

Audit, Risk and Scrutiny Committee

ABERDEEN, 22 February 2022. Minute of Meeting of the AUDIT, RISK AND SCRUTINY COMMITTEE. Present:- Councillor Alex Nicoll, Convener; Councillor Yuill, Vice-Convener; and Councillors Allard, Copland (as substitute for Councillor Mennie), Cross, Duncan, Graham, MacKenzie and Mason (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.

ANNOUNCEMENT

1. In relation to the Service Update - Aberdeen Crematorium Centre of Excellence for Training, the Convener congratulated all staff for their achievements in this area and welcomed the news that Aberdeen would become the third Centre of Excellence Training Centre in Scotland providing specialist training to Crematorium Technicians.

DECLARATIONS OF INTEREST

2. There were no declarations of interest intimated.

MINUTE OF PREVIOUS MEETING OF 2 DECEMBER 2021

3. The Committee had before it the minute of its previous meeting of 2 December 2021.

The Committee resolved:-

to approve the minute as a correct record.

COMMITTEE BUSINESS PLANNER

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

The Committee resolved:-

- (i) to note that item 14 (Transformational Programme (IJB Risk, Audit and Performance Committee), would be presented to this Committee after it had been discussed at the IJB Risk, Audit and Performance Committee;
- (ii) to note that item 15 (Pensions System) would be reported to the Pensions Committee;
- (iii) to note that items 16 (School/Pupil Security), 17 (Children with Disabilities – Contracts and Direct Payments), 18 (Consilium System – HRA Building

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- Maintenance System); 19 (Commissioning); 20 (Capital Project Management) and 21 (Revenue Budget Monitoring) had been delayed until June 2022; and
- (iv) to otherwise note the content of the business planner.

ALEO ASSURANCE HUB - COM/22/039

5. The Committee had before it a report by the Director of Commissioning which presented the Arm's Length External Organisations (ALEO) Assurance Hub workplan for 2022 including the dates for reporting.

The report recommended:-

That the Committee -

- (a) note the workplan for the ALEO Assurance Hub in 2022 which had been reviewed by the Risk Board and consulted upon with the ALEOs and the relevant Conveners; and
- (b) note the Terms of Reference for the ALEO Assurance Hub which had been reviewed by the Risk Board.

Members sought clarification over the definition of an ALEO whereby the Chief Officer – Governance advised that the Council used the Accounts Commission definition and that there was an open dialogue with the Accounts Commission to provide comments and suggestions. He further advised that following today's meeting he would liaise with the Accounts Commission and COSLA to provide an overview of the comments raised.

The Committee resolved:-

- (i) to amend number 16 from the Terms of Reference to read "The Hub shall monitor high level employment practices" and to otherwise note the Terms of Reference which had been reviewed by the Risk Board; and
- (ii) to note the workplan for the ALEO Assurance Hub in 2022 which had been reviewed by the Risk Board and consulted upon with the ALEOs and the relevant Conveners.

CORPORATE RISK REGISTER AND ASSURANCE MAPS - COM/22/035

6. The Committee had before it a report by the Chief Officer – Governance which presented the Corporate Risk Register, Cluster Assurance Maps and Inspection Planner which provided assurance on the Council's system of risk management.

The report recommended:

That the Committee –

- (a) note the Corporate Risk Register set out in Appendix A;
- (b) note the Cluster Assurance Maps provided at Appendix B; and
- (c) note the Inspections Planner provided at Appendix C.

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Members thanked officers for the concise, easy to read and understand report.

The Committee resolved:-

to approve the recommendations contained in the report.

RISK APPETITE STATEMENT REVIEW - COM/22/036

7. The Committee had before it a report by the Chief Officer – Governance which presented the updated Risk Appetite Statement (RAS).

The report recommended:-

That the Committee -

- (a) to approve the updated Risk Appetite Statement as attached at Appendix A;
- (b) to note the progress to embed the Risk Appetite Statement during 2021; and
- (c) to note the training and engagement activities for 2022.

Members thanked officers for the concise, easy to read and understand report.

Members sought additional information on the risk appetite and whether the change was due to having a more robust risk management process or a pragmatic approach, wherein the Chief Officer – Governance advised that it was a mixture of both with the risk management system being stronger as well as more focus on the risks and mitigations against the risks. He further advised that the new risk appetite statement reflected where the Council were at in relation to the management of risk.

The Committee resolved:-

to approve the recommendations contained in the report.

INTERNAL AUDIT PROGRESS REPORT - IA/22/001

8. With reference to article 8 of the minute of its previous meeting, the Committee had before it a report by the Chief Internal Auditor which advised on the progress against the 2020/21 and 2021/22 Internal Audit plans.

The report recommended:-

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

The Convener requested an update in relation to the current staffing levels within the Internal Audit team, wherein the Chief Internal Auditor advised that the team were currently fully staffed.

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The Committee resolved:-

- (i) to thank the Internal Audit team for their efforts over the previous 20 months under difficult circumstances with staff shortages and the pandemic;
- (ii) to note the update provided in relation to the staffing situation within Internal Audit; and
- (iii) to otherwise note the content of the report.

INTERNAL AUDIT RECOMMENDATIONS - IA/22/002

9. With reference to article 9 of the minute of its previous meeting, the Committee had before it a report by the Chief Internal Auditor which advised on the progress made by Services with implementing the recommendations that had been agreed in Internal Audit reports.

The Committee resolved:-

to note the content of the report.

INTERNAL AUDIT PLAN 2022 - 2025 - IA/22/003

10. The Committee had before it a report by the Chief Internal Auditor which presented the Internal Audit Plan for 2022-2025.

The report recommended:-

That the Committee -

- (a) approve the attached Internal Audit Plan for 2022-2025; and
- (b) delegate authority for the Chief Internal Auditor to bring forward or defer audits between years within the plan duration as they deem appropriate and following consultation with the relevant Chief Officer with updates presented to the subsequent Committee.

The Committee resolved:-

- (i) to approve recommendation (a); and
- (ii) to delegate authority to the Chief Internal Auditor following consultation with the Convener and relevant Chief Officer, to bring forward or defer audits between years within the plan duration as they deem appropriate and report updates to this Committee.

INTERNAL AUDIT CHARTER - IA/22/004

11. The Committee had before it a report by the Chief Internal Auditor which sought agreement to use the current Internal Audit Charter.

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The report recommended:-

that the Committee approve the attached Internal Audit Charter.

The Committee resolved:-

to approve the recommendation contained in the report.

PLANNING AND BUILDING STANDARDS FEE INCOME - IA/AC2207

12. The Committee had before it a report by the Chief Internal Auditor which presented an audit in relation to Planning and Building Standards Fee Income which was undertaken to provide assurance that there were adequate systems in place to control fee income in respect of both Planning and Building Standards and that they were being complied with.

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) to endorse the recommendations for improvement as agreed by the relevant function; and
- (ii) to note that for future reports, where a recommendation is agreed, considered but deemed not beneficial or appropriate that the text under Implementation Date would say 'considered, not implemented'.

EXTERNAL AUDIT STRATEGY

13. The Committee had before it a report by the External Auditor which presented the planned external audit work for 2021/22.

The Committee resolved:-

to note the content of the External Audit Strategy.

USE OF INVESTIGATORY POWERS ANNUAL REPORT - COM/22/038

14. The Committee had before it a report by the Director of Commissioning which was presented to ensure that Elected Members considered a statement of the Council's use of Investigatory Powers policy and statistical information on relevant activity on an annual basis. The report provided an overview of RIPSAs compliance, progress made in 2021 and set out the workplan for 2022.

The report recommended:-

That the Committee note the content of the report.

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The Committee resolved:-

to approve the recommendation contained in the report.

REVIEW OF ITEMS RECORDED AS 'MISSING' FROM ART GALLERY & MUSEUMS COLLECTIONS - COM/22/028

15. The Committee had before it a report by the Director of Commissioning which (1) provided assurance on the current position of items recorded as missing from the Art Gallery and Museums collection; (2) identified steps being taken to continue to review their status; and (3) provided detailed information on the robustness of the processes in place to reduce risk to the status of collections going forward.

The report recommended:-

That the Committee –

- (a) notes the controls in place for the management of the Council's Art Gallery and Museums' collections;
- (b) notes the improvement actions at Section 3.39 of this report and that the Chief Officer – City Growth intends to undertake research, reconciliation, recording and re-location (where possible) of missing items in the collection; and
- (c) note that the Chief Officer City Growth is to apply for external funding to support the work highlighted above.

Members asked various questions to gain assurance that the systems in place were robust to prevent similar issues in the future wherein the Chief Officer – City Growth advised that the systems were more robust and that any discrepancies in the future would be easier to identify and manage.

Members also asked questions relating to specific items that were recorded as missing, wherein the Service Manager – Archives, Galleries and Museums provided an update in relation to each of the items, including current values of items.

The Committee resolved:-

- (i) to note the controls in place for the management of the Council's art gallery and museums' collections;
- (ii) to note the improvement actions at Section 3.29 of the report and that the Chief Officer - City Growth intended to undertake research, reconciliation, recording and re-location (where possible) of missing items in the collection;
- (iii) to note that the Chief Officer - City Growth was to apply for external funding to support the work highlighted above;
- (iv) to note that Aberdeen City Council's Art and Museum collection were valued at £198million;
- (v) to agree that the missing items were historic, some going back to the 1980s and agree that despite the theft of 76 objects being reported to Grampian Police in 1989 these objects still remained missing today;

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- (vi) to agree that the number of 'missing' objects would be expected to reduce as the improvement actions, including research and reconciliation, continued as per (ii) above, alongside existing controls; and
- (vii) to note the assurance that had been given to date and requested officers to provide a Service Update within two committee cycles outlining progress made with reconciling items.

VALEDICTORY

16. The Convener noted that it was the final meeting of the Committee prior to the local government elections and stated that he therefore wished to give his sincere thanks to Councillor Yuill, Vice Convener, External Audit, Internal Audit, and officers who attended the Committee for their work and support throughout his time as Convener.

Councillor Yuill, also put his thanks on record, and thanked the Convener for how he had conducted the meetings during his time in the chair.

- COUNCILLOR ALEX NICOLL, Convener