

## **AUDIT, RISK AND SCRUTINY COMMITTEE**

ABERDEEN, 4 December 2019. Minute of Meeting of the AUDIT, RISK AND SCRUTINY COMMITTEE. Present:- Councillor Flynn, Convener; Councillor Yuill, Vice-Convener; and Councillors Allan (as substitute for Councillor Duncan), Bell (as substitute for Councillor Lumsden), Jackie Dunbar, Graham, Houghton (as substitute for Councillor Reynolds), Avril MacKenzie and Mennie.

The agenda and reports associated with this minute can be found [here](#)

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.

**The Committee resolved:-**

to note that no declarations of interest were intimated.

### **MINUTE OF PREVIOUS MEETING OF 25 SEPTEMBER 2019**

2. The Committee had before it the minute of their previous meeting of 25 September 2019.

**The Committee resolved:-**

to approve the minute as a correct record.

### **COMMITTEE BUSINESS PLANNER**

3. The Committee had before it the Committee Business Planner as prepared by the Chief Officer Governance.

**The Committee resolved:-**

to note the content of the business planner.

### **RISK MANAGEMENT POLICY**

4. The Committee had before it a report by the Chief Officer Governance which presented the Risk Management Policy.

**The report recommended:-**

that the Committee approve the Risk Management Policy.

**The Committee resolved:-**

to approve the recommendation as contained in the report.

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### **ALEO ASSURANCE HUB**

5. 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.

**The report recommended:-**

That the Committee –

- (a) notes the level of assurance provided by each ALEO on risk management, financial management and governance;
- (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; and
- (c) notes the workplan for the ALEO Assurance Hub in 2020.

The Assurance Manager advised that Appendix A contained the assurance rating rather than the risk rating and would be amended for future reports and Appendix B, for Aberdeen Performing Arts, the colours provided in the chart were wrong however the text was correct.

**The Committee resolved:-**

- (i) to note the update provided by the Assurance Manager in relation to Appendices A and B; and
- (ii) to otherwise approve the recommendations contained in the report.

### **INTERNAL AUDIT PROGRESS REPORT - IA/19/013**

6. The Committee had before it a report by the Chief Internal Auditor which advised on progress against the 2018/19 and 2019/20 Internal Audit plans.

**The report recommended:-**

That the Committee review, discuss and comment on the issues raised within the report and the attached appendix.

The Chief Internal Auditor advised that the audits within the 2018/19 audit plan were now complete. He then provided an update in relation to audit reports that were due before the Committee today.

**The Committee resolved:-**

- (i) to note the update provided by the Chief Internal Auditor in relation to some of the audit reports that were due to be presented to this meeting; and
- (ii) to otherwise note the content of the report.

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**INTERNAL AUDIT FOLLOW UP ON RECOMMENDATIONS - IA/19/014**

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

**The report recommended:-**

That the Committee review, discuss and comment on the issues raised within the report and the attached appendices.

The Chief Internal Auditor provided as an update that audits AC1912 (Data Security in a Cloud-Based Environment) and AC1823 (Fixed Asset Register) were now complete; and audit AC1806 (Corporate Landlord Responsibilities) was almost complete with Internal Audit undertaking the final check of the information provided by the cluster.

**The Committee resolved:-**

- (i) to note the update provided from the Chief Internal Auditor in relation to audits AC1912, AC1806 and AC1823; and
- (ii) to otherwise note the content of the report.

**CONTRACT MANAGEMENT - IA/AC1926**

8. The Committee had before it a report by the Chief Internal Auditor which presented an audit in relation to Capital Contract Management which was undertaken to determine whether or not the processes in place for the management of high risk contracts were adequate and that projects were being suitably managed.

**The report recommended:-**

That the Committee review, discuss and comment on the issues raised within the report and the attached appendix.

**The Committee resolved:-**

- (i) in relation to a question regarding the £991,000 developer contributions that were no longer available, to note that the Director of Resources would circulate a response via email to the Committee providing the reasons why the funding was no longer available; and
- (ii) to otherwise note the content of the report and endorse the recommendations for improvement as agreed by the relevant function.

**STOCK CONTROL - IA/AC2007**

9. The Committee had before it a report by the Chief Internal Auditor which presented an audit in relation to Stock Control which was undertaken to provide

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assurance that procedures were adequate and stock movements were adequately accounted for.

**The report recommended:-**

That the Committee review, discuss and comment on the issues raised within the report and the attached appendix.

In response to a question from Councillor Jackie Dunbar as to where obsolete stock was sold, the Chief Officer Operations and Protective Services advised that all obsolete stock was sold via Thainstone Auctions.

**The Committee resolved:-**

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

**IJB DIRECTIONS - IA/AC1924**

10. The Committee had before it a report by the Chief Internal Auditor which presented the outcome of an audit that was presented to the Integration Joint Board (IJB) Audit and Performance Systems Committee. The audit was undertaken to provide assurance that the arrangements in place for issuing Directions and the Directions themselves were appropriate and that adequate procedures were in place for monitoring performance.

**The report recommended:-**

That the Committee review, discuss and comment on the issues raised within the report and the attached appendix.

In response to a question from Councillor Jackie Dunbar on whether this Committee would be updated on the progress of completing the audit recommendations, the Chief Internal Auditor advised that the IJB Audit and Performance Systems Committee would monitor the progress of the audit recommendations.

**The Committee resolved:-**

to note the content of the report.

**ANNUAL ACCOUNTS 2019/20 - ACTION PLAN AND KEY DATES**

11. The Committee had before it a report by the Director of Resources which provided high level information and key dates in relation to the 2019/20 Annual Accounts including linkages to the plans and timetables of the Council's External Auditors.

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**The report recommended:-**

that the Committee note that the Chief Officer Finance should complete the tasks within the defined deadlines.

**The Committee resolved:-**

to approve the recommendation as contained in the report.

**RIPSA QUARTERLY REPORT**

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 is 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 as contained in the report.

**SCOTTISH PUBLIC SERVICES OMBUDSMAN DECISIONS AND INSPECTOR OF CREMATORIA COMPLAINT DECISIONS**

13. 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 Cremations decisions made in relation to Aberdeen City Council since the last reporting cycle, together with details of the SPSO Local Authority 2018/19 annual statistics tables, to provide assurance to the Committee that complaints and Scottish Welfare Fund applications were being handled appropriately.

**The report recommended:-**

that the Committee note the details in the report.

**The Committee resolved:-**

to approve the recommendation as contained in the report.

- **COUNCILLOR STEPHEN FLYNN, Convener**