

MINUTES

A&B - PUBLIC

**Shetland Islands Council
Council Chamber, Town Hall, Lerwick
Wednesday 19 September 2018 at 2.00pm**

Present:

M Bell	M Burgess
P Campbell	A Cooper
S Coutts	A Duncan
J Fraser	S Leask
E Macdonald	A Priest
C Smith	G Smith
T Smith	R Thomson
A Westlake	

Apologies:

C Hughson	A Manson
R McGregor	D Sandison
I Scott	D Simpson
B Wishart	

In Attendance (Officers):

M Sandison, Chief Executive
S Bokor-Ingram, Director of Community Health and Social Care
C Ferguson, Director – Corporate Services
N Grant, Director – Development Services
J Riise, Executive Manager – Governance and Law
H Tait, Acting Executive Manager - Finance
C McCourt, Financial Accountant
L Malcolmson, Committee Officer

Also:

Mr Healy, Deloitte
Mr Corrigan, Deloitte

Chairperson

Mr Bell, Convener of the Council, presided.

Circular:

The circular calling the meeting was held as read.

The Convener ruled that in accordance with Section 43(2) of the Local Government in Scotland Act 2003, the attendance of Councillor Mark Burgess during the proceedings would be permitted by telephone link.

Declarations of Interest

None

Annual Audit Report on the 2017/18 Audit - Shetland Islands Council and Zetland Educational Trust

The Committee considered a report by the Executive Manager – Finance (F-072-18-F) which presented the Annual Audit Report on the 2017/18 Audit for Shetland Islands Council and the Zetland Educational Trust.

The Acting Executive Manager - Finance introduced the report and drew attention to changes required to the figures in the tables on page 9 and 74 of the Annual Accounts for 2017/18 that were circulated at the meeting. It was also noted that Officers had been informed of another amendment on page 18 where the remuneration paid to employees required to be amended. The Acting Executive Manager - Finance advised that the External Auditors had confirmed that they were content that the changes they had seen were now the correct figures.

Mr Corrigan and Mr Healy, Deloitte introduced the Annual Audit Report 2017/18 and commented on the key messages and significant findings therein and confirming that Deloitte had provided an unmodified opinion.

During questions, the matter of rationalising committees was raised and officers were asked how that could be done. It was suggested that there was a danger of issues not being dealt with appropriately with less opportunity for discussion. In response the Chief Executive advised that standing orders and governance arrangements are continually under review and in terms of the Committee structure it was important to ensure that decisions are being taken at the right level rather than presenting reports for noting. She said that general updates should be done through briefings and progress on projects should come through performance reporting. The Chief Executive said that these issues would be looked at but it would not necessarily mean change.

During debate the Chair of the Audit Committee provided a summary of the discussion held at the Audit Committee and the assurance given by Deloitte that there are no service failures. He commended staff within Deloitte and the Council for the work done in preparing the accounts. The Chair of the Audit Committee advised that there was unanimous approval of the Annual Audit Report.

Members spoke in support of comments made by the Auditors and the Chair of the Audit Committee. However the Chair of the Education and Families Committee cautioned that there were also wider audit issues to consider. He noted that Council Members had identified their priorities and Council staff were wholly committed to delivering those because they focussed on service delivery and improved outcomes for Shetland. Much of what the Auditors were looking for could be addressed within ongoing work and the Action Plan would capture those such as the IJB, Community empowerment, Community Planning, Performance Reporting and workforce Strategy. Therefore it was timely that Deloitte reminds the Council of the necessity to move forward on these fronts. It was stressed however that there is a need to match resources available and quantify resource gaps to move in a way that satisfies the auditors and outcomes for the community.

Reference was made to page 1 of the annual accounts at bullet 2 the number of dwellings planned is over ten years where this should read “over the next five years”.

The Executive Manager – Governance and Law advised that, outwith normal practice, due to the number of changes indicated, an amended version of Annual

Accounts 2017/18 would be uploaded on the Council's Committee Information System and circulated to Members by email following the meeting.

Decision:

The Council RESOLVED to:

- NOTE the findings of the 2017/18 audit as contained in the external auditor's Annual Report at Appendix 1;
- APPROVE the agreed Action Plan as outlined in the Annual Report;
- APPROVE the audited Annual Accounts for 2017/18 (Appendix 2) for Shetland Islands Council for signature; and
- APPROVE the audited Annual Accounts for 2017/18 (Appendix 3) for Zetland Educational Trust for signature.

The meeting concluded at 2.30pm.

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Convener