

# 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 Monday 22 February 2007 at 10.00am.

Present: Councillors P Barrett, R Ellis, A Jack and J Mair.

In Attendance: K Woolard, D Farquhar and M Cowdery (all Corporate Services); F Low (Education and Children's Services); M Kay (Chief Executive's).

Apologies: Councillor Lennie and M J Howie.

Councillor R 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 18 December 2006 was submitted, approved and signed as a correct record.

In response to a request from Councillor Barrett for an update on outstanding action in relation to the Asset Management Planning Audit (Item 4), K Woolard undertook to ascertain the current position and advise members accordingly.

## 3. MATTERS ARISING

### (i) Internal Audit Update (Item 5(g)(ii) refers)

M Cowdery, representing the Head of Finance, was present as requested at the previous meeting to provide assurances to the Sub-Committee that measures had been taken to put in place appropriate arrangements for payments made to external bodies.

#### **Resolved:**

The action taken be noted.

## 4. INTERNAL AUDIT FOLLOW-UP WORK

There was submitted a report by the Chief Internal Auditor (07/143) presenting a summary of Internal Audit's Follow-up work.

In response to questions from Members, K Woolard advised that the delay in action outstanding in relation to Internal Audit Report 04/013 on a Direct Payment was due to changes in senior personnel in City of Edinburgh Council and it was hoped that the action would be completed in early course.

In relation to Internal Audit Report 06/022, National Fraud Initiative 2006/07, Councillor Jack questioned if the action proposed to update the computer system for parking permits was necessary and K Woolard advised that whilst not yet mandatory the law required that the Council take action to support the National Fraud Initiative; it was for the Service and the Audit Sub-Committee to judge if the expenditure was necessary at this time, set against other priorities.

#### **Resolved:**

- (i) The current position in respect of outstanding internal and external audit recommendations be noted.
- (ii) Members of the Sub-Committee be provided with an update on progress on Internal Audit Report 05/024 and if this remained unresolved the appropriate officer be invited to attend the next meeting of the Audit Sub-Committee.
- (iii) In relation to Internal Audit Report 06/022 the appropriate officer be invited to the next meeting of the Audit Sub-Committee to provide further information on the cost of upgrading the computer system for residents' parking permits.

- (iv) In relation to outstanding action on action point 2 of the External Audit Follow-Up Report on Performance Management and Improvement, priority should be given to a review of the remit of the Standards and Scrutiny Committee following the election in May 2007.

## **5. INTERNAL AUDIT UPDATE**

There was submitted a report by the Chief Internal Auditor (07/144) presenting a summary of Internal Audit's current work.

**Resolved:**

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

**(i) (a) 05/046 – Health and Safety Accident Reporting**

There was submitted a report by the Chief Internal Auditor (07/138) setting out the results of the internal audit review of the policies the Council has in place to manage accident reporting, whether the health and safety process is effective and that all procedures are controlled and documented adequately. K Woolard further reported that the health and safety policy was now available on the Council's intranet.

**Resolved:**

The findings, recommendations and action plan detailed in Report 07/138 be noted.

F Low, Education and Children's Services was present to answer members' questions on the findings and action taken on the following reports. She confirmed that Education and Children's Services were endeavouring to provide more regular and consistent information to all schools. A review of coding procedures was also underway.

**(b) 06/035(a) – St. Dominic's Primary School, Crieff**

There was submitted a report by the Chief Internal Auditor (07/139) setting out the results of the internal audit review of internal controls in relation to devolved school management and school administration.

**Resolved:**

The findings, recommendations and action plan detailed in Report 07/139 be noted.

**(c) 06/035(b) – Methven Primary School**

There was submitted a report by the Chief Internal Auditor (07/140) setting out the results of the internal audit review of internal controls in relation to devolved school management and school administration.

**Resolved:**

The findings, recommendations and action plan detailed in Report 07/140 be noted.

**(d) 06/035(c) – Blairgowrie High School**

There was submitted a report by the Chief Internal Auditor (07/141) setting out the results of the internal audit review of internal controls in relation to devolved school management and school administration.

**Resolved:**

The findings, recommendations and action plan detailed in Report 07/141 be noted.

**(e) 06/036(d) – Straloch Primary School**

There was submitted a report by the Chief Internal Auditor (07/142) setting out the results of the internal audit review of internal controls in relation to devolved school management and school administration.

**Resolved:**

The findings, recommendations and action plan detailed in Report 07/142 be noted.

- (ii)** In relation to (i)(b), (c), (d) and (e) above, it was noted that (a) the common element was the administration of school fund income which was the responsibility of each Head Teacher and (b) controls were good in relation to compliance with guidelines issued by Education and Children's Services.
- (iii)** The Chief Internal Auditor undertook to follow-up on the details of action proposed in relation to devolved school management and school administration.

**6. VALEDICTORY**

Councillor Ellis thanked the members of the Audit-Committee for their contribution and officers for their advice and support during his term as Convener.