

## AUDIT, RISK AND SCRUTINY COMMITTEE

ABERDEEN, 30 April 2019. Minute of Meeting of the AUDIT, RISK AND SCRUTINY COMMITTEE. Present:- Councillor Flynn, Convener; Councillor Yuill, Vice-Convener; and Councillors Allard, Duncan, Graham, Lumsden, Avril MacKenzie, Townson and Wheeler (as substitute for Councillor Reynolds).

The agenda and reports associated with this minute can be found at:-  
<https://committees.aberdeencity.gov.uk/ieListDocuments.aspx?CId=507&MIId=6261>

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.

### MINUTE OF PREVIOUS MEETING OF 14 FEBRUARY 2019

1. The Committee had before it the minute of their previous meeting of 14 February 2019.

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

### COMMITTEE BUSINESS PLANNER

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

**The Committee resolved:-**

- (i) in relation to item 14 (Marchburn Park) to note that a report would be submitted to the Committee on completion of all works associated with the project and that in the interim, Service Updates would be circulated to provide details on any significant developments with the project; and
- (ii) to otherwise note the content of the business planner.

### INTERNAL AUDIT PROGRESS REPORT

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

**The Committee resolved:-**  
to note the content of the report.

**AUDIT, RISK AND SCRUTINY COMMITTEE**  
30 April 2019

**INTERNAL AUDIT FOLLOW UP ON RECOMMENDATIONS**

4. 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 were advised that further progress had been made since the report had been issued, reducing the number of outstanding audit recommendations to 9.

**The Committee resolved:-**

- (i) to note the thanks given to officers for the completion of outstanding audit recommendations; and
- (ii) to otherwise note the content of the report.

**INTERNAL AUDIT ANNUAL REPORT 2018/19**

5. The Committee had before it a report by the Chief Internal Auditor which presented the Internal Audit Annual Report for 2018/19.

**The report recommended:**

That the Committee -

- (a) note the annual report for 2018/19;
- (b) note that the Chief Internal Auditor had confirmed the organisational independence of Internal Audit;
- (c) note that there had been no limitation to the scope of Internal Audit work during 2018/19; and
- (d) note the outcome of Internal Audit's self-assessment against the requirements of the Public Sector Internal Audit Standards.

**The Committee resolved:-**

to approve the recommendations contained in the report.

**INTEGRATION JOINT BOARD BUDGET SETTING, MONITORING AND FINANCIAL REPORTING**

6. The Committee had before it a report by the Chief Internal Auditor which presented the outcome of an audit that was included in the Aberdeen City Integration Joint Board (IJB) Internal Audit plan for 2018/19.

The summary before Committee related to a review of Budget Setting, Monitoring and Financial Reporting for the IJB and was reported to the IJB Audit and Performance Systems Committee on 12 February 2019.

**AUDIT, RISK AND SCRUTINY COMMITTEE**

30 April 2019

**The report recommended:**

That the Committee note the content of the audit report.

**The Committee resolved:-**

to approve the recommendation contained in the report.

**COMPLIANCE WITH PROCUREMENT LEGISLATION AND COUNCIL REGULATIONS**

7. The Committee had before it a report by the Chief Internal Auditor which presented an audit in relation to Compliance with Procurement Legislation and Council Regulations which was undertaken to provide assurance that the Council had appropriate arrangements in place to ensure compliance with procurement legislation and internal regulations and that they were being complied with.

Councillor Duncan sought assurance that staff were being reminded of the importance to comply with the procurement systems in place. The Director of Resources advised that one-to-one meetings were taking place with all Chief Officers to ensure there was full compliance with the systems in place.

Councillor Duncan sought assurance as to whether there was adequate training in place for staff in relation to the contracts database and it being updated promptly for all new contracts and amended contract details. The Chief Officer Commercial and Procurement advised that all staff involved with procurement were required to complete the online training course and a face to face course to ensure they were familiar with the requirements of the system.

Councillor Duncan asked whether the new Commissioning process and Committee approval process would be easier to manage. The Chief Officer Commercial and Procurement advised that there was full scrutiny prior to Committee approval which ensured that all business cases were completed fully.

The Convener sought assurance that there were no further instances where the total spend of a contract exceeded the expenditure agreed at the relevant Committee. The Chief Officer Commercial and Procurement advised that all contracts were being monitored.

Councillor Allard requested that a further audit in this area be considered to provide assurance to the Committee that improvements had been made. The Convener advised that he would welcome a future audit in this area and requested the Chief Internal Auditor to consider including a similar audit in the 2020/21 Internal Audit Plan.

**AUDIT, RISK AND SCRUTINY COMMITTEE**

30 April 2019

**The Committee resolved:-**

- (i) to note the responses from the Director of Resources and Chief Officer Commercial and Procurement to various questions raised by the Committee;
- (ii) to request the Chief Internal Auditor to consider including a similar audit into the Internal Audit Plan for 2020/21; and
- (iii) to otherwise note the content of the report and endorse the recommendations for improvement as agreed by the relevant function.

**PUPIL EQUITY FUND**

8. The Committee had before it a report by the Chief Internal Auditor which presented an audit in relation to the Pupil Equity Fund which was undertaken to provide assurance that schools were spending in accordance with their plans and that these were developed as required to close the poverty related attainment gap.

Councillor Townson sought guidance in relation to the staffing and whether they were existing staff taking up different roles or new recruits. The Chief Education Officer advised that there was a mixture with some existing staff working in a management capacity and others were newly recruited.

Councillor Duncan and Councillor Graham sought guidance as to whether it would be more appropriate for spend across schools on particular items to be done centrally rather than by each school to ensure the overall spend for the cluster remained within contract. The Chief Education Officer advised that she was working with the Chief Officer Finance to look at how this could be managed centrally to assist Head Teachers.

Councillor Allard sought guidance as to what support was in place for Head Teachers to enable them to be able to spend within the Academic year rather than the financial year. The Chief Education Officer advised that the school improvement plans were now submitted earlier in year to enable Head Teachers to have the full year to spend the fund as per the improvement plans.

Councillor Lumsden sought clarification as to the figures used for calculating the Pupil Equity Fund. The Chief Education Officer advised that the calculation was a complex one using both the 2014 and 2018 Health Living Surveys and that from the following year only the 2018 figures would be used.

**The Committee resolved:-**

- (i) to note the responses from the Chief Education Officer to various questions raised by the Committee; and
- (ii) to otherwise note the content of the report and endorse the recommendations for improvement as agreed by the relevant function.

**AUDIT, RISK AND SCRUTINY COMMITTEE**

30 April 2019

**CRIMINAL JUSTICE**

9. The Committee had before it a report by the Chief Internal Auditor which presented an audit in relation to Criminal Justice which was undertaken to provide assurance that adequate control was exercised over income and expenditure, that system data was accurate and adequately supported and that the reporting arrangements between the Council and the Integrated Joint Board (IJB) were appropriate.

**The Committee resolved:-**

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

**ANNUAL COMMITTEE EFFECTIVENESS REPORT**

10. The Committee had before it a report by the Chief Officer Governance which presented the annual effectiveness report for the Committee.

**The report recommended:**

That the Committee note the content of the annual report.

**The Committee resolved:-**

to approve the recommendation contained in the report.

**UNAUDITED ACCOUNTS 2018/19 AND ANNUAL GOVERNANCE STATEMENT**

11. The Committee had before it a report by the Director of Resources which provided an overview of the Council's 2018/19 unaudited accounts; presented the unaudited annual accounts for the registered charities whereby the Council was the sole trustee and also presented the annual governance statement.

**The report recommended:**

That the Committee -

- (a) approve the Annual Governance Statement as included in the Council's unaudited Annual Accounts for the financial year 2018/19;
- (b) note the content of the Council's unaudited Annual Accounts 2018/19;
- (c) note the content of the unaudited Annual Accounts 2018/19 of the Council's registered charities;
- (d) note that following this meeting the Council's and the registered charities unaudited Annual Accounts would be finalised, signed and submitted to the Council's external auditors, KPMG, and Audit Scotland;
- (e) note that the Audit, Risk & Scrutiny Committee on 26 June 2019 would receive the Council's audited Annual Accounts for consideration and approval prior to

## AUDIT, RISK AND SCRUTINY COMMITTEE

30 April 2019

- their signature by the Chief Officer - Finance, Chief Executive and a Council Leader;
- (f) note that the Audit, Risk & Scrutiny Committee of 26 June 2019 would also receive the external auditor's report on the annual accounts for debate and consideration and that this report will set out the auditor's findings and conclusions, highlight the significant issues arising from the audit of the annual accounts and inform Elected Members of the proposed audit opinion in advance of the accounts being certified; and
- (g) note that the Audit, Risk & Scrutiny Committee on 26 June 2019 would also receive the audited Annual Accounts for the registered charities for consideration and approval prior to their signature along with the associated external auditor's report.

The Director of Resources advised that Aberdeen were the first Local Authority to have completed the accounts process and congratulated the Chief Officer Finance and his team for the achievement.

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

- (i) to note the thanks given to the Chief Officer Finance and his staff for the work undertaken to get the unaudited accounts before the Committee; and
- (ii) to otherwise approve the recommendations contained in the report.

### **RIPSA**

**12.** The Committee had before it a report by the Chief Officer Governance which advised that it was a requirement under paragraph 3.29 of the Scottish Government's Code of Practice for Covert Surveillance and Property interference that Elected Members review the authority's use of covert surveillance on a quarterly basis to ensure that it was being used consistently with the local authority's policy and that the policy remained fit for purpose.

### **The report recommended:**

That the Committee note the update within the report.

### **The Committee resolved:**

to approve the recommendation contained in the report.

## **INSPECTION REPORT OF ABERDEEN CREMATORIUM BY THE INSPECTOR OF CREMATORIA**

**13.** The Committee had before it a report by the Chief Operating Officer which presented the Inspector of Crematoria's Inspection Report of Aberdeen Crematorium which was carried out on 23 January 2019.

**AUDIT, RISK AND SCRUTINY COMMITTEE**  
30 April 2019

**The report recommended:**

That the Committee note the inspection report.

**The Committee resolved:-**

- (i) to note the thanks offered to the staff at the crematorium for the very positive inspection report; and
- (ii) to otherwise approve the recommendation contained in the report.

- **COUNCILLOR STEPHEN FLYNN, Convener**

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**AUDIT, RISK AND SCRUTINY COMMITTEE**  
30 April 2019

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