

AUDIT AND RISK COMMITTEE

Minute of Meeting of the Audit and Risk Committee held hybrid on Monday 27 March 2023 at 1.00pm.

Present: Councillors D Illingworth, L Barrett, A Chan, K Harvey, I MacPherson, C Stewart and G Stewart.

In Attendance: J Clark, S MacKenzie, S Walker, K Molley, A Brown, and R Ramsay (all Corporate and Democratic Services); F Crofts (Communities); and J Cockburn (Education and Children's Services).

Also in Attendance: M Bruce and B Howarth (Audit Scotland)

Councillor D Illingworth, Convener, Presiding.

1. WELCOME AND APOLOGIES/SUBSTITUTIONS

The Convener welcomed everyone to the meeting.

2. DECLARATIONS OF INTEREST

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

3. MINUTE OF MEETING OF THE AUDIT AND RISK COMMITTEE OF 7 DECEMBER 2022 FOR APPROVAL

The minute of meeting of the Audit and Risk Committee of 7 December 2022 was submitted and approved as a correct record.

4. ANNUAL AUDIT PLAN

There was submitted a report by External Auditors (Audit Scotland) (23/99) summarising the work plan for 2022/23 external audit of Perth & Kinross Council.

The Convener welcomed M Bruce and B Howarth, Audit Scotland, to their first meeting of the Audit and Risk Committee as the new External Auditors to Perth and Kinross Council.

B Howarth provided a detailed summary of the report.

In response to a question from Councillor C Stewart, B Howarth advised that the reporting threshold over the sum of £250,000 is dictated through the code of Audit Practice and Planning Guidance. He confirmed that the figure is consistent with other bodies of a similar size, and it allows Audit Scotland to focus on the wider issues without having to report on minor incidents. B Howarth added that if the threshold was to vary, it could mean that more issues would be reported to committee as part of annual audit reporting.

In response to another question from Councillor C Stewart regarding the impact of rurality in Perth and Kinross on audit recommendations, B Howarth advised that his Audit Team plan to visit the offices and depots across areas of Perth and Kinross to gain a better understanding of the local services that are provided and the challenges different areas face.

Councillor L Barrett referred to the timescale of October 2023 to approve the audited annual accounts for signature, Councillor S MacKenzie advised that an additional meeting of the Audit and Risk Committee would be arranged in October, and a date would be confirmed with members in due course.

Post Agenda note: A Special Meeting of Audit and Risk Committee has been arranged for 30 October 2023.

Resolved:

The external audit of Perth & Kinross Council work plan for 2022/23, be noted.

5. INTERNAL AUDIT UPDATE

There was submitted a report by Chief Internal Auditor (23/100) presenting a summary of Internal Audit's work undertaken as part of the Internal Audit Plans for 2021/22 and 2022/23.

In response to a question from Councillor L Barrett regarding timescales of Internal Audit Activity outlined in Appendix 1 of the report, J Clark advised that Internal Audit are working with Service Management Teams to ensure there are clear processes in place to deliver reports to the June Committee.

In response to a question from Councillor C Stewart regarding the authorisation of Network Support Grant Claims, J Clark advised that even though it isn't considered as core internal audit business, there is a requirement for an Independent Auditor to review the claim prior to it being submitted. In response to another question from Councillor C Stewart regarding the Audit no. G22-08 (Network Support Grant), J Clark advised the date of February 2023 had been a typing error and the audit had been completed and now reported to the March 2023 committee. She confirmed that no control issues were identified, and therefore an additional audit report would not be required.

In response to a question from Councillor C Stewart regarding the audit on Community Engagement, J Clark advised that the review would look at the effectiveness of arrangements in place for engaging with communities and that there could be a role for Elected Members in the process.

Resolved:

The progress with Internal Audit activity, be noted.

THE COMMITTEE AGREED FOR THE FOLLOWING ITEM TO BE HEARD IN PUBLIC.

6. INTERNAL AUDIT FOLLOW UP

There was submitted a report by Chief Internal Auditor (23/101) presenting a current summary of Internal Audit's 'follow up' work relating to actions due for completion up to March 2023.

Resolved:

The current position in respect of the agreed actions arising from Internal Audit's work, be noted.