

AUDIT, RISK AND SCRUTINY COMMITTEE

ABERDEEN, 14 February 2019. Minute of Meeting of the AUDIT, RISK AND SCRUTINY COMMITTEE. Present:- Councillor Flynn, Convener; Councillor Yuill, Vice-Convener; and Councillors Duncan, Graham, Lumsden, Avril MacKenzie, Noble (as substitute for Councillor Allard), Reynolds and Townson.

The agenda and reports associated with this minute can be found at:-
<https://committees.aberdeencity.gov.uk/ieListDocuments.aspx?Cid=507&Mid=6260&Ver=4>

Please note that if any changes are made to this minute at the point of approval, these will be outlined in the subsequent minute and this document will not be retrospectively altered.

DECLARATIONS OF INTEREST

1. Members were requested to intimate any declarations of interest in respect of the items on the agenda, thereafter, the following declaration of interest was intimated:-
 - (1) Councillor Duncan declared an interest in item 8.3 (ALEO Assurance Hub) by virtue of her position as a Board Member of Aberdeen Performing Arts and considered that the nature of her interest did not require her to leave the meeting at that item on the agenda.

The Committee resolved:-
to note the declaration of interest.

MINUTE OF PREVIOUS MEETING OF 4 DECEMBER 2018

2. The Committee had before it the minute of its previous meeting of 4 December 2018.

The Committee resolved:-
to approve the minute as a correct record.

COMMITTEE BUSINESS PLANNER

3. The Committee had before it the Business Planner as prepared by the clerk.

The Committee resolved:-
to note the content of the business planner.

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ANNUAL ACCOUNTS 2018/19 – ACTION PLAN AND KEY DATES - RES/19/166

4. The Committee had before it a report by the Director of Resources which provided high level information and key dates in relation to the 2018/19 Annual Accounts including linkages to the plans and timetables of the Council's External Auditors.

The report recommended:

that the Committee note the content of the report.

The Committee resolved:-

to approve the recommendation as contained in the report.

SPSO DECISIONS, INSPECTOR OF CREMATORIA COMPLAINT DECISIONS - CUS/19/027

5. The Committee had before it a report by the Director of Customer Services which provided information on all Scottish Public Services Ombudsman (SPSO) and Inspector of Crematoria decisions made in relation to Aberdeen City Council since the last reporting cycle to provide assurance to Committee that complaints and Scottish Welfare Fund applications are being handled appropriately.

The report recommended:

that the Committee note the content of the report.

Councillor Duncan sought additional information in relation to the second complaint in Appendix A, wherein the Senior Customer Experience Officer advised that lessons learnt from the complaint had resulted in all complaints being managed by one team and that the Customer Feedback team reviewed all complaints and responses prior to them being issued to ensure consistency. She further advised that there was a complaint handling toolkit, templates and training for management to assist when dealing with complaints.

The Committee resolved:-

to approve the recommendation as contained in the report.

ALEO ASSURANCE HUB - GOV/19/029

6. The Committee had before it a report by the Chief Officer Governance which provided assurance on the risk management, financial management and governance arrangements of Arm's Length External Organisations (ALEOs) within the ALEO Assurance Hub's terms of reference.

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The report recommended:

That the Committee -

- (a) notes the level of assurance provided by each ALEO on risk management, financial management and governance; and
- (b) notes that Assurance Hub officers and ALEO Service Leads will discuss any outstanding issues identified in the appendices and identified at the Audit, Risk and Scrutiny Committee with ALEO representatives, with a view to further improving the assessment ratings at the next Hub meeting.

Cllr Yuill requested that when the Service Level Agreements with ALEO's were reviewed that they include a section highlighting the importance of participating in the ALEO Assurance Hub process. The Chief Officer Governance advised that the request would be considered and discussed with the ALEO lead officers.

Councillor Duncan raised concerns in relation to the timescales for the recruitment process for appointing a permanent Managing Director for Bon Accord Care Ltd and requested that where possible the process commenced earlier.

Councillor Duncan sought information as to what methods Aberdeen Heat and Power were undertaking to fill the vacant Tenants Director spaces on the Board. The Interim Democracy Manager advised that with the introduction of GDPR, there were limits on the level of tenant's information that could be shared with Aberdeen Heat and Power. The Chief Officer Governance advised that if there were any blockages he would advise the Committee.

The Committee resolved:-

- (i) in relation to questions raised around the timescales for the recruitment process for appointing a permanent Managing Director for Bon Accord Care Ltd; to note that the Chief Officer People and Organisation would determine if the timescales could be amended and would circulate a response to the Committee;
- (ii) to note the level of assurance provided by each ALEO on risk management, financial management and governance; and
- (iii) to note that Assurance Hub officers and ALEO Service Leads will discuss any outstanding issues identified in the appendices and identified at the Audit, Risk and Scrutiny Committee with ALEO representatives, with a view to further improving the assessment ratings at the next Hub meeting.

INTERNAL AUDIT PROGRESS REPORT - IA/19/001

7. The Committee had before it a report by the Chief Internal Auditor which advised on progress against the 2018/19 internal audit plan.

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The report recommended:

That the Committee -

- (a) agree to the review of Craft Workers' Terms and Conditions being moved to the 2019/20 Internal Audit Plan; and
- (b) to agree to the review of Digital Booking, Fees and Charges being reconsidered for inclusion in the 2020/21 Internal Audit Plan.

Councillor Lumsden requested that the audit on Digital Booking, Fees and Charges be brought to the Committee at the earliest opportunity.

The Committee resolved:-

to approve the recommendations as contained in the report.

INTERNAL AUDIT PLAN 2019/20 - IA/19/003

8. The Committee had before it a report by the Chief Internal Auditor which sought approval of the attached Internal Audit Plan for 2019/20.

The report recommended:

That the Committee approve the attached Internal Audit plan for 2019/20.

Councillor Duncan sought information in relation to the Waiting Lists and Allocations audit that had been removed from the audit plan, wherein the Chief Officer Governance advised that the audits were scheduled based on the greatest risk to the organisation and that the Waiting List and Allocations item would be dealt with via performance indicators.

The Committee resolved:-

- (i) to note that the Director of Customer Services would circulate a Service Update to the Committee in relation to the improvements to the internal controls for managing the housing waiting list and allocations;
- (ii) to note that the relevant Committee would receive the performance indicators in relation to the waiting list and allocations to scrutinise the performance; and
- (iii) to otherwise approve the recommendation as contained in the report.

DIGITAL STRATEGY - IA/AC/1907

9. The Committee had before it a report by the Chief Internal Auditor which presented an audit in relation to Digital Strategy which was undertaken to provide assurance that there were appropriate plans in place to manage the Council's digital strategy including reporting of progress against established milestones.

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The Committee resolved:-

- (i) to note the content of the report; and
- (ii) to note that all recommendations contained in the audit report had been fully implemented.

VOLUNTARY SEVERANCE / EARLY RETIREMENT (VSER) SCHEME - IA/AC/1913

10. The Committee had before it a report by the Chief Internal Auditor which presented an audit in relation to Voluntary Severance/Early Retirement (VS/ER) Scheme which was undertaken to provide assurance that the terms of the VS/ER Scheme were complied with and that the payments made and enhancements to pensions were accurate.

The Committee resolved:-

- (i) to note the content of the report; and
- (ii) to note that the recommendation contained in the audit report had been fully implemented.

NATIONAL CARE HOME CONTRACT - IA/AC/1920

11. The Committee had before it a report by the Chief Internal Auditor which presented an audit in relation to the National Care Home Contract which was undertaken to ensure that adequate monitoring of Suppliers was occurring in order to ensure continuity and quality of service provision and that contingency plans were in place to deal with any event which may see residents temporarily or permanently displaced from the care home in which they are resident.

The Committee resolved:-

to note the content of the report and endorse the recommendations for improvement as agreed by the relevant function.

NPS HOUSING SYSTEM - IA/AC/1917

12. The Committee had before it a report by the Chief Internal Auditor which presented an audit in relation to the NPS Housing System which was undertaken to provide assurance that appropriate controls were being exercised over the NPS Housing System and that interfaces to and from other systems were accurate and properly controlled.

Councillor Lumsden sought clarification as to whether the implementation date for recommendation 2.1.4 could be brought forward.

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The Committee resolved:-

- (i) to note that the Communities and Housing Area Manager would liaise with colleagues to determine whether the implementation date in relation to audit recommendation 2.1.4 could be brought forward and would circulate a response to the Committee; and
- (ii) to otherwise note the content of the report and endorse the recommendations for improvement as agreed by the relevant function.

HEALTH AND SAFETY - IA/AC/1918

13. The Committee had before it a report by the Chief Internal Auditor which presented an audit in relation to Health and Safety which was undertaken to provide assurance that appropriate arrangements to manage Health and Safety have been implemented across the Council.

Councillor Duncan enquired as to the reason why the date for implementing recommendation 2.2.9 (b) was July 2020, wherein the Health and Safety Team Lead advised that the health and safety matrices were currently held locally within each cluster and that there was a need to gather all of the information into a central register to ensure that health and safety training was recorded and managed for all staff that required training as part of their roles.

Councillor Graham enquired as to the progress of the health and safety improvement plans for each function and/or cluster, wherein the Chief Officer Governance advised that there would be performance dashboards for each cluster and that these would include a health and safety section which would advise on the current position and what was required for improvement.

Councillor Lumsden enquired as to when the Committee would see the improvement plans to gain assurance that the measures in place were successful, wherein the Chief Officer Governance advised that the Staff Governance Committee would receive the improvement plans. The Chief Internal Auditor advised that the Internal Audit Follow Up on Recommendations report submitted each cycle would give an update on the status of the implementation of the audit recommendations.

In relation to questions from members relating to improving the culture change around health and safety and how this would be measured, the Chief Executive advised that the first stage was to ensure that the controls and processes in place were appropriate and were being implemented to improve the health and safety performance across the organisation.

The Committee resolved:-

to note the content of the report and endorse the recommendations for improvement as agreed by the relevant function.

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PREVENTION OF FRAUD, BRIBERY AND CORRUPTION - IA/AC/1916

14. The Committee had before it a report by the Chief Internal Auditor which presented an audit in relation to the Prevention of Fraud, Bribery and Corruption which was undertaken to provide assurance that the Council's arrangements for the prevention of fraud, bribery and corruption were adequate and proportionate.

The Vice Convener enquired as to whether training for elected members in relation to fraud, bribery and prevention had been organised.

The Committee resolved:-

- (i) to note that the Chief Officer Governance would determine whether training for elected members on prevention of fraud, bribery and corruption could be included in the elected member development programme and would circulate a response to the Committee;
- (ii) to otherwise note the content of the report and endorse the recommendations for improvement as agreed by the relevant function.

BOND TRUST DEED - IA/AC/1921

15. The Committee had before it a report by the Chief Internal Auditor which presented an audit in relation to the Bond Trust Deed which was undertaken to provide assurance that the requirements of the Bond Trust Deed were complied with.

The Committee resolved:-

- (i) to note the thanks to the Internal Audit team for the constructive and proportionate audit report; and
- (ii) to note the content of the report and endorse the recommendations for improvement as agreed by the relevant function.

EXTERNAL AUDIT STRATEGY

16. The Committee had before it a report by the External Auditor which presented the planned external audit work for 2018/19.

The Committee resolved:-

to note the content of the External Audit Strategy.

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INTERNAL AUDIT FOLLOW UP ON RECOMMENDATIONS - IA/19/002

17. The Committee had before it a report by the Chief Internal Auditor which advised on progress made by the relevant Functions with implementing recommendations that had been agreed in Internal Audit reports.

The Committee resolved:-

to note the content of the report and request that all Directors and Chief Officers undertake the work required to complete the outstanding audit recommendations.

ICT ACCESS CONTROL POLICY - CUS/19/161

18. The Committee had before it a report by the Director of Customer Services which sought approval for the ICT Access Control Policy.

The report recommended:

That the Committee approve the ICT Access Control Policy as outlined in the report and at Appendix 1.

The Committee resolved:-

to approve the recommendation as contained in the report.

- **COUNCILLOR STEPHEN FLYNN, Convener**

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