

PERTH AND KINROSS COUNCIL
AUDIT COMMITTEE
27 MARCH 2019

AUDIT COMMITTEE

Minute of meeting of the Audit Committee held in the Council Chamber, 2 High Street, Perth on Wednesday 27 March 2019 at 9.30am.

Present: Councillors E Drysdale, S Donaldson, A Coates, D Illingworth, X McDade, M Williamson and W Wilson.

In Attendance: J Clark, C Irons, S Mackenzie, M Morrison, L Potter, L Simpson, D Stokoe and S Walker (all Corporate and Democratic Services); J Cockburn (Education and Children's Services); M Cassidy, F Crofts and P Marshall (Housing and Environment).

Also In Attendance: C Connor, KPMG

Councillor Drysdale, Convener, Presiding.

152. WELCOME AND APOLOGIES/SUBSTITUTIONS

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

153. DECLARATIONS OF INTEREST

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

154. MINUTE

The minute of meeting of the Audit Committee of 30 January 2019 (Arts. 40-45) was submitted and approved as a correct record and authorised for signature.

With regard to Art. 45(ii)(a) the Convener thanked staff involved for the helpful training session held for Audit Committee members on 11 March 2019 on the IT systems in place within the Council.

155. INTERNAL AUDIT FOLLOW UP

There was submitted a report by the Chief Internal Auditor (19/96) presenting a current summary of Internal Audit's follow up work.

It was noted that S D'All was recorded as the Deputy Manager but was now the Roads Maintenance Partnership Manager.

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.

PERTH AND KINROSS COUNCIL
AUDIT COMMITTEE
27 MARCH 2019

156. INTERNAL AUDIT UPDATE

There was submitted a report by the Chief Internal Auditor (19/97) presenting a summary of Internal Audit's work.

Councillor X McDade asked what areas would be covered by the audit 18-06 on Corporate Governance and L Simpson advised that a review of all governance arrangements was being undertaken for the Council to achieve CIPFA accreditation and Standing Orders were to be made clearer. L Simpson added that with the Council's new Chief Executive and the implementation of the Perth and Kinross Offer the governance would be reviewed to accommodate changes being made and agreed to provide an update on the position to a future Committee.

Councillor S Donaldson stated it would be very positive to have external accreditation for the governance arrangements. He asked about the Workforce Planning audit and J Clark advised the audit would take cognisance of the external audit and the best value review of the implementation of the workforce plan.

Resolved:

- (i) The progress of assignments from the 2018/19 Audit Plan, be noted.
- (ii) The outcome of consultancy work, be noted.

157. INTERNAL AUDIT UPDATE

(i) All Services

(a) 18-16 – Sales Ledger

There was submitted a report by the Chief Internal Auditor (19/98) on an audit to ensure (1) that the Council identifies and properly and timeously records all sales ledger transactions; (2) that the Council identifies and pursues outstanding debt appropriately and (3) that adequate system controls were in place to ensure the integrity of the system.

It was noted that in testing thirty-seven sales invoices covering all three services, six had not been raised timeously. This was due to a backlog of invoices to be raised but the situation was being addressed and new procedures had been drawn up.

Resolved:

Internal Audit's findings, as detailed in Report 19/98, be noted.

(ii) Corporate and Democratic Services

(a) 18-21 – General Data Protection Regulation

There was submitted a report by the Chief Internal Auditor (19/99) on an audit to ensure that the Council was progressing

PERTH AND KINROSS COUNCIL
AUDIT COMMITTEE
27 MARCH 2019

the implementation of the of the new General Data Protection Regulation (GDPR) requirements.

Resolved:

Internal Audit's findings, as detailed in Report 19/99, be noted.

(b) 18-23 – Local Action Partnerships

There was submitted a report by the Chief Internal Auditor (19/100) on an audit to ensure (1) that the Council was making progress towards appropriate arrangements being in place to meet the requirements of the Community Empowerment Act (Scotland) 2015 and (2) that Local Area Partnerships were identifying their priorities and making progress in delivering them.

In response to a question from Councillor M Williamson, D Stokoe advised that support from Council officers and training would be provided to community representatives on the Local Action Partnerships. Training was being arranged for a Saturday late morning/early afternoon to be held in Perth. The Convener suggested alternative training venues be considered if Perth was not suitable for all representatives.

J Clark advised the audit was on the support being provided to the Partnerships and L Simpson added it was looking at the framework and the systems of internal controls in place for the partnerships to deliver and enable them to work effectively. She clarified that this was not an audit as regards outputs/outcomes

Councillor W Wilson asked if the audit had been a useful exercise for the service; D Stokoe confirmed that the process had been helpful and enabled his to team to focus on their planned work for the next twelve months and reassured them that they were on course to deliver that.

Resolved:

Internal Audit's findings, as detailed in Report 19/100, be noted.

(iii) Housing and Environment

(a) 18-20 – Carbon Reduction and Climate Change

There was submitted a report by the Chief Internal Auditor (19/101) on an audit to ensure that the Council (1) has an awareness of current and emerging climate change responsibilities in regards to emission reductions and has appropriate arrangements in place to assist in deliverance of these and (2) is complying with the mandatory reporting

PERTH AND KINROSS COUNCIL
AUDIT COMMITTEE
27 MARCH 2019

requirements of the Climate Change (Duties of Public Bodies: Reporting Requirements) (Scotland) Order 2015.

Councillor X McDade expressed concern that services were not aware of what others in the Council were doing and were operating within silos and J Clark agreed that work across the organisation did not appear to be co-ordinated. P Marshall confirmed that issue was being addressed and that a report had been presented to the Enterprise and Infrastructure Committee. He confirmed that a transformation project had been agreed and M Cassidy has been appointed as the Low Carbon/Climate Change Transition Co-ordinator.

He advised that cross-cutting activities were now being co-ordinated across the Council and this needed to be shared with staff and Councillors.

A Climate Change Plan is being developed and a Climate Change Workshop had taken place.

P Marshall added it was important to have a Low Carbon agenda across all of Perth and Kinross and not only within the Council.

Councillor S Donaldson asked if a detailed briefing could be provided to all elected members. P Marshall advised that this would be done but that it was sensible to await the outcome of the new legislation which is progressing at the moment.

M Cassidy advised that a workshop on 1 March 2019 had been well attended by officers from all services and it had provided an opportunity to share information and views. Input from staff had helped develop the Climate Change Plan.

Councillor W Wilson asked if the audit had helped and P Marshall confirmed it had as it had highlighted and echoed what was being said and shared across the Council.

Resolved:

Internal Audit's findings, as detailed in Report 19/101, be noted.

158. PERTH AND KINROSS COUNCIL EXTERNAL AUDIT STRATEGY

There was submitted a report by the External Auditor, KPMG, (19/102) presenting the external Audit Strategy for 2018/19.

C Connor, KPMG, gave a detailed summary of the report.

S Walker advised the draft accounts would be submitted to the Audit Committee in June 2019 and the best Value report would be submitted to the

PERTH AND KINROSS COUNCIL
AUDIT COMMITTEE
27 MARCH 2019

Council meeting in June 2019 and there were no plans to submit that to the Audit Committee.

The Convener thanked C Connor for her presentation on the Audit Strategy.

Resolved:

The external Audit Strategy for 2018/19, be noted.

~~~~~