

AUDIT, RISK AND SCRUTINY COMMITTEE

ABERDEEN, 23 November 2023. Minute of Meeting of the AUDIT, RISK AND SCRUTINY COMMITTEE. Present:- Councillor Malik, Convener; Councillor Houghton, Vice-Convener; and Councillors Allard, Bonsell, Bouse, Delaney (as substitute for Councillor Bouse), Fairfull, Henrickson, Lawrence (as substitute for Councillor Graham), McLellan, McRae, Massey, Radley and Mrs Stewart.

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 OR TRANSPARENCY STATEMENTS

1. Members were requested to intimate any declarations of interest or transparency statements in respect of the items on today's agenda, thereafter the following was intimated:-

Councillor Bonsell advised that she had a connection in relation to agenda items 9.5 (Annual Effectiveness Report); 9.6 (External Quality Assessment) and 9.7 (Internal Audit Update Report) due to her being a member of CIPFA Scotland, the Chartered Institute of Public Finance and Accountancy, having applied the objective test, she did not consider that she had an interest and would not be withdrawing from the meeting for the items.

MINUTE OF PREVIOUS MEETING OF 14 SEPTEMBER 2023

2. The Committee had before it the minute of their previous meeting of 14 September 2023.

The Committee resolved:-

- (i) in relation to article 8, resolution (i), to note the update provided by officers and that for future meetings, progress with the implementation of the agreed audit recommendations would be included in the Internal Audit Progress Report; and
- (ii) to otherwise approve the minute as a correct record.

COMMITTEE BUSINESS PLANNER

3. The Committee had before it the Committee Business Planner as prepared by the Interim Chief Officer – Governance (Assurance).

The Committee resolved:-

to note the content of the Committee Business Planner.

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ALEO ASSURANCE HUB UPDATE - COM/23/356

4. The Committee had before it a report by the Director of Commissioning which provided assurance on the governance arrangements, risk management, and financial management of Arm's Length External Organisations (ALEOs) as detailed 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 governance arrangements, risk management and financial management respectively and the risk ratings applied by the ALEO Assurance Hub, as detailed in appendices B-H; and
- (b) notes that the ALEO Assurance Hub would discuss any outstanding issues specified in the appendices with ALEO representatives, with a view to maintaining low/very low risk ratings and improving any medium risk ratings to low/very low.

The Committee resolved:-

to approve the recommendations contained in the report.

USE OF INVESTIGATORY POWERS - QUARTER 4 REPORT - COM/23/355

5. With reference to article 6 of the minute of its previous meeting, the Committee had before it a report by the Director of Commissioning which was provided 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

- (a) note the covert surveillance activity and the Investigatory Powers Commissioner's letter of 5th September attached to this report; and
- (b) note the update on Communications Data.

In response to a question regarding the cancelled surveillance, Mr Forsyth advised that when the surveillance operation had concluded, it was good practice to cancel the request in line with the policy and procedure.

In response to a question regarding training for officers, Mr Forsyth advised that during the quarter there had not been any training provided and that when legislation was changed, the training would be amended and sessions delivered to officers.

The Committee resolved:-

to approve the recommendations contained in the report.

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SCOTTISH PUBLIC SERVICES OMBUDSMAN DECISIONS AND INSPECTOR OF CREMATIONS COMPLAINT DECISIONS - CUS/23/357

6. With reference to article 8 of the minute of it's meeting of 27 June 2023, 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 to Committee that complaints and Scottish Welfare Fund applications were being handled appropriately.

The report recommended:-

that the Committee note the details of the report.

The Committee resolved:-

to approve the recommendation contained in the report.

ANNUAL ACCOUNTS 2023-24 KEY DATES - RES/23/375

7. The Committee had before it a report by the Director of Resources which provided high level information and key dates in relation to the 2023/24 Annual Accounts including linkages to the plans and timetables to the Council's External Auditors.

The report recommended:-

- (a) that the Committee notes the information in relation to the 2023/24 annual accounts process contained within the report; and
- (b) that a special meeting of this committee is held in May 2023 to align with the reporting of the unaudited Annual Accounts.

The Committee resolved:-

- (i) to note that the Convener would liaise with the Chief Officer – Finance and the Governance team regarding changing the meeting date for the Committee to accommodate the unaudited accounts 2023-24; and
- (ii) to otherwise approve recommendation (a) within the report.

ANNUAL EFFECTIVENESS REPORT - COM/23/358

8. The Committee had before it a report by the Director of Commissioning which presented the annual report of the Audit, Risk and Scrutiny Committee to enable Members to provide comment on the data contained within.

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The report recommended:-

that the Committee –

- (a) provide comments and observations on the data contained within the annual report; and
- (b) note the annual report of the Audit, Risk and Scrutiny Committee.

The Committee resolved:-

- (i) to note the annual report of the Audit, Risk and Scrutiny Committee; and
- (ii) to note that the management assurance report mentioned in the Convener's introduction had been missed from the planner in error and would be included.

EXTERNAL QUALITY ASSESSMENT - IA/23/010

9. The Committee had before it a report by the Chief Internal Auditor which presented the Committee with the results of the External Quality Assessment (EQA) of Internal Audit.

The report recommended:-

that the Committee consider and comment on the EQA, and note that the Internal Audit Service fully conforms with the Public Sector Internal Audit Standards (PSIAS).

In response to a question regarding the recommendations for updating the Internal Audit Charter and whether these would be achieved by the completion date, the Chief Internal Auditor advised that the Internal Audit Charter was reported annually and that the recommendations would be included in the report to Committee in February 2024.

In response to a question regarding the recommendation to review the Counter Fraud Policy, the Chief Officer – Finance advised that the changes would be included in the updated Counter Fraud Policy.

The Committee resolved:-

to approve the recommendation within the report.

INTERNAL AUDIT PROGRESS REPORT - IA/23/009

10. 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 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) note the progress of the Internal Audit Plan; and

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- (b) note the progress that management had made with implementing recommendations agreed in Internal Audit reports.

The Committee resolved:-

to approve the recommendations contained in the report.

CORPORATE ASSET MANAGEMENT - AC2313

11. The Committee had before it a report by the Chief Internal Auditor which presented an audit on Corporate Asset Management which was undertaken to ensure resources were allocated appropriately and efficiently following a suitable Asset Management Plan.

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 regarding improved governance and policy documents and the process to enable members to scrutinise them, the Chief Internal Auditor advised that where policies are reviewed, these should be reported via the Committee process to provide assurance to members that the policies were in place.

In response to a question regarding the recommendations made compared with the management agreed actions and whether Internal Audit were satisfied with the response provided, the Chief Internal Auditor advised that Internal Audit make recommendations which management consider and make risk based decisions. Where management agree with recommendations, actions are agreed and these are what Internal Audit would follow up on and include in the Internal Audit Update report. Management have agreed to document the process for Asset Transformation Programme with updates being provided in April and August in 2024.

In response to a question regarding whether an application could be made to the Transformation Fund to assist with Asset Management, the Chief Officer – Finance advised that the fund is used for change programmes and if a business case was presented that met the criteria then funds could be released via delegated authority.

In response to a question regarding whether complete records would be kept for the Capital Board moving forward, the Director of Resources advised that the agendas and minutes were available and that he would ensure these were submitted to the Chief Internal Auditor for review.

The Committee resolved:-

- (i) to note the information provided on the Transformation Programme Fund;
- (ii) to note that the agendas and minutes from the Capital Board would be submitted to the Chief Internal Auditor;

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- (ii) to otherwise endorse the agreed recommendations for improvement as contained in the internal audit report.

PUPIL EQUITY FUND - AC2403

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

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 endorse the agreed recommendations for improvement as contained in the internal audit report.

CARE MANAGEMENT SYSTEM - AC2405

13. The Committee had before it a report by the Chief Internal Auditor which presented an audit on the Care Management System which was undertaken to consider whether appropriate control was being exercised over the care management system, including contingency planning, disaster input and its data input that interfaced to and from other systems were accurate and properly controlled.

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 endorse the agreed recommendations for improvement as contained in the internal audit report.

DATA PROTECTION - AC2406

14. The Committee had before it a report by the Chief Internal Auditor which presented an audit on Data Protection which was undertaken to ensure the Council had adequate arrangements in place, which were understood throughout the organisation, to protect the Council's information.

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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 endorse the agreed recommendations for improvement as contained in the internal audit report.

- **COUNCILLOR M. TAUQEER MALIK, Convener**