

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

ABERDEEN, 9 December 2020. Minute of Meeting of the AUDIT, RISK AND SCRUTINY COMMITTEE. Present:- Councillor Alex Nicoll, Convener; Councillor Yuill, Vice-Convener; Councillor Crockett, the Lord Provost (as substitute for Councillor Graham); and Councillors Jackie Dunbar, Duncan, Houghton (as substitute for Councillor MacKenzie), Lumsden, Mennie and 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.**

### **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 8 OCTOBER 2020**

**2** The Committee had before it the minute of its previous meeting of 8 October 2020.

**The Committee resolved:-**

to approve the minute as a correct record.

### **MINUTE OF SPECIAL MEETING OF 4 NOVEMBER 2020**

**3** The Committee had before it the minute of its special meeting of 4 November 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.

**The Committee resolved:-**

(i) to note that items 4 (Industrial and Commercial Property Rental Income and Void Control), 6 (HR/Payroll System), 7 (Vehicle Usage), 10 (Consilium System - HRA

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- Building Maintenance System), 16 (Climate Change) had been deferred until February 2021 due to staff sickness within Internal Audit and the availability of officers to respond to the audits;
- (ii) to note that item 18 (Fraud, Bribery, Corruption Money Laundering Policy) had been deferred until February 2021 due to the Counter Fraud team moving from Governance to Finance and with critical fraud responses to Covid being prioritised during the transition period;
  - (iii) to note that items 11 (Bon Accord Care – Budget Monitoring), 17 (Mental Health and Substance Abuse) had been deferred until May 2021 due to staff sickness within Internal Audit;
  - (iv) to note the updates provided in relation to the reserve list and remove them all from the planner;
  - (ii) to otherwise note the content of the business planner.

### **DECLARATION OF INTEREST**

**At this point in the proceedings, Councillor Duncan declared an interest in the following item of business by virtue of her position as a Board Member of Aberdeen Performing Arts and considered that the nature of her interest did not require her to leave during consideration of the item.**

### **RISK APPETITE STATEMENT - COM/20/227**

**5** The Committee had before it a report by the Chief Officer - Governance which presented the Risk Appetite Statement.

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

That the Committee -

- (a) approve the Risk Appetite Statement (RAS) attached as Appendix (A);
- (b) instruct the Chief Officer – Governance to propose amendments to the Scheme of Governance to the meeting of Full Council scheduled for 3 March 2021 to reflect the Risk Appetite Statement; and
- (c) instruct the ALEO Assurance Hub to consider a review of risk appetite within each ALEO as part of the Hub's workplan for 2021.

Members raised concerns in relation to the risk rating hungry under the financial category in the overarching statement and requested that the rating be changed to open.

In response to a question regarding what discussions had taken place with ALEO's, the Assurance Manager advised that the ALEO Assurance Hub were consulting with the ALEO's which included reference to the Risk Appetite Statement, with responses due this week.

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**The Committee resolved:-**

- (i) in relation to the Risk Appetite Overarching Statement, at Financial, to replace hungry (third line down) with open; and
- (ii) to otherwise approve the recommendations as contained in the report.

**BUSINESS CONTINUITY POLICY - COM/20/228**

**6** The Committee had before it a report by the Chief Officer – Governance which presented the updated Business Continuity Policy.

**The report recommended:-**

That the Committee approve the Business Continuity Policy attached as Appendix (A).

**The Committee resolved:-**

to approve the recommendation contained in the report.

**INTERNAL AUDIT PROGRESS REPORT - IA/20/011**

**7** The Committee had before it a report by the Chief Internal Auditor which advised on progress against the 2019/20 and 2020/21 Internal Audit plans.

**The report recommended:-**

That the Committee –

- (a) reviews, discusses and comments on the issues raised within this report and Appendices A & B;
- (b) approves the proposals to remove items from the Reserve List of the revised Internal Audit Plan for 2020/21 and subject to the Committee's consideration of a draft Internal Audit Plan for 2021/22 at its meeting scheduled for 24 February 2021, to defer items from the Reserve List as set out in Appendix C; and
- (c) notes the possible scope and objective of the Covid 19 funding audit set out in Appendix D that would be consulted on as part of preparations for presenting the draft Internal Audit Plan for 2021/22.

**The Committee resolved:-**

to approve the recommendations contained in the report.

**INTERNAL AUDIT FOLLOW UP ON APPROVED RECOMMENDATIONS - IA/20/012**

**8** 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.

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**The report recommended:-**

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

In response to a question relating to Audit AC2010 – Housing Repairs Voids and whether the new completion date would be met, the Chief Officer – Early Intervention and Community Empowerment advised that the recommendation had been completed with the paperwork submitted to Internal Audit.

In response to a question relating to Audit AC2023 – Timesheets and Allowances and whether the new completion date would be met, the Chief Officer - People and Organisation advised that the document had been revised, trade unions had been consulted and they were on target for completion.

In response to a question relating to Audit AC1602AW – Craft Workers Terms and Conditions and whether the recommendations would be complete by January 2021, the Operations Manager advised that in-depth consultation had been undertaken with Trade Unions and employees and that he was confident the recommendation would be completed by January 2021.

In response to a question relating to Audit AC1817 – Vehicle Usage and whether the cluster were on track with the telematics system, the Fleet Manager advised that 66% of fleet were currently using the new system and that it was anticipated that all vehicles would be using the system by the end of February 2021.

In response to a question relating to Audit AC1903 – Devolved School Management and whether the recommendations had been completed, the Chief Officer – Finance advised that the recommendation had been completed with the Revised Devolved School Management Scheme being approved by the Education Operational Delivery Committee on 17 September 2020 and that the outstanding recommendation should have been updated in the report to reflect the position.

In response to a question relating to Audit AC2007 – Stock Control and whether the recommendations had been completed by November 2020, the Roads and Infrastructure Manager advised that the storeman had not moved across yet to undertake the combined stores role due to the pandemic and it was anticipated they would be in place by February 2021.

In response to a question relating to Audit AC2009 – Travel Policy and which Committee would the Travel Policy be reported to, the Chief Officer – Finance advised that the Policy had already been approved and that the outstanding recommendation was around the procedures to implement the Travel Policy.

**The Committee resolved:-**

- (i) to note the responses provided to questions from members relating to individual outstanding audit recommendations; and

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- (ii) to otherwise note the content of the report.

### **PERFORMANCE MANAGEMENT - IA/AC2026**

**9** The Committee had before it a report by the Interim Chief Internal Auditor which presented an audit in relation to Performance Management which was undertaken to provide assurance that the Council had effective performance management arrangements in place which produced accurate data.

**The Committee resolved:-**

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

### **TREASURY MANAGEMENT - IA/AC2103**

**10** The Committee had before it a report by the Interim Chief Internal Auditor which presented an audit in relation to Treasury Management which was undertaken to provide assurance that the Council's Treasury Management procedures followed best practice and were being complied with.

**The Committee resolved:-**

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

### **ACADEMY SYSTEM - REVENUES AND BENEFITS - IA/AC2102**

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

In response to question relating to why the Council were unable to match payments to customer accounts and what checks were made to ensure payments were credited appropriately, the Revenues and Benefits Manager advised that various checks were undertaken in relation to the suspense account and payments were matched where possible.

**The Committee resolved:-**

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

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**ANNUAL ACCOUNTS 2020/21 ACTION PLAN AND KEY DATES - RES/20/231**

**12** The Committee had before it a report by the Director of Resources which provided high level information and key dates in relation to the 2020/21 Annual Accounts including linkages to the plans and timetables of the Council's External Auditors.

**The report recommended:-**

That the Committee notes the information in relation to the 2020/21 annual accounts process contained within the report and that the Chief Officer – Finance should complete the tasks within the defined deadlines.

**The Committee resolved:-**

to approve the recommendation contained in the report.

- **COUNCILLOR ALEX NICOLL, Convener**