committee considered a report (copies of which had been circulated) by the Audit, Risk and Counter Fraud Manager, providing details of the outcome of an audit of taxi and private hire car driver licensing.

The report advised that in accordance with the annual audit plan for 2017/18, an audit of taxi and private hire car driver licensing was undertaken. The audit objectives were to determine whether controls were in place which ensured that licences were only granted to drivers who met the licensing criteria and who were eligible to work in the UK. The resultant audit report was attached as an appendix to the report, which included an action plan with an agreed management action.

It was recommended that the Audit Committee notes that control was considered to be effective.

In response to questions from members, more information was provided in relation to the review of the reporting process and the move to an electronic workflow system after the introduction of "Objective", the new electronic documents management system in late 2017. The committee was informed about the assessment of incidents with a view to determining what breaches required to be reported to the Information Commissioner, and advised that the annual compliance statements reported as part of the annual report on corporate governance would show the number of breaches and the number of those reported.

Decision

- Noted the recommendation in the report; and
- Noted that the role of Corporate Communications in mitigating the reputational harm caused by breaches would be added to the new procedure.

9. INFORMATION SECURITY BREACHES - RISK ASSESSMENT: PROGRESS REPORT

The committee considered a report (copies of which had been circulated) by the Head of Corporate Services providing an update on the progress with the action plan and review of procedures relating to risk assessment of information security breaches.

The report explained that internal audit of the council's processes for risk assessing information security breaches was conducted in 2016 and reported to the Audit and Governance Committee on 19 December 2016. The internal audit concluded that the level of control was unsound. Eight actions were agreed with the Head of Corporate Services and an update on the progress against these actions were outlined in the report. All of the audit actions were now completed and set out in the action plan progress report attached at appendix 1 to the report. A revised risk assessment procedure was agreed by the Information Management Working Group and the ICT Programme Board, details of which were attached at appendix 2 to the report. The revised risk assessment placed responsibility for completion of the risk assessment on the Head of Service and introduced a two stage process for assessing risk. The committee also noted that the role of Corporate Communications in mitigating the reputational harm caused by breaches would be added to the new procedure.

The audit concluded that details of all high risk security breaches were to be reported to the ICT Programme Board. Consideration should also be given to including details of any high risk information security breaches or breaches which had been reported to the ICO in the annual Compliance Statement. The 2016/17 Information Security Annual Compliance Statement was compiled following consultation with Heads of Service and following review at the Governance and Risk working group.

It was recommended that the Audit Committee notes the progress with the action plan and the procedures relating to risk assessment of information security breaches.

Decision

1. Noted the recommendation in the report; and
2. Noted that the role of Corporate Communications in mitigating the reputational harm caused by breaches would be added to the new procedure.

10. INTERNAL AUDIT OF MONITORING OF VOLUNTARY AND NOT FOR PROFIT ORGANISATIONS

The committee considered a report (copies of which had been circulated by the Audit, Risk and Counter Fraud Manager providing details of the outcome of an audit of the monitoring of voluntary and not for profit organisations.

In accordance with the annual audit plan for 2016/17, the council carried out an audit of the monitoring of voluntary and not for profit organisations. The audit objective was to determine whether adequate procedures were in place for the monitoring of these organisations, following payments having been made to them by the council. The resultant audit report was attached as an appendix to the report which included an action plan with agreed management actions. It was concluded that control was effective in relation to Social Policy funded organisations and unsound in relation to other areas.

Officers then responded to questions from members of the committee. In response to a question relating to the agreed management actions within the action plan, the Head of Planning, Economic Development and Regeneration undertook to provide an update to the December 2017 meeting on the progress made with the agreed actions. It was also recommended that the Head of Finance and Property Services should raise with CMT colleagues the need for appropriate paperwork and agreement before paying public funds to voluntary organisations.

It was recommended that the Audit Committee notes that control was considered to be effective in relation to Social Policy funded organisations, and unsound in relation to other areas.

In response to questions from members, more information was provided in relation to the work which had been undertaken to improve what was a function inherited from a different council service area, including organisation health checks, introducing written funding agreements for all, enforcing adherence to procedures, and restricting decision-making to Head of Service and Service Manager level. Members were assured that the deficiencies in procedures and controls that had resulted in the findings of the internal audit report were being addressed and that robust new processes were being put in place and would be robustly applied. It

was accepted that there was a need for proportionality when dealing with voluntary organisations, but that at the moment the emphasis was on putting procedures in place to meet the criticisms in the report.

Decisions

1. Noted the recommendation in the report;
2. Agreed that the Head of Planning, Economic Development and Regeneration would report to the December committee meeting on progress made with the agreed management actions; and
3. Noted that the Head of Finance and Property Services would raise with CMT colleagues the need for appropriate paperwork and agreement before paying public funds to voluntary organisations.

11. INTERNAL AUDIT OF FINANCIAL MONITORING & REPORTING IN RELATION TO WEST Lothian LEISURE

The committee considered a report (copies of which had been circulated) by the Audit, Risk and Counter Fraud Manager, providing details of the outcome of an internal audit of the council's processes for monitoring and reporting on West Lothian Leisure's financial position.

The report advised that by agreement with the West Lothian Leisure Chief Executive and West Lothian Council Head of Finance and Property Services, a review of the processes within the council for monitoring and reporting on the West Lothian Leisure financial position was undertaken. The resultant audit report was attached as an appendix to the report which included an action plan with agreed management actions.

The review of the processes within the council for monitoring and reporting on West Lothian Leisure's financial position concluded that the level of control required improvement.

It was recommended that the Audit Committee notes that control was considered to require improvement.

In response to questions from members, more information was provided in relation to the previous practice of reports and information not being provided in advance of officer meetings, and the risks of information not being understood and challenged. Members were assured that changes and improvements had already been implemented, with papers shared a week before meetings.

Decision

Noted the recommendation in the report.

12. CONSIDERATION OF 2016/17 ANNUAL ACCOUNTS (UNAUDITED)

The committee considered a report (copies of which had been circulated)

by the Head of Finance and Property Services, which included the 2016/17 Annual Accounts of the Council (unaudited). West Lothian Council Annual Accounts (unaudited) 2016/17 was attached as an appendix to the report.

The report explained that the Local Authority Accounts (Scotland) Regulations 2014 included a number of provisions in relation to the unaudited accounts, annual governance statement and audited accounts and, in particular, the consideration of the annual accounts. The regulations stated that the unaudited accounts must be considered by the council or a committee whose remit included audit or governance, prior to submission to the council's auditor. The annual accounts must be submitted to the auditor no later than 30 June immediately following the year end to which they related.

The 2016/17 Annual Accounts were subject to audit. On completion of the Ernst and Young LLP review the Audited Accounts would be presented to Council on 26 September, which was compliant with the provisions of the 2014 Regulations.

Finally, it was noted that the arrangements made would supplement the council's governance arrangements and ensure compliance with the Local Authority Accounts (Scotland) Regulations 2014. The implications of these regulations were reported to, and approved by, the Council Executive on 24 March 2015.

In response to a question raised relating to the reduction in short-term deposits for 2016/17 compared to the previous year, as outlined on page 56, note 28 in the annual accounts, the Head of Finance and Property Services undertook to provide members with more information following the meeting.

It was recommended that the Audit Committee considers the 2016/17 Annual Accounts prior to submission to Ernst and Young LLP for audit.

Decisions

1. Approved the recommendation in the report; and
2. Agreed that the Head of Finance and Property Services would provide members with more information relating to the reduction in short-term deposits.

13. LOCAL GOVERNMENT IN SCOTLAND PERFORMANCE AND CHALLENGES 2017

The committee considered a report (copies of which had been circulated) by the Head of Finance and Property Services, which provided a summary of the report *Local Government in Scotland Performance and Challenges 2017*, published by the Accounts Commission on 7 March 2017, and which also outlined officer responses to the points included in the self-assessment tool for councillors.

The report *The Accounts Commission's series of local government overview reports* provided a summary of their views on how councils were managed and performing, including the progress councils were making in managing their finances and achieving Best Value. The reports draw upon recent audit work completed by Audit Scotland and provided an independent view on progress.

The report provided a high level view of the challenges facing councils, how well councils were addressing these challenges and what more councils could do to maintain or improve services for the public within reduced resources. The Accounts Commission expected councillors to use this report, along with the self-assessment tool, to review the progress being made to improve outcomes and value for money for local people in an increasingly demanding environment.

The key messages and recommendations made were included in the report. Officers responses to the points raised within the councillors self-assessment tool were also provided, details of which were attached as an appendix to the report.

The report highlighted that councils would continue to spend an increasing proportion of their budgets on education and social work. Population predictions showed an increase in both children and those aged over 75. For West Lothian, the report predicted that the over 75 population would increase by 130.8% between 2014 and 2039, representing the largest increase of a Scottish local authority. It was recommended that an exercise be undertaken to assess the potential impact of the forecast substantial increase in the population aged over 75 by 2039, to assist in the development of future plans and strategies.

Finally, the Accounts Commission's *Local Government in Scotland Performance and Challenges 2017* report outlined the major challenges to service delivery in local government. The report emphasised the need to focus on improving long term planning to ensure that councils could continue to maintain priority services within reduced resources. Consideration of the issues within the report, and the detailed responses to the checklist, would assist in ensuring that the council continues to be well placed to meet the challenges ahead.

During the course of the discussion it was recommended that the Head of Finance and Property Services circulate the Self-Assessment Tool for Councillors to all council members.

It was recommended that the Audit Committee:

1. Notes the key messages and recommendations included in the report;
2. Notes officer responses to the points raised within the councillors self-assessment tool which could be used by elected members to review the council's progress in implementing the recommendations within the report; and

3. Agrees that an exercise be undertaken to assess the potential impact of the forecast substantial increase in the population aged over 75 by 2039, to assist in the development of future plans and strategies.

In response to questions from members, more information was provided in relation to sickness absence and impacts on staff of budget reductions and efficiencies. The Head of Finance & Property Services advised members that every saving proposal had its own business case which included an assessment of the impact of staff. He advised that forecast financial constraints meant that the council could not in future carry on all its present activities and that some prioritisation of resources would be required. He confirmed that council had already instructed officers to prepare for a public consultation in the autumn about priorities and efficiencies and that there would inevitably be a reduction in staffing levels.

Decisions

- Approved the recommendation in the report; and
- Agreed that the Head of Finance and Property Services would circulate the Self-Assessment Tool for Councillors to all council members.

14. LOCAL SCRUTINY PLAN 2017/18

The committee considered a report (copies of which had been circulated) by the Audit, Risk and Counter Fraud Manager, providing details of the Local Scrutiny Plan 2017/18 prepared jointly by West Lothian Council's external scrutiny bodies.

The report explained that the Local Scrutiny Plan was based on a shared risk assessment undertaken by a local area network (LAN) comprising representatives of all the scrutiny bodies engaging with the council. The shared risk assessment process draws on a range of evidence with the aim of determining any scrutiny activity required and focusing this in the most proportionate way. West Lothian Council's Local Scrutiny Plan 2017/18 was attached as an appendix to the report.

The report concluded by confirming that no scrutiny risks were identified which required specific scrutiny by the LAN in 2017/18.

It was recommended that the Audit Committee notes that the shared risk assessment has concluded that no scrutiny risks have been identified which require specific scrutiny in 2017/18.

Decision

Noted the recommendation in the report.

15. EXTERNAL QUALITY ASSESSMENT

The committee considered a report (copies of which had been circulated) by the Audit, Risk and Counter Fraud Manager, providing details of the outcome of an external assessment of the internal audit service.

The Public Sector Internal Audit Standards (PSIAS) requires that a quality assurance and improvement programme covering all aspects of internal audit activity be maintained, which must include both internal and external assessments. The purpose of the programme was to demonstrate compliance with the PSIAS and the efficiency and effectiveness of the internal audit service. The PSIAS requires that an external assessment be conducted at least once every five years by a qualified, independent assessor.

The Scottish Local Authorities Chief Internal Auditors' Group (SLACIAG), which exists to promote the practice of internal audit in local government in Scotland, has implemented a programme whereby member authorities were reviewed for compliance by their peers. This took the form of a validated self-assessment. The Internal Audit Manager of Moray Council was assigned to review West Lothian Council's internal audit service..

It was recommended that the Audit Committee notes that the external assessor has concluded that West Lothian Council's internal audit service complies in all material respects with the requirements of the Public Sector Internal Audit Standards.

Decision

Noted the recommendation in the report.

16. COUNTER FRAUD REPORT 2016/17

The committee considered a report (copies of which had been circulated) by the Audit, Risk and Counter Fraud Manager, providing details of the performance and activities of the Counter Fraud Team (CFT) during the financial year 2016/17.

The report provided details of the Annual Counter Fraud Plan 2016/17 which was approved by the Audit and Governance Committee on 29 February 2016. The main activities of the Counter Fraud Team (CFT) involved maintaining the council's whistleblowing process, conducting investigations into allegations of fraud and irregularity, working in partnership with Police Scotland, administering the biennial National Fraud Initiative (NFI) data matching exercise, providing counter fraud advice and delivering fraud training sessions. A summary of the counter fraud training sessions delivered in 2016/17 was provided in appendix 2 in the report.

The committee was advised that cases where fraud and irregularity was established in 2016/17 were summarised in appendix 1 to the report and considered in private, exempt in terms of Paragraph 14 of Part 1 of

Schedule 7A of the Local Government (Scotland) Act 1973 on the grounds that it involved the likely disclosure of exempt information.

A summary of all CFT performance indicators was provided in Appendix 3 to the report.

The report highlighted the performance and activities of the Counter Fraud Team (CFT) during the financial year 2016/17. The work of the CFT was carried out in accordance with the council's Anti-Fraud and Corruption Policy, Whistleblowing Policy and in accordance with the council's zero tolerance approach to fraud.

It was recommended that the Audit Committee notes the performance and activities undertaken by the Counter Fraud Team during 2016/17.

In response to questions from members, more information was provided in relation to the procedures followed by officers in carrying out investigations and training.

Decision

Noted the recommendation in the report.

17. PRIVATE

The committee resolved under Section 50(A)(4) of the Local Government (Scotland) Act 1973, that the public be excluded from the meeting during consideration of the appendix to the Counter Fraud Report 2016/17 and Internal Audit of Building Services Stores report on the grounds that they involved the likely disclosure of exempt information under Schedule 7A of the Act.

18. COUNTER FRAUD REPORT 2016/17 - APPENDIX 1

The committee considered appendix 1 to the Counter Fraud Report 2016/17 (copies of which had been circulated) which was deemed to be exempt under Paragraph 14 of Part 1 of Schedule 7A of the Local Government (Scotland) Act 1973 as it involved the likely disclosure of exempt information.

The committee noted that nine investigations established that a fraud or irregularity had taken place. These investigations substantiated allegations such as theft of cash, theft of equipment, false declarations on tenancy applications, failure to disclose convictions on employment applications, and abuse of flexitime and pool cars. The total value of fraud and irregularity uncovered by the Counter Fraud Team was £108,850. The cases where fraud and irregularity was established in 2016/17 were summarised in appendix 1 to the report.

It was recommended that the Audit Committee note the summary of Fraud/Irregularity Established in 2016/17 outlined in appendix 1 to the Counter Fraud report 2016/17.

In response to questions from members, more information was provided in relation to the completion of actions agreed through previous committee reports and decisions.

Decision

Noted the Summary of Fraud/Irregularity established in 2016/17.

19. INTERNAL AUDIT OF BUILDING SERVICES STORES

The committee considered a report (copies of which had been circulated) by the Audit, Risk and Counter Fraud Manager, providing details of the outcome of an internal audit of Building Services stores. The report was exempt under Paragraph 14 of Part 1 of Schedule 7A of the Local Government (Scotland) Act 1973 on the grounds that it involved the likely disclosure of exempt information.

In accordance with the council's Anti-Fraud and Corruption Policy an investigation was carried out by the council's Counter Fraud Team (CFT) following a referral received during 2015/16. At the conclusion of the CFT investigation the matter was referred to Police Scotland.

This matter was also reported to the Audit and Governance Committee on 26 September 2016. In light of these matters, and in accordance with the revised audit plan approved by the Audit and Governance Committee on 19 December 2016, a review of Building Services stores was undertaken. The objective of the audit was to review progress in implementing the agreed improvement actions arising from the counter fraud report. The resultant audit report was attached as an appendix to the report and included an action plan with agreed management actions.

In conclusion, the committee noted that the review of Building Services stores concluded that the level of control was satisfactory.

It was recommended that the Audit Committee notes that control was considered to be satisfactory.

In response to questions from members, more information was provided in relation to the systems introduced to ensure supervision of members of the public, and on the outcome of criminal proceedings arising from one investigation.

Decision

Noted the recommendation in the report.