

## 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 23 January 2008 at 2.00pm.

Present: Councillors K Baird, A Gaunt, J Law, W Lumsden, B Vaughan and Mr J Howie.

In Attendance: G Stevenson (Executive Director (Corporate Services)); K Woolard; D Farquhar; J Clark (until Paragraph 4(ii)); J Symon (from Paragraph 5); K Donaldson (until Paragraph 4(iii)(a)) and A Nairn (until Paragraph 6) (all Corporate Services); J Walker; R Bean (until Paragraph 4(ii)); G McFarlane (until Paragraph 4(ii)) and N Brian (until Paragraph 4(ii)) (all The Environment Service); M Walker (until Paragraph 4(i)) and G Boland (until Paragraph 4(i)) (both Education and Children's Services); A Wilson and J Dickson (both Chief Executive's Service) and C Wyllie (External Audit).

Councillor Law, Convener, Presiding.

The Sub-Committee unanimously agreed to vary the order of the agenda.

### 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 8 November 2007 was submitted and approved as a correct record.

### 3. INTERNAL AUDIT FOLLOW-UP WORK

There was submitted a report by the Chief Internal Auditor (08/33) presenting a summary of Internal Audit's current follow-up work.

#### **Resolved:**

The current position in respect of outstanding agreed actions arising from internal and external audit work be noted.

#### **(i) School Cleaning/School Catering - Best Value Review**

The Executive Director (Corporate Services) and G Boland (Education and Children's Services) were present to answer members' questions on the Best Value Review of School Cleaning and School Catering. The Best Value Reviews would begin following implementation of Single Status within Tayside Contracts which was planned for the summer of 2008.

#### **Resolved:**

The current position in relation to the Best Value Review of School Cleaning and School Catering be noted.

#### **(ii) Project Management**

The Executive Director (Corporate Services) was present to answer members' questions in relation to responsibility for maintenance and custody of contract documents. The Council's contract rules were currently being reviewed.

#### **Resolved:**

The current position in relation to project management contract documents be noted.

**(iii) Agency Workers**

The Executive Director (Corporate Services) was present to answer members' questions in relation to the Council's procedures when using agency workers. A Resourcing Toolkit on the Procedure for Using Agency Workers was posted on the Council's intranet (*eric*).

**Resolved:**

The current position in relation to the Council's procedures for using agency workers be noted.

**4. INTERNAL AUDIT UPDATE REPORT**

There was submitted a report by the Chief Internal Auditor (08/27) presenting a summary of Internal Audit's work for 2007-08 against the Annual Plan.

**Resolved:**

The progress of Internal Audit's work against the 2007-2008 Annual Plan, as detailed in Appendices 1 and 2 to Report 08/27, be noted.

G STEVENSON AND M WALKER AND G BOLAND LEFT THE MEETING DURING CONSIDERATION OF THE FOLLOWING ITEM.

**(i) The Environment Service**

**(a) 06/065 - Development Management and Planning Applications**

There was submitted a report by the Chief Internal Auditor (08/25) setting out the results detailed testing of a selection of planning applications from 'PublicAccess', the Council's planning application database, to assess the effectiveness of the planning approval process in Perth and Kinross.

R Bean, G McFarlane and N Brian were present to answer members' questions in relation to the planning process and actions to address concerns in relation to (1) delegation to officers; (2) amendments to planning conditions; (3) guidance on planning policy; (4) integrating Council policies into planning procedures; (5) taking account of responses from consultees and (5) enforcement.

**Resolved:**

The findings, recommendations and action plans, as detailed in Report 08/25, be noted.

R BEAN, G MCFARLANE, N BRIAN AND J CLARK LEFT THE MEETING AT THIS STAGE.

**(ii) Corporate Services**

**(a) 07/024 – Occupational Stress**

There was submitted a report by the Chief Internal Auditor (08/28) setting out the results of the internal audit review of the effectiveness of the policies and procedures in place to manage occupational stress within the Council.

K Woolard and K Donaldson were present to answer members' questions.

**Resolved:**

The findings, recommendations and action plans, as detailed in Report 08/28, be noted.

K DONALDSON LEFT THE MEETING AT THIS POINT.

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**(iii) Education and Children's Services**

**(a) 07/008 – Devolved School Management**

There was submitted a report by the Chief Internal Auditor (08/29) setting out the results of the internal audit review of the effectiveness of the support, guidance and training provided to members of the Finance Support Team in order to maintain high standards of financial and business administration within schools.

**Resolved:**

The findings, recommendations and action plans detailed in Report 08/29 be noted.

**(b) 07/013(a) – Statutory Performance Indicators**

There was submitted a report by the Chief Internal Auditor (08/30) setting out the results of the internal audit review of the information and processes used in compiling the Education and Children's Service's performance indicators.

**Resolved:**

The findings, recommendations and action plans as detailed in Report 08/30 be noted.

**(iv) The Environment Service**

**(a) 07/013(b) – Statutory Performance Indicators**

There was submitted a report by the Chief Internal Auditor (08/31) setting out the results of the internal audit review of the information and processes used in compiling The Environment Service's performance indicators.

**Resolved:**

The findings, recommendations and action plans as detailed in Report 08/31 be noted.

**(b) 07/029 – Food & Health Safety Management**

There was submitted a report by the Chief Internal Auditor (08/32) on the results of the internal audit review of the procedures in relation to the work carried out by the Food Law Enforcement, and Health and Safety Teams.

**Resolved:**

The findings, recommendations and action plans as detailed in Report 08/32 be noted.

J SYMON ENTERED THE MEETING DURING CONSIDERATION OF THE FOLLOWING ITEM.

**5. INTERNAL AUDIT FOLLOW-UP WORK (CONTINUED)**

**(i) Agency Workers**

J Walker was present to answer members' questions on recruitment policies and tendering and contractual arrangements of temporary agency staff.

**Resolved:**

The current position in relation to recruitment of agency workers be noted.

**(ii) Procurement**

A Nairn was present to answer members' questions on the procurement process and the establishment of a Central Procurement Unit.

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**Resolved:**

The current position in relation to the procurement process be noted.

**(iii) Audit Scotland Report 2002/2003: Bye Now, Pay Later? A Review of the Management of Early Retirement.**

J Symon was present to answer members' questions on the Council's voluntary retirement policy.

**Resolved:**

- (i) Follow-up reports on early retirees be a priority.
- (ii) The Sub-Committee supported the production of a policy on voluntary retirees and submission of the policy to the Strategic Policy and Resources Committee as a matter of urgency.

**(iv) Fleet Management**

J Walker was present to answer members' questions on fleet vehicle maintenance schedules, the fleet inventory and management system.

**Resolved:**

The current position in relation to fleet management be noted.

A NAIRN LEFT THE MEETING AT THIS POINT.

FOLLOWING A 5 MINUTE RECESS THE SUB-COMMITTEE RECONVENED.

**6. ABSTRACT OF ACCOUNTS AND EXTERNAL AUDITOR'S FINAL REPORT 2006/2007**

There was submitted a report by the Head of Finance (07/844) accompanying the Council's audited Abstract of Accounts for the financial year 2006/2007 and the External Auditor's Report to Members for that year.

**Resolved:**

- (i) The contents of Report 07/844 be noted.
- (ii) A request be made to the Office of the Scottish Charity Regulator (OSCR) on whether they had had discussions on the status of charities which are included in local authority group accounts and whether or not they would grant charitable status to Partnerships.

**7. EXTERNAL AUDIT REPORTS**

**(i) Audit Progress Report 2006/2007**

There was submitted a report by the External Auditor (08/34) on progress with the 2006/2007 Audit.

C Wyllie, External Auditor, was present to speak to the report and answer members' questions.

**Resolved:**

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

**(ii) Best Value Transitional Work 2006/2007**

There was submitted a report by the External Auditor (08/35) on progress with the Best Value Transitional Work for 2006/2007.

C Wyllie, External Auditor, was present to speak to the report and answer members' questions.

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**Resolved:**

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

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

**P1. INTERNAL AUDIT FOLLOW-UP WORK – AGENCY WORKERS**

There was submitted a report by the Chief Internal Auditor (08/26) presenting a summary of Internal Audit's follow-up work in connection with Report 07/62 'Agency Workers'.

**Resolved:**

The current position in respect of the outstanding agreed actions arising from Internal Audit Report 07/62 be noted.