

AUDIT, RISK AND SCRUTINY COMMITTEE

ABERDEEN, 20 February 2025. Minute of Meeting of the AUDIT, RISK AND SCRUTINY COMMITTEE. Present:- Councillor Malik, Convener; Councillor Houghton, Vice-Convener; and Councillors Ali (as substitute for Councillor Bonsell), Allard, Alphonse, Brooks (as substitute for Councillor Massey), Greig (as substitute for Councillor Bouse), McLellan and McRae.

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/TRANSPARENCY STATEMENTS

1. Members were requested to intimate any declarations of interest or transparency statements in respect of the items on today's agenda, thereafter the following was intimated:-

- (1) Councillor Malik advised that he had a connection in relation to agenda item 9.1 (Use of Investigatory Powers Annual Report) by virtue of his family having a grocery business, however having applied the objective test, he did not consider that he had an interest and would not be withdrawing from the meeting.

MINUTE OF PREVIOUS MEETING OF 28 NOVEMBER 2024

2. The Committee had before it the minute of its meeting of 28 November 2024.

The Committee resolved:-

to approve the minute as a correct record.

COMMITTEE BUSINESS PLANNER

3. The Committee had before it the Committee Business Planner prepared by the Interim Chief Officer - Governance.

The Committee resolved:-

to note the content of the business planner.

USE OF INVESTIGATORY POWERS ANNUAL REPORT - CORS/25/016

4. With reference to article 8 of the minute of its previous meeting, the Committee had before it a report by the Executive Director of Corporate Services which (1) provided an overview of the Council's use of investigatory powers during 2024 which focussed on the Committee's role in respect of assurance; and (2) sought confirmation that the Use of Investigatory Powers Policy was fit for purpose.

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The report recommended:-

that the Committee -

- (a) note the overview of the council's use of investigatory powers during the calendar year 2024, as set out in this report; and
- (b) agrees that the Use of Investigatory Powers Policy remains fit for purpose.

In response to a question relating to whether information was published to show the businesses that had been found to be selling products illegally, Mr Forsyth, Solicitor, advised that the Council were prohibited from disclosing this information by the Enterprise Act 2002 unless certain very narrow exceptions applied.

The Committee resolved:-

to approve the recommendations contained in the report.

ELECTED MEMBER SCRUTINY - CORS/25/019

5. The Committee had before it a report by the Executive Director of Corporate Services which sought feedback on proposals for improving elected members scrutiny as recommended by Audit Scotland in their thematic Best Value report on strategic priorities, prior to these being presented to Council in April as part of the Scheme of Governance annual review.

The report recommended:-

that the Committee -

- (a) note the progress made by the elected member Governance Reference Group on developing scrutiny improvements and thank the internal and external auditors for their input to date;
- (b) provide feedback on the approach being proposed by the Group to enhance the Council's scrutiny approach as recommended by Audit Scotland; and
- (c) note that the Interim Chief Officer – Governance will, following feedback from this Committee, incorporate the proposals set out at paragraph 3.5 within the revised Scheme of Governance being presented to Council in April.

In response to a question relating to whether there was anything else that could be improved, the Chief Internal Auditor advised that he agreed with the recommendations contained in the report and that these would improve the current scrutiny route.

In response to a question relating to whether this Committee could look at issues where there was high public interest earlier in the process, the Interim Chief Officer – Governance advised that consideration on the wording of the current Term of Reference would form part of the Scheme of Governance Review.

In response to a question relating to scrutiny training and whether this would be a certification scheme, the Interim Chief Officer - Governance advised that it wouldn't be a

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certification scheme however it would enable members to look at different types of scrutiny based on the committees.

The Convener, seconded by Councillor Ali, moved:-
that the Committee:

1. Notes the report
2. Agrees point 1 of paragraph 3.5;
3. Agrees point 2 of paragraph 3.5;
4. Agrees point 3 of paragraph 3.5 and that officers are included in these training opportunities;
5. Agrees the following feedback on the proposals being submitted to Council in April:
 - a) Agrees that, to ensure members can scrutinise effectively, officers must trust Elected Members who are the ultimate decision makers, by ensuring that written Legal advice is provided to Elected Members where reasonably requested, and, where it is relevant to a decision to be taken by elected members, that the conduct of elected members is governed by the Councillors Code of Conduct and that there are fixed processes in place where anyone believes a councillor is in breach, therefore it is not appropriate for officials to pre-emptively police the actions of elected members outside of the code of conduct;
 - b) Agrees that providing Motions and Amendments for Council to all Elected Members one hour before the meeting is simply gerrymandering given often Council meetings mostly run on into other days;
 - c) Agrees that officers must reflect on the powers categories of exempt information open to them such as within Schedule 7a of the Local Government (Scotland) Act 1973 as amended when dealing with matters such as legal advice; and
 - d) Agrees that as Audit, Risk and Scrutiny Committee should be non-political thereby acting in the best interests of the Council, the best way to achieve cross party working is for the Governance Reference Group to be abolished with the responsibility being transferred to this Committee and that this should form part of the proposals to Council when it reviews the Scheme of Governance in April.

Councillor Allard, seconded by Councillor Greig, moved as an amendment:-
that the Committee approve the recommendations contained within the report.

On a division, there voted:- for the motion (4) – the Convener, Vice Convener and Councillors Ali and Brooks; for the amendment (5) – Councillors Allard, Alphonse, Greig, McLellan and McRae.

The Committee resolved:-

to adopt the terms of the amendment.

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SCOTTISH PUBLIC SERVICES OMBUDSMAN DECISIONS AND INSPECTOR OF CREMATIONS COMPLAINT DECISIONS - CORS/25/017

6. With reference to article 9 of the minute of its previous meeting, the Committee had before it a report by the Executive Director of Corporate 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 note the details of the report.

In response to questions relating to the lengthy delays in the response from the SPSO and what measures were in place to keep the complainant informed, the Customer Services Manager advised that these were exceptions where the SPSO had taken longer to respond. She further advised that all recommendations received had been actioned. In relation to the contact with the complainer, she advised that the Council had no contact with the complainer once it reached the ombudsman.

The Committee resolved:-

to approve the recommendation as contained in the report.

INTERNAL AUDIT CHARTER - IA/25/003

7. The Committee had before it a report by the Chief Internal Auditor which sought agreement for continuing the use of the current Internal Audit Charter.

The report recommended:-

that the Committee approve the attached Internal Audit Charter. Minor changes, noted in red, have been suggested to the previous Internal Audit Charter to reflect ongoing developments of the Service and reflect the incoming new standards. It is anticipated that the Charter presented to Committee in 2026 will reflect further changes to fully comply with the new standards; the implications of which are still being worked through across the Public Sector.

The Committee resolved:-

to approve the Internal Audit Charter as appended to the report, including the minor changes, noted in red, which had been suggested to the previous Internal Audit Charter to reflect ongoing developments of the Service and the incoming new standards.

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INTERNAL AUDIT UPDATE REPORT - IA/25/001

8. With reference to article 13 of the minute of it's previous meeting, the Committee had before it a report by the Chief Internal Auditor which provided an update on the progress against the approved Internal Audit plans, audit recommendations follow up and other relevant matters for the Committee to be aware of.

The report recommended:-

that the Committee -

- (a) note the progress of the Internal Audit Plan; and
- (b) note the progress that management have made with implementing recommendations agrees in Internal Audit Reports.

In response to questions relating to the outstanding audit recommendations for AC2503 – National Fraud Initiative and AC2201 – IT Infrastructure Resilience, the Chief Internal Auditor advised that for both audits, an extension to the completion date had been agreed to enable works to be completed.

In response to a question seeking assurance that the weaknesses found in Audit AC2511 – ELC Funded Provider Places were minor technical issues, the Chief Internal Auditor advised that they were minor and that there was a report on the agenda providing further information in this regard.

The Committee resolved:-

to approve the recommendations contained in the report.

RESETTLEMENT GOVERNANCE - AC2504

9. The Committee had before it a report by the Chief Internal Auditor which presented an audit on Resettlement Governance which was undertaken to ensure that procedures regarding the Council's responsibilities in relation to the resettlement of refugees, specifically the financial costs, were operating effectively.

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 there was an increased risk to the Council, the Chief Internal Auditor advised that he was assured by the work of the service that the risk was not increasing. The Chief Officer – Housing advised that the service had learnt over recent years, that flexibility in terms of their response had enabled controls to be enhanced and that she didn't see this as an increase in risk.

The Committee resolved:-

to note the report and the attached internal audit report.

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IJB COUNTER FRAUD - AC2505

10. The Committee had before it a report by the Chief Internal Auditor which presented an audit on IJB Counter Fraud which was undertaken to provide assurance that the IJB's arrangements for the prevention of fraud, bribery and corruption were adequate and proportionate.

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 there was an increased risk due to different systems being used within the partnership of ACC and NHS Grampian and whether there were additional challenges for officers and Internal Audit to monitor the systems, the Chief Internal Auditor advised that there was an increased risk however reliance was put on both systems. The Chief Operating Officer advised that they were looking at how the different systems operated to learn best practice which would be shared with Aberdeenshire and Moray IJB's.

The Committee resolved:-

to note the report and the attached internal audit report.

Transparency Statements

During discussion of the following item of business, the Vice Convener intimated a transparency statement by virtue of his spouse being a doctor at ARI, however having applied the objective test, he did not consider that he had an interest and remained for the item; and Councillor McRae intimated a transparency statement by virtue of his employment with the Scottish Ambulance Service, however having applied the objective test, he did not consider that he had an interest and remained for the item.

IJB BUDGET SETTING AND MONITORING - AC2504

11. The Committee had before it a report by the Chief Internal Auditor which presented an audit on IJB Budget Setting and Monitoring which was undertaken to ensure appropriate arrangements were in place regarding IJB budget setting and budget monitoring.

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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In response to a question relating to whether there were written procedures for budget setting and annual reporting, the Chief Operating Officer advised that there was a process in place that had been followed for a number of years and that the IJB had looked to adopt a budget protocol which sought to align with the processes of the Council, which had now been implemented.

In response to a question relating to whether the financial position for the IJB would have been different if there were stronger, more robust processes in place, the Chief Operating Officer advised that there was a process in place to monitor the budget with the quarterly performance reporting being submitted to the IJB, noting that it was prepared in liaison with Council and NHS colleagues.

In response to a question relating to the IJB transformation and where things were currently, the Chief Operating Officer advised that the reserves policy would be presented to the IJB Risk, Audit and Performance Committee. He stated that transformation was key for the sustainability of IJB's across the country and that a draft Transformation Strategic Plan would be presented to the IJB Budget meeting which would have a key focus on prevention to keep people well in the community, and that this would be integrated within the medium term financial framework.

In response to a question relating to the financial information provided by NHS Grampian and the need for material changes to be noted and explained for inclusion in future reports and whether NHS Grampian were providing the industry standard across different health boards, the Chief Operating Officer advised that decisions on funding were made throughout the year by the NHS, which was done centrally via the Health Boards to the IJB's. He stated that the audit recommendations provided scope to improve the information coming through to the IJB and that the Chief Finance Officer was confident this would be addressed going forward.

In response to a question relating to whether there would be a further risk due to the decisions made at the Aberdeenshire IJB, the Chief Operating Officer advised that there would be an impact and that they were looking at a whole system approach. He further stated that they were awaiting more detail from colleagues on the decisions of the Aberdeenshire IJB.

The Committee resolved:-

to note the report and the attached internal audit report.

COUNCILLORS INDUCTION AND DEVELOPMENT - AC2509

12. The Committee had before it a report by the Chief Internal Auditor which presented an audit on Councillors Induction and Development which was undertaken to obtain assurance over the processes in place for onboarding and ongoing support and training of Councillors, including the role of Group Leaders.

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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 request for Mental Health training or guidance to be provided, the People Development Manager advised that they would be happy to take that suggestion on board. She further advised that they were working with the Improvement Service to tailor their Political Skills Self Assessment which enabled elected members to reflect on their own development needs including a follow up conversation with People and Organisational Development. The Political Skills Self Assessment was being tailored to the Councils development programme and would be rolled out to all elected members in due course.

In response to a question relating to training undertaken by elected members and what was deemed to be statutory or essential, the People Development Manager advised that statutory courses were deemed to be training required for the Council to undertake legislative duties for the organisation to remain compliant. She further stated that quarterly meetings were held to look at the compliance rates for courses identified as statutory which allowed for a follow up communication with Group Leaders and the individual Councillors. The Interim Chief Officer – Governance advised that for quasi-judicial committees, the training was not a statutory requirement, but rather classed as strongly recommended to undertake. He stated that training for Planning was currently strongly recommended to undertake and that this would be essential in the future.

In response to a question relating to PVG assessments and whether the recommendation for elected members should be that they were strongly recommended to be a member of the Scheme, the Service Lead - People & Organisational Development Services, advised that the Disclosure Scotland Act 2007 stated that only Councillors that were members of certain Council committees, were eligible to be part of the Scheme due to the regulated work with either children or vulnerable adults. The Chief Internal Auditor advised he was reassured by the work that had been undertaken in this area.

In response to a question relating to whether there was a risk if substitutes were attending Committees on behalf of other Councillors, Service Lead - People & Organisational Development Services, advised that the substitute role would not be considered as regular therefore there would be a lower risk.

In response to a question relating to whether all Councillors should have a PVG assessment due to them meeting with members of the public at surgeries and when attending meetings in their communities, Service Lead - People & Organisational Development Services, advised that this would not constitute to be regulated work with vulnerable adults or children.

In response to a question relating to whether the Conveners of Committees where the training was regarded as statutory but not completed could be notified so that they could

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ensure that the elected members were compliant, the People Development Manager advised that Group Leaders and Conveners would be advised accordingly.

In response to a request for clarification in relation to the definitions within the Scheme around what was considered to be regulated work, the Executive Director for Corporate Services advised that a briefing could be provided to all elected members in relation to the PVG Scheme which would include some of the examples raised during this meeting.

The Committee resolved:-

- (i) to note that a briefing on the PVG Scheme would be arranged and provided for all elected members ahead of the Council meeting in April; and
- (ii) to otherwise note the report and the attached internal audit report.

ELC FUNDED PROVIDER PLACES - AC2511

13. The Committee had before it a report by the Chief Internal Auditor which presented an audit in relation to Early Learning Childcare (ELC) Funded Provider Places which was undertaken to ensure ELC Commissioned places requirements were being delivered and that adequate control was exercised over expenditure.

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 which sought assurance that actions would be implemented in relation to the major areas of work to follow up on the recommendations within the audit report, the Chief Officer – Education and Lifelong Learning advised that systems had been set up to look at funded provider accounts to ensure they were financially stable and that contract renewals were sent out and the contracts register updated.

In response to a question relating to the dates for completing the audit recommendations and whether they would be achieved, the Chief Officer – Education and Lifelong Learning advised that all recommendations would be completed.

The Committee resolved:-

to note the report and the attached internal audit report.

TRUSTS AND COMMON GOOD FUND - AC2510

14. The Committee had before it a report by the Chief Internal Auditor which presented at audit on Trusts and Common Good Fund which was undertaken to consider whether appropriate governance and controls were being applied over the use of Trusts and Common Good Funds.

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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 the approval of payments and whether these were via email or finance system, the Chief Officer – Finance advised that systems were used with manual interventions available if required.

In response to a question relating to the long time frame for completing the audit recommendations and the reason for this, the Chief Officer – Finance advised that following consultation with staff involved, those were the dates that were achievable.

The Committee resolved:-

to note the report and the attached internal audit report.

INTERNAL AUDIT PLAN 2025-28 - IA/25/002

15. The Committee had before it a report by the Chief Internal Auditor which sought approval of the Internal Audit Plan for 2025-2028.

The report recommended:-

that the Committee approve the attached Internal Audit Plan for 2025-2028.

In response to a question relating to the number of audits contained in the plan, the Interim Chief Officer – Governance advised that although resourcing the audits would be challenging they were critical to good governance and that the three year plan was helpful for the organisation.

In response to a question relating to whether management were confident that the audits could be completed, the Chief Executive advised that where the risk environment changed for the organisation, any changes to the Internal Audit plan would be reported to this Committee.

The Committee resolved:-

to approve the Internal Audit Plan 2025-2028.

- COUNCILLOR M.TAUQEER MALIK, Convener