

**MINUTE**  
**of**  
**EAST RENFREWSHIRE COUNCIL**

**Minute of meeting held at 4.30pm in the Council Chamber, Council Headquarters, Giffnock on 26 September 2024.**

**Present:**

Councillor Andrew Anderson	Councillor Chris Lunday
Councillor Caroline Bamforth	Councillor David Macdonald*
Councillor Tony Buchanan	Councillor Jim McLean
Deputy Provost Kate Campbell	Councillor Colm Merrick
Councillor Betty Cunningham*	Provost Mary Montague
Councillor Angela Convery	Councillor Andrew Morrison
Councillor Danny Devlin*	Councillor Owen O'Donnell (Leader)
Councillor Paul Edlin	Councillor Katie Pragnell
Councillor Annette Ireland*	Councillor Gordon Wallace

Provost Montague in the Chair

**Attending:**

Steven Quinn, Chief Executive; Caitriona McAuley, Director of Environment; Louise Pringle, Director of Business Operations and Partnerships\*; Julie Murray, Chief Officer, Health and Social Care Partnership (HSCP); Margaret McCrossan, Head of Accountancy (Chief Financial Officer); Gerry Mahon, Chief Officer (Legal & Procurement); Andy Corry, Head of Environment (Operations); Graeme Smith, Communications Manager; Barbara Clark, Chief Accountant; Barry Tudhope, Democratic Services Manager; Linda Hutchison, Senior Democratic Services Officer; and Lesleyann Burns, Assistant Democratic Services Officer.

(\*) indicates remote attendance.

**Also Attending:**

Rob Jones, Ernst and Young.

**INTRODUCTORY REMARKS**

**971.** Referring to the forthcoming retirement of the Head of Accountancy (Chief Financial Officer) and Head of Environment (Operations), Provost Montague confirmed that there would be an opportunity for Elected Members to make remarks to them regarding their service following the meeting.

**DECLARATIONS OF INTEREST**

**972.** There were no declarations of interest intimated.

## **ANNUAL STATEMENT ON ADEQUACY AND EFFECTIVENESS OF GOVERNANCE, RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS**

**973.** The Council considered a report by the Audit and Scrutiny Committee, providing an annual statement on the adequacy and effectiveness of the governance, risk management and internal control systems operating within the Council during 2023/24.

Councillor Morrison, Chair of the Audit and Scrutiny Committee, referred to the requirement for the Committee to review the control environment and make an annual statement to the Council on its evaluation of internal controls. To assist with that, the Chief Auditor required to provide the Committee with an annual statement on the adequacy and effectiveness of the governance, risk management and internal control systems operating within the Council, the statement for the year ending 31 March 2024 having been considered by the Committee immediately prior to the Council meeting as an Appendix to the Internal Audit Annual Report 2023/24. It concluded that it was the opinion of the Chief Auditor that reasonable assurance could be placed upon the adequacy and effectiveness of these controls for the year ending 31 March 2024.

The Council agreed to note the annual statement on the adequacy and effectiveness of the governance, risk management and internal control systems operating within the Council during 2023/24.

## **2023/24 ANNUAL ACCOUNTS FOR THE COUNCIL'S CHARITABLE TRUSTS**

**974.** Under reference to the Minute of the meeting of the Audit and Scrutiny Committee held earlier that day (Page 950, Item 961 refers), the Council considered a report by the Head of Accountancy (Chief Financial Officer) regarding the amalgamated 2023/24 Annual Accounts for the six charitable trusts for which the Council acted as Trustee, and submitting a copy for consideration. A copy of a related Independent Examiner's Report was included.

Councillor Morrison, Chair of the Audit and Scrutiny Committee, commented on the Annual Accounts which had been awarded a clean Independent Examiner's Report. He clarified that following a change in Regulations, the charitable trusts' Annual Accounts had been subjected to an independent check by an Internal Auditor in another Council under a reciprocal agreement, rather than a full audit requiring to be carried out by the Council's External Auditor. This had allowed the Council to avoid annual External Audit fees of around £9,000.

In reply to Councillor Pragnell, the Chief Accountant confirmed that, to help raise awareness of the Trusts, information on them was available on the Council's website. Councillor Ireland commented that she had checked but been unable to find information on the Netherlee School 1937 Endowment Trust on the website.

Further in response to Councillor Pragnell, the Head of Accountancy (Chief Financial Officer) confirmed that arrangements had already been made, in light of her forthcoming retirement, to appoint the Head of Finance as a Trustee to replace her.

Councillor Edlin reported that it had been noted by the Audit and Scrutiny Committee that it would be explored if the Provost's Community Defibrillator Fund could become a Charitable Trust, to allow it to take advantage of tax provisions relating to charities.

The Council:-

- (a) agreed that it be checked if information on the Netherlee School 1937 Endowment Trust remained accessible on the Council's website; and

- (b) otherwise, approved the Annual Accounts.

## **2023/24 ANNUAL ACCOUNTS AND DRAFT ANNUAL AUDIT REPORT FOR EAST RENFREWSHIRE COUNCIL**

**975.** Under reference to the Minute of the meeting of the Audit and Scrutiny Committee held earlier that day (Page 950, Item 962 refers), the Committee considered a report by the Head of Accountancy (Chief Financial Officer) regarding the Annual Accounts for 2023/24; the associated draft Annual Audit Report prepared by the External Auditor which provided an overview of the main issues arising from the 2023/24 audit and would be issued in final form after the financial statements had been certified; and the associated Letter of Representation from the Council to the External Auditor.

The Council had received an audit certificate which was unqualified. It had operated within its operational budget, returning departmental surpluses totalling £6.844m due mainly to various one-off variances, including improved income of £2.5m; a £2.7m recovery from HMRC relating to a successful VAT appeal and various underspends. These had been partly offset by various items, including increased homelessness pressures.

Transfers totalling £6.2m had been made to various specific reserves, with £0.644m retained in the non-earmarked reserve resulting in a closing balance of £7.302m. This equated to 2.3% of the overall net budgeted revenue expenditure which was in accordance with the Council's reserves policy to hold a minimum level of around 2%, the upper target being 4%.

The Council's overall General Fund reserve balances at 31 March 2024 totalled £41.766m, this being a decrease of £10.348m from the previous year, the reasons for which were summarised. In total £34.5m of General Fund reserve balances were earmarked for specific purposes.

Capital expenditure of £46.485m had been invested, and there had been an operating deficit of £146k on the Housing Revenue Account (HRA), thus decreasing the accumulated surplus balance to carry forward on that Account to £1.652m.

Finally the report commented on the draft Annual Audit Report which made reference to International Standard of Auditing (ISA) 260 matters to those charged with governance, and the Letter of Representation, copies of both of which were appended to the report.

Councillor Morrison highlighted that an unqualified audit certificate had again been awarded, and was delighted to report that the External Auditors and Council officers had again managed to complete the Annual Accounts exercise in line with the required deadline of 30 September. He emphasised that this was an extremely demanding annual exercise, thanking all those involved in the Accountancy and Valuation Teams, as well as the External Auditors, for this tremendous achievement.

He commented that the Accounts showed that the Council operated within budget, benefitting in particular from increased investment income and a large one-off historic VAT refund, and closely controlled budgets to produce additional flexibility in addressing anticipated budget challenges in 2024/25 and beyond. He also summarised the position regarding reserves and related issues.

Councillor Morrison stated that the Auditors' report was largely positive but, as always, various audit findings had been listed as referred to in Appendix E of the Annual Audit Report which also included an Action Plan completed by Council officers to address all of the points raised.

Councillor O'Donnell, supported by the Provost, echoed the comments made by Councillor Morrison, thanking the Head of Accountancy (Chief Financial Officer), the Chief Accountant

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and all those involved for completing the Accounts on time, especially given the complexities involved.

The Council agreed to:-

- (a) approved the Council's Annual Accounts for 2023/24, including the Management Commentary, Annual Governance Statement, Accounting Policies and Audit Certificate, for signature on behalf of the Council;
- (b) noted the draft 2023/24 Annual Audit Report, including the related Action Plan, the finalised copy of which would be circulated to Elected Members; and
- (c) approved for signature the Letter of Representation to be sent from the Council to Ernst & Young.

### **CHANGE TO SCHEME OF ADMINISTRATION – LICENSING COMMITTEE MEMBERSHIP**

**976.** The Council considered a report by the Chief Officer (Legal & Procurement), explaining that a member of the Licensing Committee had resigned due to a conflict of interest, and proposing that a new Elected Member be appointed as a replacement. The report also recommended that the Council's Scheme of Administration be changed to provide for an increased membership of the Committee from 5 to 7 Elected Members. This was to ensure that business it required to transact was not disrupted due to the unexpected absence or unavailability of Members.

It was clarified that training on relevant licensing matters would be provided to all those newly appointed to the Committee to ensure they had the relevant knowledge required prior to sitting on it. It was also confirmed that members of the Committee were, by implication, members of the Licensing Board, and that newly appointed members of the Board were expected to undertake duties in that capacity having passed an examination administered by Alcohol Focus Scotland.

The Council:-

- (a) agreed to amend Paragraph 2 of the Scheme of Administration to change the membership of the Licensing Committee from "5 Elected Members" to "7 Elected Members"; and
- (b) approved the appointment of Councillors Campbell, Merrick and Lundy as further members of the Committee.

PROVOST