

AUDIT, RISK AND SCRUTINY COMMITTEE

ABERDEEN, 8 October 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, Houghton (as substitute for Councillor Reynolds), Lumsden, MacKenzie and Mennie.

VALEDICTORY

1. The Vice Convener sought agreement for the former Chief Internal Auditor to receive a letter to thank him for his contributions to the Committee over his time as Chief Internal Auditor and to wish him well in his retirement.

The Committee resolved:-

to instruct the clerk to write to Mr Hughes, former Chief Internal Auditor to thank him for his contributions to the Committee and to wish him well in his retirement.

DECLARATIONS OF INTEREST

2. Members were requested to intimate any declarations of interest in respect of the items on the agenda, thereafter, the following declarations of interest were intimated:-

- (1) Councillor Duncan and Councillor Avril McKenzie declared an interest in item 8.2 (ALEO Assurance Hub) by virtue of their position as Board Members of Aberdeen Performing Arts and considered that the nature of their interest did not require them to leave during consideration of that item on the agenda.

The Committee resolved:-

to note the declarations.

MINUTE OF PREVIOUS MEETING OF 12 FEBRUARY 2020

3. The Committee had before it the minute of its previous meeting of 12 February 2020.

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.

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The Convener asked the Interim Chief Internal Auditor whether a review relating to the Council's response to the Covid-19 pandemic including the Spaces for People project had been considered wherein, the Interim Chief Internal Auditor advised that if this review was to be considered, he would need to determine the resources required and whether another audit from the agreed plan would need to be deferred to accommodate the request.

Councillor Lumsden advised the Committee that he had requested a report to be circulated to the next City Growth and Resources Committee on the Spaces for People Project and sought guidance on whether this Committee could consider a report whilst work was ongoing, wherein the Chief Officer -Governance advised that this Committee could only consider a report where the matter has been fully discharged by another Committee.

The Committee resolved:-

- (i) to request the Interim Chief Internal Auditor to provide details on what a review in relation to the Council's response to the Covid-19 pandemic including the Spaces for People project would look like and the resources required to undertake the review; and
- (ii) to otherwise note the content of the business planner.

CORPORATE RISK REGISTER AND ASSURANCE MAPS - COM/20/139

5. The Committee had before it a report by the Chief Officer – Governance which presented the Corporate Risk Register and Assurance Map to provide assurance on the Council's system of risk management.

The report recommended:-

That the Committee -

- (a) to note the Corporate Risk Register set out in Appendix A; and
- (b) to note the Corporate Assurance Map provided at Appendix B.

In response to a question regarding the Cyber Security Risk and whether additional checks were in place to ensure there were no security breaches, the Chief Officer – Digital and Technology advised that significant investment had been made in this area to reduce vulnerability and that various checks were conducted.

In response to a question relating to the Cyber Security Risk and whether there was increased risk with people working from home, the Chief Officer – Digital and Technology advised that there were less physical breaches as employees were not transporting devices.

In response to a question relating to the Financial Sustainability Risk and how the score was arrived at, the Chief Officer – Finance advised that the sustainability of the current

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financial situation had increased the level of risk to the Council and income and expenditure was being monitored closely.

The Committee resolved:-

to approve the recommendations contained in the report.

ALEO ASSURANCE HUB - COM/20/138

6. The Committee had before it a report by the Chief Officer – Governance which provided assurance on the risk management, financial management and governance arrangements of Arm's Length External Organisations (ALEOs) within the ALEO Assurance Hub's terms of reference.

The report recommended:-

That the Committee -

- (a) note the level of assurance provided by each ALEO on risk management, financial management and governance; and
- (b) note that Assurance Hub officers and ALEO Service Leads would discuss any outstanding issues identified with ALEO representatives and that the Chief Officer – Finance and Head of Commercial and Procurement would continue to meet with each ALEO regularly to provide support.

The Committee resolved:-

to approve the recommendations contained in the report.

INFORMATION GOVERNANCE ANNUAL REPORT - CUS/20/135

7. The Committee had before it a report by the Director of Customer Services which provided 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:-

To approve the recommendation contained in the report.

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2019/20 INTERNAL AUDIT SUMMARY REPORT - IA/20/007

8. 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.

Members raised concerns regarding the content of the summary report not providing them with enough detail to scrutinise individual audits. During the discussion it was requested that a separate meeting be held to consider the full audit reports associated with the summary report.

The Committee resolved:-

- (i) to defer the report for consideration at a Special meeting along with the associated full audit reports;
- (ii) to instruct the clerk to schedule a suitable date and time for a Special meeting of the Committee.

INTERNAL AUDIT PROGRESS REPORT - IA/20/005

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

In responsive to a question relating to revised completion dates for some of the internal audits, the Interim Chief Internal Auditor advised that the new dates provided were in response to various workstreams not being progressed due to the pandemic and that they did meet the expected delays.

The Committee resolved:-

- (i) to note the response to a member's question; and
- (ii) to otherwise note the content of the report.

INTERNAL AUDIT FOLLOW-UP ON AGREED RECOMMENDATIONS - IA/20/006

10. The Committee had before it a report by the Interim Chief Internal Auditor which advised on the progress made by Functions/Clusters with implementing recommendations that had been agreed in Internal Audit reports.

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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 in relation to audit AC1917 (NPS Housing System), the Chief Officer – Digital and Technology advised that the disaster recovery test had been completed successfully.

In response to a question in relation to audit AC2010 (Housing Repairs - Voids), the Chief Officer – Early Intervention and Community Empowerment advised that the working group had met several times and there was still some work ongoing to complete the recommendations.

In response to a question in relation to audit AC2013 (School Catering Income and Expenditure), the Chief Officer – Finance advised that he would discuss the recommendations of this audit with the Interim Chief Internal Auditor and that any amendments to the recommendations would be reported back to this Committee with a further report relating to debt submitted to another Committee if required.

The Committee resolved:-

- (i) to note the responses provided to members questions; and
- (i) to otherwise note the content of the report.

INTERNAL AUDIT ANNUAL REPORT 2019/20 - IA/20/008

11. The Committee had before it a report by the Interim Chief Internal Auditor which presented the Internal Audit Annual report for 2019/20.

The report recommended:-

That the Committee -

- (a) note the Annual Report for 2019/20;
- (b) note that the Chief Internal Auditor has confirmed the organisational independence of Internal Audit;
- (c) note that there has been no limitation to the scope of Internal Audit work during 2019/20; and
- (d) note the outcome of Internal Audit's self-assessment against the requirements of the Public Sector Internal Audit Standards.

In response to a question relating to the staffing capacity within internal audit, the Interim Chief Internal Auditor advised that the section had been under capacity due to sickness and staff leaving employment. He further advised that recruitment within Aberdeenshire Council had been frozen and that he was looking to see if he could recruit internally to support the internal audit team.

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The Committee resolved:-

- (i) to note the response provided in relation to a member's question; and
- (ii) to otherwise approve the recommendations contained in the report.

BANK RECONCILIATIONS - IA/AC2101

12. 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's main bank accounts were reconciled on a regular and timely basis and that the methodology was robust.

The Committee resolved:-

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

RIPSA ACTIVITY REPORT (Q1 -Q3) AND IPCO INSPECTION 2020 - COM/20/137

13. The Committee had before it a report by the Chief Officer – Governance which was presented to ensure that Members reviewed the Council's use of covert surveillance on a quarterly basis in order to provide assurance that it was used consistently in accordance with the Corporate Protocol and Procedure on Covert Surveillance and to advise Members of the outcome of an inspection undertaken by the Investigatory Powers Commissioner (IPCO) of the Council's governance and compliance of covert activities.

The report recommended:-

That the Committee -

- (a) note the updates within the report in respect of the Council's covert surveillance activity during Quarters 1-3 of the current year;
- (b) note the amendments to the Corporate Protocol and Procedure on Covert Surveillance in Appendix 1; and
- (c) note and endorse the Investigatory Powers Commissioner's Inspection Letter 2020, in Appendix 2.

The Chief Officer – Governance advised that the Investigatory Powers Commissioner, Sir Brian Leveson, had reflected in the IPCO's recent national newsletter published to all public authorities across the United Kingdom that Aberdeen City Council was held up as good practice in relation to covert activities which reflected well on the work led by Ms Jess Anderson.

The Committee resolved:-

- (i) to congratulate officers on the work undertaken in this area; and
- (ii) to otherwise approve the recommendations contained in the report.

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SCOTTISH PUBLIC SERVICES OMBUDSMAN DECISIONS AND INSPECTOR OF CREMATIONS COMPLAINT DECISIONS - CUS/20/136

14. 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 notes the details of the report.

The Committee resolved:-

to approve the recommendation within the report.

BEST VALUE AUDIT - COM/20/177

15. The Committee had before it a report by the Chief Officer – Governance which provided an update on the forthcoming Best Value audit of Aberdeen City Council.

The report recommended:-

That the Committee -

- (a) note the update regarding the forthcoming Best Value audit; and
- (b) instruct the Chief Officer - Governance to write to the Accounts Commission to agree arrangements for notifying the London Stock Exchange of the outcome of the Best Value Audit.

The Committee resolved:-

to approve the recommendations contained in the report.

ANNUAL EFFECTIVENESS REPORT 2019/20 - COM/20/140

16. The Committee had before it a report by the Chief Officer – Governance which presented the annual report of the Audit, Risk and Scrutiny Committee.

The report recommended:-

That the Committee note the annual report of the Audit, Risk and Scrutiny Committee.

The Committee resolved:-

to approve the recommendation contained in the report.

- **ALEX NICOLL, Convener**

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