

Minute

Monitoring and Audit Committee

Thursday, 25 September 2025, 09:30.

Council Chamber, Council Offices, School Place, Kirkwall.



Present

Councillors P Lindsay Hall, Stephen G Clackson, W Leslie Manson, James R Moar, John A R Scott and Mellissa-Louise Thomson.

Clerk

- Sandra Craigie, Committees Officer.

In Attendance

- Oliver Reid, Chief Executive.
- Hayley Green, Director of Infrastructure and Organisational Development.
- Gareth Waterson, Director of Enterprise and Resources.
- Andrew Groundwater, Head of Human Resources and Organisational Development.
- Erik Knight, Head of Finance.
- Gavin Mitchell, Head of Corporate Governance.
- Andrew Paterson, Chief Internal Auditor.
- Robert Adamson, Service Manager (Payroll and Pensions).
- Pat Robinson, Service Manager (Accounting) (for Items 1 and 2).
- Paul Kesterton, Information Governance Officer (for Items 1 to 3).
- Hanna Gray, Trainee Internal Auditor.

In Attendance via remote link (Microsoft Teams)

- Michael Wilkie, Public Sector Audit Partner, KPMG.

Observing

- Alex Rodwell, Head of Performance and Business Support.
- Frances Troup, Head of Community Learning, Leisure and Housing.
- Andrew Hamilton, Service Manager (Resources).
- William Moore, Service Manager (Improvement and Performance).
- Katell Roche, Team Manager (Sport and Leisure) (for Items 7 to 10).

Apology

- Councillor Gillian Skuse.

Transparency Statement

- Councillor John A R Scott – Item 7.

Chair

- Councillor P Lindsay Hall.

1. Audit Report to those charged with Governance

The Chair advised that, as Members had only received the Audit Report to those charged with Governance the previous day, the status of which appeared to be incomplete, he proposed that the Monitoring and Audit Committee could not scrutinise the report.

Following assurance from KPMG that the completed Annual Audit Report would be submitted to an additional meeting of the Monitoring and Audit Committee to be held prior to 31 October 2025, on the motion of Councillor P Lindsay Hall, seconded by Councillor Stephen G Clackson, the Committee therefore:

Noted:

1.1. KPMG's draft audit report in respect of the audit of Orkney Islands Council's Annual Accounts for 2024/25, attached as Appendix 1 to the report by the Director of Enterprise and Resources.

1.2. The draft Annual Audit Report to the Council and the Auditor General for Scotland, attached as Appendix 3 to the report by the Director of Enterprise and Resources.

1.3. Orkney Island's Council's Letter of Representation to KPMG in connection with its audit of the financial statements of Orkney Islands Council for the year ended 31 March 2025, attached as Appendix 2 to the report by the Director of Enterprise and Resources.

2. Annual Accounts

For the reasons detailed in paragraph 1 above, and as the Annual Accounts could not be approved until the Annual Audit Report had been scrutinised and the Council's Letter of Representation approved, the Committee, therefore:

Noted the Annual Accounts for financial year 2024/25, incorporating the Annual Governance Statement, attached as Appendix 1 to the report by the Director of Enterprise and Resources, which would be resubmitted to the additional meeting of the Monitoring and Audit Committee to be held prior to 31 October 2025 for approval.

3. Complaints and Complaints Handling

After consideration of a report by the Chief Executive, copies of which had been circulated, and after hearing a report from the Information Governance Officer, the Committee:

Scrutinised the findings contained in the Annual Complaints and Compliments Handling Report for 2024/25, attached as Appendix 1 to the report by the Chief Executive, and obtained assurance that appropriate monitoring of the Council's complaints handling was in place as required by the Scottish Public Services Ombudsman.

4. Integration Joint Board – Internal Audit Annual Report and Opinion

After consideration of a report by the Chief Internal Auditor, copies of which had been circulated, the Committee:

Noted the Internal Audit Annual Report and Opinion for 2024/25 in respect of the Integration Joint Board, attached as Appendix 1 to the report by the Chief Internal Auditor, which confirmed that, in respect of areas subject to audit review during 2024/25, it was found that there was a limited framework of controls operating within the Integration Joint Board.

5. Internal Audit – Performance Indicator Reporting

After consideration of a report by the Chief Internal Auditor, copies of which had been circulated, the Committee:

Scrutinised the findings contained in the internal audit report, attached as Appendix 1 to the report by the Chief Internal Auditor, relating to the processes and controls around Performance Indicator reporting to ensure that indicator figures correlated with supporting evidence, and obtained assurance that action had been taken or agreed where necessary.

6. Internal Audit – Pension Investments

After consideration of a report by the Chief Internal Auditor, copies of which had been circulated, the Committee:

Scrutinised the findings contained in the internal audit report, attached as Appendix 1 to the report by the Chief Internal Auditor, relating to the procedures and controls around Pension Investments, and obtained assurance that action had been taken or agreed where necessary.

7. Internal Audit – Pickaquoy Centre Trust – Service Agreement

Councillor John A R Scott advised that, for the purposes of transparency, he was Vice Chair of the Pickaquoy Centre Trust and had been involved in discussions relating to the revised Service Agreement, but that, having taken advice, as he had been nominated to the Pickaquoy Centre Trust by Orkney Islands Council, this was not a connection that amounted to an interest that required to be declared in terms of the Councillors' Code of Conduct.

After consideration of a report by the Chief Internal Auditor, copies of which had been circulated, the Committee:

Scrutinised the findings contained in the internal audit report, attached as Appendix 1 to the report by the Chief Internal Auditor, relating to the effectiveness of current arrangements and future requirements of the Service Agreement with Pickaquoy Centre Trust, and obtained assurance that action had been taken or agreed where necessary.

8. Internal Audit Review

School Meals and Instrumental Music Tuition Costs

After consideration of a report by the Chief Internal Auditor, copies of which had been circulated, the Committee:

Noted the findings contained in the internal audit report, attached as Appendix 1 to the report by the Chief Internal Auditor, reviewing the cost of service delivery for school meals and instrumental tuition compared to the level of funding provided by the Scottish Government.

9. Internal Audit

Heat and Energy Efficient Scotland: Area Based Scheme

After consideration of a report by the Chief Internal Auditor, copies of which had been circulated, the Committee:

Scrutinised the findings contained in the internal audit report, attached as Appendix 1 to the report by the Chief Internal Auditor, reviewing arrangements with Warmworks Scotland LLP and the process followed for awarding and payment of grants under the Heat and Energy Efficient Scotland: Area Based Scheme, and obtained assurance that action had been taken or agreed where necessary.

10. Conclusion of Meeting

At 10:34 the Chair declared the meeting concluded.

Signed: P L Hall.