

PERTH AND KINROSS COUNCIL
AUDIT COMMITTEE
23 MAY 2018

AUDIT COMMITTEE

Minute of meeting of the Audit Committee held in the Council Chamber, 2 High Street, Perth on Wednesday 23 May 2018 at 2.00pm.

Present: Councillors E Drysdale, B Band, K Baird, A Coates, S Donaldson, D Illingworth and X McDade.

In Attendance: D Adam, J Clark, C Irons, M Morrison, G Taylor and S Walker (all Corporate and Democratic Services); J Cockburn (Education and Children's Services).

Also in Attendance: A Shaw, KPMG

Councillor Drysdale, Convener, Presiding.

296. WELCOME AND APOLOGIES/SUBSTITUTIONS

The Convener welcomed everyone to the meeting.

297. DECLARATIONS OF INTEREST

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

298. MINUTE

The minute of meeting of the Audit Committee of 28 March 2018 (Arts.164-171) was submitted and approved as a correct record and authorised for signature.

299. GENERAL DATA PROTECTION REGULATION

D Henderson, Information Compliance Manager and Data Protection Officer, gave a presentation on the work being done to prepare for the implementation of the General Data Protection Regulation (GDPR).

Resolved:

- (i) That training on GDPR would be provided to Councillors in the week of 4 June 2018, be noted.
- (ii) The presentation be made available to all elected members for their information.

300. INTERNAL AUDIT FOLLOW UP

There was submitted a report by the Chief Internal Auditor (18/167) presenting a current summary of Internal Audit's follow up work.

With regard to the Environment Service's LEADER audit (16-20), in response to a question from Councillor Drysdale, J Clark advised she would confirm whether

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or not the business plan had been submitted to the Scottish Government by the end of April 2018.

Resolved:

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

301. INTERNAL AUDIT UPDATE

There was submitted a report by the Chief Internal Auditor (18/168) presenting a summary of Internal Audit's work against the 2017/18 Annual Plan.

Resolved:

- (i) The progress of work against the 2017/18 Annual Plan be noted.
- (ii) The findings from the initial review of controls following a significant fraud in another local authority be noted.
- (iii) The outcomes from consultancy work be noted.

The Committee considered the following final reports:-

(i) Corporate and Democratic Services

(a) 17-23 – IT Change Management

There was submitted a report by the Chief Internal Auditor (18/169) on an audit to ensure (1) that a Governance Framework Policy and Procedures for IT Change Management were in place and complied with IT management best practice and Council corporate strategy and business plans to ensure consistent and timely processing of changes; (2) that change control was recorded for confirmation that change was controlled and authorised at each stage; (3) that monitoring of change control was carried out and checks made to confirm changes made have produced the required outcomes including compliance with the Council change management policy framework and (4) that any emergency change was controlled and documented in true emergencies.

J Clark confirmed that arrangements were in place for the IT Change Management and highlighted that the internal controls were all rated as strong.

Resolved:

- (i) Internal Audit's findings, as detailed in Report 18/169, be noted.
- (ii) That Highland Council were no longer in a position to undertake IT audits for this Council and other arrangements would be made, be noted.

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(ii) **Education and Children's Services**

(a) **17-25 – Pupil Equity Fund**

There was submitted a report by the Chief Internal Auditor (18/170) on an audit to ensure that was a framework in place to support schools to understand and evidence requirements relevant to the Pupil Equity Fund.

J Cockburn confirmed that where there was underspending in the Fund, this could be carried forward in exceptional circumstances. He also confirmed that the effectiveness of the Fund would be reviewed and reported at the end of the academic year.

Resolved:

Internal Audit's findings, as detailed in Report 18/170, be noted.

302. INTERNAL AUDIT ANNUAL REPORT 2017/18

There was submitted a report by the Chief Internal Auditor (18/171) presenting the year-end report and audit opinion of the Chief Internal Auditor for 2017/18, as set out in Section 7 of Report 18/171.

J Clark also advised that an external quality assessment would be undertaken by North Lanarkshire Council in June 2018.

J Clark confirmed that an advert should be placed soon for the recruitment of staff to the Internal Audit team. It was noted that the Trainee accountant had been a temporary post within the Internal Audit team and that had now ended.

J Clark also confirmed that measures were taken to ensure any whistleblowing reports were kept anonymous.

Resolved:

The Audit Opinion of the Chief Internal Auditor set out in Section 7 of Report 18/171 be noted.

303. PERTH AND KINROSS COUNCIL INTERIM MANAGEMENT REPORT AND AUDIT STATUS SUMMARY

There was submitted and noted a report by the Council's External Auditor, KPMG (18/172) on the Council's interim management report and audit summary to 31 March 2018.

A Shaw, KPMG, advised the report summarised their initial audit testing.

In response to a question from Councillor Illingworth, A Shaw advised that the valuation of property, plant and equipment was necessary as a true value of assets required to be shown on the Council's balance sheets.

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S Walker confirmed that unaudited accounts would be submitted to the Audit Committee on 27 June 2018 and the audited accounts would be submitted to the meeting on 26 September 2018.

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