

PERTH AND KINROSS COUNCIL
AUDIT COMMITTEE
30 OCTOBER 2013

AUDIT COMMITTEE

Minute of meeting of the Audit Committee held in the Committee Room, Fourth Floor, Council Building, 2 High Street, Perth on Wednesday 30 October 2013 at 2.00pm.

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

In Attendance: J Clark, P Frazer, J Frawley, M Morrison, J Symon, and G Taylor (all Chief Executive's Service); H Doig, S Esplin, S Mackenzie and G Walker (all The Environment Service); K Fraser, A Taylor and K Wilson (both Housing and Community Care) and G Boland (Education and Children's Services).

Councillor Vaughan, Convener, Presiding.

614. DECLARATIONS OF INTEREST

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

615. MINUTE

The minute of meeting of the Audit Committee of 25 September 2013 was submitted and approved as a correct record.

616. INTERNAL AUDIT UPDATE

There was submitted a report by the Chief Internal Auditor (13/500) presenting a summary of Internal Audit's work against the 2013/14 annual plan.

In response to a number of questions from Councillor Wilson, J Clark clarified the following matters: (i) the report on Revenue Monitoring (Audit 13-01) had now been completed and would be dealt with as soon as possible; (ii) the report on Works Awarded after Value for Money Assessment (Audit 13-10), originally due in October 2013, had been delayed due to workload pressures; however, this would not impact on the progress of the audit plan; (iii) the Value for Money Assessment referred to took into account whether contracts were awarded to Tayside Contracts or went out to tender; (iv) the use of 'not applicable' in relation to the audit of grants claims, indicated that it was not anticipated that reports on these audits would be submitted to this committee; and (v) the reference to supporting Human Resources (Audit 13-25) refers to the provision of confidential information.

Resolved:

The progress made on Internal Audit's work against the plan for 2013/14 be noted.

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The Committee considered the following final reports:-

(i) Corporate

(a) 13- 02 – Software Licences

There was submitted a report by the Chief Internal Auditor (13/501) on the internal audit review carried out to ensure the adequacy of arrangements governing software licences.

Councillor Stewart asked if the installation of software without authority was a widespread occurrence and how were these occurrences being managed. K Wilson reported that some users had been allowed to install no-risk software; however the process was controlled by the Asset Management Officer.

Councillor Vaughan noted that information security had been removed from the induction checklist for new employees and from the terms and conditions of service. J Clark responded that all employees were reminded of Council policy when logging into the computer network; however, information security had been reinstated on the induction checklist.

Councillor Vaughan and Councillor Younger both queried the award of 'moderately strong' for internal controls in respect of software licences. J Clark responded that the governance structure for software licensing was generally effective. In response to a question from Councillor Wilson, J Clark responded that she was confident that internal controls would be adjudged as strong in six months time.

In response to a question from Councillor Cuthbert, J Clark confirmed that action points 8 and 9 would not be signed off as completed until she had seen all the evidence.

Resolved:

Internal Audit's findings, as detailed in Report 13/501, be noted.

K WILSON LEFT THE MEETING AT THIS POINT.

(ii) The Environment Service

(a) 13- 04 – MOT Testing

There was submitted a report by the Chief Internal Auditor (13/502) on the internal audit review carried out to ensure the adequacy of arrangements for the identification of Council vehicles for MOT testing.

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Councillor W Wilson commented that report 13/502 was an excellent piece of work and should receive recognition as an example of good practice.

Resolved:

Internal Audit's findings, as detailed in Report 13/502, be noted.

H DOIG, S ESPLIN AND G WALKER LEFT THE MEETING AT THIS POINT.

(iii) Housing and Community Care

(a) 13- 06 – Non-Domestic Rates

There was submitted a report by the Chief Internal Auditor (13/503) on the internal audit review carried out to verify via service self-assessment, the adequacy of controls in place over Non-Domestic Rates for ensuring compliance with statutory regulations on collections, refunds, recovery and enforcement.

Resolved:

Internal Audit's findings, as detailed in Report 13/503, be noted.

K FRASER LEFT THE MEETING AT THIS POINT.

(b) 13- 07 – Council Tax Reduction Scheme

There was submitted a report by the Chief Internal Auditor (13/504) on the internal audit review carried out to ensure that adequate arrangements were in place for the migration of Council Tax Benefit data to the Council Tax Reduction Scheme.

J Clark reported that the report acknowledged the challenges of welfare reform and risks had been identified as part of the change process. A Taylor confirmed that issues relating to welfare reform were being closely monitored.

Resolved:

Internal Audit's findings, as detailed in Report 13/504, be noted.

(iv) Education and Children's Services

(a) 13- 09 – Contract Monitoring

There was submitted a report by the Chief Internal Auditor (13/505) on the internal audit review carried out to ensure the adequacy of arrangements within the Service for the monitoring of school catering contracts.

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Councillor Anderson queried why invoices had been signed-off above the Finance Division Authorised Signatory Limit. G Boland responded that this had been a rare exception and had been due to a lack of communication between the Service and Finance.

Resolved:

Internal Audit's findings, as detailed in Report 13/505, be noted.

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