

AUDIT COMMITTEE

Minute of meeting of the Audit Committee held in the Committee Room, Fourth Floor, Council Building, 2 High Street, Perth on Wednesday 17 September 2014 at 10.00am.

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

In Attendance: J Clark, C Flynn, A Gallacher, C Irons, M Morrison, A O'Brien, E Sturgeon, J Symon and S Walker (all Chief Executive's Service); H Hope (The Environment Service); N Copland and J Gilruth (both Housing and Community Care); and J Cockburn, F Graham and K Wilson (Education and Children's Services).

Also Attending: S Boyle and C Gardner, Audit Scotland.

Councillor Vaughan, Convener, Presiding.

615. WELCOME AND APOLOGIES/SUBSTITUTIONS

The Convener welcomed everyone to the meeting and no apologies for absence were noted.

616. DECLARATIONS OF INTEREST

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

617. MINUTE

The minute of meeting of the Audit Committee of 18 June 2014 (Arts. 444 – 453) was submitted and approved as a correct record.

618. MATTERS ARISING

(i) Audit Committee: Review of Effectiveness (Art.447 (iii))

It was noted that arrangements were being made for training of elected members.

(ii) Audit Scotland's Review of Data Management (Art. 448(c))

It was noted the Information Security and Data Protection e-learning was now to be rolled-out across the Council.

619. INTERNAL AUDIT FOLLOW-UP

There was submitted a report by the Chief Internal Auditor (14/391) which presented the current summary of Internal Audit's 'follow up' work and detailed (1) a

summary of the number of actions arising from internal and external audit reports; (2) the total number of agreed actions which Internal Audit would be following up, even where the originally agreed completion dates had not been reached; (3) the number of agreed actions reported as incomplete as at their original agreed completion date, a number of which had been allocated dates in the future for completion with progress to be reported to a future meeting; (4) the number of agreed actions which had yet to be followed up as their completion date had not been reached; and (5) detailed follow-up information on a Service-by-Service basis, in respect of actions agreed for completion in the period of April to June 2014.

Officers from the relevant Services were present to answer members' questions on the progress on outstanding actions as follows:

Housing and Community Care

(a) Commissioning Services – Temporary Accommodation – Action Point 14 – 11-012

It was noted that this would be progressed following submission of the annual report on Following the Public Pound to the Strategic Policy and Resources Committee on 1 October 2014.

Resolved:

- (i) The current position in respect of the agreed actions arising from internal and external work be noted.
- (ii) The agreed action plans be progressed, taking into account the recorded audit opinions.

620. INTERNAL AUDIT UPDATE

There was submitted a report (14/392) by the Chief Internal Auditor presenting a summary of Internal Audit's work against the 2013/14 and 2014/15 annual plans.

Resolved:

- (i) The 2014/15 Internal Audit Plan would be completed within the year be noted.
- (ii) The progress made on Internal Audit's work against the plan for 2014/15 be noted.

The Committee considered the following final reports:-

(i) Environment Service

(a) 14-02 Flood Mitigation

There was submitted a report by the Chief Internal Auditor (14/393) to verify that the assessment, clearance and repair of bodies of water in Perth and Kinross were satisfactory in terms of compliance with statute and relevant national guidance and best practice.

Resolved:

Internal Audit's findings, as detailed in Report 14/393, be noted.

(b) 14-22 (a) – Property Information System

There was submitted a report by the Chief Internal Auditor (14/394) on the internal audit review to provide assurance to the Project Manager that robust internal controls are either planned or were in place for the project to procure and implement a corporate property asset management system.

Resolved:

- (i) Internal Audit's findings, as detailed in Report 14/394, be noted.
- (ii) Elected Member training on Asset Management be arranged.

(ii) Education and Children's Services

(a) 14-03 – Schools Attendance Management

There was submitted a report by the Chief Internal Auditor (14/395) on the internal audit review to ensure that the procedures in place were adequate to monitor and manage school attendance.

F Graham advised that pupils may be in education but outwith the school. Attendance Management training for class teachers had been well attended and other sessions were arranged. It was noted that a report would be submitted to the Lifelong Learning Committee by December 2014.

Resolved:

Internal Audit's findings, as detailed in Report 14/395, be noted.

F GRAHAM LEFT AT THIS POINT IN THE MEETING.

(iii) Housing and Community Care

(a) 14-04 – Adult Support and Protection

There was submitted a report by the Chief Internal Auditor (14/396) on the internal audit review to ensure the adequacy of the council's arrangements to identify, assess and support adults at risk of harm.

J Gilruth provided background information on the Council's Adult Protection Committee.

Resolved:

Internal Audit's findings, as detailed in Report 14/396, be noted.

J GILRUTH LEFT AT THIS POINT IN THE MEETING.

(b) 14-05 – Housing Standard Delivery Plan Assignment

There was submitted a report by the Chief Internal Auditor (14/397) on the internal audit review to ensure (1) that arrangements were in place to provide assurance that the Housing Standard Delivery Plan would be delivered on time and (2) adequate financial monitoring of the Housing Service Delivery Plan within the service.

Resolved:

Internal Audit's findings, as detailed in Report 14/397, be noted.

(iv) Corporate

(a) Integra Interfaces

There was submitted a report from Scott-Moncrieff, business advisers and accountants (14/398) on their review of the Council's controls around the Integra finance system interfaces.

Resolved:

The Scott-Moncrieff report, 14/398, be noted.

K WILSON LEFT AT THIS POINT IN THE MEETING.

621. THE NATIONAL FRAUD INITIATIVE 2012/13 AND 2014/15

There was submitted a report by the Chief Internal Auditor (14/399) on the findings of the 2012/13 National Fraud Initiative exercise which outlines the preparations underway in respect of the 2014/15 exercise.

Resolved:

- (i) The position in respect of the work that has been undertaken in connection with the National Fraud Initiative for 2012/13 be noted.
- (ii) The work being undertaken in preparation for the 2014/15 exercise be noted.
- (iii) Appendix B of report 14/399 on Audit Scotland's self-appraisal checklist relating to those charged with governance be approved.

622. EXTERNAL AUDIT REPORTS

(i) Review of Main Financial Systems 2013/14

There was submitted a report by Audit Scotland (14/400) on their review of the Council's main financial systems and their assessment of the systems of internal control put in place by management.

Resolved:

Audit Scotland's report on the main financial systems 2013/14 be noted.

E STURGEON LEFT AT THIS POINT IN THE MEETING.

(ii) Major Capital Investments in Council's: A Follow-Up Report

There was submitted a report by Audit Scotland (14/401) on a follow-up report prepared in June 2014 on major capital investments in councils.

Resolved:

- (i) Audit Scotland's Major Capital Investments In Councils follow-up report be noted.
- (ii) If agreed actions in the Corporate Capital Programme had not been completed by December 2014 a meeting of Audit Committee members and the Strategic Investment Group be arranged, be noted.

N COPLAND LEFT AT THIS POINT IN THE MEETING.

(iii) Report to Those Charged with Governance on the 2013/14 Audit

There was submitted a report by Audit Scotland (14/406) to the Audit Committee as those charged with governance on the audit of the Council's financial statements 2013/14.

Resolved:

- (i) The Committee considered officers responses to the audit findings and were satisfied with them.
- (ii) The Council's final accounts for 2013/14 be submitted to the meeting of the Council on 8 October 2014 for approval.

A O'BRIEN AND S WALKER LEFT AT THIS POINT IN THE MEETING.

IT WAS AGREED THAT THE PUBLIC AND PRESS SHOULD BE EXCLUDED DURING CONSIDERATION OF THE FOLLOWING ITEMS IN ORDER TO AVOID THE DISCLOSURE OF INFORMATION WHICH IS EXEMPT IN TERMS OF SCHEDULE 7A TO THE LOCAL GOVERNMENT (SCOTLAND) ACT 1973

623. INTERNAL AUDIT UPDATE

(i) The Environment Service

(a) 14-23 – Public Conveniences

There was submitted a report by the Chief Internal Auditor (14/402) on the internal audit review carried out to ensure that

there was adequate control over the income collected, banked and reconciled for public conveniences.

Resolved:

Internal Audit's findings, as detailed in Report 14/402, be noted.

H HOPE LEFT AT THIS POINT IN THE MEETING.

(ii) Education and Children's Services

(a) 14-30 – Safeguarding Cash on School Excursions

There was submitted a report by the Chief Internal Auditor (14/403) on the internal audit review carried out to ensure that cash was held securely whilst on school excursions.

Resolved;

Internal Audit's findings, as detailed in Report 14/403, be noted.

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