

PERTH AND KINROSS COUNCIL
AUDIT COMMITTEE
28 SEPTEMBER 2016

AUDIT COMMITTEE

Minute of meeting of the Audit Committee held in the Hay Room, Dewar's Centre, Glover Street, Perth on Wednesday 23 November 2016 at 2.00pm.

Present: Councillors D Cuthbert, B Vaughan, H Anderson, K Baird and A Gaunt (substituting for W Wilson).

In Attendance: J Clark, C Irons, M Morrison, E Sturgeon, J Symon and G Taylor (all Corporate and Democratic Services); J Cockburn (Education and Children's Services); J Beveridge, S Crawford, R Graham, S Mackenzie and M Mitchell (all Environment Service) and N Copland (Housing and Community Care).

Also in Attendance: L Nelson, KPMG

Apologies: Councillors J Giacomazzi and W Wilson.

Councillor Cuthbert, Convener, Presiding.

810. WELCOME AND APOLOGIES/SUBSTITUTIONS

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

811. DECLARATIONS OF INTEREST

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

812. MINUTE

The minute of meeting of the Audit Committee of 28 September 2016 (Arts. 663 –669) was submitted and approved as a correct record and authorised for signature, except for the addition of the word 'capital' at article 666 to read "Councillor B Vaughan referred to the section of the Annual Accounts which detailed that the capital budget was consistently underspent and by considerable amounts."

It was also noted that the full report on Financial Assessment and Charging, referred to at article 669(i)(a) would be submitted to this Committee in September 2017 instead of June 2017 so as not to interfere with the preparation of the year end accounts.

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813. INTERNAL AUDIT FOLLOW-UP

There was submitted a report by the Chief Internal Auditor (16/517), presenting the Committee with a current summary of Internal Audit's follow up work.

It was noted that a monitoring routine had been introduced for Self-Directed Support, 15 – 22, action point 19 but the process required to be evidenced for completion of the action point.

814. INTERNAL AUDIT UPDATE

There was submitted a report by the Chief Internal Auditor (16/518) presenting a summary of Internal Audit's work against the 2016/17 Annual Plan together with a summary of the outcome of consultancy assignments and additional work undertaken by Internal Audit, where appropriate.

Resolved:

- (i) The progress of work on the Internal Audit Plan for 2016/17 be noted.
- (ii) The proposal to defer the Named Person Service Follow-Up assignment into 2017/18 be approved.
- (iii) The outcomes from consultancy work completed since the last Audit Committee on 28 September 2016, be noted.
- (iv) The outcomes from additional work , as detailed in Report 16/518, be noted.
- (v) A summary of consultancy and advisory work undertaken, planned or requested during the year continue to be included in the regular internal audit update report.

The Committee considered the following final reports:-

(i) Corporate and Democratic Services

(a) 16-03 – Sales Ledger

There was submitted a report by the Chief Internal Auditor (16/519), on an audit to ensure that (1) the Council identifies and properly and timeously, records all sales ledger transactions (2) the Council identifies and pursues outstanding sales ledger debt appropriately and (3) adequate system controls were in place to ensure the integrity of the system.

It was noted that the Schemes of Charges Information on the Pay For It page were for 2015/16 although 2016/17 was available elsewhere on the Council website.

Councillor B Vaughan was assured that the Council's Pay For It page would hold details of the current Schemes of Charges.

Resolved:

Internal Audit's findings, as detailed in Report 16/519, be noted.

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

(a) **16-06(B) – Financial Management of Through Schools**

There was submitted a report by the Chief Internal Auditor (16/520), on an audit to ensure that St Johns RC Academy, Perth was managed in accordance with the financial procedures as laid down by Education and Children's Services.

J Clark, Chief Internal Auditor, declared an interest in this report & advised that the audit had been supervised by M Morrison.

J Cockburn advised that policy and procedures were to be reviewed with regard to keeping an inventory of all property as the current limit was £100 and this required to be updated. It was also noted that IT equipment was recorded on the IT database and therefore would not require to be recorded on the school's inventory.

Resolved:

Internal Audit's findings, as detailed in Report 16/520, be noted.

(iii) **The Environment Service**

(a) **16-21 – Property Maintenance**

There was submitted a report by the Chief Internal Auditor (16/521) on an audit to ensure that (1) there were appropriate systems in place for identifying maintenance works required (both planned and reactive) and (2) reactive maintenance work was procured from the appropriate suppliers.

The Convener noted that the report identified that the Council currently had 155 operational owned buildings, 140 commercial leased buildings, 28 previously operational buildings (now vacant) and a multitude of sites with varying levels of responsibility.

B Vaughan stated the report reflected that there had been improvements to the service and acknowledged there would be further improvements.

The Convener asked the Head of Property to congratulate staff on the improvements made.

B Vaughan expressed some concern that action point 4 referred to an element of key person dependency existing.

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S Crawford advised that while the audit did not focus on capacity the resource availability was necessary to ensure work was undertaken.

J Clark advised that Internal Audit would be satisfied with progress made through the completion of the action points and through discussion with Property Services.

Resolved:

Internal Audit's findings, as detailed in Report 16/521, be noted.

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