

# 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 Thursday 21 September 2006 at 10.00am.

Present: Councillors Barrett, Ellis, Mair, Jack and Lennie.

In Attendance: A Nairn, K Woolard, D Farquhar, J Clarke and M Kay (all Corporate Services), J Walker (The Environment Service), C Archibald (Education & Children's Services); T Yule and J Dean (Chief Executive's).

Also Attending: R Browne and F Kordiak (External Auditors).

Apologies: Mr J Howie.

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 29 June 2006 was submitted, approved and signed as a correct record.

### (a) Internal Audit Follow-Up Work (Item 4(c)(ii) refers)

- (i) It was noted that any actions outstanding in relation to job descriptions would be included in the normal follow-up procedures.
- (ii) It was noted that the outstanding action in relation to the early retirement policy would be contained in the follow-up report at the next meeting of the Sub-Committee.

### (b) External Audit Reports – Audit Risk Analysis and Plan 2005/06 (Item 4(b)(ii) refers)

R Browne advised that the action to be taken to involve Elected Members in the priorities and risk framework approach would be undertaken by the Council's new external auditors Henderson and Loggie.

### (c) External Audit – Website Overview Follow-Up 2005/06 (Item 4(c) refers)

J Dean, Communications and Research Manager, representing the Head of Performance Planning and Management, was present as requested at the previous meeting of the Sub-Committee to (1) provide an assurance that the target date of December 2006 for the completion of the website strategy could be achieved and (2) answer questions on balance of priorities and ease of navigability of the website. She (a) advised that officers were working with the Improvement Agency on a national website approach and discussions were ongoing with services on how best to take this forward and (b) answered questions on user testing, the lack of a search facility, the way in which consultations could be accessed through the Council website and arrangements within each service for web-teams.

#### **Resolved:**

The position be noted.

## 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.

T Yule was present to answer questions on outstanding actions in respect of Audit 05/014 and advised that the responsibility for corporate procurement had transferred from the Head of Legal Services to the Head of Business, Change and Improvement. She further reported that standard Service Level Agreement guidance had been issued and the Working Group set up to look at Following The Public Pound would be reporting to the Strategic Policy and Resources Committee thereon before the end of the year.

In relation to outstanding action on issues to be examined by the Standards and Scrutiny Committee, T Yule advised that a review was underway on future democratic models which incorporated the role of scrutiny across the Council. A review was also being undertaken of the Scheme of Administration and it was anticipated this would be submitted to the Council in November 2006. It was therefore not appropriate to confirm any programme until after the review of the role of Standards and Scrutiny Committee. It was noted that the current remit was as set out within the existing Scheme of Administration.

**Resolved:**

- (i) The current position in respect of outstanding internal and external audit recommendations be noted.
- (ii) Officers keep members of the Standards and Scrutiny Committee advised of progress on the reviews being carried out of the scrutiny role.

#### **4. EXTERNAL AUDIT REPORTS**

##### **(a) Efficient Government – Position Statement**

There was submitted a report by the External Auditor (06/635) on the progress being made within Perth and Kinross Council on the Efficient Government Initiative. R Browne, External Auditor explained in more detail the steps required, particularly in the measurement of efficiency and the need for detailed guidance for services, and how this related to the differing approaches across Scotland as to what constituted efficiency. She stressed that it was necessary there was no impact on outputs and for a link between resources and outcomes.

T Yule highlighted the need for improved guidance from the Scottish Executive as provided to Councils in England and Wales. She considered that it was important the Scottish Executive took into account the considerable savings previously made by Perth and Kinross Council and that it was therefore increasingly difficult to identify further efficiency savings which did not impact on outputs.

**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 (06/636) presenting a summary of Internal Audit's current work.

**Resolved:**

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

#### **6. INTERNAL AUDIT YEAR-END REPORT 2005/2006**

There was submitted a report by the Chief Internal Auditor (06/637) presenting the Chief Internal Auditor's year-end report and audit opinion for 2005-2006.

The Chief Internal Auditor advised that staffing resources were now in place to address the Audit Plan.

**Resolved:**

The contents of Report 06/637 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. (i) 06/005 – Agency Workers – The Environment Service**

There was submitted a report by the Chief Internal Auditor (06/638) on the use of a recruitment agency for seasonal staff.

J Walker, Head of Operations and Support Services, was present to answer members' questions on the report and explained the requirements of the service for seasonal staff.

**Resolved:**

The recommendations in the report be approved particularly in relation to developing a Council wide policy for the use of employment agencies, which would also provide flexibility to meet service needs.