



Securing the future... • *Improving services*
• *Enhancing quality of life* • *Making the best use of public resources*

Council Building
2 High Street
Perth
PH1 5PH

26/10/2023

Attached is a supplementary agenda for the hybrid meeting of the **Audit and Risk Committee** being held in **the Council Chamber** on **Monday, 30 October 2023** at **09:30**.

If you have any queries please contact Committee Services on (01738) 475000 or email Committee@pkc.gov.uk.

THOMAS GLEN
Chief Executive

Those attending the meeting are requested to ensure that all notifications are silent on their device and other devices are in silent mode.

Please note that the meeting will be broadcast online and recorded. The recording will be publicly available on the Council's website following the meeting.

Members:

Councillor David Illingworth (Convener)
Councillor Andy Chan (Vice-Convener)
Councillor Liz Barrett
Councillor Ken Harvey
Councillor Iain MacPherson
Councillor Colin Stewart
Councillor Grant Stewart

Audit and Risk Committee

Monday, 30 October 2023

AGENDA

MEMBERS ARE REMINDED OF THEIR OBLIGATION TO DECLARE ANY FINANCIAL OR NON-FINANCIAL INTEREST WHICH THEY MAY HAVE IN ANY ITEM ON THIS AGENDA IN ACCORDANCE WITH THE COUNCILLORS' CODE OF CONDUCT.

7(i)(b) FOOD, HEALTH AND SAFETY **5 - 14**
(copy herewith 23/294)

8 INTERNAL AUDIT PLAN 2023/24 **15 - 18**
Report by Chief Internal Auditor (copy herewith 23/295)

If you or someone you know would like a copy of this document in another language or format, (on occasion, only a summary of the document will be provided in translation), this can be arranged by contacting the Customer Service Centre on 01738 475000.

You can also send us a text message on 07824 498145.

All Council Services can offer a telephone translation facility.



Internal Audit Report
[Environmental and Consumer Services]
[Food Health and Safety]
October 2023

Final Report
(Report No. 23/294)

Legal and Governance
Corporate and Democratic Services
Perth & Kinross Council
Council Offices
2 High Street
Perth
PH1 5PH

[Consultancy Work – Food Health and Safety]

Contents by Section

[1. Introduction](#)

[2. Audit Background Information](#)

[3. Scope and Limitations](#)

[4. Assessment of the Control Environment](#)

[5. Summary of Findings](#)

[6. Conclusions](#)

[7. Acknowledgement](#)

[8. Action Implementation & Follow Up](#)

[9. Management Action Plan](#)

[10. Authorisation](#)

[11. Distribution](#)

[12. Assessment Definitions](#)

1. Introduction

- 1.1 The audit of Food Health and Safety was undertaken as an addition to the Internal Audit plan, as agreed with the Service.
- 1.2 The indicative scope for the audit was to ensure compliance with food health and safety policies & procedures and relevant legislation.
- 1.3 This audit is linked to the following Strategic Risks:
- 1.4 SR11 – Health and Safety
The health and safety of staff and the public is not adequately protected.

2. Audit Background Information

- 2.1 This assignment was requested by the Regulatory Service Manager. The assignment was in addition to the approved annual audit plan.

Perth & Kinross Council (PKC) is responsible for food law enforcement services within Perth and Kinross, compliance with Food Standards Scotland (EU) 2017/625 and the Food Law Code of Practices (Scotland 2109) and the interventions Food Law Code of Practice (Scotland) 2019.

The work of the Food Safety/Health Team covers a wide range of food related issues to protect the health of all consumers living in, working in, or visiting Perth and Kinross.

Food Safety section falls under Environmental and Consumer Services within Communities. Its mandate is to improve consumer protection and confidence in relation to food. The section is headed by Regulatory Service Manager assisted by team leader and five Environmental Health Officers

Some of the responsibilities of Food Health and Safety section include:

- ensuring food safety and hygiene;
- the registration of food businesses, to ensure food business have suitable and sufficient procedures in place to manage food safety hazards within their business;
- maintaining the food hygiene information scheme of food outlets that supply food to consumers in Perth and Kinross.; and
- receiving and addressing any complaints about food and food businesses.

Food Health and Safety are required to comply with the Food Law Code of Practice Scotland, Practice Guidance and PKC Policies and Procedures for food health and safety section.

3. Scope and Limitations

- 3.1 As per the request from the Food Health and Safety division it was agreed to limit scope for this audit to validate the implementation of one recommendation from the Food Standards Agency's recent inspection report carried out June 2022

The scope was to check whether the recommendations #9 "Quality monitoring or some other means of ensuring that intervention documentation specifying timescales are given should be introduced" had been implemented as agreed upon with Food Standards Scotland.

4. Assessment of the Control Environment

- 4.1 The table below contains a summary of the findings against each control objective and Internal Audit's assessment of the adequate effectiveness of the controls in place to meet each of the objectives agreed for this audit. Further details, including any improvement actions, are set out in the Management Action Plan.

No.	Control Objective	Action Rating					Control Objective Assessment
		5	4	3	2	1	
1	To ensure that the Food Health & Safety team have implemented the recommendation from Foods Standards Scotland in relation to report dated June 2022					✓	Reasonable Assurance

- 4.2 The auditor has assessed that reasonable assurance can be placed on controls overall in relation to the sample from the audit. Meaning:

There is reasonable assurance placed on the implementation of recommendation number # 9 of action plan which internal audit followed up.

- 4.3 A summary of the key findings and actions are provided in section 5, please note however, the following areas of good practice which have been highlighted during the audit:

- 4.4 Very good communication and engagement with the Food Health and Safety team.

5. Summary of Findings

- 5.1 Below is a summary of key findings and actions, which are reflected in the Management Action Plan, detailed in section 9.
- 5.2 Internal Audit was asked to conduct an audit, at the request of the Regulatory Services Manager. After much discussion it was highlighted by service management to limit the audit and focus solely on implementation of recommendation # 9 of Food Standards Scotland audit report dated September 2022.

Internal Audit was asked to review whether inspectors are uploading required documents after each inspection. The Service hoped that Internal Audit could undertake a similar review on a quarterly basis, however Internal Audit suggested that, after this initial Internal Audit, these reviews should be undertaken from within the Service. It is suggested that this should be taken forward within the Service and then service levels agreed once the new Strategic Lead is in post.

Action 1

- 5.3 Once a food inspector visits a food establishment, the inspection documents are uploaded into the system. We reviewed inspections completed for the month of April 2023, of which there were 80 files uploaded. Internal Audit were asked to focus on a specific category, which amounted to 40. Of these, 13 establishments were closed hence no inspection was done. Two out of the remaining 27 inspections did not follow the correct process of uploading the relevant information in terms of timeliness.

Action 2

6. Conclusion

- 6.1 The Internal Audit review is able to place reasonable assurance the implementation of recommendation # 9 of the Food and Health and Safety Audit.

7. Acknowledgements

- 7.1 Internal Audit would like to thank all officers who were involved in this audit, particularly officers within the Food Health and safety team in environmental Service.

8. Action Implementation & Follow up

- 8.1 Responsibility for the maintenance of adequate and effective controls rests with management. Where the audit has identified areas for management action, these are identified in the Management Action Plan. Where a decision is taken by management not to act in response to finding from this review, it is the responsibility of management to assess and accept the risk arising from non-implementation.
- 8.2 Achievement of the agreed actions is monitored through Internal Audit's 'follow up' arrangements.

9. Management Action Plan

Action Point	Para. No	Finding	Risk Rating	Agreed Action & Evidence	Action Owner	Target Completion Date
1	5.2	In line with the Food Standards Agency recommendation, the Service should have a regular independent review of performance.	2	<p>The Service will review the potential for an independent review being undertaken with the new Strategic Lead when in post, with a view to establishing a regular review in line with the Food Standards Agency recommendation.</p> <p>Agreed evidence: Minutes of meeting and documentation of agreed outcomes</p>	R Lyle, Regulatory Service Manager	June 2024
2	5.3	The policies and procedures for uploading information was not always being followed, in terms of timeliness of upload.	2	<p>The Service will remind officers of the importance of carrying out a self-audit and ensure that correct codes, including timescale check codes, are applied, in line with procedures.</p> <p>Agreed evidence: Minutes of Team Meetings</p>	F Patterson, Principal Food Health & Safety Officer	October 2023 & ongoing.

10. Authorisation

10.1 The auditor for this assignment was C. Carena. The supervising auditor was I Iman.

This report is authorised for issue:

11. Distribution

11.1 This report has been distributed to:

T Glen, Chief Executive

Barbara Renton - Executive Director

Mark Butterworth - Head of Environmental and Consumer Services

R Lyle, Regulatory Services Manager

F Patterson, Principal Food Health & Safety Officer

L Simpson, Head of Legal & Governance

S Mackenzie, Head of Finance

Committee Services

External Audit

12. Assessment Definitions

12.1 The following table contains the definitions of the control objective assessment.

Control Objective Assessment	
Level of assurance	Definition
Substantial Assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

12.2 The following table contains the definitions applied by Internal Audit in rating audit findings/actions.

Risk Rating for Individual Findings		
Rating	Rating description	Definition
5	Critical	Significant observations / major concerns which require immediate action. Management will need to add these to the appropriate Service risk register <i>Issue represents a control weakness which could cause, or is causing, severe disruption of the process or severe adverse effect on the ability to achieve process objectives</i>
4	High	Significant observations regarding the absence / failure of key controls requiring urgent action. Management should consider adding these to the appropriate Service / divisional risk register

		<i>Issue represents a control weakness which could have, or is having, major adverse effect on the ability to achieve process objectives</i>
3	Medium	<p>Observations regarding the effectiveness of key controls requiring reasonably urgent action. Management should consider these when updating any divisional / team risk registers</p> <p><i>Issue represents a control weakness which could have, or is having, significant adverse effect on the ability to achieve process objectives</i></p>
2	Low	<p>Minor observations regarding the adequacy of controls which require action to improve the efficiency, effectiveness, or economy of operations or which otherwise require to be brought to the attention of Senior Management</p> <p><i>Issue represents a minor control weakness with minimal but reportable impact on the ability to achieve process objectives</i></p>
1	Trivial / Minor	<p>Very minor observations which will be raised during the audit and may not be included within the final report</p> <p><i>Issue represents a very minor control weakness with negligible impact on the ability to achieve process objectives. The issue will be raised during the audit and may not be included within the final report.</i></p>

Audit & Risk Committee

30 October 2023

INTERNAL AUDIT PLAN 2023/24

Report by Chief Internal Auditor
(Report No 23/295)

1. PURPOSE

- 1.1 This report presents the strategy for the delivery of Internal Audit and the proposed approach for the direction of planned Internal Audit work for 2023/24.

2. RECOMMENDATIONS

- 2.1 It is recommended that the Committee approves the strategy and plan for 2023/24.

3. STRUCTURE OF REPORT

- 3.1 This report is structured over the following sections:

- Section 4: Background & Approach
- Section 5: Internal Audit Resources
- Section 6: Planned Internal Audit Activity

4. BACKGROUND & APPROACH

- 4.1 Internal Audit, as defined in the Public Sector Internal Audit Standards (PSIAS), is an independent, objective assurance and consulting activity designed to add value and improve the effectiveness of the Council's operations. It helps the Council to accomplish its objectives by bringing a systematic, disciplined approach to the evaluation and improvement of risk management, control and governance processes.
- 4.2 The PSIAS require the Chief Internal Auditor to prepare a risk based Internal Audit Plan (the Plan) setting out the team's work programme for up to 12 months. The Plan should take account of the Council's objectives, risk and performance management arrangements. This Plan covers the remainder of the financial year 2023/24.
- 4.3 The strategy for Internal Audit is to deliver a risk based Internal Audit service by designing planned activity around the key risks to the Council achieving its objectives. Internal Audit also aims to add value to the organisation by ensuring that there is appropriate and enabling risk management, governance and controls in place.

- 4.4 In order to ensure compliance with the PSIAS requirement of undertaking an annual risk assessment, a review of the arrangements which have been put in place for the identification and assessment of risks has been undertaken. A report by the Head of Legal and Governance was considered by the Audit & Risk Committee in June ([Report 23/202](#) and [Appendix](#) refer) detailing the approach taken in this regard and the corporate risks identified.
- 4.5 In addition, evidence provided to support the Annual Governance Statement has been examined. Information in relation to external inspections by regulators and other bodies has also been taken into account, where available, along with the outcomes from previous Internal Audit reviews.
- 4.6 As in previous years, the Internal Audit Plan proposes a thematic approach to elements of Council activity and risks assessed. The detailed scope of each assignment will be agreed prior to the commencement of each thematic review.
- 4.7 Cumulative audit knowledge and experience has been drawn upon, from our knowledge of the organisation, awareness of significant changes in systems processes and personnel, previous Internal Audit involvement in areas of activity and from our analysis of the risks faced by individual functions in delivering their objectives. This has resulted in the identification of some specific areas for Internal Audit activity in 2022/23.
- 4.8 Reports arising from Internal Audit activity will be presented to Audit Committee except where the assignments are consultative in nature. A summary of the work undertaken will be provided as part of the routine Update reports, as agreed in June 2016 ([Report 16/306](#) refers). The outcomes from these assignments will be taken into consideration in arriving at future Internal Audit Plans.

5. INTERNAL AUDIT RESOURCES

- 5.1 Resources available for Internal Audit activity is subject to recruitment activity. It is anticipated that this will result in 3.6 full time equivalent posts available within the year. These resources will be available to undertake the Perth & Kinross Council and Integration Joint Board Internal Audit Plans; ad-hoc advice and consultancy; investigations into fraud and corruption; facilitate the National Fraud Initiative and oversee the whistleblowing arrangements.
- 5.2 An allocation of resources is made annually for tasks relating to counter-fraud and corruption activity, including the oversight and facilitation of the National Fraud Initiative.
- 5.3 An important part of the Internal Audit process is the verifying of the implementation of agreed actions arising from Internal Audit reports. An allocation of resources is made to support this process and to ensure that Elected Members are informed of the status of actions arising from previous audit reports.

- 5.4 The Internal Audit service for the Integration Joint Board is provided jointly by officers from Perth & Kinross Council and NHS, with the role of Chief Internal Auditor being held by Perth & Kinross Council. Resources are set aside for the provision of this Service.
- 5.5 Furthermore, resources are released to ensure that appropriate professional development is undertaken within the team, which includes a professional Internal Audit trainee.
- 5.6 The leaves approximately 60% of audit time to be dedicated to planned internal audit activity.

6. PLANNED INTERNAL AUDIT ACTIVITY

- 6.1 The Strategic Risk Register was presented for consideration at the last meeting of the Audit & Risk Committee. Internal Audit has had a close overview of the arrangements for its development and are therefore able to place reliance on its content. The key themes identified for inclusion within the Internal Audit Plan for 2023/24 are taken from the Strategic Risk Register, in consultation with the Chief Executive.

Theme	Strategic Risk	Lead Service(s)	Brief Description
Mosaic	01	Corporate / HSCP / ECS	To ensure that appropriate arrangements are in place for the successful implementation of the system
Local Employability Partnership	03	Communities	To ensure the Council's involvement with the Local Employability Partnership is consistent with our objectives
Child Poverty	04	Communities	To ensure progress is being made with the Child Poverty Strategy
Business Continuity Planning	07	Communities / All Services	To ensure the Council has adequate and effective business continuity planning
Fuel		Communities	To ensure that arrangements are in place for the safe storage and utilisation of Council fuel supplies.

- 6.2 There will be an ongoing review of the emerging risks faced by the Council to ensure that these themes cover the areas of highest risk in achieving the Council's objectives. This will include an overview of activity in connection with the Council's transformation and change programme.

- 6.3 In order to support the Internal Audit function deliver this plan, a protocol has been drafted outlining communication between Services and Heads of Service / Strategic Leads. This will assist in ensuring that the whole internal audit process runs smoothly and timeously. This protocol will be revisited to ensure that it remains fit for purpose with the revised leadership structure as it takes shape.

Authors

Name	Designation	Contact Details
Jackie Clark	Chief Internal Auditor	InternalAudit@pkc.gov.uk