

## **Audit, Risk and Scrutiny Committee**

ABERDEEN, 27 September 2022. Minute of Meeting of the AUDIT, RISK AND SCRUTINY COMMITTEE. Present:- Councillor Macdonald, Convener; and Councillors Allard, Bonsell, Bouse, Clark (as substitute for Councillor Hutchison), Fairfull, Farquhar (as substitute for Councillor Houghton), McLellan, Massey, Radley, Stewart, van Sweeden (as substitute for Councillor Nicoll), Watson and Yuill (as substitute for Councillor Radley from item 9.3, article 8 until 9.9, article 15) .

**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.**

### **CONVENER ANNOUNCEMENT**

1. The Convener indicated that questions relating to the Service Update issued for the Review of Items Recorded as 'Missing' from Art Gallery and Museums Collections that was circulated to members outwith the Committee would be taken at a later point on the agenda.

### **DETERMINATION OF EXEMPT BUSINESS**

2. The Convener proposed that the Committee consider item 9.13 (IT Infrastructure Resilience) with the press and public excluded.

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

in terms of Section 50A(4) of the Local Government (Scotland) Act 1973, to exclude the press and public from the meeting during consideration of item 9.13 on the agenda (article 19) so as to avoid disclosure of exempt information of the class described in paragraph 14 of Schedule 7(A) of the Act.

### **DECLARATIONS OF INTEREST OR TRANSPARENCY STATEMENTS**

3. There were no declarations of interest or transparency statements intimated.

### **MINUTE OF PREVIOUS MEETING OF 30 JUNE 2022**

4. The Committee had before it the minute of its previous meeting of 30 June 2022.

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

to approve the minute as a correct record.

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### **COMMITTEE BUSINESS PLANNER**

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

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

- (i) to delete items 4 (Internal Audit Progress Report); 5 (Internal Audit Follow up on Recommendations), 24 (Internal Audit Progress Report) and 25 (Internal Audit Follow up on Recommendations);
- (ii) to note that items 7 (Transformational Programme (JB Risk, Audit and Performance Committee)), 15 (Commissioning), 16 (Attendance Management), 17 (Children’s Social Care – Children with Disabilities), had been delayed until December 2022;
- (iii) to otherwise note the content of the business planner.

### **INFORMATION GOVERNANCE ANNUAL REPORT - CUS/22/190**

6. The Committee had before it a report by the Director of Customer which presented the annual report on the Council’s Information Governance Performance, including information about the changes implemented through the Council’s information assurance improvement plan.

#### **The report recommended:-**

that the Committee note the information provided about the Council’s information governance performance at sections 3.1 – 3.5 and in the Information Governance Report at Appendix 1.

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

- (i) to note that information relating to the targets set would be captured for future reports; and
- (ii) to otherwise approve the recommendation contained in the report.

### **INTERNAL AUDIT PROGRESS REPORT - IA/AC/006**

7. The Committee had before it a report by the Chief Internal Auditor which provided an update on the progress against the approved Internal Audit plans, audit recommendations follow up and other relevant matters for the Committee to be aware of.

#### **The report recommended:-**

that the Committee -

- (a) to note the progress of the Internal Audit Plan;
- (b) to note the progress that management has made with implementing recommendations agreed in Internal Audit reports;
- (c) to note the approach to be taken for the 2023-26 audit planning process; and

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(d) to note the current staffing levels within Internal Audit.

In response to a question relating to what happened to the outstanding recommendations with no response from management, the Chief Internal Auditor advised that Internal Audit would follow up with the relevant officers and provide an update at the next Committee.

The Chief Officer – Finance provided an update in relation to three outstanding actions from his Cluster and advised that he would provide the details to the Chief Internal Auditor.

**The Committee resolved:-**

- (i) to note the responses to members questions; and
- (ii) to otherwise approve the recommendations.

**IJB PERFORMANCE MANAGEMENT REPORTING - AC/2109**

8. The Committee had before it a report by the Chief Internal Auditor which presented an audit in relation to IJB Performance Management Reporting which was undertaken to provide assurance that robust data was reported accurately and timeously to the IJB in order to provide an appropriate level of assurance regarding service performance and delivery of the IJB Strategic Plan. The report had already been presented to the IJB Risk, Audit and Performance Committee.

**The report recommended:-**

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

**The Committee resolved:-**

to note the content of the report.

**CARE MANAGEMENT - IA/AC/007**

9. The Committee had before it a report by the Chief Internal Auditor which presented an audit in relation to Care Management which had been requested to obtain assurance over coordination, recording and payment for care services.

Due to the reprioritisation of resources by the H&SCP to support an external inspection and to develop and implement a new Care Management System during 2021 and 2022, it was not possible to carry out a full in-depth review and instead a review was undertaken of the plans and progress with implementation of the new system to obtain assurance that these adequately cover risks in respect of care management recording and payments. An audit of the new Care Management System would be undertaken during 2023-24.

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**The report recommended:-**

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

**The Committee resolved:-**

to note the content of the report.

**PAYROLL AND HR SYSTEM AMENDMENTS - AC/2114**

10. The Committee had before it a report by the Chief Internal Auditor which presented a report in relation to Payroll and HR System Amendments which was undertaken to obtain assurance over the accuracy and completeness of the payroll as a result of changes to the workforce.

**The report recommended:-**

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

In response to a question relating to whether all overpayments had been identified, the Chief Internal Auditor advised that Internal Audit reviewed a small sample of payments.

In response to a question relating to whether the annual accounts contained details of salary arrears for employees who had left their employment with the Council, the Chief Officer – Finance advised that information was not usually captured. The Chief Officer – People and Organisational Development advised that where a pay award was applied after an employee had left employment they were entitled to claim for the additional pay from the payroll team and that the leavers procedures had been updated to include details on how to make a claim.

**The Committee resolved:-**

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

**STAFF RESOURCING - AC/2215**

11. The Committee had before it a report by the Chief Internal Auditor which presented an audit in relation to Staff Resourcing which was undertaken to examine adherence to procedures for three staff resourcing solutions, namely: internal recruitment and movement of staff, use of relief pool workers, and agency worker engagement.

**The report recommended:-**

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

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**The Committee resolved:-**

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

**DEBT RECOVERY - AC/2209**

12. The Committee had before it a report by the Chief Internal Auditor which presented an audit in relation to Debt Recovery which was undertaken to ensure that procedures for recovering sundry debts were adequate, efficient, and consistently applied.

**The report recommended:-**

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

In response to a question relating to whether the review of the processes would apply to any potential crisis, the Chief Officer – Finance advised that the review would take into account the current financial situation and ensure that the processes in place were fit for purpose.

**The Committee resolved:-**

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

**BUILDING MAINTENANCE SYSTEM - AC/2111**

13. The Committee had before it a report by the Chief Internal Auditor which presented an audit in relation to the Building Maintenance System which was undertaken to provide assurance over system controls, including access controls, system security and backups, interfaces, business continuity and contingency plans.

**The report recommended:-**

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

In response to a question relating to staff transferring to Digital and Technology and the impact this may have on resources, the Director of Customer Services advised that resources would be prioritised and allocated to the relevant areas when required.

In response to a question relating to whether the recommendations had been implemented, the Chief Officer – Operations and Protective Services advised that the transition was still ongoing which had delayed full implementation of the recommendations.

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

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

### **REVIEW OF ITEMS RECORDED AS ‘MISSING’ FROM ART GALLERY AND MUSEUMS COLLECTIONS - QUESTIONS**

14. At this juncture, the Convener referred to the Service Update that had been circulated to members out with the meeting and indicated that questions from members would be taken at this point.

Members asked various questions in relation to the process for recovering the missing items. Further questions were asked in relation to what was being done to ensure that the same issue didn't happen again. The Director of Commissioning advised that the modern way for recording items was more robust and was assured that a similar scenario would not happen in the future.

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

- (i) to note that the Director of Commissioning would liaise with colleagues and circulate by email a response in relation to the process in place for recovery of items if found on Auction sites; and
- (ii) to note that an internal audit in relation to Heritage and Historical Assets was in the Internal Audit Plan and would be reported to this Committee at the earliest opportunity in the New Year.

### **EXTERNAL AUDIT ANNUAL REPORT**

15. The Committee had before it a report by KPMG, External Auditor which presented their draft annual external audit report and summarised their audit opinions and conclusions on significant issues arising from the audit of the Council's 2021/22 annual accounts.

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

- (i) to note the content of the report; and
- (ii) to note that this was the last year of KPMG as External Auditors and to note the thanks to them for their work over their term.

### **AUDITED ANNUAL ACCOUNTS 2021-22 - RES/22/210**

16. The Committee had before it a report by the Director of Resources which provided an overview of the Council's 2021/22 audited Annual Accounts.

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### **The report recommended:-**

that the Committee -

- (a) approve the Council's audited Annual Accounts for the financial year 2021/22 as presented, subject to the final amendments being agreed with external auditors as highlighted in their report, following consultation with the Chief Executive and five political group leaders; and
- (b) note that the presentation of the audited Annual Accounts 2020/21 for those registered charities where the Council is the sole trustee has been deferred until the next meeting of this committee on 13 December 2022.

In response to a question relating to whether the annual accounts for the charities were usually submitted at a later meeting, the Chief Officer – Finance advised that they would usually be presented at the same time however with the OSCR deadline for submitting the charity accounts being 31 December this allowed for the Council's annual accounts to be given priority.

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

to approve the recommendations contained in the report.

## **USE OF INVESTIGATORY POWERS QUARTER 2 REPORT - COM/22/209**

17. The Committee had before it a report by the Director of Commissioning which was presented to ensure that Elected Members reviewed the Council's use of investigatory powers on a quarterly basis and had oversight that those powers were being used consistently in accordance with the Use of Investigatory Powers Policy.

### **The report recommended:-**

that the Committee note the update within the report in respect of the Council's use of investigatory powers during Quarter 2 of the current year.

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

to approve the recommendation contained in the report.

## **SPSO DECISIONS, INSPECTOR OF CREMATORIA COMPLAINT DECISIONS - CUS/22/208**

18. 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, to provide assurance that complaints and Scottish Welfare Fund applications are being handled appropriately.

### **The report recommended:-**

that the Committee note the details of the report.

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**The Committee resolved:-**

to approve the recommendation contained in the report.

**In accordance with Article 2 of this minute, the following item was considered with the press and public excluded.**

**IT INFRASTRUCTURE RESILIENCE - AC/2201**

19. The Committee had before it a report by the Chief Internal Auditor which presented an audit in relation to IT Infrastructure Resilience which was undertaken to obtain assurance over the procurement and adequacy of the Council's IT infrastructure systems.

**The report recommended:-**

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

**The Committee resolved:-**

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

- **SANDRA MACDONALD, Convener**