

AUDIT, RISK AND SCRUTINY COMMITTEE

ABERDEEN, 12 February 2020. Minute of Meeting of the AUDIT, RISK AND SCRUTINY COMMITTEE. Present:- Councillor Yuill, Vice-Convenor; and Councillors Jackie Dunbar, Duncan, Graham, Houghton (as substitute for Councillor Avril MacKenzie), Lumsden, Mennie, Alex Nicoll and Reynolds.

The agenda and reports associated with this minute can be found <https://committees.aberdeencity.gov.uk/ieListDocuments.aspx?CId=507&MId=7198>

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 4 DECEMBER 2019

2. The Committee had before it the minute of their previous meeting of 4 December 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:-

- (i) to note that the Chief Internal Auditor was confident that the audit reports identified as being deferred until the May meeting of this Committee would be submitted; and
- (ii) to otherwise note the content of the business planner.

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INTERNAL AUDIT PROGRESS REPORT - IA/20/001

4. 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 -

- (a) approve the removal of the audit relating to Craft Workers Terms and Conditions from the 2019/20 Internal Audit Plan; and
- (b) review, discuss and comment on the issues raised within this report and the attached appendix.

The Committee resolved:-

- (i) to approve the recommendations contained in the report; and
- (ii) to otherwise note the content of the report.

INTERNAL AUDIT FOLLOW UP ON RECOMMENDATIONS - IA/20/002

5. The Committee had before it a report by the Chief Internal Auditor which advised on the progress made by Functions/Clusters 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 this report and the attached appendices.

In response to a question regarding audit AC1909 (Timesheets and Allowances), the Chief Officer - Customer Experience advised that various options were being considered to ensure the correct information was added to the payroll system and that this had been discussed and agreed by Internal Audit.

In response to a question regarding audit AC1912 (Data Security in a Cloud-based Environment), the Chief Internal Auditor advised that he had received an update in relation to the audit and that the cluster had requested an extension to May 2020 to complete the outstanding recommendations.

In response to a question regarding audit AC1817 (Vehicle Usage), the Chief Officer - Operations and Protective Services advised that the Fleet Manager was reviewing the tenders to identify reasons why some of them were higher than expected and that it was still expected that the contract would be awarded on schedule.

In response to a question regarding audit AC1925 (Music Service), the Chief Officer - Integrated Children's and Family Services advised that the digital system was partially complete with parents able to access the system and make payments for tuition. He

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further advised that work was in progress for the reconciliation of payments made through the digital system against pupils in receipt of music tuition and that work should be complete by August 2020.

In response to a question regarding audit AC1806 (Corporate Landlord Responsibilities), the Chief Officer - Corporate Landlord advised that there were some operational issues with the matrix and that he would meet with Internal Audit.

The Committee resolved:-

- (i) to note the responses provided to questions from members relating to individual outstanding audit recommendations; and
- (ii) to otherwise note the content of the report.

INTERNAL AUDIT CHARTER - IA/20/004

6. The Committee had before it a report by the Chief Internal Auditor which sought agreement to amend the Internal Audit Charter as outlined at appendix A with effect from 12 February 2020.

The report recommended:-

That the Committee approve the Internal Audit Charter for implementation from 12 February 2020.

The Committee resolved:-

to approve the recommendation contained in the report.

INTERNAL AUDIT PLAN 2020/21 - IA/20/003

7. The Committee had before it a report by the Chief Internal Auditor which presented the Internal Audit Plan for 2020/21 for approval.

The report recommended:-

That the Committee approve the Internal Audit Plan for 2020/21.

The Committee resolved:-

to approve the recommendation contained in the report.

VOIDS - HOUSING REPAIRS - IA/AC/2010

8. The Committee had before it a report by the Chief Internal Auditor which presented an audit in relation to Housing Repairs – Voids which was undertaken to

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provide assurance regarding the process for re-letting void properties and compliance therewith.

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 regarding who undertakes the pre-termination inspection, the Locality Inclusion Manager advised that where possible the Housing Officer and a member from the Building Services team would undertake the inspection. He further advised that any repairs required to be carried out by the tenant would be identified and they would be notified.

In response to a question relating to whether locks were changed for every property and whether these locks could be re-used, the Locality Inclusion Manager advised that the locks were changed for all properties by Building Services as there was not always a guarantee that all keys had been returned and that the locks weren't currently re-used. He further advised that officers would identify whether they could be used for other properties in a different part of the city.

In response to a question regarding what officers were doing to reduce delays in repairs to void properties, the Locality Inclusion Manager advised that an action plan had been developed which would capture all of the repairs required and timelines for completion and that the action plan would be monitored and managed closely to ensure repairs were carried out in a timely manner.

Members asked questions in relation to what was being done to ensure new tenants or those tenants moving via an exchange were not charged for any works carried out due to the exiting tenant not completing them prior to leaving. The Locality Inclusion Manager advised that work had been completed in this area and that charges would be recovered from the previous tenant.

In response to a question regarding whether kitchens, doors and other improvements to properties installed by the previous tenant were automatically removed, or tenant asked to remove/replace them, the Locality Inclusion Manager advised that where the installations were fit for purpose they could remain in the property and that this would be logged in the Housing System.

The Committee resolved:-

- (i) that officers investigate the possibility of re-using locks and keys removed from properties;
- (ii) to note the responses provided to questions from members; and
- (iii) to otherwise endorse the recommendations for improvement and agreed by the relevant function.

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INCOME GENERATION - IA/AC/2001

9. The Committee had before it a report by the Chief Internal Auditor which presented an audit in relation to Income Generation which was undertaken to provide assurance that budgeted income generation was based on robust assumptions and was being realised.

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 relating to recommendation 2.1.8 and how the implementation of the recommendation would be monitored, the Chief Officer – Finance advised that as part of the review of the Financial Regulations that a new process for virements would be implemented to ensure all material changes to the budgets were reported.

The Committee resolved:-

- (i) to note the response provided to the question from a member; and
- (ii) to otherwise endorse the recommendations for improvement as agreed by the relevant function.

SCHOOL CATERING INCOME AND EXPENDITURE - IA/AC/2013

10. The Committee had before it a report by the Chief Internal Auditor which presented an audit in relation to School Catering Income and Expenditure which was undertaken to provide assurance over income and procurement expenditure relating to school catering operations.

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 the cost of teacher and kitchen staff meals compared to those for children, the Chief Officer - Customer Experience advised that the meals for adults were the same price with VAT added.

In response to a question regarding the cashless catering system contract and the risk to the Council, the Chief Officer – Customer Experience advised that she was working with colleagues in Commercial and Procurement Services to procure a new system and that there was a contract in place with the existing provider therefore any risks to the council were being managed.

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In response to a question regarding the accurate figures for children entitled to free school meals and how this was monitored, the Chief Officer – Customer Experience advised that checks were made by the Revenue and Benefits team to ensure the entitlement to free school meals was applied and monitored.

The Committee resolved:-

- (i) that Officers circulate by email details regarding the low figure presented in relation to free school meals taken within specialist schools explaining why the figure differed significantly from other local authorities;
- (ii) to note the responses provided to questions from members; and
- (iii) to otherwise endorse the recommendations for improvement as agreed by the relevant function.

CUSTOMER ACCESS POINTS AND SERVICE CENTRE - IA/2/2012

11. The Committee had before it a report by the Chief Internal Auditor which presented an audit in relation to Customer Access Points and Service Centre which was undertaken to provide assurance over procedures in operation relating to a sample of cash collection locations and included consideration of whether all income sources, income handling procedures and inventories were adequately controlled and completed.

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 endorse the recommendations for improvement as agreed by the relevant function.

TIMESHEETS AND ALLOWANCES - IA/AC/2023

12. The Committee had before it a report by the Chief Internal Auditor which presented an audit in relation to Timesheets and Allowances which was undertaken to review a sample of timesheets to ensure that they had been completed and paid correctly.

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 relating to training for staff using digital systems, the Chief Officer – Customer Experience advised that training was being delivered for all staff using digital systems.

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In response to a question relating to whether only authorised signatories were now signing off timesheets, the Chief Officer – Customer Experience advised that this was in progress and that the list of authorised signatories were being checked to ensure they were correct.

The Committee resolved:-

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

TRAVEL POLICY - IA/AC/2009

13. The Committee had before it a report by the Chief Internal Auditor which presented an audit in relation to the Council's Travel Policy which was undertaken to provide assurance that the Council had appropriate arrangements in place.

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 relating to how often Committee would receive post-trip evaluation reports, the Chief Officer – Finance advised that a report relating to Foreign Travel would be submitted to Committee which would include an evaluation of travel already taken and to look at future travel to ensure best value was being applied.

The Committee resolved:-

- (i) to note the response provided to questions from members; and
- (ii) to otherwise endorse the recommendations for improvement as agreed by the relevant function.

EXTERNAL AUDIT STRATEGY

14. The Committee had before it a report by the External Auditor which presented the planned external audit work for 2019/20.

The Committee resolved:-

- (i) to note the thanks provided to Mr Shaw, External Auditor for his work during his time at KPMG and as the Council's External Auditor;
- (ii) to welcome Mr Wilkie as the new External Audit Engagement Leader for the Council; and
- (iii) to otherwise note the content of the External Audit Strategy.

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RIPSA ANNUAL REPORT - GOV/20/042

15. 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 consider a statement on the Council's Regulation of Investigatory Powers (Scotland) Act 2000 (RIPSA) policy and statistical information on relevant activity on an annual basis.

The report recommended:-

That the Committee -

- (a) note the content of the report; and
- (b) approve the Corporate Protocol and Procedure on Covert Surveillance as attached at Appendix A to the report.

The Committee resolved:-

to approve the recommendations contained in the report.

SCOTTISH PUBLIC SERVICES OMBUDSMAN DECISIONS AND INSPECTOR OF CREMATIONS COMPLAINT DECISIONS - CUS/20/023

16. The Committee had before it a report by the Director of Customer Services which provided information on all Scottish Public Services Ombudsman and Inspector of Cremations decisions made in relation to Aberdeen City Council since the last reporting cycle 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 content of the report.

The Committee resolved:-

to approve the recommendation contained in the report.

- **COUNCILLOR IAN YUILL, Vice Convener**