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Council Building
2 High Street
Perth
PH1 5PH

23/03/2022

Attached is a supplementary agenda for the meeting of the **Audit Committee** being held virtually on **Monday, 28 March 2022** at **10:00**.

If you have any queries please contact Committee Services on (01738) 475000 or email Committee@pkc.gov.uk.

THOMAS GLEN
Chief Executive

Those attending the meeting are requested to ensure that all notifications are silent on their device and other devices are in silent mode.

Please note that the meeting will be broadcast online and recorded. The recording will be publicly available on the Council's website following the meeting.

Members:

Councillor Eric Drysdale (Convener)
Councillor Stewart Donaldson (Vice-Convener)
Councillor Liz Barrett
Councillor Harry Coates
Councillor David Illingworth
Councillor Roz McCall
Councillor Xander McDade

Audit Committee

Monday, 28 March 2022

AGENDA

MEMBERS ARE REMINDED OF THEIR OBLIGATION TO DECLARE ANY FINANCIAL OR NON-FINANCIAL INTEREST WHICH THEY MAY HAVE IN ANY ITEM ON THIS AGENDA IN ACCORDANCE WITH THE COUNCILLORS' CODE OF CONDUCT.

PLEASE NOTE THAT ALTHOUGH THE PRE-AGENDA MEETING IS NOT SUBJECT TO THE TERMS OF THE LOCAL GOVERNMENT (SCOTLAND) ACT 1973 IT IS RECOMMENDED THAT THE CONTENTS OF REPORTS AND DISCUSSIONS AT THE MEETING CONSTITUTE INFORMATION WHICH IS EXEMPT IN TERMS OF SCHEDULE 7A TO THAT ACT, AND THEREFORE, YOU SHOULD NOT DISCLOSE TO OR DISCUSS WITH ANY MEMBER OF THE PRESS OR PUBLIC ANYTHING CONTAINED IN REPORTS OR DISCLOSED DURING DISCUSSIONS.

6 INTERNAL AUDIT UPDATE

5 - 10

Report by Chief Internal Auditor (copy herewith 22/65)

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PERTH AND KINROSS COUNCIL

Audit Committee

28 March 2022

INTERNAL AUDIT UPDATE

**Report by Chief Internal Auditor
(Report No. 22/65)**

PURPOSE OF REPORT

This report presents a summary of Internal Audit's work undertaken as part of the Internal Audit Plans for 2020/21 and 2021/22.

1. BACKGROUND / MAIN ISSUES

- 1.1 The Public Sector Internal Audit Standards (PSIAS) require that the Chief Internal Auditor reports periodically to the Audit Committee on internal audit activity and on performance relative to the approved plan.
- 1.2 Work has continued on assignments from approved Internal Audit Plans. In addition, the National Fraud Initiative process continues to be supported and a report on outcomes is included on the agenda for this meeting of the Audit Committee.
- 1.3 The team are also involved in whistleblowing disclosures and any relevant outcomes may be considered by a future meeting of the Audit Committee.
- 1.4 Appendix 1 shows the status of audits arising from the 2020-21 and 2021-22 Internal Audit Plans. Anticipated Committee dates are subject to review as Internal Audit is undertaking further recruitment activity. These dates will be dependent upon successful recruitment to vacant posts.

2. OUTCOMES FROM CONSULTANCY ASSIGNMENT

- 2.1 Within the Internal Audit Plan, there are a number of assignments which were identified as 'consultancy'. Following approval from Audit Committee of a revised reporting process for consultancy assignment (Report 16/306), this report provides a summary of completed work with regard to such assignments, where appropriate.
- 2.2 The scope of C21-02 Climate Change was to provide support, advice and challenge to the strategic arrangements in place to fulfil the Council's climate change duties. Internal Audit has been reviewed arrangements in place as they have developed during the year. Council considered and approved the Climate Change Strategy & Action Plan in December 2021 and work continues on this within the Service. Progress is being made with recruitment to the Climate Change Board. Risks to the achievement of the Strategy

continue to be identified with controls identified to mitigate these risks where possible. In addition, Climate Change has been added as a standing agenda item of the Policy and Governance Group to ensure that it is supported and championed by the Group and this will continue. Risks associated with Climate Change will continue to be included within the Council's Strategic Risk Register and the oversight role will continue.

2.3 The outcomes from consultancy assignments are taken into account when considering future Internal Audit plans.

3. CONCLUSION AND RECOMMENDATIONS

3.1 This report presents a summary of Internal Audit's work.

3.2 It is recommended that the Committee notes:

3.2.1 the outcome from consultancy activity; and

3.2.2 progress with Internal Audit activity.

Author(s)

Name	Designation	Contact Details
Jackie Clark	Chief Internal Auditor	Internal.Audit@pkc.gov.uk

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1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

Strategic Implications	Yes / None
Community Plan / Single Outcome Agreement	None
Strategic Plan	Yes
Resource Implications	
Financial	None
Workforce	None
Asset Management (land, property, IST)	None
Assessments	
Equality Impact Assessment	Yes
Strategic Environmental Assessment	None
Sustainability (community, economic, environmental)	None
Legal and Governance	None
Risk	Yes
Consultation	
Internal	Yes
External	None
Communication	
Communications Plan	None

1. Strategic Implications

Community Plan/Single Outcome Agreement

Corporate Plan

1.1 The Council's Corporate Plan 2018 – 2022 lays out five outcome focussed strategic objectives which provide clear strategic direction, inform decisions at a corporate and service level and shape resources allocation. They are as follows:

- (i) Giving every child the best start in life;
- (ii) Developing educated, responsible and informed citizens;
- (iii) Promoting a prosperous, inclusive and sustainable economy;
- (iv) Supporting people to lead independent, healthy and active lives; and
- (v) Creating a safe and sustainable place for future generations.

1.2 This report relates to all of these objectives.

2. Assessments

Equality Impact Assessment

2.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties.

- 2.2 The information contained within this report has been considered under the Corporate Equalities Impact Assessment process (EqIA) and has been assessed as **not relevant** for the purposes of EqIA.

Risk

- 2.3 The risks are associated with the level of assurance provided on the control environment in the event that Internal Audit's planned work is not completed on time.

3. Consultation

Internal

- 3.1 The Chief Executive and Head of Legal and Governance have been consulted in the preparation of this report.

2. BACKGROUND PAPERS

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above report.

3. APPENDICES

Appendix 1 – Internal Audit Activity

Appendix 1

INTERNAL AUDIT UPDATE

Internal Audit Activity

Audit No.	Title	Service(s)	Status as at December 2020	Audit Committee
2020/21				
A20-07	Violence & Aggression	Education & Children's Services	Draft in discussion	June 2022
2021/22				
A21-01	Child Protection	Education & Children's Services	Draft in discussion	June 2022
C21-02	Climate Change	All Services	Complete	March 2022
A21-03	Welfare Rights	Corporate & Democratic Services	Planned	
A21-04	Partnership Working	All Services	In progress	
A21-05	Tay Cities Deal	Communities	In progress	June 2022
A21-06	IT Assets	All Services	In progress	June 2022
A21-07	Agency Workers	Communities	In progress	June 2022
A21-08	Payroll	Corporate & Democratic Services	Planned	
G21-09	LEADER	Communities	Completed	February 2022
G21-10	BSOG	Communities	Completed	N/a

