

Audit, Risk and Scrutiny Committee

ABERDEEN, 30 June 2021. Minute of Meeting of the AUDIT, RISK AND SCRUTINY COMMITTEE. Present:- Councillor Alex Nicoll, Convener; Councillor Yuill, Vice-Convener; and Councillors Allard, Duncan, Graham, MacKenzie, Mason, 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.

NOTIFICATION OF URGENT BUSINESS

1 In terms of Section 50B(4)(b) of the Local Government (Scotland) Act 1973, the Committee was informed that the Convener had accepted two reports onto the agenda and that they had to determine whether they would discuss them today and make decisions on the items.

The Committee resolved:-

to agree that (1) the External Audit Annual Report (8.6) was of an urgent nature and required to be considered this day to enable members to consider the report along with the annual accounts; and (2) the Audited Annual Accounts 2020/21 (8.7) was of an urgent nature and required to be considered this day to provide assurance on the Council's financial management ahead of the first quarterly reporting of the new financial year, to provide certainty and assurance to the Council.

DECLARATIONS OF INTEREST

2 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 12 MAY 2021

3 The Committee had before it the minute of its previous meeting of 12 May 2021.

The Committee resolved:-

to approve the minute as a correct record.

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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 item 6 (Best Value Audit) would be submitted to Full Council in August 2021;
- (ii) to note that items 11 (IT Infrastructure Systems) and 12 (Licensing Income), had been deferred until September 2021;
- (iii) in relation to item 13 (Ripsa Quarterly report) to note that the Chief Officer – Governance would circulate by email an update as to whether any requests for surveillance had been made during quarter 2;
- (iv) to note that item 16 (Bon Accord Care – Budget Monitoring), had been deferred and would be presented to Bon Accord Care prior to the report being presented to this Committee in September 2021;
- (v) to note that item 82 (Marchburn Park) would be updated and that a report was expected in September 2021;
- (vi) to note that there was no date available for item 83 (School/Pupil Security) and that the Internal Auditor would continue to work with the cluster to progress the report; and
- (vii) to otherwise note the content of the business planner.

INTERNAL AUDIT PROGRESS REPORT - IA/21/04

5 With reference to article 6 of the minute of its previous meeting, the Committee had before it a report by the Interim Chief Internal Auditor which advised on progress against the approved 2019/20 and 2020/21 Internal Audit Plans.

The report recommended:-

That the Committee reviews, discusses and comments on the issues raised within the report and appendices A and B.

The Committee resolved:-

- (i) to note that a review into the current Internal Audit Plan would be submitted to the next meeting of this Committee; and
- (ii) to otherwise note the content of the report.

INTERNAL AUDIT FOLLOW UP ON AGREED RECOMMENDATIONS - IA/21/05

6 With reference to article 7 of the minute of its previous meeting, the Committee had before it a report by the Interim Chief Internal Auditor which advised on the progress made by Services with implementing the 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 relating to whether a report on the actions completed could be provided, the Interim Chief Internal Auditor advised that when actions were due, he relied on officers advising whether they had been completed and that he followed up on those items prior to the next Committee meeting therefore the information contained in this report was the most up to date position.

The Committee resolved:-

- (i) in response to a question as to whether a report on the actions completed could be submitted, to note that the Chief Officer – Finance would circulate by email an update in relation to all reports assigned to Finance;
- (ii) to note the update provided by the Interim Chief Internal Auditor in relation to when he received updates on outstanding audit recommendations; and
- (iii) to otherwise note the content of the report.

CLIMATE CHANGE - IA/AC2109

7 The Committee had before it a report by the Interim Chief Internal Auditor which presented an audit in relation to Climate Change which was undertaken to provide assurance that the Council was taking appropriate measures to comply with its statutory obligations in addressing climate change and that progress was being monitored.

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 mapping was complete across the Council for the allocation of carbon emission budgets to selected Council Functions, the Chief Officer – Strategic Place Planning advised that this was a complicated area that required the right approach to achieve the targets within the resources available and that the oversight group were monitoring the situation.

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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FINANCIAL SUSTAINABILITY - IA/AC2104

8 The Committee had before it a report by the Interim Chief Internal Auditor which presented an audit in relation to Financial Sustainability which was undertaken to provide assurance that the Controls and Assurance Actions were operating as expected in ensuring that the identified risk was adequately mitigated.

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 this audit was to ensure that everything was done correctly rather than the profile of the risk, the Interim Chief Internal Auditor advised that yes it was to ensure that the correct actions and mitigations were in place against the risks identified.

In response to a question relating to whether there was a danger in the process of the Council being risk adverse, the Chief Officer – Finance advised that the Risk Appetite Statement was one element of how the Council measured risks and showed that the Council were open to risks as defined in the Risk Appetite Statement.

In response to a question relating to risk registers and whether all risks were managed and reported, the Chief Officer – Governance advised that there was a good system in place to monitor the risks including the Risk Board to monitor corporate risks, risk managers monitored risks within their clusters and the system of risk was reported to this Committee on an annual basis.

The Committee resolved:-

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

TEACHERS PAYROLL - IA/AC2115

9 The Committee had before it a report by the Interim Chief Internal Auditor which presented an audit in relation to Teacher's Payroll which was undertaken to provide assurance that all aspects of payroll administration were adequately controlled and that payment was being made accurately to bona fide employees, covering new starts, changes of circumstance, and leavers along with the payment of additional hours and allowances.

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.

EXTERNAL AUDIT ANNUAL REPORT

10 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 2020/21 annual accounts and for registered charities.

The Committee resolved:-

- (i) to thank officers and external audit for the work undertaken in relation to the audit of the annual accounts; and
- (ii) to otherwise note the content of the report.

AUDITED ANNUAL ACCOUNTS 2020/21 - RES/21/160

11 The Committee had before it a report by the Director of Resources which provided an overview of the Council's 2020/21 audited Annual Accounts and the registered charities where the Council was the sole trustee and is subject to statutory requirements for separate accounts and audit opinions.

The report recommended:-

That the Committee –

- (a) approve the Council's audited Annual Accounts for the financial year 2020/21 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) approve the audited Annual Accounts 2020/21, as stated at paragraph 2.1, for those registered charities where the Council is the sole trustee and nominate a trustee to sign the accounts.

In response to a question relating to the separation of risk from Brexit and Covid-19, the Chief Officer – Finance advised that the risk was based on the views from the Economic Panel and Moody's and that they had not provided these as separate risks to be able to separate them.

The Committee resolved:-

- (i) to agree that the Convener of the City Growth and Resources Committee sign the registered charities accounts on behalf of the Trustees;
- (ii) to congratulate staff on the preparation and presentation of the annual accounts which was done in a timeous and professional manner; and
- (iii) to otherwise approve the recommendations contained within the report.

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SPSO DECISIONS, INSPECTOR OF CREMATORIA COMPLAINT DECISIONS - CUS/21/136

12 With reference to article 14 of the minute of its meeting of 24 February 2021, 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 report to this Committee, 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.