

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

ABERDEEN, 29 September 2021. 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 Duncan); and Councillors Allard, Graham, Houghton (as substitute for Councillor Mason), MacKenzie, Radley (as substitute for Councillor 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 today's agenda, thereafter the following were intimated:-

- (1) Councillor Graham declared an interest in item 8.1 (ALEO Assurance Hub) by virtue of him being an Aberdeen City Council appointee as a Director of Sport Aberdeen and he considered that the nature of his interest did not require him to leave the meeting at that item on the agenda;
- (2) the Convener declared an interest in item 8.10 (Bon Accord Care Budget Monitoring) by virtue that a family member received care from Bon Accord Care and he considered that the nature of his interest did not require him to leave the meeting at that item on the agenda;
- (3) Councillor Houghton declared an interest in item 8.12 (Union Terrace Gardens – Removal of Materials) by virtue of being named in the report and considered that his interest did not require him to leave the meeting at that item on the agenda; and
- (4) the Vice Convener declared an interest in item 8.12 (Union Terrace Gardens – Removal of Materials) by virtue of his involvement with the reporting of the incident and considered that the nature of his interest required him to leave the meeting and he therefore took no part in the consideration of this item.

### **MINUTE OF PREVIOUS MEETING OF 30 JUNE 2021**

2. The Committee had before it the minute of its previous meeting of 30 June 2021.

#### **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.

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### **The Committee resolved:-**

- (i) to note that item 11 (Corporate Risk Registers and Assurance Maps) had been delayed until February 2022 to enable it to be reported with similar assurance reports;
- (ii) to note that items 14 (IT Infrastructure), 15 (Licensing Income), 16 (Financial System Interfaces and Reconciliations), 18 (Consilium System), 22 (Mental Health and Substance Abuse) and 23 (Commissioning) had been delayed until December 2021;
- (iii) to note that items 24 (Children with Disabilities – Contracts and Direct Payments) and 25 (Capital Project Management) had been delayed until February 2022;
- (iv) to note that item 26 (Marchburn Park) had been delayed due to the remedial works not being fully complete and that a report was expected in December 2021;
- (v) to otherwise note the content of the business planner.

### **ALEO ASSURANCE HUB - COM/21/220**

4. 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 in the appendices and identified at the Audit, Risk and Scrutiny Committee with ALEO representatives, with a view to further improving the assessment ratings at the next Hub meeting.

In response to a question relating to EU exit risks, the Corporate Risk Lead advised that each ALEO were asked to resubmit their Risk Register and for them to highlight whether there were any EU exit risks still open.

In response to a question relating to whether the additional funds for Aberdeen Performing Arts as agreed by Council on 10 March 2021, had been required, the Chief Officer – Finance advised that the additional funding had not been used and would remain open for the remainder of the financial year.

### **The Committee resolved:-**

to approve the recommendations contained in the report.

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**INFORMATION GOVERNANCE ANNUAL REPORT - CUS/21/180**

5. The Committee had before it a report by the Director of Customer Services which presented the annual report on the Council's Information Governance Performance which included information on 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 to 3.5 and in the Information Governance Report at Appendix 1.

**The Committee resolved:-**

- (i) in response to questions from members relating to the data breaches, to note that the Chief Officer – Data Insights would analyse the information around the data breaches and provide more detail by email to the Committee;
- (ii) in response to a question relating to what external referred to in the graph on page 59 - Breaches by Function, to note that the Chief Officer - Data Insights would look at the data for this and provide a response by email to the Committee; and
- (iii) to otherwise approve the recommendation contained in the report.

**INTERNAL AUDIT PROGRESS REPORT - IA/21/008**

6. With reference to article 5 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 2020/21 and 2021/22 Internal Audit Plans.

**The report recommended:-**

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

In response to a question regarding internal audits deferred until June 2022, the Chief Officer - Governance advised that it was common practice for audits to be deferred to the next financial year and that information on this could be added to this report for the December meeting.

In response to a question relating to the content of the 2022/23 Internal Audit Plan and whether consideration would be given to the current resource implications for Internal Audit, the Chief Officer – Governance advised that discussions were ongoing with the Interim Chief Internal Auditor to ensure that the reports to be included in the 2022/23 Internal Audit Plan were achievable.

**The Committee resolved:-**

to note the content of the report.

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**INTERNAL AUDIT - FOLLOW UP ON RECOMMENDATIONS - IA/21/009**

7. 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 the progress made by Services with implementing the recommendations that had been agreed in Internal Audit reports.

**The report recommended:-**

That the Committee –

- (a) review, discuss and comment on the issues raised within this report and the attached appendices; and
- (b) consider and agree the proposal from the Commercial and Procurement Service to close the actions included in section 4 of the report.

**The Committee resolved:-**

- (i) in relation to audit AC2017 and whether the date provided for the Performance Board for July 2023 was correct to note that the Director of Resources would liaise with the Chief Office – Corporate Landlord and provide a response by email to the Committee; and
- (ii) to otherwise approve the recommendations within the report.

**INTERNAL AUDIT REPORTING - PROPOSED NEW FORMAT - IA/21/010**

8. The Committee had before it a report by the Interim Chief Internal Officer which presented an updated format for advising of progress made by Services with implementing recommendations that had been agreed in Internal Audit reports.

**The report recommended:-**

That the Committee review, discuss and comment on the content of the report and the attached appendices and thereafter approve the proposed amendments to Internal Audit reporting.

**The Committee resolved:-**

to approve the recommendation contained in the report.

**VEHICLE REPLACEMENT POLICY AND PROCUREMENT - IA/AC/2116**

9. The Committee had before it a report by the Interim Chief Internal Auditor which presented an audit in relation to Vehicle Replacement Policy and Procurement which was undertaken to provide assurance that the Council had an appropriate vehicle replacement policy and that procurement complied with policy and procurement regulations.

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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.

In response to a question relating to document management when employees leave the organisation, the Chief Officer – Operations and Protective Services advised that initially the documentation appeared to be missing and that it had all been located. He further advised that he was looking at internal processes to ensure that documentation was not held by individual employees.

In response to a question relating to how robust the record keeping was across services, the Chief Officer – Governance advised that the Council embarked on a project to ensure that all policies were standardised using corporate templates and that they were all available in one place.

In response to a question relating to data breaches and compliance with various policies across the Council, the Interim Chief Internal Auditor advised that if there was anything of significance identified in an audit, that a future audit in that area would be included in the next Internal Audit Plan. He also advised that staff were making improvements to the contracts register to make sure all documentation in relation to each contract were added to the system to prevent a reoccurrence.

**The Committee resolved:-**

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

**HOUSING - WAITING LIST AND ALLOCATIONS - IA/AC/2117**

10. The Committee had before it a report by the Interim Chief Internal Auditor which presented an audit in relation to Housing Waiting Lists and Allocations which was undertaken to provide assurance that the Housing Waiting List is maintained efficiently and allocations are made in accordance with policy.

**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 recommendations for improvement and agreed by the relevant function.

**HEALTH AND SAFETY - OPERATIONS AND PROTECTIVE SERVICES - IA/AC/2113**

11. The Committee had before it a report by the Interim Chief Internal Auditor which presented an audit in relation to Operation Health and Safety Arrangements which was

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undertaken to provide assurance that appropriate processes were being employed in managing health and safety within the Cluster.

**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 the frequency of inspections of lifebelts, the Environmental Manager advised that during the summer months, the lifebelts at the beach were inspected daily and then twice weekly at other times.

In response to a question relating to whether Aberdeen could have a similar system as the Moray Coast, where the lifebelts were fitted with alarms, the Environmental Manager advised that the team were looking at an automatic system whereby notification would be given to staff if a lifebelt had been damaged or used.

**The Committee resolved:-**

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

### **TIMESHEETS AND ALLOWANCES - IA/AC/2114**

12. The Committee had before it a report by the Interim Chief Internal Auditor which presented an audit in relation to Timesheets and Allowances which was undertaken to provide assurance that payments for timesheets and allowances paid to Council staff including Craft Workers, but excluding Teachers, were accurate and justified, and that improvements recommended in previous reviews had been fully implemented.

**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 recommendations for improvement and agreed by the relevant function.

### **BON ACCORD CARE BUDGET MONITORING - IA/AC/2110**

13. The Committee had before it a report by the Interim Chief Internal Auditor which presented an audit in relation to Bon Accord Care Budget Monitoring which was undertaken to provide assurance over Bon Accord Care's budget monitoring procedures, including monitoring of its savings programme.

**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 and agreed by the relevant function.

**RIPSA QUARTER 3 REPORT - COM/21/215**

14. The Committee had before it a report by the Director of Commissioning which was presented to ensure that Elected Members reviewed the Council's use of covert surveillance on a quarterly basis in order to provide assurance that it is used consistently in accordance with the Corporate Protocol and Procedure on Covert Surveillance.

**The report recommended:-**

That the Committee note the update within the report in respect of the Council's covert surveillance activity during quarter 3 of the current year.

**The Committee resolved:-**

to approve the recommendation contained in the report.

**DECLARATION OF INTEREST**

**In accordance with article 1 of this minute, Councillor Yuill withdrew from the meeting prior to consideration of the following item of business.**

**UNION TERRACE GARDENS - REMOVAL OF MATERIALS - COM/21/221**

15. With reference to article 16 of the minute of Meeting of Council on 21 June 2021, the Committee had before it a joint report by the Directors of Commissioning and Resources which provided a detailed account of the events relating to the removal of granite and other items from the Union Terrace Gardens (UTG).

**The report recommended:-**

That the Committee -

- (a) notes the events leading up to the point at which it was identified that an apparent breach of contract and of a listed building condition had occurred and the subsequent response to remedy the matter;
- (b) notes that all the UTG materials which had been stored at an unapproved location have been returned and are now within safe and secure storage at an approved site;
- (c) notes that a full audit of all granite dountakings, and other similar related items including railings, heraldry shields and lamps, has been carried out by the Principal Contractor and that they have confirmed all items, as per the site start inventory, are accounted for and are now within safe and secure storage at an approved location;

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- (d) notes that Police Scotland carried out their own extensive enquiries into the incident and found that no criminality had been established and their investigation is now closed, pending any new information;
- (e) notes that there was a breach of a listed building condition, that the Planning Authority is satisfied with the action taken by the Principal Contractor in response to that breach, and that the Planning Authority does not intend to take any further action at this time;
- (f) notes that there was a breach of contract on the part of the Principal Contractor, that the Principal Contractor remedied the breach, and that no further action is proposed at this time; and
- (g) notes that the Chief Officer Capital will update the outline/full business case template by October 2021 as outlined in section 8.4 of the report.

During the discussion, members sought assurance that the Council had a full inventory of all materials from the UTG site from the commencement of the project to the current date. The Chief Officer – Capital advised that he would compile a reconciliation of all materials from the site and circulate to members.

The Convener, seconded by Councillor Greig, moved:-

that the Committee:-

- (1) approve the recommendations contained in the report;
- (2) note the work which had been undertaken by Councillor Yuill since the matter was reported to him and thank him for his diligence and tenacity in bring it to elected member attention;
- (3) note that on completion of the project the Chief Officer – Capital would undertake the post project review and report this to the Capital Programme Committee, where at that stage, this Committee could request additional assurance if required; and
- (4) note that the Chief Officer – Capital would work with the Principal Contractor to produce a reconciliation of the materials up to this point in the project and issue via Service Update to the Committee as soon as possible.

Councillor Houghton, seconded by Councillor Crockett, the Lord Provost, moved as an amendment:-

that the Committee:-

- (1) approve the recommendations contained in the report;
- (2) note that on completion of the project the Chief Officer – Capital would undertake the post project review and report this to the Capital Programme Committee, where at that stage, this Committee could request additional assurance if required; and
- (3) note that the Chief Officer – Capital would work with the Principal Contractor to produce a reconciliation of the materials up to this point in the project and issue via Service Update to the Committee as soon as possible.

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On a division, there voted:- for the motion (4) – the Convener and Councillors Allard, Greig and Radley; for the amendment (5) – Councillors Crockett, the Lord Provost and Councillors Graham, Houghton, MacKenzie and Reynolds.

**The Committee resolved:-**

to adopt the terms of the amendment.

- **COUNCILLOR ALEX NICOLL, Convener**