

PERTH AND KINROSS COUNCIL
AUDIT COMMITTEE
25 NOVEMBER 2015

AUDIT COMMITTEE

Minute of meeting of the Audit Committee held in the Hay Room, Dewar's Centre, Glover Street, Perth on Wednesday 25 November 2015 at 2.00pm.

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

In Attendance: J Clark, L Gowans, C Irons, M Morrison, L Simpson, J Symon, G Taylor (all Corporate and Community Development Services); J Cockburn, (Education and Children's Services); S Mackenzie, (The Environment Service) and N Copland and A Taylor (both Housing and Community Care).

Also in attendance: S Boyle, Audit Scotland.

Apologies: Councillors W Wilson and A Younger.

Councillor Vaughan, Convener, Presiding.

757. WELCOME AND APOLOGIES/SUBSTITUTIONS

The Convener welcomed everyone to the meeting. Apologies were noted as above.

758. DECLARATIONS OF INTEREST

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

759. MINUTE

The minute of meeting of the Audit Committee of 16 September 2015 (Arts. 566 – 572) was submitted and approved as a correct record and authorised for signature, subject to the undernoted amendment.

Article 572(iii)(b) the minute should have read *"it was noted there had been some errors in the process resulting in a moderately weak internal control, however, discussions had been held with the contractor for the delivery of meals and payment methods"* and *"J Clark advised that from September 2015 there was a new contract and there should be a choice of payment method, with discussion to take place on direct debits"*.

760. INTERNAL AUDIT FOLLOW-UP

There was submitted a report by the Chief Internal Auditor (15/538) presenting a current summary of Internal Audit's follow up work and detailing (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,

PERTH AND KINROSS COUNCIL
AUDIT COMMITTEE
25 NOVEMBER 2015

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 July and August 2015.

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

Chief Executive's Service

Councillor J Giacomazzi queried the twenty-eight agreed actions for follow-up within the Chief Executive's Services, highlighting that was a relatively high number for the size of the Service. J Clark advised there had been a number of corporate reports recently and some Service-related audits had corporate actions resulting in the relatively high number. J Clark also advised the report to the next Committee in February 2016 would be from October 2015 and would reflect the recent structural change to the Service.

Environment Service

(a) 13-18 Fleet Management – Action Point 9

S MacKenzie advised the draft Service Level Agreement (SLA) was being piloted to ensure it was adequate for both Fleet Management and all Council Services and it was anticipated all SLAs would be in place by April 2016.

761. INTERNAL AUDIT UPDATE

There was submitted a report by the Chief Internal Auditor (15/539) presenting a summary of Internal Audit's work against the 2015/16 Annual Plan.

Councillor B Vaughan confirmed the areas of unplanned activity had no resource implications.

J Clark advised that she was working with Highland Council to develop a specific audit universe for IT along with a risk based IT audit plan. A draft plan was being developed to identify risk areas for auditing in the current financial year.

Councillor D Cuthbert referred to Audit 15-24, Health and Social Care Integration which stated the progress was to be determined. J Clark advised the progress would be determined by the development of the Integrated Joint Board and she was meeting with the Head of Internal Audit for the Tayside Health Board to discuss the details and timescales.

J Clark added that a lot of work was being undertaken but the progress would be flexible to the end of the year but overall the plan could be delivered.

Resolved:

The progress made on Internal Audit's work against the Plan for 2015/16 be noted.

PERTH AND KINROSS COUNCIL
AUDIT COMMITTEE
25 NOVEMBER 2015

The Committee considered the following final reports:-

(i) Housing and Community Care

Prior to consideration of the following two reports, J Clark explained the process behind selecting the two homes for review which included discussion with Housing and Community Care and considering other internal reviews undertaken.

(a) 15-11a – Beechgrove House Care Home

There was submitted a report by the Chief Internal Auditor (15/540) on the audit to ensure that the arrangements in place for the financial administration of the home complied with the laid down procedures.

It was noted the control objective was strong and there was one action point.

In response to a question from Councillor B Vaughan regarding the Comfort Fund, N Copland advised that although training was given to all staff when the use of a spreadsheet to record the use of funds was introduced, but thereafter, it was the role of the manager to train new staff. Although not a large sum was in the Fund, it was accessed by many people which made it difficult to control potential problems. Training workshop sessions had been arranged for all Care Home staff, including at one Home.

A Taylor also advised all procedures were documented in an Administration Manual and support and help was always available from relevant staff.

Resolved

Internal Audit's findings, as detailed in Report 15/540, be noted.

(b) 15-11b – Dalweem Care Home

There was submitted a report by the Chief Internal Auditor (15/541) on the audit to ensure that the arrangements in place for the financial administration of the Home complied with the laid down procedures.

It was noted the control objective was weak and there were three action points.

It was also noted that up to a maximum of £100 was held per resident due to insurance limits for both Dalweem Care Home and the previously discussed item, Beechgrove House Care Home.

PERTH AND KINROSS COUNCIL
AUDIT COMMITTEE
25 NOVEMBER 2015

Councillor B Vaughan referred to Action Point 1 which was of critical importance and of considerable concern.

N Copland confirmed the Finance and Administration Manual was being reviewed and efforts were being made to involve residents or their families in the Comfort Fund and the associated committee.

A Taylor assured members that the service manager would follow-up the required actions.

Councillor A Stewart proposed that a more streamlined process be introduced if there were no volunteers for the Committee to ensure staff were not left exposed to accusations.

Resolved:

Internal Audit's findings, as detailed in Report 15/541, be noted.

(c) 15-19 Homelessness

There was submitted a report by the Chief Internal Auditor (15/542) on the audit to ensure the adequacy of (1) the arrangements for identifying homeless households and (2) the management, monitoring and reporting arrangements in place for the delivery of services to homeless households.

Resolved:

Internal Audit's findings, as detailed in Report 15/542, be noted.

(d) 15-43 – Supported Living Teams

There was submitted a report by the Chief Internal Auditor (15/543) on the audit to ensure the procedures for managing clients' funds within the Supported Living Team were adequate. Following an initial review by the Service, advice was sought from Internal Audit.

Councillor B Vaughan referred to the moderately weak internal control but that these would be addressed by the two action points.

Councillor A Stewart stated it was concerning to have issues of this nature and the management of arrangements required to be stringent.

A Taylor advised action had been taken to eliminate weaknesses in the system and N Copland added that controls were in place if all staff followed the procedures detailed in the Administration Manual. It was noted that next year's internal control plan would ensure procedures were correctly followed.

PERTH AND KINROSS COUNCIL
AUDIT COMMITTEE
25 NOVEMBER 2015

J Clark also confirmed Internal Audit would ensure the action points were completed.

N Copland advised the local manager would review the process and ensure that the safe was kept locked at all times and that staff would attend the training organised.

Councillor D Cuthbert suggested the report should state when an action had been completed. J Clark advised that only outstanding actions at the time the report was written were included in the report, there could however be actions completed between the issue of the report and this Committee's meeting.

Resolved:

Internal Audit's findings, as detailed in Report 15/543, be noted.

(ii) Education and Children's Services

(a) 15-21 – Perth City Campus

There was submitted a report by the Chief Internal Auditor (15/544) on the audit to ensure that (1) governance arrangements over the project were, and continued to be, sufficient to support the achievement of the objectives of the project; (2) sufficient mechanisms were in place to support the pupils in the first years; (3) the project had delivered on the stated benefits and (4) reporting on Perth City Campus objectives ensured accountability and transparency.

Resolved:

Internal Audit's findings, as detailed in Report 15/544, be noted.

762. INTERNAL AUDIT CHARTER

There was submitted a report by the Chief Internal Auditor (15/545) presenting the Internal Audit Charter in line with the Public Sector Internal Audit Standards.

Resolved:

The Internal Audit Charter be approved as the purpose of, authority and responsibility for internal audit activity in Perth and Kinross Council.

~~~~~