

## AUDIT, RISK AND SCRUTINY COMMITTEE

ABERDEEN, 11 May 2015. Minute of Meeting of the AUDIT, RISK AND SCRUTINY COMMITTEE. Present:- Councillor , Convener; Councillor Yuill, Vice-Convener; and Councillors Cameron, Cooney, Crockett, Donnelly, Jackie Dunbar, Graham, Greig, Lawrence, Malik, Jean Morrison MBE, Nathan Morrison, Noble, Reynolds and Townson.

### VALEDICTORY AND CONGRATULATIONS

1. In recognition of former Convener, Callum McCaig's successful appointment as Member of Parliament for Aberdeen South, the Vice Convener wished him well in his new role. He further congratulated Councillor Jackie Dunbar on her appointment as Leader of the SNP.

### MINUTE OF PREVIOUS MEETING OF 26 FEBRUARY 2015

2. The Committee had before it the minute of its previous meeting of 26 February 2015.

**The Committee resolved:-**

to approve the minute as a correct record.

### WORKPLAN

3. The Committee had before it the workplan prepared by the clerk which set out the future schedule of reports.

**The Committee resolved:-**

to note the workplan.

### DECISION TRACKING STATEMENT

4. The Committee had before it the decision tracking statement as prepared by the clerk.

**The Committee resolved:-**

- (i) to remove items 1 (Community Centre Internal Audit Report), 2 (Whistleblowing Policy) and 7 (Fleet Update);
- (ii) to note that updates in relation to item 3 (Elected Member Development) would be reported to this Committee at each cycle therefore could be removed;
- (iii) to otherwise note the decision tracking sheet.

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**MINUTE OF MEETING OF THE CORPORATE HEALTH AND SAFETY COMMITTEE OF 28 NOVEMBER 2014**

5. The Committee had before it the minute of meeting of the Corporate Health and Safety Committee of 28 November 2014.

**The Committee resolved:-**

to note the minute.

**ELECTED MEMBER DEVELOPMENT - CG/14/095**

6. With reference to article 6 of the minute of its previous meeting of 26 February 2015, the Committee had before it a report by the Acting Director of Corporate Governance which provided an update on the development of members of this Committee.

**The report recommended:**

that the Committee note the content of the report.

**The Committee resolved:-**

to approve the recommendation contained in the report.

**INTERNAL AUDIT PROGRESS AND PERFORMANCE**

7. The Committee had before it a report by PricewaterhouseCoopers which presented the progress against the 2014/15 Audit Plan.

**The Committee resolved:-**

to note the content of the report.

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8. The Committee had before it a report by the Acting Director for Corporate Governance which presented the output from the 2015 self-evaluation exercise undertaken and outlined recommendations designed to further improve the effectiveness of the Committee.

**The report recommended:**

That the Committee -

- (i) note the output from the self-evaluation exercise;
- (ii) agree the recommended actions outlined in the report; and

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- (iii) instruct officers to implement the agreed improvement actions and provide regular update reports to the Committee.

**The Committee resolved:-**

to approve the recommendations contained in the report.

**SYSTEM OF RISK MANAGEMENT - CG/15/53**

9. With reference to article 14 of the minute of its previous meeting of 26 February, the Committee had before it a report by the Acting Director of Corporate Governance which presented details of a further component of the Council's System of Risk Management which focused specifically on the roles and responsibilities of staff.

**The report recommended:**

that the Committee note the further developments in the System of Risk Management.

**The Committee resolved:-**

to approve the recommendation contained in the report.

**COMMUNITIES, HOUSING AND INFRASTRUCTURE RISK REGISTER - CHI/15/139**

10. With reference to article 9 of the minute of meeting of the Audit and Risk Committee of 23 September 2014, the Committee had before it a report by the Director of Communities, Housing and Infrastructure which presented the Service Risk Register.

**The report recommended:**

That the Committee -

- (a) approve the Communities, Housing and Infrastructure Service Risk Register;
- (b) note the risks contained within it and the mitigating actions that the service were taking to address these risks; and
- (c) note that the Service Risk Register would form an integral part of the Communities, Housing and Infrastructure Service Business Plan.

In relation to Complaint Handling System, Councillor Greig sought assurances that staff had access to full training, whereupon the Directorate Support Manager advised that training was available.

In relation to Health and Safety arrangements, Councillor Townson asked whether contractors were less disciplined to report injuries compared to Council employees and what controls and mitigating actions were being pursued to prevent and reduce non reporting, whereupon the Directorate Support Manager advised that he would liaise with colleagues and provide a response.

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In relation to the Service Health and Safety Policy, Councillor Cameron enquired as to why it was under development when the Corporate Health and Safety Policy had been approved and issued, whereupon the Director of Communities, Housing and Infrastructure advised that various interventions had been put in place, with operational risks being managed and the Service Health and Safety Policy would reflect the interventions and risks.

Councillor Dunbar sought clarification on where the interventions and improvement to risks would be reported, whereupon the Director of Communities, Housing and Infrastructure advised that the Risk register and all other health and safety issues would be reported to the Corporate Health and Safety Committee.

**The Committee resolved:-**

- (i) in response to a question from Councillor Townson relating to the lack of awareness of injuries and whether contractors were less disciplined to report injuries compared to Council employees and what controls and mitigating actions were being pursued to prevent and reduce non reporting, to request the Directorate Support Manager to provide a response and circulate to the Committee for their information; and
- (ii) in response to a question from Councillor Dunbar relating to whether a further report would be submitted providing an update, to note that the Risk Register would be reported to the Corporate Health and Safety Committee; and
- (iii) to otherwise approve the recommendations contained in the report.

**FLEET ASSET VERIFICATION**

11. The Committee had before it a report by PricewaterhouseCoopers which presented an audit on the asset verification of fleet, plant and equipment. The auditors advised that the Service had requested the audit to assist with the verification of fleet assets following the concerns raised by the Traffic Commissioner.

The Head of Public Infrastructure and Environment advised that the Traffic Commissioners Public Enquiry was due to be held on 12 May 2015 and that an update on their findings would be presented to the appropriate Committee.

**The Committee resolved:-**

to note the content of the report and endorse the recommendations for improvements.

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**CORPORATE LANDLORD RESPONSIBILITIES (ASSET MANAGEMENT)**

12. The Committee had before it a report by Pricewaterhouse Coopers which presented an audit into the design and operating effectiveness of the Council's corporate landlord controls for managing its property portfolio.

**The Committee resolved:-**

to note the content of the report and endorse the recommendations for improvement.

**LIBRARY SERVICES SELF SERVICE MACHINES**

13. The Committee had before it a report by PricewaterhouseCoopers which presented an audit into the design and operating effectiveness of the Council's controls in place over the roll out of the service machines within libraries.

Councillor Graham sought clarification relating to the dates when the draft report was issued to management for comment, whereupon the auditors advised that there was an error and that the dates had been input into the wrong columns.

**The Committee resolved:-**

- (i) to note the error in relation to the target and actual dates for when the draft report was issued for management comment; and
- (ii) to otherwise note the content of the report and endorse the recommendations for improvement.

**POLICY AND PROCEDURE DEVELOPMENT**

14. The Committee had before it a report by PricewaterhouseCoopers which presented an audit into the design and operating effectiveness of the Council's Policy and Procedure Controls specifically in the Finance and Human Resources sections of the organisation.

Councillor Graham sought clarification on whether there was one officer in the organisation who monitored all policies and procedures, whereupon the Chief Executive advised that the Business Manager within Corporate Governance would be doing this via a database system.

**The Committee resolved:-**

- (i) in response to a question from Councillor Graham relating to whether there was one person within Corporate Governance responsible for monitoring all policies and procedures, to note that the Business Manager for Corporate Governance would be monitoring all policies via a database system; and

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- (ii) to otherwise note the content of the report and endorse the recommendations for improvement.

**PROCUREMENT IN CONSTRUCTION**

15. The Committee had before it a report by PricewaterhouseCoopers which presented an audit relating to the implementation of the 24 recommendations contained in the Review of Scottish Public Sector Procurement in Construction produced by the Scottish Government.

**The Committee resolved:-**

to note the content of the report and endorse the recommendations for improvement.

**SECTION 75 PLANNING**

16. The Committee had before it a report by PricewaterhouseCoopers which presented an audit into the design and operating effectiveness of the Council's Section 75 Planning controls.

**The Committee resolved:-**

- (i) to note that the balance of funds from Section 75 Planning agreements would be reported to future meetings of the Communities, Housing and Infrastructure Committee; and
- (ii) to otherwise note the content of the report and endorse the recommendations for improvement.

**DECLARATION OF INTEREST**

**Councillor Donnelly declared an interest in the subject matter of the following article by virtue of his position as Chair of Ferryhill Community Centre. He did not feel it necessary to withdraw from the meeting during consideration of the item.**

**AUDIT RECOMMENDATIONS OUTSTANDING**

17. The Committee had before it a report by PricewaterhouseCoopers which provided an update on the progress on implementing Internal Audit, External Audit and other investigations recommendations included within previously approved reports which were due for implementation prior to 28 February 2015.

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### **The report recommended:**

that the Committee consider the report and request actions or explanations as appropriate.

Members expressed their dissatisfaction that some officers who had outstanding actions were not in attendance to respond to questions.

### **The Committee resolved:-**

- (i) in relation to items 1 and 2 (Arm's Length Organisations) to note that significant work had been undertaken in this area and that the report to be discussed at the first Hub meeting would be circulated to members for their information;
- (ii) in relation to item 5 (Community Centres) to note the update provided and that a further report would be submitted to the Communities, Housing and Infrastructure Committee in September 2015 advising on those Community Centres that had not signed the Management Agreement and Lease;
- (iii) to note that any trends would be reported to future meetings of this Committee;
- (iv) to instruct all officers with outstanding audit recommendations to attend the Committee to respond to questions; and
- (v) to otherwise note the content of the report.

## **FLEET SERVICES UPDATE ON PROGRESS OF ACTION PLAN - CHI/15/160**

**18.** With reference to article 23 of the minute of its meeting of 26 February 2015, the Committee had before it a report by the Director of Communities, Housing and Infrastructure which presented an overview of the work undertaken to address the outcomes of the Traffic Commissioner's Public Enquiry and to improve service delivery.

### **The report recommended:**

That the Committee –

- (a) note the content of the report; and
- (b) instruct the Head of Public Infrastructure and Environment to update future meetings of the Communities, Housing and Infrastructure Committee on progress made on the Fleet Services Action Plan.

In response to a question from the Vice Convener as to whether a report would be submitted to Committee providing an update following the Traffic Commissioners Public Enquiry on 12 May 2015, the Chief Executive advised that she would provide a verbal update at the Council meeting on 13 May 2015.

### **The Committee resolved:-**

- (i) to congratulate the Head of Public Infrastructure and Environment and his staff on the work undertaken to date to improve the Council's position in relation to Fleet Management;

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- (ii) to note that the Chief Executive would provide a verbal update would at Full Council on Wednesday 13 May 2015 following the Public Enquiry due to be heard on Tuesday 12 May 2015; and
- (iii) to otherwise approve the recommendations contained in the report.

### **WHISTLEBLOWING FOLLOW UP - CG/15/56**

**19.** With reference to article \_ of the minute of its meeting of 20 November 2014, the Committee had before it a report by the Acting Director of Corporate Governance which provided an update on any implications for the Council's Whistleblowing Policy arising from a recent Scottish Parliament Petition.

**The report recommended:**

That the Committee note that the recent Scottish Parliament petition regarding Whistleblowing procedures in local government does not impact upon the Council's current Whistleblowing policy.

**The Committee resolved:-**

to approve the recommendation.

### **AUDIT SCOTLAND VALUE FOR MONEY NATIONAL REVIEWS - CG/15/058**

**20.** The Committee had before it a report by the Acting Director of Corporate Governance which presented a summary of Audit Scotland national studies published in the last cycle together with any actions taken or agreed to be taken by the Council in response to them.

**The report recommended:**

That the Committee –

- (a) note the detail of the following reports
  - “Borrowing and Treasury Management”
  - “An Overview of Local Government in Scotland 2015”
  - “Update on Developing Financial Reporting”; and
- (b) give consideration to officers comments made in respect of each of the priorities identified within the report.

**The Committee resolved:-**

- (i) in relation to the report on Borrowing and Treasury Management, to note that following consideration by officers, a report would be submitted to this Committee then Finance, Policy and Resources Committee;



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- (ii) in relation to the report An Overview of Local Government in Scotland 2015, to note that the Skills Development Programme would include finance training for Councillors;
- (iii) in relation to the report An Overview of Local Government in Scotland 2015, to request the Finance team to provide a response to a question from Councillor Graham relating to the Aberdeen's percentage of the 8.5% reduction in Scottish Government funding;
- (iv) in relation to the report Update on Developing Financial Reporting, to note that any changes would be reported to the Finance, Policy and Resources Committee; and
- (v) to otherwise note the detail of the reports.

- **COUNCILLOR IAN YUILL, Vice Convener.**