



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

Council Building
2 High Street
Perth
PH1 5PH

03/02/2022

Attached is a supplementary agenda for the meeting of the **Audit Committee** being held virtually on **Monday, 07 February 2022** 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 Eric Drysdale (Convener)
Councillor Stewart Donaldson (Vice-Convener)
Councillor Liz Barrett
Councillor Harry Coates
Councillor David Illingworth
Councillor Roz McCall
Councillor Xander McDade

Audit Committee

Monday, 07 February 2022

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.

PLEASE NOTE THAT ALTHOUGH THE PRE-AGENDA MEETING IS NOT SUBJECT TO THE TERMS OF THE LOCAL GOVERNMENT (SCOTLAND) ACT 1973 IT IS RECOMMENDED THAT THE CONTENTS OF REPORTS AND DISCUSSIONS AT THE MEETING CONSTITUTE INFORMATION WHICH IS EXEMPT IN TERMS OF SCHEDULE 7A TO THAT ACT, AND THEREFORE, YOU SHOULD NOT DISCLOSE TO OR DISCUSS WITH ANY MEMBER OF THE PRESS OR PUBLIC ANYTHING CONTAINED IN REPORTS OR DISCLOSED DURING DISCUSSIONS.

4 INTERNAL AUDIT FOLLOW UP

5 - 12

Report by Chief Internal Auditor (copy herewith 22/30)

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.
--

PERTH AND KINROSS COUNCIL

Audit Committee

7 February 2022

INTERNAL AUDIT FOLLOW UP

Report by Chief Internal Auditor (Report No. 22/30)

PURPOSE OF REPORT

This report presents a current summary of Internal Audit's 'follow up' work relating to actions due for completion up to December 2021.

1. BACKGROUND / MAIN ISSUES

- 1.1 The Public Sector Internal Audit Standards (PSIAS) require the Chief Internal Auditor to establish a follow-up process to monitor and ensure that management actions have been effectively implemented. Internal Audit request evidence from Services which confirms that actions have been implemented and, therefore, controls have been improved.
- 1.2 There were 44 actions arising from Internal Audit reports. Internal Audit is undertaking a full review of all actions arising from two reports, namely 19-01 Live Active Leisure Cash Collection and Reimbursement and 19-10 Cash, which accounts for 26 of these actions. Of the remaining 18 actions, two had a completion date of October to December 2021, both of which have yet to be completed and are included on the Appendix.

2. PROPOSALS

- 2.1 It is recommended that the Committee notes that all actions due for completion by December have been completed by Services.

3. CONCLUSION AND RECOMMENDATIONS

- 3.1 Evidence has been received by Internal Audit which confirms that all actions due for completion within the period have been implemented
- 3.2.1 It is recommended that the Audit Committee notes the current position in respect of the agreed actions arising from internal audit work.

Author(s)

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

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.

1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

Strategic Implications	Yes / None
Community Plan / Single Outcome Agreement	None
Strategic Plan	Yes
Resource Implications	
Financial	None
Workforce	None
Asset Management (land, property, IST)	None
Assessments	
Equality Impact Assessment	Yes
Strategic Environmental Assessment	None
Sustainability (community, economic, environmental)	None
Legal and Governance	None
Risk	Yes
Consultation	
Internal	Yes
External	None
Communication	
Communications Plan	None

1. Strategic Implications

Community Plan/Single Outcome Agreement

Corporate Plan

- 1.1 The Council's Corporate Plan 2018 – 2022 lays out five outcome focussed strategic objectives which provide clear strategic direction, inform decisions at a corporate and service level and shape resources allocation. They are as follows:

- (i) Giving every child the best start in life;
- (ii) Developing educated, responsible and informed citizens;
- (iii) Promoting a prosperous, inclusive and sustainable economy;
- (iv) Supporting people to lead independent, healthy and active lives; and
- (v) Creating a safe and sustainable place for future generations.

- 1.2 This report relates to all of these objectives.

2. Assessments

Equality Impact Assessment

- 2.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations

between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties.

- 2.2 The information contained within this report has been considered under the Corporate Equalities Impact Assessment process (EqIA) and has been assessed as **not relevant** for the purposes of EqIA.

Risk

- 2.3 The risks are associated with the level of assurance provided on the control environment in the event that Internal Audit's planned work is not completed on time.

3. Consultation

Internal

- 3.1 The Chief Executive and Head of Legal and Governance have been consulted in the preparation of this report.

2. BACKGROUND PAPERS

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above report.

3. APPENDICES

Appendix 1 – Outstanding Actions to December 2021

Appendix 1

Actions with a completion date up to December 2021 which have yet to be completed

Finding	Action	Action owner & Service	Date(s)	Current status	Internal Audit Opinion
<p><u>18-23 - Local Action Partnerships</u></p> <p>Action Point : 2 - Action Plans Importance: Medium Audit Committee Date: 27 March 2019</p> <p>The Communities team representative(s) and Lead Officer (if a PKC officer) on each Action Partnership should encourage it to revisit its Action Plan and ensure that the priorities are still relevant in addressing the inequalities in the area. Without a revisit the priorities in the Action Plan may no longer be appropriate and inequalities may not be captured and, therefore, addressed. Internal Audit understands that this will begin to happen after the completion of the Community Investment Fund award process.</p>	<p>The Communities team representative(s) and Lead Officer if a PKC officer on each Action Partnership should encourage it to revisit its Action Plan and ensure that the priorities are still relevant in addressing the inequalities in the area.</p>	<p>D Stokoe, Service Manager, Communities</p>	<p>Dec 2019 Mar 2020 Oct 2021 Mar 2022</p>	<p>The seven Local Action Partnerships are at various stages of updating their actions plans, with some 99% complete and others only just looking at actions for the new priorities in the LOIP. The Service anticipates that all Local Action Partnerships will have new approved plans by March 2022.</p>	<p>Accepted</p>

<p><u>16-22 - Roads Maintenance Partnership</u></p> <p>Action Point : 7b Road Maintenance Partnership Agreement Importance: Medium Audit Committee Date: March 2017</p> <p>An Enterprise and Infrastructure Committee (EIC) report of 21 January 2015 reported that the initial Road Maintenance Partnership (RMP) agreement was for a three year period expiring 31 March 2015. The relevant minutes contain a resolution for an extension for a further year and also that the agreement be subject to an ongoing review to ensure it continues to be fit for purpose. The agreement also seeks to develop systems and procedures that ensure compliance with BS EN ISO 9001/9002. At the date of audit testing no update report had been presented to the EIC and the partnership agreement had expired.</p>	<p>Once the above RMP plan has been clarified the Deputy Manager, RMP will review and update the “Obtaining Best Value in Works Contracts” procedure taking cognisance of agreed way forward in providing the service. Any reference to BS EN ISO 9001/9002 and/or the quality principles will be dependent on the outcome of the review by the collaborative working group.</p> <p>Required Evidence Of Completion : Updated Best Value procedure</p>	<p>S D'All, Roads Maintenance Partnership Manager</p>	<p>Apr 2018 Jan 2019 Nov 2019 Nov 2020 Nov 2021 Mar 2023</p>	<p>The Roads Maintenance Partnership Agreement was approved by Committee in May 2019.</p> <p>The Service has re-considered their approach to this secondary part of the action. This will be taken forward by a short-life working group which will ensure that the “Obtaining Best Value in Works Contracts” procedure is fit for purpose and delivers best value. The outcome from this review will inform the any future delivery model.</p>	<p>Accepted</p>
---	--	---	--	---	-----------------

<p>The partnering arrangements are supported by the “Obtaining Best Value in Works Contracts” procedures that do not refer to BS EN ISO 9001/9002. The procedures are also in need of review as the document is dated 2005 and stipulate a review period of 12 months and the approval section states “await SMT authorisation”.</p>					
--	--	--	--	--	--

