

FINANCE AND AUDIT SCRUTINY COMMITTEE'S MINUTES.

Hybrid meeting, 11th March 2025.

Finance and Audit Scrutiny Committee.

Present: Jill Brown (Chair), Alexander Belic, Bill Butler (substitute for Frank McAveety), Sharon Greer, Greg Hepburn, Dan Hutchison (substitute for Elaine Gallagher), Jim Kavanagh, Alex Kerr, Anne McTaggart, Angus Millar, Jon Molyneux, Margaret Morgan and Catherine Vallis.

Also present Richard Bell and George Redmond.

Apologies: Elaine Gallagher and Frank McAveety.

Attending: C Birrell (Clerk); S Millar, Chief Executive; M Johnston, Director of Financial and Business Services; C Edgar, Director of Communication and Corporate Governance; M Millar, Director of Legal and Administration; D Black, Head of Audit and Inspection; and R Wynne, EY.

Outcome of independent review of senior officer exit payments – Details noted etc – Instruction to Head of Audit and Inspection.

1 There was submitted a report by the Chief Executive regarding the findings of an independent review of arrangements relating to senior officer exit payments, advising,

- (1) that the Council published its Pre-audited Annual Accounts for financial year 2023/24 in July 2024 which included a Remuneration Report in accordance with The Local Authority Accounts (Scotland) Regulations 2014;
- (2) that the Remuneration Report disclosed that during 2023/24 there was a Strain on Fund cost of £317,417 in respect of the retirement of the former Chief Executive and a Strain on Fund cost of £223,065 and a Compensation for Loss of Office payment of £59,971 in respect of the retirement of the former Director of Legal and Administration;
- (3) that following publication of the Remuneration Report, concerns were raised with the Chief Executive by the Leader of the Council and the City Treasurer, with the Council having also received questions and requests under Freedom of Information legislation in relation to the financial terms associated with these departures;
- (4) that an initial review of the underlying documentation and process relating to the packages was carried out by the Council's Monitoring Officer and Head of Audit and Inspection, as detailed in the report;

- (5) that as a result of this initial review, it was determined that the most appropriate way to address the questions raised in relation to the exit packages was to instruct an independent, external investigation into the circumstances in which the payments were made and the approval processes which led to them and the Council's external auditors also requested external legal advice be sought on this matter;
- (6) that the Council had therefore instructed Brodies LLP to investigate and prepare a report on these matters and thereafter Brodies had instructed a KC to prepare an Opinion to confirm the findings of this review, as detailed in the appendices to the report; and
- (7) of the interim mitigation measures the Chief Executive had taken whilst the independent external review was being undertaken, as detailed in the report.

After consideration, the committee

- (a) noted
 - (i) the findings of the independent review, including the Investigatory Report by Brodies LLP, detailed in Appendix 2 and the Opinion of Senior Counsel, detailed in Appendix 3;
 - (ii) that a comprehensive internal review of the Council's governance arrangements relating to workforce and service reform activity was being undertaken, taking into account the findings and recommendations arising from this independent review and any recommendations put forward by the Council's external auditor; and
 - (iii) that reports would be submitted to future meetings of this committee, the Wellbeing, Equalities, Communities, Culture and Engagement City Policy Committee, and the City Administration Committee on the outcome of the internal review of the Council's governance arrangements, which would include setting out any proposed changes to the council's Scheme of Delegated Functions; and
- (b) instructed the Head of Audit and Inspection to provide regular updates to this committee on management's progress in implementing any agreed actions as a consequence of the review.