

SCOTTISH BORDERS COUNCIL AUDIT AND SCRUTINY COMMITTEE

MINUTES of Meeting of the AUDIT AND
SCRUTINY COMMITTEE held in via
Microsoft Teams on Monday, 27 June 2022
at 10.15 am

- Present:- Councillors E. Thornton-Nicol (Chairman), N. Richards (Vice-Chairman),
J. Anderson, J. Cox, M. Douglas, E. Robson and F. Sinclair
- Apologies:- Councillors P. Brown, J. PatonDay, S. Scott, Ms H Barnett and
Mr M Middlemiss.
- In Attendance:- Director Finance and Corporate Governance, Director Social Work and
Practice, Chief Officer Audit and Risk, Pension and Investment Manager,
Homelessness Service Manager, Clerk to the Council, Democratic Services
Officer (W. Mohieddeen); Mr A. Haseeb and Ms J. Law (Audit Scotland).
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CHAIR

Councillor Thornton-Nicol welcomed everyone to the meeting and advised that the public business in this meeting was being livestreamed for public view and also recorded. By participating in the meeting, attendees had given consent for this. The recording would be available through the link to the event livestream on the Council website for public viewing for 180 days afterwards. The recording would then be automatically deleted after this time. Everyone was reminded that the Council did not allow any other recording of the meeting than this one.

1. **MINUTE.**

There had been circulated copies of the Minute of the Meeting held on 9 June 2022.

DECISION

AGREED to approve the Minute for signature by the Chair.

2. **AUDIT BUSINESS ACTION TRACKER**

There had been circulated copies of the Audit Business Action Tracker which was presented by the Chief Officer Audit and Risk. The Committee was asked to acknowledge actions marked as complete that could be removed from the action tracker. With reference to paragraph seven of the Minute of the Meeting held on 22 November 2021, a Business Continuity project was underway with Chief Officer Audit and Risk a member of the Project Board to enable continuous Internal Audit follow-up work. A report providing a fuller update would be presented at a future meeting of the Audit and Scrutiny Committee. With reference to paragraph three of the Minute of the Meeting held on 14 March 2022, an update on Learning Disability Service Financial Management actions would be provided for the August meeting of the Audit and Scrutiny Committee. With reference to paragraph four of the Minute of the Meeting held on 14 March 2022, the Review Group was progressing on actions relating to uptake on mandatory e-learning with a further update to be provided.

DECISION

(a) AGREED to remove completed actions from the action tracker; and,

(b) NOTED the update.

3. EXTERNAL AUDIT ANNUAL PLAN 2021-22 FOR THE COUNCIL

- 3.1 There had been circulated copies of the Scottish Borders Council Annual Audit Plan 2021-22 which was presented by Asif Haseeb, Audit Scotland, Audit Engagement Manager for Scottish Borders Council. Mr Haseeb explained that the report should have been presented to the March meeting, however Audit Scotland was only able to issue the final form in April 2022 and it was thus presented to the first available Audit meeting after the 2022 Local Authority election. The Audit Plan covered the 2021-22 financial year and was produced in the sixth year of Audit Scotland's appointment. Audit appointments were made by the Accounts Commission which had appointed another Audit Scotland team for the next audit appointment for Scottish Borders Council.
- 3.2 Mr Haseeb explained that planning materiality was calculated at £6.2 million and if that level was breached there would be concerns. Furthermore, performance materiality was set at £3.7 million which would trigger an investigation into why a breach had occurred should the aggregate of errors during the financial statements audit exceed that level. The Reporting Threshold was explained as being the bottom limit where any errors below the value of £250,000 would not necessarily be reported and that anything above would be reported. Significant risks of material misstatement to the financial statements were highlighted in exhibit two of the plan. 'Risk of material misstatement due to fraud caused by the management override of controls' was explained as being not unique to Scottish Borders Council and was applied to all clients audited. Estimation of the valuation of land and buildings was explained as being included as estimations were required to assess the Scottish Borders Council estate using professional valuation agents which Audit Scotland had to ensure were materially correct.
- 3.3 Mr Haseeb highlighted other areas of audit focus including Common Good assets which were held by the Council but were Common Good-owned; the pension liability valuation due to the material value and significant assumptions used in the calculation of the liability; ongoing impact of Covid-19 and how related expenditure and additional funding was being accounted for in the annual accounts; and the accounting for and disclosure of any provisions or contingencies relating to litigation and claims resulting from historic cases. It was highlighted that Trust and Common Good accounts were audited although a separate plan would not be prepared. Wider audit dimension risks were highlighted in exhibit six of the report. Mr Haseeb advised that the annual audit report had a target production date of 31 October 2022.

DECISION

NOTED the External Audit Plan 2021-22

4. INTERNAL AUDIT WORK TO MAY 2022

- 4.1 With reference to paragraph four of the Minute of the Meeting held on 14 March 2022, there had been circulated copies of the Internal Audit Work to May 2022 which provided Members of the Audit and Scrutiny Committee with details of the recent work carried out by Internal Audit and the recommended audit actions agreed by Management to improve internal controls and governance arrangements. The work Internal Audit had carried out in the period from 1 March to 31 May 2022 associated with the delivery of the approved Internal Audit Annual Plan 2021-22 was detailed in this report. A total of seven final Internal Audit reports had been issued. There were 16 recommendations made associated with six of the reports (13 Medium-rated; 3 Low-rated). An Executive Summary of the final Internal Audit assurance reports issued, including audit objective, findings, good practice, recommendations (where appropriate) and the Chief Officer Audit and Risk's independent and objective opinion on the adequacy of the control environment and governance arrangements within each audit area, was shown in Appendix 1 of the report. The SBC Internal Audit function conformed to the professional standards as set out in Public Sector Internal Audit Standards (PSIAS) (2017) including the production of the report to communicate the results of the reviews. The Chief Officer Audit and Risk

summarised the work contained in appendix one of the report.

- 4.2 In response to a question about the role of a Capital Board in relation to the Strategic Leadership Team and the impact on capacity of officers, the Director Finance and Corporate Governance advised that the Strategic Leadership Team (SLT) had regular oversight of the capital plan, regular reporting of the capital plan to the Executive Committee which had oversight on the delivery of the plan delegated from Council. There was a series of project boards in place to govern the major initiatives of the Council, such as the Hawick Flood Protection Scheme. Mr Robertson further advised that the aim was to have appropriate governance arrangements in place that did not unduly clutter the landscape but ensured effective governance to deliver projects.
- 4.3 The Chairman requested that a timeline be put in place for the development of an IT asset management strategy, that the cost behind the income generation of business property assets of £1.2 million detailed in the Asset Management section in appendix 1 was made clear, and that the cost of sites without buildings on them was also clarified to be part of a single economic development industrial strategy. In response to a question on roads maintenance management, the Chief Officer Audit and Risk advised that opportunities for use of technology to assess road conditions was not part of the business application system audit, however it may be able to form part of audit scope. The Director Finance and Corporate Governance advised that the Council was actively looking at that example with CGI to assess the potential for installing road condition monitoring technology on the bin fleet as they travelled on most roads in the Borders on a regular basis.

DECISION

- (a) **NOTED:**
- (i) **the Executive Summaries of the final Internal Audit assurance reports issued in the period from 1 March to 31 May 2022 associated with the delivery of the approved Internal Audit Annual Plan 2021/22; and,**
 - (ii) **the Internal Audit Consultancy and Other Work carried out in accordance with the approved Internal Audit Charter.**
- (b) **AGREED to acknowledge the assurance provided on internal controls and governance arrangements in place for the areas covered by this Internal Audit work.**

5. INTERNAL AUDIT ANNUAL ASSURANCE REPORT 2021-22

- 5.1 There had been circulated copies of the Internal Audit Annual Assurance Report for the year to 31 March 2022 which included the Chief Officer Audit & Risk's independent assurance opinion on the adequacy of the Council's overall control environment. The Public Sector Internal Audit Standards (PSIAS) required that the Chief Audit Executive (CAE), the Council's Chief Officer Audit & Risk, provided an annual internal audit opinion and reported on the adequacy and effectiveness of the Council's governance, risk management and internal controls to support the preparation of the Annual Governance Statement. This was in support of the overall governance arrangements of the Council, as set out in the Local Code of Corporate Governance. The Remit of the Audit and Scrutiny Committee, relevant to the content of this report, indicated that it should: ensure an adequate framework of internal control, risk management and governance throughout the Council; and monitor and review the performance of Internal Audit, conformance to the Public Sector Internal Audit Standards and code of ethics. To meet the requirements of the PSIAS, the Internal Audit Annual Assurance Report 2021-22, at Appendix 1, included the annual Internal Audit opinion, provided details of the Internal Audit activity and performance during the year to fulfil its role, and summarised the outcomes of assessments of the Internal Audit service against the PSIAS.

- 5.2 The opinion of the Chief Officer Audit and Risk was that the internal control, governance and risk management within the Council were operating satisfactorily. The main issue for 2021-22 was non-completion by staff of the mandatory eLearning training (particularly child protection), and lack of oversight by Management to check compliance and include in staff annual appraisals. Common themes from Internal Audit findings during the year were: keeping policies and procedures up-to-date which was of particular importance during a period of change, for example HR and Financial Policy Frameworks; Senior Management needed to carry out second line monitoring for assurance purposes, for example, Performance Management; and establish a board to provide strategic oversight on capital asset management planning and implementation of capital programmes and projects. The Council continued to make progress in embedding Risk Management and awareness, ensuring that the risks to achieving corporate objectives were systematically identified, analysed, evaluated, controlled, monitored and reported regularly. Corporate and Service Risk Registers were subject to regular review by those Managers who were allocated the responsibilities for managing individual risks. Improvements were required on the Council's Business Continuity Framework to ensure the policy was up-to-date, the system was fit for purpose, adequate support resources were deployed, and a programme of testing was developed and implemented to ensure business continuity was being applied in practice.
- 5.3 In response to a question regarding the uptake of e-learning training, the Chief Officer Audit and Risk advised that it had been recognised that the recording of staff completion of e-learning was not always being picked up by the system. Not all staff had access to IT to undertake e-learning. All these factors were being taken into account in recognising the challenges of the Council as an employer. In response to a question about the availability of appropriate equipment for staff to undertake training, the Chief Officer Audit and Risk advised that work was underway with particular staff groups to look at different ways to deliver training, perhaps in group setting, but it was important for the Council, as an employer, that there was a record to show that staff were aware and had complied with requirements. A number of different options were being considered to provide a solution. The key element was about having management oversight of the level of staff engagement which would allow a much better picture to emerge across the range of services and how this would help with the challenges going forward.

DECISION

NOTED the Internal Audit Annual Assurance Report 2021/22 (Appendix 1) and assurances contained therein.

6. RISK MANAGEMENT ANNUAL REPORT 2021-22

With reference to paragraph 7 of the Minute of the Meeting held on 10 May 2021, there had been circulated copies of the Risk Management Annual Report 2021-22 which provided Members with an overview of Scottish Borders Council's responsibilities in respect of risk management and an update on the risk management activity during 2021-22 for assurance purposes. The report explained that Effective Risk Management was one of the foundations of effective Corporate Governance as recognised in the Council's Local Code of Corporate Governance. Compliance with the principles of sound Corporate Governance required the Council to adopt a coherent approach to the management of risks that it faced every day. Better and more assured risk management would bring many benefits to the Council and the people it serves. Management had the primary responsibility to systematically identify, analyse, evaluate, control and monitor risks to the achievement of the Council's objectives. Internal Audit was required to give independent assurance on the effectiveness of all internal controls and other arrangements put in place by Management to manage risk. Part of the Audit and Scrutiny Committee's role (Audit function) was to scrutinise the framework of internal financial control, risk management and governance throughout the Council to ensure its adequacy. In 2021, a revised Risk Management Policy statement and a 3-year Risk Management Strategy were endorsed by this Committee and approved by the Council to enable the Council to refine its approach to managing risks and embed these key aspects into the management practices

of the Council. Risk Management activity during the year, in line with the Policy and Strategy, was outlined in this annual report. The Chief Officer Audit and Risk highlighted the main points from the report and answered Members' questions around risk management training. The Director Social Work and Practice also advised on the risk associated with children and young people placements, where the aim was to keep them in the Borders if at all possible. A project for a complex needs residential setting in the Borders had been delayed and when built, that would help mitigate this risk.

DECISION

NOTED:

- (a) the arrangements for managing risks at the Council in support of the Council's Risk Management Policy and Strategy; and,**
- (b) the content of the Corporate Risk Register as at Quarter 4 2021-22 review and the refresh that is underway.**

ADJOURNMENT

The meeting was adjourned at 11.38 am and reconvened at 11.45 pm.

7. COUNTER FRAUD ANNUAL REPORT 2021-22

There had been circulated copies of a report by the Chief Officer Audit and Risk which provided details of the Council's counter fraud responsibilities and an update on the fraud prevention, detection and investigation activity during the year to 31 March 2022. The report explained that the Council was committed to minimising the risk of loss due to fraud, theft or corruption and to taking appropriate action against those who attempt to defraud the Council, whether from within the authority or from outside. The primary responsibility for the prevention, detection and investigation of fraud rested with Management, supported by the Integrity Group. Internal Audit provided advice and independent assurance on the effectiveness of processes put in place by Management. Part of the Audit and Scrutiny Committee's role was to oversee the framework of internal financial control including the assessment of fraud risks and to monitor counter fraud strategy, actions and resources. In 2021, a revised Counter Fraud Policy statement and a 3-year Counter Fraud Strategy 2021-2024 were endorsed by this Committee and approved by the Council. This would enable the Council to continue to refine its approach to tackling fraud, taking account of reducing resources, with a focus on prevention and detection and promotion of a counter fraud culture across the Council to improve its resilience to fraud. Assurances about the effectiveness of the Council's existing systems and arrangements for the prevention, detection and investigation of fraud can be taken from the outcomes contained within the report. The Chief Officer Audit and Risk highlighted the main points from the report and in response to a question about whether a Corporate Fraud Officer was in place, advised that this post was no longer in place but instead the Council had corporate fraud champions across its directorates, with work ongoing in Internal Audit to ensure counter fraud controls were captured as they developed to get assurance that the risks were being mitigated. In response to a question about phishing emails, the Director Finance & Corporate Governance advised that on a day to day basis the Council faced serious cyber-attacks, including phishing, hacking and malware. No systems could be 100% protected but the best was in place and training and awareness raising in staff helped to counter the dangers. The Strategic Leadership Team had recently had a presentation from CGI after an audit of security and a number of recommendations from that audit were now being put in place.

DECISION

NOTED:

- (a) the counter fraud work undertaken in support of the Council's counter fraud policy and strategy; and,**

(b) the outcomes of the counter fraud activity 2021-22.

8. ANNUAL ASSURANCE STATEMENT 2021/22 TO THE SCOTTISH HOUSING REGULATOR

- 8.1 With reference to paragraph eight of the Minute of the Meeting held on 10 May 2021, there had been circulated copies of a report by the Director Social Work and Practice which proposed that the Audit and Scrutiny Committee consider and approve the Annual Assurance Statement 2021-22 in respect of landlord services provided by the Council. The report explained that part of the Audit and Scrutiny Committee's remit (Audit functions) was to assess the effectiveness of internal controls, risk management, and governance arrangements. In 2019, the Scottish Housing Regulator ("the Regulator") revised its Regulatory Framework. This placed a new requirement on all social landlords to submit an Annual Assurance Statement to the Regulator by the end of October each year. The Annual Assurance Statement 2021-22 in respect of landlord services provided by the Council in Appendix 1 of the report, was designed to meet this requirement of the Scottish Housing Regulator, supported by the further self-assessment information in Appendix 2 of the report.
- 8.2 The Homelessness Services Manager presented the Annual Assurance Statement in 2021-22 in respect of landlord services provided by the Council in Appendix 1 of the report and the Summary Statement of Self-Assessment of Compliance against Regulatory Framework in Appendix 2 of the report. The statement explained that there was sufficient evidence that the Council complied with the regulatory requirements as laid out in Chapter 3 of the Scottish Housing Regulator's Regulatory Framework, including all relevant standards and outcomes in the Scottish Social Housing Charter in respect of any tenants, homeless persons, and other person who were in receipt of housing services; and legal obligations associated with housing and homelessness services, equality and human rights, and tenant and resident safety. The Homelessness Services Manager highlighted an error in Appendix 2 of the report in the third row which should have stated that 110 properties were leased from registered social landlords for use as temporary accommodation for homeless people. With regard to the Gypsy/Traveller site at Tweedside Caravan Park, Innerleithen, this now met the Scottish Government's minimum standards for Gypsy/Traveller sites following agreement being reached with Tweedside Caravan Park owners on the form of a new occupancy agreement. Upon review of the fire safety requirements on the Gypsy/Traveller site, the number of available pitches has been reduced from ten to nine. The Chairman asked that the SBC website be updated to reflect that there were nine pitches available at the Innerleithen site.

DECISION

- (a) **NOTED the details of the Annual Assurance Statement 2021-22 to the Scottish Housing Regulator in respect of landlord services provided by the Council in Appendix 1 of the report, and the further self-assessment information in Appendix 2 of the report, and the actions by Management to improve arrangements; and,**
- (b) **AGREED to approve the Annual Assurance Statement 2021-22 to the Scottish Housing Regulator in respect of landlord services provided by the Council in Appendix 1 of the report and agrees that it be submitted to the Scottish Housing Regulator along with the Summary Statement of Self-Assessment of Compliance against Regulatory Framework in Appendix 2 of the report.**
9. **DRAFT ANNUAL GOVERNANCE STATEMENT 2021-22**
With reference to paragraph eight of the Minute of the Meeting held on 10 May 2021, there had been circulated copies of a report by the Chief Executive that proposed that the Audit and Scrutiny Committee considered and approved the draft Annual Governance Statement 2021/22 for inclusion in the Council's unaudited Statement of Accounts 2021/22. The report explained that part of the Audit and Scrutiny Committee's remit

(Audit function) was to assess the effectiveness of internal controls, risk management, and governance arrangements. The draft Annual Governance Statement 2021-22 at Appendix 1 of the report, in compliance with the CIPFA/SOLACE Framework, provided details of the Council's Governance Framework, the annual Review of Framework undertaken, Improvement Areas of Governance, and Overall Opinion. The Director Finance and Corporate Governance presented the report and answered Members' questions. The Chairman asked that the draft Annual Governance Statement 2021-22 be amended to reflect that recording of meetings had not been taking place during 2021-22 while meetings were live streamed.

DECISION

- (a) NOTED the details of the draft Annual Governance Statement 2021-22 in Appendix 1 of the report to ensure it reflects the risk environment and governance in place to achieve objectives, and acknowledges the actions identified by Management to improve internal controls and governance arrangements; and,**
- (b) AGREED to approve the draft Annual Governance Statement 2021-22 in Appendix 1 of the report to be published in the Council's unaudited Statement of Accounts 2021-22.**

10. UNAUDITED ACCOUNTS 2021-22 - SCOTTISH BORDERS COUNCIL AND VARIOUS OTHERS

- 10.1 There had been circulated copies of a report and associated papers by the Director Finance and Corporate Governance that provided the Audit and Scrutiny Committee an opportunity to scrutinise the draft Scottish Borders Council and Group Annual Report and Accounts for the year ended 31 March 2022 prior to its submission to the External Auditors. The draft Report and Accounts were still subject to Statutory Audit, which would commence in July 2022 as normal, but may be concluded later than usual due to competing external audit demands as a result of the ongoing impact of the Covid-19 pandemic. It was estimated that following the External Audit process, the final report and Accounts would be submitted to Council in October 2022. The Accounts summarised the financial transactions for the 2021-22 financial year and the balance sheet positions at the year-end of 31 March 2022. The draft Annual Accounts for 2021-22 were attached at Appendices 1-5 to the report as follows: Scottish Borders Council, SBC Common Good Funds, SBC Welfare Trust, SBC Education Trust, SBC Community Enhancement Trust, Ormiston Trust for Institute Fund, SBC Charitable Trusts, Bridge Homes LLP, and Lowood Tweedbank Ltd. The Accounts would be made available for public inspection for a 14 day period commencing 1 July 2022.
- 10.2 The Director Finance and Corporate Governance gave a brief presentation which highlighted the main points of the report. A climate change route map was approved by Council in response to the declared climate emergency; Free School Meals were rolled out to all Primary 4 and Primary 5 pupils; Enterprise Mobility had been launched in SBCares to provide hand-held devices to over 400 frontline care staff; the SBC Digital Strategy was approved which included a focus on streamlining processes and digital automation where possible; and Wilkie Gardens extra care housing facility in Galashiels had opened. Financial highlights for 2021-22 included a revenue outturn £1.427 million underspend which was 0.5% of the final approved budget; £9.301 million Financial Plan Savings Achieved; £37.2 million of earmarked balances from 2021-22 into 2022-23 which included £9.5 million of the Covid-19 reserve carried forward; net assets had increased by £84.3 million; and capital expenditure of £59.6 million including a timing movement of £7.5 million into 2022-23. As at 31 March 2022 the total Usable Reserves Balance was £64.5m (£48.3m at 31 March 2021), a net increase of £16.2m during the year. The presentation also covered the Group accounts that were included with the papers. Following the 2020 triennial valuation, the Pension Fund was 110% funded and made a positive return of 5.9% against a benchmark of 10.6%. Consequently investment values

were increased by £50 million. The successful sale of Bridge Homes properties to Eildon Housing Association had been concluded. Bridge Homes generated a £282,000 trading profit and the LLP was to be wound up.

- 10.3 The Director Finance and Corporate Governance answered Members' questions and provided further clarification where requested. Mr Robertson noted the £282,000 trading profit of Bridge Homes LLP would go into reserves. Funding available from Welfare and Education Trusts were advertised through the Community and Partnerships Team and Ward members were encouraged to promote opportunities. Mr Robertson undertook to speak with the Communities & Partnership Manager to ensure Members received anonymised information throughout the year so that the money from these Trusts was used. The Director Education & Lifelong Learning was currently undertaking a review of various educational trusts to consolidate and modernise these where possible, and that review would involve consultation with communities and schools.

DECISION

- (a) **NOTED the Draft Annual Report and Accounts 2021/22 for Scottish Borders Council and associated Group Accounts; and,**
- (b) **AGREED to support its submission for review by the External Auditors, Audit Scotland for Scottish Borders Council, Common Good and Trust Funds accounts, and to KPMG who continue to provide the external audit of the Council's subsidiary Bridge Homes.**

11. **UNAUDITED REPORT AND ACCOUNTS 2021-22 OF THE PENSION FUND**
There had been circulated copies of a report by the Director Finance and Corporate Governance that provided the Audit and Scrutiny Committee the opportunity to scrutinise and note the Draft Annual Report and Accounts for the Pension Fund for 2021-22 prior to their submission to the External Auditors. The Local Government Pension Scheme Amendment (Scotland) Regulations 2010 specified the elements which must be contained in the Annual Report and Accounts, the list of these were contained in paragraph 4.1 of the report. The draft Report and Accounts contained in Appendix 1 fully met these requirements. This report was presented to enable members to consider the draft Annual Report and Accounts for 2021-22 (the Annual Report) prior to External Audit Inspection by the statutory deadline of 30 June 2022. The draft Report and Accounts were still subject to statutory Audit, which would commence August 2022. Following the statutory Audit process the final Report and Accounts will be submitted to the joint Committee and Board to review and of recommendation for approval.

DECISION

NOTED the draft Annual Report and Accounts for 2021-22.

12. **LOCAL GOVERNMENT IN SCOTLAND: OVERVIEW 2022**
There had been circulated copies of an annual report by the Accounts Commission which was shared with Members for insight into the national picture of local authorities in Scotland. The report was developed from local authorities annual audit reports. The report was extremely helpful, especially in terms of case studies, and was a useful benchmarking tool for the Council.

DECISION

NOTED the report.

13. **PROPOSED BRIEFINGS/SEMINARS AT DEVELOPMENT SESSIONS 2022-23 FOR AUDIT AND SCRUTINY COMMITTEE**
There had been circulated copies of a report by the Chief Officer Audit and Risk that provided members of the Audit and Scrutiny Committee with proposed briefings/seminars that would be delivered in the main during Development Sessions 2022-23 to support

their ongoing learning and development to enable them to fulfil the Audit and Scrutiny Committee remit (Audit functions) effectively. The report explained that it was important that the Council's Audit and Scrutiny Committee fully complied with best practice guidance on Audit Committees to ensure it could demonstrate its effectiveness as a scrutiny body (Audit functions) as a foundation for sound corporate governance for the Council. One of the lessons learned within the Audit and Scrutiny Committee Annual/End of Term Report 2021-22 on how it had effectively fulfilled its Audit functions was "Recognising that regular training is important to enable them to fulfil their remit effectively." The Chairman requested that development session not take place for 45 minutes before formal business of the Audit and Scrutiny Committee.

DECISION

- (a) **AGREED:**
- (i) **to approve the briefings/seminars in 2022-23 for Members of Audit & Scrutiny Committee set out in paragraph 4.2 of the report;**
 - (ii) **that all Members should prioritise attendance at the Development Sessions wherever practicable; and,**
 - (iii) **that development sessions would be rearranged so they were not scheduled in the 45 minutes immediately preceding formal business of the Audit and Scrutiny Committee and self-assessment questionnaires would be issued prior to the sessions.**
- (b) **NOTED that Members' knowledge and skills would be evaluated during the year to inform their learning and development which would be considered formally as part of the annual self-assessment in March 2023.**

URGENT BUSINESS

Under Section 50B(4)(b) of the Local Government (Scotland) Act 1973, the Chairman was of the opinion that the item dealt with in the following paragraph should be considered at the meeting as a matter of urgency, in view of the need to make an early decision or to keep Members informed.

14. BRIDGE HOMES DRAFT ANNUAL ACCOUNTS

14.1 There had been circulated copies of a paper by the Director Finance and Corporate Governance addressing the status of Bridge Homes LLP. The Director explained that since the publication of the papers for Audit and Scrutiny Committee an amendment had been made to Bridge Homes annual accounts for the basis of the accounting treatment. This was a note to the accounts, as seen on page 11, and changed no other part of the draft annual accounts. The amendment to the paragraph was as follows: "Basis Other than Going Concern - Bridge Homes is 99.999% owned by Scottish Borders Council and is financed under a Facility Agreement with the Council to borrow up to £18.8m along with a £3.3m contribution from the Councils' Affordable Housing Investment Budget. As at 31 March 2022, as a result of the sale of properties to Eildon Housing Association, the drawn down amounts under the facility agreement have been repaid. The Members have undertaken a going concern assessment. As a result of the disposal of the properties and the intention to cease trading, the financial statements have been prepared on a basis other than going concern. Bridge Homes LLP continues in existence albeit as a non-trading company. There were no adjustments necessary for the Assets and Liabilities as a result of the basis other than going concern."

14.2 The amendment would be reflected in the Bridge Homes draft annual accounts due to be published on 30 June 2022 and sent to external auditors KPMG.

DECISION

AGREED to approve the amendment in the narrative of the Bridge Homes status in the draft annual accounts.

The meeting concluded at 1.25 pm.