

PERTH AND KINROSS COUNCIL  
AUDIT COMMITTEE  
25 SEPTEMBER 2013

## **AUDIT COMMITTEE**

Minute of meeting of the Audit Committee held in the Committee Room, Fourth Floor, Council Building, 2 High Street, Perth on Wednesday 25 September 2013 at 2.00pm.

Present: Councillors B Vaughan, A Stewart, H Anderson, D Cuthbert, J Giacomazzi, W Wilson and A Younger.

In Attendance: J Clark, D Henderson, C Irons, J Symon, G Taylor and S Walker (all Chief Executive's Service); S D'All and S Mackenzie (both The Environment Service); N Copland (Housing and Community Care) and G Boland (Education and Children's Services).

Also Attending: S Boyle and P Tate, Audit Scotland.

Councillor Vaughan, Convener, Presiding.

### **558. DECLARATIONS OF INTEREST**

There were no Declarations of Interest made in terms of the Councillors' Code of Conduct.

### **559. MINUTE**

The minute of meeting of the Audit Committee of 19 June 2013 was submitted and approved as a correct record.

### **560. INTERNAL AUDIT FOLLOW-UP**

There was submitted a report by the Chief Internal Auditor (13/454) presenting a current summary of Internal Audit's follow up work and detailing: (1) the number of actions arising from internal and external audit reports; (2) the total number of agreed actions which Internal Audit would be following up, even where the originally agreed completion dates had not been reached; (3) the number of agreed actions reported as incomplete as at their original agreed completion date, a number of which had been allocated dates in the future for completion with progress to be reported to a future meeting; (4) the number of agreed actions which have yet to be followed up as their completion date had not been reached; and (5) detailed follow-up information on a Service-by-Service basis, in respect of actions agreed for completion in the period up to 30 June 2013.

Officers from the relevant Services were present to answer members' questions on the progress on outstanding actions as follows:

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**(1) 12 -07 – Managing Sickness Absence - Action Point 1**

J Clark reported that the Health and Attendance procedure for teachers had been discussed at the Joint Negotiating Committee for Teachers on 24 September 2013 and now required to be progressed with non-teaching staff prior to submission to the November Strategic Policy and Resources Committee for approval.

**(2) Computer Services Review – Audit Scotland 3 - Action Point 1**

The review of IT staffing in Services has now been included within the scope of the Transformation Project, Further Review of IT Services, which was approved by Council on the 27 February 2013. The review is expected to start in September 2013 and report by late November 2013.

**Resolved:**

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

*N COPLAND LEFT THE MEETING AT THIS POINT.*

**561. INTERNAL AUDIT UPDATE**

There was submitted a report by the Chief Internal Auditor (13/455) presenting a summary of Internal Audit's work against the 2013/14 annual plan.

**Resolved:**

The progress made on Internal Audit's work against the plan for 2013/14 be noted.

The Committee considered the following final reports:-

**(i) Chief Executive's Service**

**(a) 13- 03 – Procurement**

There was submitted a report by the Chief Internal Auditor (13/456) on the internal audit review carried out to ensure the adequacy of arrangements for the use of the Quick Quote system.

**Resolved:**

Internal Audit's findings, as detailed in Report 13/456, be noted.

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**(b) 13/11(a) and (b) – Pitlochry School and The Community School of Auchterarder**

There were submitted reports by the Chief Internal Auditor (13/457 & 458) on the internal audit review carried out to ensure that all-through schools were managed in accordance with the financial procedures laid down by Education and Children's Services.

**Resolved:**

Internal Audit's findings, as detailed in Reports 13/457 and 458, be noted.

**(c) 13/05 – Roads Management Inspection and Maintenance**

There was submitted a report by the Chief Internal Auditor (13/459) on the internal audit review carried out to ensure that (1) the Council was adequately discharging its responsibility to inspect roads that were under its jurisdiction and (2) the adequacy of the Council's arrangements in relation to the maintenance and fixing of defects of roads under its jurisdiction.

**Resolved:**

- (i) Internal Audit's findings, as detailed in Report 13/459, be noted.
- (ii) That a roads maintenance strategy was to be submitted to the Enterprise & Infrastructure Committee in November 2013 be noted.

*S D'ALL AND S MACKENZIE LEFT THE MEETING AT THIS POINT*

**562. EXTERNAL AUDIT REPORTS**

**(i) Review of Main Financial Systems 2012/13**

There was submitted and noted a review of main financial systems by Audit Scotland (13/460) which sought to gain assurance that the Council (1) had systems for recording and processing transactions which provided a sound basis for the preparation of financial statements and the effective management of its assets and interests, (2) had systems of internal control which provided an adequate means of preventing or detecting material misstatement error fraud or corruption and (3) complied with established policies, procedures, laws and regulations.

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**(ii) Review of Data Management**

There was submitted a report by Audit Scotland (13/461) on a review of data management which covered the following areas: (1) information asset register; (2) risk management; (3) sharing data; (4) information awareness and (5) data protection.

**Resolved:**

- (i) The main findings of the review as set out in Report 13/461 be noted.
- (ii) The risk identification and action plan as set out in the Appendix to Report 13/461 be noted.
- (iii) The Information and Compliance Manager submit a progress report on the agreed actions to Committee by the end of 2014.
- (iv) The Information and Compliance Manager provide an update to the next meeting of the Committee in relation to the oversight of compliance with information security standards following consultation with the Senior Information Risk Officer.

**(iii) Scotland's Public Finances Follow-up Audit**

There was submitted a report by Audit Scotland (13/462) on a follow-up audit of Scotland's public finances.

S Boyle advised that Audit Scotland would be happy to attend a future meeting of the Committee to provide a presentation on this audit.

**Resolved:**

That the Council's response to the Audit Scotland report will be submitted to the Strategic Policy and Resources Committee in November 2013 be noted.

**(iv) Report to those Charged with Governance on the Tayside Fire and Rescue Board 2012/13 Audit**

There was submitted a report by Audit Scotland (13/463) to the Audit Committee as those charged with governance on the audit of Tayside Fire and Rescue Board's financial statements for 2012/13 following the winding up of the Board on 31 March 2013 and the transfer of the Board's functions to the new Scottish Fire and Rescue Service.

**Resolved:**

- (i) The final accounts of Tayside Fire and Rescue Board 2012/13 be submitted to the meeting of the Council on 2 October 2013 for approval.
- (ii) The final accounts be circulated to Angus and Dundee City Councils for their information.

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**(v) Report to those charged with Governance on the 2012/13 Audit of Perth and Kinross Council**

There was submitted a report by Audit Scotland (13/466) to the Audit Committee as those charged with governance on the audit of the Council's financial statements for 2012/13.

**Resolved:**

The Council's final accounts for 2012/13 be submitted to the meeting of the Council on 2 October 2013 for approval.

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