

AUDIT COMMITTEE

Minute of meeting of the Audit Committee held in the Hay Room, Dewar's Centre, Glover Street, Perth on Wednesday 3 February 2016 at 2.00pm.

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

In Attendance: J Clark, G Fogg, C Irons, M Morrison, G Taylor (all Corporate and Democratic Services); J Cockburn, (Education and Children's Services); S Mackenzie, (The Environment Service) and N Copland (Housing and Community Care).

Councillor Vaughan, Convener, Presiding.

75. WELCOME AND APOLOGIES/SUBSTITUTIONS

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

76. DECLARATIONS OF INTEREST

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

77. MINUTE

The minute of meeting of the Audit Committee of 25 November 2015 (Arts. 757–762) was submitted and approved as a correct record and authorised for signature.

In relation to Health and Social Care Integration, J Clark advised that following discussion with the Head of Internal Audit of Tayside Health Board, a joint report on due diligence and processes would be submitted to the Perth and Kinross Integrated Joint Board and would then be submitted to this Committee on 29 June 2016.

78. INTERNAL AUDIT FOLLOW-UP

There was submitted a report by the Chief Internal Auditor (16/31), presenting the Committee with a current summary of Internal Audit's follow up work.

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

Corporate and Democratic Services

(a) 12-02 – Following the Public Pound – Action Point 23

It was noted that following approval by the Executive Officer Team, the Following the Public Pound Local Code of Guidance would be submitted to the Strategic Policy and Resources Committee.

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(b) 14-07 – Data Protection – Action Point 14

It was noted the annual report on Freedom of Information report should be submitted to the Scrutiny Committee in April 2016.

(c) 14-08 – Employee Expenses – Action Point 2

It was noted the intranet guidance on employee expenses was currently being reviewed along with other guidance.

(d) 15-03 – Complaints – Action Point 4

It was noted that the questionnaire had been introduced for all stage 2 complaints and a percentage of stage 1 complaints. Figures for this would be included in the annual report on complaints to the Scrutiny Committee.

(e) 15-03 – Complaints – Action Point 7

It was noted the Complaints Performance Information should be added to the website within the next two weeks.

(f) Audit Scotland 6 – Tayside Contracts Minute of Agreement – Action Point 4.1

It was noted the Minute of Agreement was still awaiting signature.

Councillor W Wilson questioned if there were adequate resources within Corporate and Democratic Services to deal with the demands and Councillor B Vaughan advised she would discuss the matter with the Depute Chief Executive, HCC, (Corporate and Community Development Services) and Chief Operating Officer.

The Environment Service

(a) 14-11 – Management of Contracts – Action Point 5

It was noted the roles and responsibilities framework would be launched imminently.

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.

79. INTERNAL AUDIT UPDATE

There was submitted a report by the Chief Internal Auditor (16/32) presenting a summary of Internal Audit's work against the 2015/16 Annual Plan.

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As detailed in Appendix B to Report 16/32, a number of reports would be submitted to this Committee in March 2016. While all work would be completed by the end of the 2015/16 financial year, some reports would be submitted to the June meeting of the Committee.

J Clark assured members that all work in the Annual Plan would be completed by the end of the 2015/16 financial year and the reports to be submitted to Committee would be spread across the next two meetings.

Resolved:

- (i) The Internal Audit Plan would be completed within the year be noted;
- (ii) The progress made on Internal Audit's work against the Plan for 2015/16 be noted.

The Committee considered the following final reports:-

(i) Corporate and Democratic Services

(a) 15-14 Payroll Assignment

There was submitted a report by the Chief Internal Auditor (16/33), on the audit to ensure (i) payment of employee salaries, including temporary variations and deductions are timely, accurate and properly authorised; (ii) the maintenance of standing data in the Council's payroll system in accordance with the establishment; and (iii) specified deductions were paid over in a timely manner and as authorised.

Councillor A Stewart expressed concern that there could have been repercussions regarding the authorisation of overtime payments and queried if the action plan had been implemented. Officers updated members on progress being made.

Resolved:

Internal Audit's findings, as detailed in Report 16/33, be noted.

(ii) Education and Children's Services

(a) 15-16(a) – Kinross Primary School

There was submitted a report by the Chief Internal Auditor (16/34), on the audit to ensure the primary school is managed in accordance with the Financial Policies and Procedures as laid down by Education and Children's Services.

Councillor D Cuthbert questioned how often the inventory list should be updated as it had been dated September 2014. J Cockburn advised it should be updated annually and training would be undertaken within schools to ensure inventories were updated and receipts issued for income over £10. J Cockburn added that the £100 purchase price limit for including items on

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an inventory was being reviewed to consider a more realistic level being set.

Resolved:

Internal Audit's findings, as detailed in Report 16/34, be noted.

(b) 15-16(b) – City of Perth Early Childhood Centre

There was submitted a report by the Chief Internal Auditor (16/35), on the audit to ensure the early childhood centre was managed in accordance with the Financial Policies and Procedures laid down by Education and Children's Services.

Resolved:

Internal Audit's findings, as detailed in Report 16/35, be noted.

(c) 15-47 – Crieff Primary Assurance Review

There was submitted a report by the Chief Internal Auditor (16/36), on the audit to ensure the security of assets at Crieff Primary School.

Following discussion of the report, it was agreed an update be provided to the next meeting on the progress of the action plan, in particular the undernoted areas:

(a) the system of issuing fobs to visitors and if identification was required; (b) confirmation of the new system in relation to the control of fobs and whether they could be held by an individual and used again and of the system for monitoring the return of fobs; (c) reassurance regarding improved access to new schools, such as one central access point and the use of closed-circuit television; (d) the position with regard to older schools and if the Paxton access control system would be rolled out to all schools.

Resolved:

- (i) Internal Audit's findings, as detailed in Report 16/36, be noted.
- (ii) An update be provided to the next meeting of this Committee on the progress of the action plan.

(iii) Environment Service

(a) 15-25 – Property Information System

There was submitted a report by the Chief Internal Auditor (16/37), on the audit to provide advice and assurance over the arrangements for the roll out of the property system for use within the Environment Service.

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Resolved:

Internal Audit's findings, as detailed in Report 16/37, be noted.

(b) 15-46 – Superconnected Cities Grant Claim

There was submitted a report by the Chief Internal Auditor (16/38), on the audit to ensure the accuracy of the Superconnected Cities Grant claim in respect of the period February 2014-March 2015, allowing the Chief Internal Auditor to complete the certification.

Resolved:

Internal Audit's findings, as detailed in Report 16/38, be noted.

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