

PERTH AND KINROSS COUNCIL  
AUDIT COMMITTEE  
18 SEPTEMBER 2019

## **AUDIT COMMITTEE**

Minute of meeting of the Audit Committee held in the Council Chamber, 2 High Street, Perth on Wednesday 18 September 2019 at 10.15am.

Present: Councillors E Drysdale, S Donaldson, D Illingworth, A Jarvis, S McCole (substituting for X McDade), M Williamson and W Wilson.

In Attendance: J Clark, L Harris, C Irons, S Mackenzie, A O'Brien, L Simpson and S Walker (all Corporate and Democratic Services); J Cockburn (Education and Children's Services) and L Brady, F Crofts and N Sutherland (Housing and Environment).

Also in Attendance: A Kolodziej, M Wilkie and C Windeatt, KPMG

Apology: Councillor X McDade

Councillor Drysdale, Convener, Presiding.

### **445. WELCOME AND APOLOGIES/SUBSTITUTIONS**

The Convener welcomed everyone to the meeting. An apology and substitution was noted as above.

### **446. DECLARATIONS OF INTEREST**

There were no declarations of interest in terms of the Councillors' Code of Conduct.

### **447. MINUTE**

The minute of meeting of the Audit Committee of 26 June 2019 (Arts. 354-360) was submitted and approved as a correct record and authorised for signature.

### **448. WELFARE REFORM – EMERGING ISSUES**

L Brady, Revenue and Benefits Service Manager and N Sutherland, Team Leader (Welfare Rights) gave a presentation to members on Welfare Reform emerging issues.

The presentation covered the following aspects:

- Background – Audit report submitted to Audit Committee on 22 May 2019
- Update – Welfare Reform changes including two-child limit affecting families; lower benefit cap; deductions from universal credit for historic benefit overpayments; childcare costs being paid retrospectively
- Emerging Issues – Increased demand and spend in terms of Crisis Grants and Discretionary Housing Payments
- Impacts – Less disposable income; higher risk of debt and child poverty; more demands on services and pressure on budgets

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- Challenges – complexity of advice and administration; fulfilling statutory duties including a new duty to reduce child poverty
- Mitigating Impacts – working with COSLA, partners and communities; early intervention and prevention approach; enhanced welfare rights service for families with low incomes; delivering services from health settings; ensuring voices are heard in all relevant consultations
- Outcome – Welfare Rights Team accredited to Scottish National Standards for information and advice providers; assisted over 5000 households with benefit-related issues; appeals success rate of 75%;£6m additional income in pockets of people in local communities; best council tax collection in mainland Scotland

The Convener thanked L Brady and N Sutherland for the presentation.

In response to members' questions the following information was provided:

- Council staff and stakeholders were working together, however, it was more challenging to provide advice
- The Welfare Rights Team comprised 8 fte staff
- Welfare Rights Team have good working relations with the Citizens Advice Bureau
- Referrals were made to local foodbanks and Council staff train Kinross foodbank staff to assist people to complete the application for a crisis grant
- Holistic approach taken to applications for crisis grant and checks made to ensure applicants get all benefits entitled to
- It was noted that those applying for a Personal Independence Payment (PIP) may have health or mental health issues and therefore have difficulty completing the application and require assistance
- A lessons learned approach was taken for the appeal process and changes made to ensure the best use of resources
- Demand had exceeded the crisis grant funding

L BRADY AND N SUTHERLAND LEFT THE MEETING AT THIS POINT.

**449. DRAFT AUDITED ANNUAL ACCOUNTS 2018/19 AND DRAFT ANNUAL AUDIT REPORT TO THE MEMBERS OF PERTH AND KINROSS COUNCIL AND THE CONTROLLER OF AUDIT FOR THE YEAR ENDED 31 MARCH 2019**

There was submitted a report by the Head of Finance (19/251) presenting the Council's Draft Audited Annual Accounts for financial year 2018/19 in accordance with the Local Authority Accounts (Scotland) Regulations 2014 including the Draft Annual Audit Report to the members of Perth and Kinross Council and the Controller of Audit for the year ended 31 March 2019 by the external auditors, KPMG and the Letter of Representation to the External Auditors from the Head of Finance.

S Mackenzie referred to KPMG's annual report to 31 March 2019 and advised that minor adjustments had no impact on the resources available to the Council.

S Mackenzie thanked Finance staff, relevant staff in each service and KPMG for their support in the completion of the annual report and accounts.

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M Wilkie, KPMG, referred to the Executive Summary and the audit conclusions of their unqualified Audit Report.

The Convener thanked KPMG and the Finance Team.

**Resolved:**

- (i) KPMG's Draft Annual Audit Report to the members of Perth and Kinross Council and the Controller of Audit for the year ended 31 March 2019, attached as Appendix C to Report 19/251, be noted.
- (ii) The 2018/19 Audited Annual Accounts, be approved and the Leader of the Council, the Chief Executive and the Head of Finance be authorised to sign them.
- (iii) The Letter of Representation be approved and the Head of Finance be authorised to sign the Letter.

S WALKER AND A O'BRIEN LEFT THE MEETING AT THIS POINT.

**450. INTERNAL AUDIT FOLLOW UP**

There was submitted a report by the Chief Internal Auditor (19/252) presenting a summary of Internal Audit's follow up work relating to actions due for completion in May and June 2019.

**Resolved:**

- (i) The current position in respect of the agreed actions arising from the internal audit work, be noted.
- (ii) The action plans be progressed, taking into account the recorded audit opinions.

**451. INTERNAL AUDIT UPDATE**

There was submitted a report by the Chief Internal Auditor (19/253) presenting a summary of Internal Audit's work.

In response to a question from Councillor E Drysdale, J Clark advised that the Council was as prepared as they could be for the Withdrawal from the European Union (A19-08) and it was planned that the Audit report would be submitted to this Committee in February 2020.

Councillor S Donaldson asked if the Audit report on Horsecross (A19-12) would be available prior to the Council making a decision on the Cultural Trusts Transformation Project.

J Clark advised that the audit work would feed into the overall Transformation project process but could not confirm the timescale.

**Resolved:**

The completion of assignments since the last Audit Committee on 26 June 2019, be noted.

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The Committee considered the following final report:

**(i) Corporate and Democratic Services**

**(a) Digital Strategy**

There was submitted a report by the Chief Internal Auditor (19/254) on an audit to ensure that (1) the Council was progressing the Digital Strategy in alignment with Corporate strategic objectives; and (2) the Council's Digital Strategy takes into account current digital risks.

It was noted that the Council has a strong relationship with NHS Tayside at a strategic and operational level and a modular approach was being taken to joining the relevant IT systems although there were some constraints to that.

**Resolved:**

Internal Audit's findings, as detailed in Report 19/254, be noted.

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