

SPECIAL MEETING OF AUDIT SUB-COMMITTEE

Minute of Special Meeting of the Audit Sub-Committee held in the Council Chambers, 2 High Street, Perth on Tuesday 27 March 2012 at 2.30pm.

Present: Councillors K Baird, W Lumsden, A Gaunt, and A Younger (substituting for Councillor A Wylie).

In Attendance: G Taylor, D Farquhar and M Kay (all Chief Executive's); J Walker, Depute Director (Housing and Community Care), F MacKay (Education and Children's Services); and F Crofts (the Environment Service).

Also Attending: S O'Hagan and N O'Connor (Audit Scotland, External Auditor)

Apologies for Absence: Councillors B Vaughan and A Wylie and Mr J Howie.

Councillor W Lumsden, Convener, Presiding

1. DECLARATIONS OF INTEREST

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

2. INTERNAL AUDIT UPDATE

It was noted that the Chief Internal Auditor had been admitted to hospital and the Convener, on behalf of the Sub-Committee, wished her a speedy recovery.

Councillor Lumsden expressed her disappointment that the outstanding audits which the Chief Internal Auditor had planned to be reported to this meeting were not available.

The Sub-Committee considered the following final reports:-

(i) Education and Children's Services

(a) 11/02 – Change Management

There was submitted a Report by the Chief Internal Auditor (12/140) on the findings of the review by Internal Audit of the arrangements in place regarding reporting lines for the scheduled transformation projects, which had concluded that further audit work of the process would not be necessary.

J Walker provided further information confirming the extent of the reporting process within Services.

Resolved:

Internal Audit's findings, as detailed in Report 12/140, be noted

(b) 11/18 – Child Protection

There was submitted a Report by the Chief Internal Auditor (12/141) on the findings of the review by Internal Audit of the arrangements in place for the preparation for the external inspection of services to protect children and young people in the Perth and Kinross Council area, which provided assurance that the preparations had been planned and managed in such a way to ensure that the process for inspection would be facilitated appropriately.

Resolved:

Internal Audit's findings as detailed in Report 12/141, be noted.

(ii) Chief Executive's Service

(a) 11/05 – Members' Allowances and Expenses

There was submitted a Report by the Chief Internal Auditor (12/142) setting out the findings of the review by Internal Audit carried out to ensure that controls are in place for the authorisation and payment of allowances and expenses to elected members.

G Taylor, Head of Democratic Services, was present to answer members' questions on the report and provided further information in relation to (1) timescales for eligible receipts; and (2) the position on recharge of expenses relating to Joint Boards.

Resolved:

The findings, recommendations and action plan as detailed in Report 12/142 be noted.

3. EXTERNAL AUDIT REPORT

Perth and Kinross Council – Annual Audit Plan 2011/12

There was submitted a report by the External Auditor (12/143) setting out: (1) the audit framework; (2) the audit approach; (3) the planned audit outputs and the proposed fee for the 2011/12 audit; and (4) the audit team.

S O'Hagan and N O'Connor, Audit Scotland, were present to speak to the report and answer members' questions on the issues raised.

S O'Hagan highlighted the main points in Report 12/143, in particular, the respective responsibilities of Perth and Kinross Council and the external auditor, the key audit issues and risks identified in relation to performance, governance and financial statements and the audit work planned to secure additional assurance.

The Convener commented on the significance placed by the External Auditor within the report on Perth and Kinross Council's decision to establish an Audit Sub Committee rather than an Audit Committee, and the Convener of Audit not being a member of the administration, as she felt it was also advantageous that the Convener had experience in auditing and pointed out that elected members found it possible in quasi judicial Committees to apply their skills and experience in a non-political way.

Resolved:

The contents of Report 12/143 be noted.

4. THE INTERNAL AUDIT PLAN 2012/2013

There was submitted a Report by the Chief Internal Auditor (12/144) outlining the proposed Internal Audit Plan for the financial year 2012/2013.

J Walker spoke to the report and noted that, in terms of CIPFA's 'Code of Practice for Internal Audit in Local Government in the United Kingdom', the Chief Internal Auditor is required to prepare a risk-based internal audit plan and that the plan should be fixed for no longer than one year. He drew the Sub-Committee's attention to Paragraph 2.4 of Report 12/144 which set out four factors which were assessed prior to the assignment of a priority rating and to the information highlighted in the appendices to the report. He acknowledged the concerns previously expressed regarding the completion of outstanding audits, advised that resources would be in place to ensure completion of the current year's Plan and that regular monitoring of the effect of unplanned work on the progress of the 2012/13 Plan would be carried out, with any adjustments required being reported to the Sub-Committee.

Resolved:

The proposed Internal Audit Plan for 2012/2013 as detailed in Report 12/144 be approved.

5. VALEDICTORY

This being the last meeting of the Sub-Committee before the forthcoming local government elections on 3 May 2012, the Convener thanked all members of the Sub-Committee for their attendance and participation since 2007, and also thanked the officers involved in the work of the Sub-Committee.

