

PERTH AND KINROSS COUNCIL
AUDIT COMMITTEE
1 FEBRUARY 2017

AUDIT COMMITTEE

Minute of meeting of the Audit Committee held in the Council Chambers, 2 High Street, Perth on Wednesday 1 February 2017 at 2.00pm.

Present: Councillors D Cuthbert, B Vaughan, H Anderson, K Baird, J Giacobazzi, W Wilson and A Younger.

In Attendance: J Clark, L Gowans, C Irons, M Morrison, L Simpson, E Sturgeon, J Symon and G Taylor (all Corporate and Democratic Services); J Cockburn and R Hill (both Education and Children's Services); H Hope (Environment Service) and F Low (Housing and Community Care).

Also in Attendance: A Shaw, KPMG, External Auditors.

Councillor Cuthbert, Convener, Presiding.

68. WELCOME AND APOLOGIES/SUBSTITUTIONS

The Convener welcomed everyone to the meeting. There were no apologies.

69. DECLARATIONS OF INTEREST

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

70. MINUTE

The minute of meeting of the Audit Committee of 23 November 2016 (Arts. 810 –814) was submitted and approved as a correct record and authorised for signature.

71. INTERNAL AUDIT FOLLOW-UP

There was submitted a report by the Chief Internal Auditor (17/52), presenting the Committee with a current summary of Internal Audit's follow up work.

G Taylor advised that there would be a report to the last meeting of the current Council before the Local Government Elections on 4 May 2017 on the future political decision-making structure, the Scheme of Administration and the Standing Orders, with a further report to an early meeting of the new Council in June 2017.

Councillor B Vaughan advised that whilst there would not be a report on the performance of the Council's 3 Arms Length External Organisations (ALEOs) to the Scrutiny Committee on 8 February 2017, representatives from each ALEO had been invited to the meeting as part of the Council's assurance process.

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72. INTERNAL AUDIT UPDATE

There was submitted a report by the Chief Internal Auditor (17/53) 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.

J Clark also advised that while it was still anticipated that all work would be completed by the end of the financial year, it might be that all reports would not be ready for submission to the next Committee on 22 March 2017.

Resolved:

- (i) The progress with work on the Internal Audit Plan for 2016/17 be noted.
- (ii) The outcomes from consultancy work completed since the last Audit Committee on 23 November 2016 be noted.
- (iii) The outcomes from additional work, as detailed in Report 17/53, be noted.

The Committee considered the following final reports:-

(i) Education and Children's Services

(a) 16-17 – Pupil Support

There was submitted a report by the Chief Internal Auditor (17/55), on an audit to ensure that there were adequate arrangements in place regarding the deployment of Additional Support Needs (ASN) staffing resources to early years establishments and schools.

Resolved:

Internal Audit's findings, as detailed in Report 17/55, be noted.

(b) 16-11 – Management of the Relationship with Horsecross Arts Ltd

There was submitted a report by the Chief Internal Auditor (17/56) on an audit to ensure that the relationship with Horsecross Arts Ltd was managed effectively.

Councillor B Vaughan referred to Action Point 1 in relation to Key Person Dependency, and noted that this had also been identified as an action point in an audit report to the previous meeting of the Committee and this was an area that might need to be monitored across Perth and Kinross Council.

L Simpson confirmed she would address the issue of Key Person Dependency and that there would be a revised Service Level Agreement from 1 April 2017.

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In response to a question from Councillor B Vaughan regarding the applicability of the Action Points in relation to the other ALEOs, L Simpson also advised that questions could be put to the ALEO representatives at the Scrutiny Committees in February and April 2017.

Resolved:

Internal Audit's findings, as detailed in Report 17/56, be noted.

(ii) Corporate

(a) 16-01 – Debt Recovery and Write-Off

There was submitted a report by the Chief Internal Auditor (17/54) on an audit to ensure (1) the consistency and adequacy of the approach across Services in relation to the recovery and write-off of debt and (2) the adequacy of the debt write-off process.

It relation to Action Point 2 – Non Declared Interest it was noted that the requirements in relation to the Declarations of Interests would form part of the induction process for all elected members following the Local Government Elections on 4 May 2017.

Resolved:

Internal Audit's findings, as detailed in Report 17/54, be noted.

(iii) The Environment Service

(a) 16-20 – LEADER

There was submitted a report by the Chief Internal Auditor (17/57) on a consultancy assignment on LEADER, a programme funded by the European Union aimed at increasing support to local, rural community and business networks to build knowledge and skills and encourage innovation and co-operation in order to tackle local development objectives.

It was noted that as the Scottish Government had carried out a monitoring visit on projects and administration in June 2016, this assignment was amended from an audit to consultancy work to avoid duplication of work carried out and to reflect the fact that there had been a delay in the programme implementation date.

It was also noted that although some processes and Local Action Group documents had not been completed as outlined within the original business plan, the Accountable Body was currently reviewing the Business Plan and the Local

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Development Strategy and would be seeking to have these finalised and approved once all guidance had been received from the Scottish Government.

J Clark advised that the completion dates for the Action points had been set taking account of the fact that a new LEADER Co-ordinator had taken up post at the beginning of January 2017 and of the dates of the Local Action Group meetings.

Resolved:

Internal Audit's findings, as detailed in Report 17/57, be noted.

73. CONSULTANCY ASSIGNMENTS

There was submitted and noted a report by the Chief Internal Auditor (17/58) presenting a summary of Internal Audit's approach to consultancy assignments.

Councillor B Vaughan stated the report made the position very clear and this could be referred to in the future if there were any concerns about the role of internal audit in their area of work.

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