

AUDIT, RISK AND SCRUTINY COMMITTEE

ABERDEEN, 4 November 2020. Minute of Meeting of the AUDIT, RISK AND SCRUTINY COMMITTEE. Present:- Councillor Alex Nicoll, Convener; Councillor Yuill, Vice-Convener; and Councillors Jackie Dunbar, Duncan, Graham, Lumsden, MacKenzie, Mennie and Wheeler (as substitute for Councillor Reynolds).

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.

INTERNAL AUDIT SUMMARY REPORT

1. The Committee had before it a report by the Interim Chief Internal Auditor which provided summaries of those 2019/20 Internal Audit reports which had not been reported to Committee previously.

The report recommended:

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

The Committee resolved:-

to note the content of the report.

SHUTDOWN OF NON-ESSENTIAL SPEND - AC2002

2. The Committee had before it a report by the Interim Chief Internal Auditor which presented an audit in relation to Shutdown of Non-Essential Spend which was undertaken to provide assurance that the shutdown of non-essential spend had been effective in achieving its objective and instructions were complied with.

In response to a question relating to how the Council monitored spend to ensure they remained within budget, the Director of Resources advised that quarterly reports which highlighted the current financial position were submitted to committee and the Corporate Management Team scrutinised the budgets to ensure spend was within the allocated budgets.

The Committee resolved:-

- (i) to note the responses to members questions; and
- (ii) to endorse the recommendations for improvement as agreed by the relevant cluster.

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CAR PARKING AND BUS LANE ENFORCEMENT INCOME - AC 2003

3. The Committee had before it a report by the Interim Chief Internal Auditor which presented an audit which was undertaken to ensure that procedures regarding income collection and the management of fines were adequate.

In response to a question relating to Parking Charge Notices (PCN) and the decision to write off the debt, the Chief Officer - Customer Service advised that the process had been reviewed and amended so that the PCN were cancelled following an appeal or where the Council were not pursuing the debt and that these were reported to the City Growth and Resources Committee.

In response to a question relating to how the Council knew how much money was withdrawn from the parking meters, the City Warden Officer advised that there was a live update linked to the back office with a receipt is provided to the Council on what has been removed. He further advised that some of the parking meters were failing due to their age and that these were being looked at with the new provider.

The Committee resolved:-

- (i) to note the responses to members questions;
- (ii) to note that the Revenues and Benefits Manager would circulate by email, information relating to the number of appeals received against Parking Charge Notices that had been issued; and
- (iii) to endorse the recommendations for improvement as agreed by the relevant cluster.

RING FENCED FUNDING - AC2008

4. The Committee had before it a report by the Interim Chief Internal Auditor which presented an audit which was undertaken to provide assurance that the Council had appropriate arrangements in place to ensure that conditions relating to ring-fenced funding within the Scottish Government Grant were complied with.

In response to a question relating to whether the risk identified at 2.4.5 in the report was still significant or would it be reduced based on the management comments, the Interim Chief Internal Auditor advised that the risk would still be significant and that Internal Audit noted the management comments and that there were mitigating processes in place.

In response to a question relating to whether any underspends from ring-fenced funding could be used at a later date, the Director of Resources advised that some of the grant funding streams were flexible and the funding bodies would be consulted and reported to Committee.

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The Committee resolved:-

- (i) to note the responses to members questions; and
- (ii) to endorse the recommendations for improvement as agreed by the relevant cluster.

INTEGRATION JOINT BOARD RISK MANAGEMENT - AC2011

5. The Committee had before it for information, a report by the Interim Chief Internal Auditor which presented an audit which was undertaken to review the process for identifying risks, managing them (including performance measures against each risk), and reporting to the IJB.

The Committee resolved:-

to note the content of the report.

CIVIL CONTINGENCIES - AC2014

6. The Committee had before it a report by the Interim Chief Internal Auditor which presented an audit which had been undertaken to provide assurance that the Council had in place adequate training, planning and testing for civil contingency events to ensure that it could deliver on its obligations in the event of an emergency.

The Committee resolved:-

to endorse the recommendations for improvement as agreed by the relevant cluster.

FINANCIAL LEDGER SYSTEM - AC2016

7. The Committee had before it a report by the Interim Chief Internal Auditor which presented an audit which was undertaken to provide assurance over system controls, business continuity and contingency plans.

The Committee resolved:-

to endorse the recommendations for improvement as agreed by the relevant cluster.

WORKFORCE PLANNING - AC2018

8. The Committee had before it a report by the Interim Chief Internal Auditor which presented an audit which was undertaken to provide assurance that the Council had appropriate and adequate plans in place to determine its workforce requirements and that these were in operation throughout the Council.

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In response to a question relating to the digital tool and whether this was on track for being launched in December 2020, the Chief Officer - People and Organisation advised that there had been delays due to resources shifting to support the Councils response to the Covid 19 pandemic and that progress was continuing, with the system currently in a testing phase prior to full implementation.

The Committee resolved:-

- (i) to congratulate staff on the positive report and the work done in this area;
- (ii) to note the response provided to members questions; and
- (iii) to endorse the recommendations in the report as agreed by the relevant cluster.

PROCUREMENT COMPLIANCE - AC2019

9. The Committee had before it a report by the Interim Chief Internal Auditor which presented an audit which was undertaken to provide assurance that the Council had appropriate arrangements in place, that were being complied with, to ensure compliance with procurement legislation and internal regulations.

In response to concerns raised from members regarding the outcome of the audit, the Head of Commercial and Procurement advised that the recommendations from the audit had resulted in the implementation of an improvement plan which outlined all of the improvements required and the actions taken. He further advised that a robust process was now in place for all contracts where business cases were scrutinised by the Demand Management Control Board and then reported to Committee where applicable. He explained that the Contracts Register had been improved to ensure robust reporting was in place.

In response to a question relating to the Gas Serving contract and whether there was scrutiny over work being awarded outwith the contract, the Chief Officer – Corporate Landlord advised that additional works were identified as part of the annual gas service with the remedial works undertaken from the same firm which were monitored by the Gas Inspection team.

In response to a question relating to the recommendation for Call off contracts and who was responsible for ensuring they were compliant, the Head of Commercial and Procurement advised that services had devolved responsibility.

In response to a question relating to Agency Staff spend and no contracts being in place, The Chief Officer – People and Organisation advised that improvements to agency staff spend were being looked at as part of the Service Redesign process where a new process for approval of agency spend was currently under development.

In response to a question relating to the whether the problem with no purchase orders being raised prior to goods being purchased was still an issue, the Head of Commercial

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and Procurement advised that improvements had been made in this area with training staff and additional controls had been implemented.

The Committee resolved:-

- (i) to note that the Head of Commercial and Procurement would circulate, by email information relating to the profile of spend and the procurement controls in place for PPE during the Covid-19 pandemic;
- (ii) to note the responses provided to members questions; and
- (iii) to endorse the recommendations for improvement as agreed by the relevant cluster.

INFORMATION GOVERNANCE - AC2020

10. The Committee had before it a report by the Interim Chief Internal Auditor which presented an audit which was undertaken to provide assurance that the controls in place for mitigating the risks identified in the Corporate Risk Register (Corp005) were adequate and operating as expected.

The Committee resolved:-

to note the content of the report.

SEEMIS - AC2021

11. The Committee had before it a report by the Interim Chief Internal Auditor which presented an audit which was undertaken to provide assurance that appropriate control was being exercised over the system in view of the perceived criticality of the system and the significant volume of sensitive personal data held.

In response to a question relating to the alternative system purchased by two schools and the compliance with GDPR, the Chief Officer – Education advised that the alternative system had been purchased several years ago and that officers were looking at the functionality offered in the alternative system to ensure these were available within SEEMiS.

In response to a question relating to accounts within SEEMiS still being active despite the employee leaving employment, the Chief Officer – Education advised that SEEMiS sat as a separate system therefore when an employee leaves and their employee account is closed, there is not an automatic link to SEEMiS to close the accounts. She further advised that a process was now in place to ensure that accounts were closed when employees left employment.

The Committee resolved:-

- (i) to note the responses to members questions; and

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- (ii) to endorse the recommendations for improvement as agreed by the relevant cluster.

TRANSFORMATION - AC2022

12. The Committee had before it a report by the Chief Internal Auditor which presented an audit which was undertaken to provide assurance that the Council was continuing to make progress to ensure the success of its transformational aspirations, through a follow-up review of the Council's progress in achieving its transformational aspirations (Target Operating Model project management, goals / milestones, progress, new Scheme of Governance, etc).

The Committee resolved:-

to endorse the recommendations for improvement as agreed by the relevant cluster.

GAS SERVICING CONTRACT - AC2024

13. The Committee had before it a report by the Interim Chief Internal Auditor which presented an audit that was undertaken to provide assurance that contractual and operational issues were being complied with.

In response to a question relating to whether a contract was in place, the Chief Officer – Corporate Landlord advised that a contract was in place and had gone through the correct process. The Interim Chief Internal Auditor advised that at the time the audit was completed the information relating to the contract was not available to Internal Audit.

The Committee resolved:-

- (i) to note that the Chief Officer – Corporate Landlord would circulate by email a response in relation to the charging policy and when this was being applied;
- (ii) to note that the Chief Officer – Corporate Landlord would submit a Service Update to this Committee and to the Operational Delivery Committee for their information, to provide assurance to members on the new procedures in place in connection to the capping policy; and
- (ii) to endorse the recommendations for improvement as agreed by the relevant cluster.

SOCIAL CARE COMMISSIONED SERVICES CONTRACT MONITORING - AC2027

14. The Committee had before it a report by the Interim Chief Internal Auditor which presented an audit that was undertaken to provide assurance that contract monitoring arrangements relating to Social Care Commissioned Services were adequate.

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The Committee resolved:-

to endorse the recommendations for improvement as agreed by the relevant cluster.

FOSTERING AND ADOPTION PAYMENTS - AC2028

15. The Committee had before it a report by the Interim Chief Internal Auditor which presented an audit which was undertaken to provide assurance over Fostering, Adoption and Kinship Allowances paid.

The Committee resolved:-

to endorse the recommendations for improvement as agreed by the relevant cluster.

- **COUNCILLOR ALEX NICOLL, Convener**