

AUDIT COMMITTEE

Minute of special meeting of the Audit Committee held in the Council Chamber, 2 High Street, Perth on Tuesday, 18 April 2017 at 2.00pm.

Present: Councillors D Cuthbert, B Vaughan and K Baird.

In Attendance: J Clark, C Flynn, C Irons, M Morrison and L Simpson (all Corporate and Democratic Services); J Cockburn, C Mackie and J Pepper (all Education and Children's Services); B Renton, S D'All and H Hope (all Environment Service) and N Copland (Housing and Community Care).

Apologies: Councillors H Anderson, J Giacopazzi, W Wilson and A Younger.

Councillor Cuthbert, Convener, Presiding.

. WELCOME AND APOLOGIES/SUBSTITUTIONS

The Convener welcomed everyone to the meeting. Apologies and substitutions were noted as above.

In terms of Standing Order 13, the Committee agreed that the meeting be recorded for use as part of the elected member development programme after the elections in May 2017.

. DECLARATIONS OF INTEREST

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

. INTERNAL AUDIT UPDATE

There was submitted a report by the Chief Internal Auditor (17/142) presenting a summary of Internal Audit's work against the 2016/17 annual plan.

Resolved:

The completion of the Internal Audit plan for 2016/17 be noted.

The Committee considered the following final reports:-

(i) Education and Children's Services

(a) 16-23 – Personalisation

There was submitted a report by the Chief Internal Auditor (17/143) on an audit to ensure the adequacy of arrangements to support personalisation through Self-Directed Support (SDS).

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In response to a question from Councillor B Vaughan, J Pepper confirmed that lessons would be learned from the work undertaken by colleagues in Housing and Community Safety and that one Council-wide policy would be created instead of having two separate policies, J Pepper confirmed that the Scottish Government target date of 2020 would be met and the policy would be reported to the appropriate Council committee.

Councillor D Cuthbert asked about completion of the Audit Scotland matrix showing the self-evaluation of SDS and C Mackie advised this would take time as each team would need to be consulted to ensure that the needs of the service were matched. C Mackie also confirmed that the SWIFT Computer system currently used should accommodate future needs.

Resolved:

Internal Audit's findings, as detailed in report 17/143, be noted.

J Pepper and C Mackie left the meeting at this point.

(ii) Environment Service

(a) 16-27 – Events and Festivals

There was submitted a report by the Chief Internal Auditor (17/144) on an audit to ensure that there were adequate arrangements in place regarding events and festivals.

B Renton confirmed that there was currently a register of all events with details of both internal and external partners. The Events and Festivals Strategy focuses on small and larger scale events and it was noted that small events could still present a high risk. It was also noted that the information on the Council's website relating to holding events would be revised to provide clearer information.

Resolved:

Internal Audit's findings, as detailed in report 17/144, be noted.

(b) 16-25 – Parking Services

There was submitted a report by the Chief Internal Auditor (17/145) on an audit to ensure that (1) there were adequate controls in place over the collection, recording and monitoring of parking services income and (2) there were adequate arrangements in place in respect of the management of parking services.

Councillor D Cuthbert noted the short timescales for completion of the actions and Councillor B Vaughan noted that testing had

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confirmed the reputational risk was being managed as per the Parking Services Reputational Management Plan.

H Hope acknowledged that a comprehensive audit had been carried out and Parking Services were pleased that the controls had been determined as moderately strong.

With regard to the use of body-worn cameras, audio and video footage had been used to ensure the safety of parking attendants as well as the public. Following changes in national guidance, the cameras would not be used continually but only when attendants consider there would be an advantage to recording proceedings, such as when a penalty notice was being issued or they feel an incident may arise.

A Privacy Impact Assessment being undertaken on the use of the cameras would be concluded by the end of April 2017.

Resolved:

Internal Audit's findings, as detailed in report 17/145, be noted.

(c) 16-22 – Roads Maintenance Partnership

There was submitted a report by the Chief Internal Auditor (17/146) on an audit to ensure the adequacy of the ongoing monitoring and delivery of the Roads Maintenance Partnership Improvement Plan and the relevant files.

B Renton referred to the previous audit report and follow-up and confirmed improvements had been made, although there was one outstanding action relating to electronic file management. Discussions had taken place with another authority on purchasing a file management system, however, the other authority was unable to proceed.

It was noted that the Roads Maintenance Partnership was a shared service arrangement comprising elements of the Council and Tayside Contracts and was understood to be the only example of collaboration in Roads Maintenance.

B Renton advised that the governance arrangements were those approved in 2012 and J Valentine and herself met monthly with Tayside Contracts to ensure everything was in order.

B Renton concluded that significant improvements had been made but there was further work to do.

Councillor B Vaughan referred to a previous report which advised that there would be visits to other areas to see their electronic file

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management system, and S D'All confirmed visits had taken place with Dundee City and Angus Councils, however, none of the systems were robust enough to take on the three authorities.

Councillor D Cuthbert queried the expiry of the Road Maintenance Partnership Agreement and it was noted that there was a Memorandum of Understanding for the contract and staff were still working to the previous terms.

B Renton confirmed that independent monitoring of the arrangements was undertaken two or three times a year and while written feedback took a little longer, verbal feedback was provided quickly.

Resolved:

Internal Audit's findings, as detailed in report 17/146, be noted.

(d) 16-16 – Transformation

There was submitted a report by the Chief Internal Auditor (17/147) on an audit to ensure that there were adequate processes for the oversight of the transformation programme.

It was noted that the highlight report referred to would provide the discipline for monthly reporting and any slippage in the programme would be highlighted.

Resolved:

Internal Audit's findings, as detailed in report 17/147, be noted.

B Renton, S D'All and H Hope left the meeting at this point.

(iii) Housing and Community Safety

(a) 16-24 – Commissioned Services – Care at Home

There was submitted a report by the Chief Internal Auditor (17/148) on an audit to ensure (1) the Council's strategy on the commissioning of contracts for Care at Home Services was up-to-date and complied with current legislation, Financial Regulations and the Corporate Plan; (2) that Care at Home Services contract commissioning procedures (a) were in line with approved strategy and support changing user needs and the Council's improvement priorities and (b) included appropriate and effective contract monitoring and control provisions.

Resolved:

Internal Audit's findings, as detailed in Report 17/148, be noted.

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(b) 16-04 – Swift System

There was submitted a report by the Chief Internal Auditor (17/149) on an audit to ensure that (1) support and maintenance arrangements were in place for the SWIFT system; (2) adequate physical and logical access controls were in place for SWIFT; (3) there were adequate controls for data input and data integrity in SWIFT and (4) there were adequate retention and output controls applied to SWIFT data.

Councillor D Cuthbert queried the level of risk for data transfer when providing a replacement system and also when the current system would cease to be supported.

N Copland advised a three year period of de-commissioning the current system had been offered, however, all authorities involved have requested a five year period. A report on the new system was to be provided to the internal management team in autumn 2017, and it would be ensured that data migration and security arrangements were in place, and the transfer would be on a phased and prioritised basis.

Councillor B Vaughan asked about alternative systems as only a minority of Local Authorities were using SWIFT.

N Copland confirmed there were two options, the alternative was a MIS system which was being developed by NHS Tayside which was also looked at.

With regard to Action Point 3, Councillor B Vaughan referred to password authentication and as there had been issues with this in other audits, requested that this be escalated to make all Services aware of this practice. J Clark advised she would raise this with the Information Compliance Manager to ensure that all Services were made aware.

Resolved:

Internal Audit's findings, as detailed in Report 17/149, be noted.

INTERNAL AUDIT STRATEGY AND PLAN 2017/18

There was submitted and noted a report by the Chief Internal Auditor (17/150) presenting the Audit Strategy for the delivery of Internal Audit and the proposed Internal Audit Plan for April to September 2017.

J Clark confirmed that a protocol was to be established on audit work for the Integrated Joint Board (IJB) as some reports would be submitted to the Council while others would be submitted to the IJB.

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Resolved:

The Internal Audit plan from April to September 2017 be approved.

INTERNAL AUDIT ANNUAL REPORT 2016/17

There was submitted a report by the Chief Internal Auditor (17/151) presenting the year-end report and audit opinion of the Chief Internal Auditor for 2016/17, as set out in section 7 of Report 17/151.

Councillor D Cuthbert commended the Audit Team for completing the 2016/17 Audit Plan on time and within budget. Councillor B Vaughan added that it was the third year this had been achieved and whilst it was unfortunate some controls were still weak or moderately weak, 86% of the actions had been completed within the year. J Clark confirmed that of 188 agreed actions, 114 had a completion date within 2016/17.

Resolved:

The Audit Opinion at section 7 of Report 17/151, be noted.

VALEDICTORY

As this was the last meeting of the Audit Committee prior to the Local Government Elections on 4 May 2017, Councillor D Cuthbert thanked the Audit Team, all staff and Committee members for their contribution to the Committee. In particular he thanked Councillor B Vaughan for her huge contribution over the last ten years.

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