

AUDIT, RISK AND SCRUTINY COMMITTEE

ABERDEEN, 26 November 2015. Minute of Meeting of the AUDIT, RISK AND SCRUTINY COMMITTEE. Present:- Councillor Jackie Dunbar, Convener; Councillor Yuill, Vice-Convener; and Councillors Allan (as substitute for Councillor Graham), Cameron, Cooney, Copland, Crockett, Donnelly, Flynn, Greig, Hutchison, Lawrence, Malik, Milne (as substitute for Councillor Nathan Morrison), Jean Morrison MBE, Townson and Young (as substitute for Councillor Reynolds).

The agenda and reports associated with this minute can be accessed via the following link:

<http://committees.aberdeencity.gov.uk/ieListDocuments.aspx?CId=507&MId=3649&Ver=4>

DETERMINATION OF EXEMPT BUSINESS

1. The Convener proposed that items 8.1 and 8.2 of today's agenda (articles 26 and 27 of this minute) be considered with the press and public excluded.

The Committee resolved:-

in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973, to exclude the press and public from the meeting for articles 26 and 27 so as to avoid disclosure of exempt information of the class described in paragraph 1 (article 27) and paragraphs 1 and 2 (article 26).

DEPUTATION REQUEST - MR TOMMY CAMPBELL, UNITE AND MR STEVE DILLON , UCATT

2. In terms of Standing Order 10(1), the Committee had before it a deputation request from Mr Campbell and Mr Dillon in relation to items 8.1 (Craft Workers Terms and Conditions) and 8.2 (Windows Replacement) on the agenda (articles 26 and 27 refers).

The Committee resolved:-

to agree to hear the deputations at the start of the meeting and discuss the reports at the appropriate time on the agenda.

DEPUTATION IN RELATION TO AGENDA ITEMS 8.1 AND 8.2

3. Mr Campbell and Mr Dillon requested that the exempt reports at items 8.1 (Craft Workers Terms and Conditions) and 8.2 (Windows Replacement) be shared with them to enable them to provide full comment in relation to both reports. Mr Campbell advised that they would be focusing on agenda item 8.2 (Window Replacement). The Head of Legal and Democratic Services advised that both reports contained information that may identify an individual and that the reports should not be issued as this would be a risk to the Council under Data Protection Legislation.

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Councillors asked if the reports could be redacted in order for the deputation to receive a copy and whether they would accept a redacted copy of the reports. Mr Dillon advised that the redacted report would be acceptable if the full report was not to be issued.

The Committee resolved:-

- (i) to note the information provided by Mr Campbell and Mr Dillon specifically in relation to agenda item 8.2;
- (ii) to note the legal advice provided that the exempt reports should not be shared due to the risk to the Council under Data Protection legislation;
- (iii) to request Committee Services to redact the report and provide a copy to Mr Campbell and Mr Dillon to allow them to continue with their deputation prior to consideration of the exempt report and that the redacted version be given to members in order for them to ask questions suitable for within the public session.

ADJOURNMENT

The Committee adjourned for 15 minutes to enable the Clerk to have item 8.2 (Windows Replacement) redacted.

MINUTE OF PREVIOUS MEETING OF 29 SEPTEMBER 2015

4. The Committee had before it the minute of its previous meeting of 29 September 2015.

The Committee resolved:-

to approve the minute as a correct record.

WORKPLAN

5. The Committee had before it the workplan prepared by the clerk which set out the future schedule of reports.

The Committee resolved:-

to note the content of the workplan.

DECISION TRACKING STATEMENT

6. The Committee had before it the decision tracking statement as prepared by the clerk.

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The Committee resolved:-

- (i) in relation to items 5 (Compliance with Laws and Regulations) and 6 (Arm's Length External Organisations), to note the update provided and agree to remove both items from the tracking sheet;
- (ii) to remove items 2 (Transfer of Site, Langdykes Road), 4 (PVG Checks, Community Centres), 8 (Housing Rent Assessment) and 10 (Community Centres) subject to the decisions taken later on the agenda; and
- (iii) to otherwise note the content of the tracking sheet.

MINUTE OF CORPORATE HEALTH AND SAFETY COMMITTEE OF 22 MAY 2015

7. The Committee had before it for information, the minute of meeting of the Corporate Health and Safety Committee of 22 May 2015.

The Committee resolved:-

to note the minute

ELECTED MEMBER DEVELOPMENT - CG/14/095

8. With reference to article 6 of the minute of its meeting of 29 September 2015, the Committee had before it a report by the Interim Director of Corporate Governance which provided an update on the training for all elected members in the area of Risk and Scrutiny.

The report recommended:

that the Committee note the content of the report.

The Committee resolved:-

to note the content of the report.

INTERNAL AUDIT PROGRESS AND PERFORMANCE

9. The Committee had before it a report by the Internal Auditor which provided an update on the progress against the 2015/16 Internal Audit Plan.

The report recommended:

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

The Committee resolved:-

- (i) to note that the current programme had been delayed and that the remaining audits would be prioritised in order for them to be progressed;

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- (ii) to note that two audits relating to recruitment procedures would now be covered in the same report to Committee;
- (ii) to otherwise note the content of the report.

EXTERNAL AUDIT PROGRESS REPORT

10. The Committee had before it a report by Audit Scotland, External Auditor, which provided an update on the progress with the external audit of the 2014/15 financial year.

The Committee resolved:-

to note the content of the report.

DATA PROTECTION REPORTING JULY TO SEPTEMBER 2015 - CG/15/135

11. With reference to article 9 of the minute of its meeting of 29 September 2015, the Committee had before it a report by the Interim Director of Corporate Governance which provided an overview of (1) Subject Access Requests statistics; (2) Data Breaches and Near Misses; (3) Data Protection training and (4) a general update for the period July to September 2015.

The report recommended:

that the Committee note the report.

The Committee resolved:-

- (i) in response to a question from Councillor Flynn relating to the percentage of Subject Access Requests responded to within 40 days and what had been done to improve the figures, the Head of Legal and Democratic Services advised that he had requested services to provide information relating to these and that one service in particular struggled to meet the timescales due to the nature of the information sought;
- (ii) in response to a request from the Vice Convener for the figures to be provided by Service, to note that this would be included for future reports; and
- (iii) to otherwise note the content of the report.

PROTECTING VULNERABLE GROUPS (PVG) SCHEME - REPORT BY THE INTERIM DIRECTOR FOR CORPORATE GOVERNANCE

12. The Committee had before it a report by the Interim Director of Corporate Governance which provided details relating to the current policy and procedure's for Protecting Vulnerable Groups (PVG) Scheme.

The report recommended:

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that the Committee note the detail of the report.

Councillors raised various questions relating to whether all Councillors who were deemed to be undertaking regulated work with children or protected adults had been PVG checked and whether substitutes would require to be checked; and whether lay members of Committees or groups undertaking regulated work had been PVG checked.

The Committee resolved:-

- (i) to note that work was currently being undertaken to identify those Councillors or lay members that required to be PVG checked and that this information would be provided to the Committee;
- (ii) to note that substitutes to Committees that required Councillors to be PVG checked would be allowed however they would not be covered by PVG as the work would be incidental and not regulated work;
- (iii) to otherwise note the content of the report.

HOUSING - RENT ASSESSMENT

13. With reference to article 13, resolution (i) of the minute of its meeting of 29 September 2015, the Committee had before it a report by the Internal Auditor which presented an audit into whether the approved Rent Setting Policy as implemented in April 2013 was operating effectively.

The Committee resolved:-

to note the content of the report and endorse the recommendations for improvement.

TRANSFER OF SITE, LANGDYKES ROAD

14. With reference to article 2 of the minute of its meeting of 25 June 2015, the Committee had before it a report by the Internal Auditor which presented the outcome of work undertaken by Internal Audit following a referral from Finance, Policy and Resources Committee regarding the transfer of site at Langdykes Road.

The report recommended:

that the Committee review, discuss and comment on the issues raised within the report.

The Committee resolved:-

to note the content of the report.

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RISK MANAGEMENT

15. The Committee had before it a report by the Internal Auditor which presented an audit into the Council's adopted Risk Management procedures to identify its risks and ensure that they were adequately managed.

Councillor Cameron sought clarification relating to the Health and Social Care Partnership Integration Scheme and the requirements within the Risk Management Strategy, wherein the Internal Auditor advised that they would be using the Health Board's Risk Management Process which satisfied the requirements of the Scottish Government.

Councillor Young sought clarification on how the risks would be reported and monitored in relation to the Integrated Joint Board, wherein the Internal Auditor advised that the Integrated Joint Board would be providing services on behalf of the Council and Internal Audit would be looking at the risks in place.

The Vice Convener sought an update in relation to the Risk Management Strategy and when it would be reported to this Committee as the previous one was more than twelve months ago, wherein the Risk Manager advised that additional work was required to ensure all elements of risk and the broader governance statement were included in the Risk Management Strategy and that a report would be presented to this Committee within six months.

The Committee resolved:-

- (i) in response to a question from the Vice Convener relating to the Risk Management Strategy and Statement of Control Annual Report to this Committee, to note that the new broader governance statement was not reflected in the Risk Management Strategy and that further work was required to amend the Strategy and that a report would be submitted to this Committee at its meeting on 28 April 2016;
- (ii) to otherwise note the content of the report and endorse the recommendations for improvement.

COMMERCIAL AND PROCUREMENT - CREDITORS SYSTEM

16. The Committee had before it a report by the Internal Auditor, which presented an audit into whether appropriate control was being exercised over the Creditors System, including contingency planning and disaster recovery and that the interface to and from other systems were accurate and properly controlled.

The Committee resolved:-

to note the content of the report and endorse the recommendations for improvement.

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HUMAN RESOURCES & CUSTOMER SERVICE - PAYROLL SYSTEM

17. The Committee had before it a report by the Internal Auditor, which presented an audit into whether appropriate control was being exercised over the Payroll System, including contingency planning and disaster recovery and that the payments made by the system were accurate.

The Convener sought clarification in relation to a recommendation that had not been agreed relating to a PSe Manual, wherein the Head of Human Resources and Customer Service advised that the system would be replaced within a three/four year period and that a manual for the new operating system would be provided.

The Vice Convener sought clarification on the number of staff that used the system wherein the Head of Human Resources and Customer Service advised that there were four members of staff. The Convener requested that something be put in place in case those staff members were to leave the Council wherein it was agreed that a brief note on the system could be provided until the new system was in place and operational.

The Committee resolved:-

- (i) in response to a question from the Convener in relation to written procedures for the PSe System where agreement had not been met between the auditor and the service and whether this item would be included in outstanding recommendations report, to note that the auditor would always recommend best practice and to note that a brief outline of the system could be provided with a full manual being implemented for the replacement system; and
- (ii) to otherwise note the content of the report and endorse the recommendations for improvement.

SCOTTISH PUBLIC SERVICES OMBUDSMAN COMPLAINT DECISIONS - CG/15/138

18. The Committee had before it a report by the Interim Director of Corporate governance which provided details of all Scottish Public Services Ombudsman (SPSO) decisions relating to Aberdeen City Council complaints received during 2014/15 that were subsequently referred to the Ombudsman.

The report recommended:

That the Committee review the content of the report, identify any systemic issues and recommend any additional actions as appropriate.

The Committee resolved:-

To approve the recommendation contained in the report.

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AUDIT SCOTLAND - AUDIT OF HOUSING BENEFIT - CG/15/129

19. The Committee had before it a report by the Interim Director for Corporate Governance which advised the Committee of the outcome of Audit Scotland's Housing Benefit - Performance Audit Risk Assessment.

The report recommended:

that the Committee note the content of the report.

Councillor Townson sought additional information relating to the operation of the Single Fraud Investigation Service, wherein the Head of Finance advised that they were based locally and the Council had retained its own counter fraud staff.

Councillor Hutchison requested further information relating to the current amount of subsidy that the Council were unable to claim due to the value of local authority/administrative delay error overpayment being above DWP's threshold of 0.54%, the Head of Finance advised that he would provide Councillor Hutchison with the current figure.

The Committee resolved:-

- (i) in response to questions from Councillor Townson relating to the Single Fraud Investigation Service, to note that the Council had retained its counter fraud staff and they were based locally and to note that the Head of Finance would try to gain information on how the SFIS were structured and how they were operating across their full remit;
- (ii) in response to a question from Councillor Hutchison relating to the current amount of subsidy that the Council were unable to claim due to the value of local authority/administrative delay error overpayment being above DWP's threshold of 0.54%, to note that the Head of Finance would provide Councillor Hutchison with the current figure; and
- (ii) to otherwise approve the recommendation contained in the report.

FOOD STANDARDS SCOTLAND CORE AUDIT - CHI/15/297

20. The Committee had before it a report by the Director of Communities, Housing and Infrastructure which presented the findings of the Food Standards Scotland Core Audit of Aberdeen City Council's Official Controls in relation to Regulation (EC) 852/2004 on the Hygiene of Foodstuffs in Food Business Establishments and the application of the Food Hygiene Information Scheme.

The report recommended:

that the Committee notes the content of the audit report and the associated action plan prepared by the Environmental Health Service.

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The Committee resolved:-

- (i) to note the praise given to the team from the Manager and the Committee; and
- (ii) to otherwise approve the recommendation contained in the report.

INTERNAL AUDIT RECOMMENDATIONS OUTSTANDING PRE 2015/16

21. The Committee had before it a report by the Internal Auditor which advised on progress Services' had made with implementing recommendations agreed in Internal Audit reports issued by the previous auditors, PWC.

The report recommended:

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

Councillor Cameron sought clarification relating to Service Reviews and whether they would be completed by the 31 December 2015, wherein the Team Manager advised that each of the items should have a completion date and that he would liaise with the Head of Joint Operations to ensure the correct dates were added.

Councillor Copland sought clarification in relation to the timing of the recommendations to be completed and the opportunity for the Integrated Joint Board to scrutinise the information prior to them operating from 1 April, wherein the Team Manager advised that he would liaise with the Chief Officer and provide the information to the Committee.

The Committee resolved:-

- (i) to note that the item relating to Compliance with Laws and Regulations would be removed in relation to the decision taken at article _ of this minute;
- (ii) in response to questions from Councillor Cameron in relation to Service Reviews and the additional time to complete the actions, to note that the Team Manager would liaise with the Head of Joint Operations to ensure the correct dates were added against each of the outstanding recommendations;
- (iii) in response to a question from Councillor Copland relating to the timing for the recommendations to be completed and whether the Integration Joint Board would have an opportunity to scrutinise the information prior to their inception on 1 April 2016, to note that the Team Manager would liaise with the Chief Officer and provide the information to the Committee;
- (iii) to otherwise note the content of the report.

INTERNAL AUDIT FOLLOW UP RECOMMENDATIONS

22. The Committee had before it a report by the Internal Auditor which advised on the progress with implementing agreed recommendations contained in reports issued in relation to the 2015/16 Internal Audit Plan and any additional work undertaken.

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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.

The Committee resolved:-

to note the content of the report.

EXTERNAL AUDIT RECOMMENDATION OUTSTANDING 14/15

23. The Committee had before it a report by Audit Scotland, External Auditor, which presented the list of issues and risks that had been agreed by Management as part of the 2014/15 audit. An update had been provided for the items due to be complete by February 2016.

The Committee resolved:-

to note the content of the report.

MEASURES TO DETECT AND PREVENT FRAUD - CG/15/113

24. The Committee had before it a report by the Interim Director of Corporate Governance which presented for information the Policy and Strategic Response to Fraud, Bribery and Corruption.

The report recommended:

That the Committee –

- (a) note the content of the report and attached Policy and Strategic Response to Fraud, Bribery and Corruption document; and
- (b) note that the Finance, Policy and Resources Committee of 15 September 2015 approved the Policy and Strategic Response to Fraud, Bribery and Corruption.

Councillor Townson sought clarification as to when Police Scotland would be contacted for assistance, wherein the Head of Finance advised that if there was a suspected case of fraud then Police Scotland would be contacted for each occurrence.

Councillor Townson requested an update in relation to the National Fraud Authority Self-Assessment Checklist and when the items listed as No would be actioned, wherein the Head of Finance advised that these were currently being looked at and that an annual report would be submitted to this Committee to provide details of any fraud activity.

The Committee resolved:-

- (i) in response to a question from Councillor Townson relating to when Police Scotland would be contacted, to note that they would be contacted for all instances where a suspected fraud has taken place;

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- (ii) to note that the Committee would receive an annual report to notify them of any activity in relation to fraud;
- (iii) to otherwise approve the recommendations contained in the report.

PVG CHECKS - COMMUNITY CENTRES - CHI/15/319

25. The Committee had before it a report by the Director of Communities, Housing and Infrastructure which advised on the progress made in relation to Protecting Vulnerable Groups (PVG) Checks for Leased Community Centres.

The report recommended:

that the Committee note the content of the report.

Councillor Cameron sought clarification as to who is able to vet the certificates, wherein the Communities and Partnership Service Manager advised that she thought it would be Volunteer Scotland however she would clarify the issue and advise the Committee.

The Committee resolved:-

- (i) to note that the Service manager would advise the Committee on who would be able to vet the PVG certificates for Community Centre members; and
- (ii) to otherwise approve the recommendation contained in the report.

ADJOURNMENT

The Committee adjourned for 15 minutes to allow the redacted report for item, 8.2 (Windows Replacement) to be circulated to Members and to Mr Campbell and Mr Dillon.

EXEMPT INFORMATION

In accordance with the decision taken at article 1 of this minute, the following item of business was considered with the press and public excluded.

WINDOW REPLACEMENTS - CG/15/147

26. Prior to considering the exempt report, the Committee heard the deputation in public session. Councillors asked various questions in relation to the redacted report and the presentation.

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The Committee had before it a report by the Director of Communities, Housing and Infrastructure which presented the outcome of an internal audit into replacement windows at a Council property.

Councillors asked various questions to officers in relation to the full report.

The Committee resolved:-

- (i) to thank Mr Campbell and Mr Dillon for their presentation;
- (ii) to defer the report for further information to be provided; and
- (iii) to request the Internal Auditor to undertake an audit into the process for dealing with complaints against officers and to determine if the process was followed correctly in this case, and to make any recommendations as appropriate.

CRAFT WORKERS TERMS AND CONDITIONS

27. The Committee had before it a report by the Internal Auditor which presented the outcome of an audit into Craft Workers Terms and Conditions.

The Committee resolved:-

to note the content of the report and endorse the recommendations for improvement.