

AUDIT SUB-COMMITTEE

Minute of Meeting of the Audit Sub-Committee held in the Committee Room, Fourth Floor, Council Building, 2 High Street, Perth on Wednesday 8 November 2006 at 10.00am.

Present: Councillors Barrett, Ellis and Mair and Mr J Howie.

In Attendance: A Nairn, K Woolard, D Farquhar and M Kay (all Corporate Services); B Renton and C Nimmo (Chief Executive's); J Walker (The Environment Service) and C Archibald (Education & Children's Services).

Apologies: Councillors Jack and Lennie

Councillor Ellis, Convener, Presiding

1. DECLARATIONS OF INTEREST

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

2. MINUTE OF PREVIOUS MEETING

The Minute of Meeting of the Audit Sub-Committee of 21 September 2006 was submitted, approved and signed as a correct record.

3. INTERNAL AUDIT FOLLOW-UP WORK

There was submitted a report by the Chief Internal Auditor (06/634) presenting a summary of Internal Audit's Follow-up work.

A Nairn, Depute Director (Corporate Services) was present to answer questions on outstanding actions in respect of Audit 03/020 and related External Audit report on Following the Public Pound. The working group taking forward the review of Following the Public Pound within Perth and Kinross Council were finalising work on the review, the outcome of which would be reported to Committee shortly. In the interim, a considerable amount of progress had been made in implementing the recommendations of the audit report in relation to training, separation of duties between assessing and monitoring of grants and advice had been obtained on Employees' Code of Conduct. The Chief Internal Auditor confirmed that the actions being taken were satisfactory, subject to the usual follow-up procedures. It was noted that training for elected members would be provided on Following the Public Pound following the elections in May 2007.

Resolved:

- (i) The current position in respect of outstanding internal and external audit recommendations be noted.
- (ii) The Head of Finance be asked to consider an earlier review of the Financial Regulations to incorporate the agreed amendment relating to VAT.
- (iii) Any outstanding actions be subject to the normal follow-up procedure.

4. EXTERNAL AUDIT REPORTS

(a) SWIFT System Implementation Follow Up 2005/2006

There was submitted a report by the External Auditor (06/758) on the results of the follow-up inspection of the Council's implementation of the SWIFT Social Work computer system.

Resolved:

The contents of the External Auditor's report be noted.

5. INTERNAL AUDIT UPDATE

There was submitted a report by the Chief Internal Auditor (06/760) presenting a summary of Internal Audit's current work.

Resolved:

The position in respect of current Internal Audit work be noted.

(a) 06/002(a) – MOT Testing

There was submitted a report by the Chief Internal Auditor (06/751) setting out the results of the internal audit review of internal controls for MOT Testing.

J Walker, Head of Transport & Support Services, was present to answer members' questions on the report in particular relating to cash procedures and banking arrangements.

Resolved:

The findings, recommendations and action plan detailed in Report 06/751 be noted.

(b) 06/002(b) – Fleet Management

There was submitted a report by the Chief Internal Auditor (06/752) setting out the results of the internal audit review of internal controls in relation to the Council's Fleet Management.

J Walker, Head of Transport & Support Services, was present to answer members' questions on the report relating to Health and Safety Executive requirements, the need for corporate procedures for checking driver's licenses and the possibility of sharing assets.

Resolved:

The findings, recommendations and action plan detailed in Report 06/752 be noted.

(c) 06/023(a) – Statutory Performance Indicators – The Environment Service

There was submitted a report by the Chief Internal Auditor (06/753) on the results of the internal audit review of the 2005/06 Statutory Performance Indicators within The Environment Service.

Resolved:

The findings, recommendations and action plan detailed in Report 06/753 be noted.

(d) 06/023(b) – Statutory Performance Indicators – Community Care

There was submitted a report by the Chief Internal Auditor (06/754) on the results of the internal audit review of the 2005/06 Statutory Performance Indicators within Community Care.

Resolved:

The findings, recommendations and action plan detailed in Report 06/754 be noted.

(e) 06/036 – Corporate Complaints Procedure

There was submitted a report by the Chief Internal Auditor (06/755) setting out the results of the internal audit review of the Council's Complaints Procedure.

A Nairn, Depute Director (Corporate Services), was present to answer members' questions on the report; he explained the definition of a complaint in the operation of the new complaints procedure and the distinction made between a service request and a formal complaint and provided an update on the central complaints system.

Resolved:

The findings, recommendations and action plan detailed in Report 06/755 be noted.

(f) 06/001 – Recruitment and Selection

There was submitted a report by the Chief Internal Auditor (06/756) setting out the results of the internal audit review of current systems and controls in place on the Council's Recruitment and Selection process.

Resolved:

The findings, recommendations and action plan details in Report 06/756 be noted.

(g) 05/026 – Housing Benefit

There was submitted a report by the Chief Internal Auditor (06/757) setting out the results of the internal audit review of current systems and controls in place for the operation of the Housing Benefits System.

Resolved:

The findings, recommendations and action plan details in Report 06/757 be noted.

6. THE NATIONAL FRAUD INITIATIVE 2006-2007

There was submitted a report by the Chief Internal Auditor (06/759) outlining the action that has been taken by Perth & Kinross Council in response to the requirements of the National Fraud Initiative in 2006-2007.

Resolved:

- (i) The position in respect of the work that has been undertaken in connection with the National Fraud Initiative (NFI) be noted.
- (ii) Internal Audit monitor the agreed action plans through its normal 'follow-up' process.

A NAIRN AND C NIMMO LEFT THE MEETING AT THIS POINT.

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

P1. GREYFRIARS HOSTEL – REVIEW OF ARRANGEMENTS FOR CASH HANDLING

There was submitted a report by the Chief Internal Auditor (06/761) presenting the results of a self-assessment relating to the arrangements for the handling of cash at Greyfriars Hostel.

Resolved:

- (i) The results of the self-assessment exercise carried out by the Allocations and Homeless Manager including the management actions planned for 2006/2007 be noted.
- (ii) The action plan be included within the Internal Audit follow-up process for future review of progress.

C ARCHIBALD, B RENTON AND J WALKER LEFT THE MEETING AT THIS POINT.

P2. INTERNAL AUDIT INVESTIGATIONS

There was submitted a report by the Chief Internal Auditor (06/765) presenting the results of recent Internal Audit investigations. Senior Officers from the relevant services were present to answer members' questions on progress with the agreed management actions arising from three recent internal audit investigations.

Resolved:

- (i) The actions taken in response to the reports by Internal Audit be noted.
- (ii) Senior Officers ensure that the Council's Financial Regulations are being complied with.