

AUDIT, RISK AND SCRUTINY COMMITTEE

ABERDEEN, 9 March 2016. Minute of Meeting of the AUDIT, RISK AND SCRUTINY COMMITTEE. Present:- Councillor Jackie Dunbar, Convener; Councillor Yuill, Vice-Convener; and Councillors Cameron, Carle (as substitute for Councillor Reynolds), Cooney, Copland, Lesley Dunbar (as substitute for Councillor Crockett), Flynn, Graham, Grant (as substitute for Councillor Nathan Morrison) (until item 5.3), Greig, Hutchison, Lawrence, Malik, Jean Morrison MBE, Townson and Young (as substitute for Councillor Nathan Morrison) (from item 5.3).

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=3811&Ver=4>

DETERMINATION OF EXEMPT BUSINESS

1. The Convener proposed that items 9.1, 9.2 and 9.3 of today's agenda (articles 26, 27 and 28 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, 27 and 28 so as to avoid disclosure of exempt information of the class described in paragraph 1 to the Act.

MINUTE OF PREVIOUS MEETING OF 26 NOVEMBER 2015

2. The Committee had before it the minute of its previous meeting of 26 November 2015.

The Committee resolved:-

to approve the minute as a correct record.

WORKPLAN

3. 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 SHEET

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

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The Committee resolved:-

to note the content of the decision tracking sheet.

MINUTE OF THE CORPORATE HEALTH AND SAFETY COMMITTEE OF 28 AUGUST 2015

5. The Committee had before it for information, the minute of meeting of the Corporate Health and Safety Committee of 28 August 2015.

The Committee resolved:-

to note the minute.

MINUTE OF THE CORPORATE HEALTH AND SAFETY COMMITTEE OF 27 NOVEMBER 2015

6. The Committee had before it for information the minute of meeting of the Corporate Health and Safety Committee of 27 November 2015.

The Committee resolved:-

to note the minute.

DECLARATIONS OF INTEREST

Councillor Lawrence declared an interest in the subject matter of the following article by virtue of his position as a Council appointed Director to the Board of Sport Aberdeen but chose to remain in the meeting as Sport Aberdeen was a body being a company established wholly or mainly for the purpose of providing services to the local authority, and which had entered into a contractual arrangement with the local authority for the supply of goods and/or services to the local authority, as set out in paragraph 5.18(2)(d)(i) and (ii) of the Councillors' Code of Conduct.

Councillor Cameron declared an interest in the subject matter of the following article by virtue of his position as a Board member of Aberdeen Sports Village but chose to remain in the meeting during consideration of the item.

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ALEO GOVERNANCE HUBS - CG/16/027

7. The Committee had before it a report by the Interim Director of Corporate Governance which summarised the significant matters raised at the December meetings of the Arm's Length External Organisation (ALEO) Governance Hub.

Councillor Townson sought clarification relating to recent allegations relating to Garthdee Alpine Sports, whereupon the Convener advised that the matter would be discussed in private session.

Councillor Graham sought information as to when the Scottish Parliaments Local Government and Regeneration Committee would be releasing their report in relation to ALEO's, whereupon the Senior Democratic Services Officer advised that it had been published that morning and would be circulated to all members of the Committee.

The report recommended:

That the Committee –

- (a) note the report and the appended minutes;
- (b) note that the Governance Hub would begin meeting quarterly during 2016 and would commence scrutiny of tier 2 ALEOs in May; and
- (c) refer the individual minutes, with a specific covering report to be prepared by the responsible Head of Service, to the appropriate service committee to consider ALEO performance against agreed performance indicators and contract.

The Committee resolved:-

- (i) in relation to a question from Councillor Townson relating to Garthdee Alpine Sports, to note that information would be provided in private session;
- (ii) in relation to a question from Councillor Graham relating to the Scottish Government publication on Arm's Length Organisations, to note that the report was published on the morning of 9 March and would be circulated to all members of the Committee; and
- (iii) to otherwise approve the recommendations contained in the report.

INTERNAL AUDIT PROGRESS AND PERFORMANCE

8. 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 Committee resolved:-

- (i) in relation to a question from Councillor Grieg regarding when the audit report on Corporate Policies and Procedures in Aberdeen and Aberdeenshire Councils would be presented to Committee, to note that it would be submitted to the next meeting in April 2016;

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- (ii) in relation to a question from Councillor Greig regarding when the audit report on Academy Visits would be presented to Committee, to note that it would be submitted to the next meeting in April 2016;
- (iii) to otherwise note the content of the report.

INTERNAL AUDIT PLAN 2016/17

9. The Committee had before it a report by the Internal Auditor which presented the Internal Audit Plan for 2016/17.

The report recommended:

that the Committee approve the Internal Audit Plan for 2016/17.

The Committee resolved:-

to approve the recommendation contained in 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

EXTERNAL AUDIT PLAN 2015/16

11. The Committee had before it a report by Audit Scotland, External Auditor, which presented the External Audit Plan for 2015/16.

The Committee resolved:-

to approve the External Audit Plan for 2015/16.

SCOTTISH PUBLIC SERVICES OMBUDSMAN COMPLAINT RECOMMENDATIONS - CG/16/040

12. The Committee had before it a report by the Interim Director of Corporate Governance which (i) provided details of all Scottish Public Services Ombudsman (SPSO) decisions received during the first three quarters during 2015/16 relating to

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Aberdeen City Council complaints; and (2) presented the SPSO Local Authority 2014/15 annual statistics table.

The Committee resolved:-

to note the content of the report.

CROSS SERVICE - ALEO'S

13. The Committee had before it a report by the Internal Auditor, which presented an audit into the governance arrangements in place between the Council and its ALEO's and included the determination of sources of assurance regarding risk management, internal controls and staff and information governance.

Councillor Flynn sought clarification relating to the lack of a definition of an ALEO, whereupon the Senior Democratic Services Manager advised that there were currently four definitions for an ALEO and that one was currently used locally.

Councillor Hutchison stated that he had requested information from Bon Accord Care however the request was being dealt with as a FOI request and sought clarification if that was the correct process, wherein the Senior Democratic Services Manager advised that he would discuss the matter with Councillor Hutchison outwith the meeting.

The Convener requested information on how to raise members' enquiries with individual ALEO's as they weren't always being dealt with in the same manner. The Customer Experience Officer advised that she would circulate guidance to all Elected Members in due course.

The Committee resolved:-

- (i) in relation to a question from Councillor Hutchison regarding a request for information from Bon Accord Care and how the request was being dealt with, to note that the Senior Democratic Services Manager would discuss the issue with Councillor Hutchison outwith the meeting;
- (ii) in relation to a question from the Convener regarding how to raise members enquiries relating to ALEO's, to note that the Customer Experience Officer would issue guidance to all Councillors in due course; and
- (iii) to otherwise note the content of the report and endorse the recommendations for improvement.

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EDUCATION AND CHILDREN'S SERVICES - PAYMENT CONTROLS IN CHILDREN'S SOCIAL WORK

14. The Committee had before it a report by Internal Auditor, which presented an audit, as requested by the Service, into the effectiveness of contracting and payment controls within Children's Social Work.

Councillor Yuill sought clarification over when the original urgent notice had been issued to budget holders and how long before the further notice was issued to the outstanding returns from the budget holders, wherein the Performance and Delivery Manager advised that she would source the information and provide it directly to Councillor Yuill and the Committee.

The Convener welcomed the report and the action plan in place to deal with the issues highlighted in the audit. She requested that the report be submitted to the next meeting of the Education and Children's Services Committee for them to consider the content of the audit report and the action plans in place.

The Committee resolved:-

- (i) in relation to a question from Councillor Yuill regarding when the urgent notice was issued to budget holders and the time that had passed before a further notice was issued, to note that the Performance and Delivery Manager from Education and Children's Services would provide details to Councillor Yuill and the Committee;
- (ii) to refer the audit report to the next meeting of the Education and Children's Services Committee for their consideration; and
- (iii) to otherwise note the content of the report and endorse the recommendations for improvement.

HEALTH AND SOCIAL CARE INTEGRATION PRE-INTEGRATION FINANCIAL ASSURANCE

15. The Committee had before it a report by the Internal Auditor which presented the findings in relation to financial assurance for the pre-integration of health and social care.

The report advised that in May 2015, the Scottish Government issued final guidance for Integration Financial Assurance which placed specific requirements on the Audit Committees of the partner organisations within the pre integration shadow period, which included:

- The finance provisions to be included in the integration scheme;
- The plans for financial governance and financial assurance and risk;
- That lessons had been learned from other integration projects;

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- That the financial metrics to be used in future to assess whether integration has met its objectives had been identified and that a process for obtaining baseline data was in place.

The report further advised that that a further report from NHS Grampian Internal Auditors would outline the separate work undertaken in respect of the areas controlled and influenced by NHS Grampian, a copy of which would be shared with members of this Committee in due course.

The Committee resolved:-

- (i) to note that an updated report would be submitted to the Integrated Joint Board on 29 March 2016 and then to this Committee at its meeting in April 2016;
- (ii) to otherwise note the content of the report and endorse the recommendations for improvement.

FINANCE - COUNCIL TAX

16. The Committee had before it a report by the Internal Auditor which presented an audit into the effectiveness of the billing and collection arrangements to ensure they were robust and adequately applied.

The Committee resolved:-

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

CREMATORIUM

17. The Committee had before it a report by the Internal Auditor which presented an audit into the effectiveness of the new practices which had been implemented at the Crematorium as a result of the recommendations contained in the report published following the Infant Cremation Commission established by the Scottish Government and to ensure that they were working as intended and addressed the concerns in the report by the Scottish Government.

The Committee resolved:-

- (i) to request the Head of Public Infrastructure and Environment to thank staff based at the Crematorium for their achievements especially under current difficult circumstances;
- (ii) to otherwise note the report and endorse the recommendations for improvement.

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HOUSING - SHELTERED HOUSING

18. The Committee had before it a report by the Internal Auditor which presented an audit into the review of the implementation of revised arrangements for the usage of Sheltered and Very Sheltered Housing complexes within the City as outlined in a report presented to the Housing and Environment Committee in January 2013.

The Committee resolved:-

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

PUBLIC INFRASTRUCTURE AND ENVIRONMENT - TRADE WASTE

19. The Committee had before it a report by the Internal Auditor which presented an audit into whether adequate control was in place covering income and expenditure; that appropriate agreements and other paperwork was in place; and that accounting arrangements were robust in relation to trade waste.

The Committee resolved:-

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

CROSS SERVICE - RECRUITMENT PROCEDURES

20. The Committee had before it a report by the Internal Auditor which presented an audit into whether all Council Services were complying with procedures relating to recruitment and document retention and that recruitment was being undertaken in the most efficient manner.

Councillors requested clarification relating to teachers being employed prior to the relevant pre-employment checks taking place, wherein the Director of Education and Children's Services advised that a risk assessment had been undertaken and all teachers as part of their GTC registration would hold a PVG certificate and that needed to be updated for employment at the Council.

Councillor Yuill requested clarification as to how many teachers at the start of the school term in August 2015 did not hold the updated PVG, wherein the Head of Policy, Performance and Resources advised that he would provide the information directly to Councillor Yuill.

The Convener sought agreement from the Committee that a report be submitted to the Education and Children's Services Committee and the Finance, Policy and Resources Committee at their June meetings in respect of the recommendations and observations presented in the audit report.

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The Committee resolved:-

- (i) in relation to a question from Councillor Yuill regarding what the position was at the start of the school term in August 2015 for teachers having been PVG checked, to note that the Head of Policy, Performance and Resources would provide the information to Councillor Yuill;
- (ii) to instruct the Interim Director of Corporate Governance and the Director of Education and Children's Services to submit a report to the Education and Children's Services Committee on 2 June 2016 and the Finance, Policy and Resources Committee on 7 June 2016 in respect of the observations and recommendations made by Internal Audit on PVG checks in their internal audit report Recruitment and Selection; and
- (iii) to otherwise note the content of the report and endorse the recommendations for improvement.

INTERNAL AUDIT RECOMMENDATIONS OUTSTANDING PRE 2015/16 (PWC)

21. The Committee had before it a report by the Internal Auditor which advised of the 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.

The Committee resolved:-

to note the content of the report.

INTERNAL AUDIT FOLLOW UP ON RECOMMENDATIONS AGAINST THE 2015/16 AUDIT PLAN

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.

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.

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EXTERNAL AUDIT OUTSTANDING RECOMMENDATIONS 2014/15

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.

The External Auditor advised that in relation to item 1 (National Fraud Initiative) that a detailed report would be presented to this Committee at its meeting in April.

The Committee resolved:-

- (i) to note that a report would be submitted to the next meeting in April relating to National Fraud Initiative;
- (ii) to otherwise note the content of the report.

LEASED COMMUNITY CENTRES - PROGRESS REPORT - CHI/16/022

24. The Committee had before it a report by the Director of Communities, Housing and Infrastructure which advised on the progress made with implementing the outstanding audit recommendations in relation to Leased Community Centres.

Councillors sought clarification relating to the position at various Community Centres specifically those whose lease was due to expire. The Service Manager advised that a mutually agreed position would have to be reached on how to move forward with those Centres with their lease due to expire.

Councillor Hutchison enquired as to the maintenance at one of the Community Centres and whether finance had been allocated to undertake the works, wherein the Service Manager advised that there was nothing scheduled at present for the Centre.

Councillor Graham sought clarification as to where future information would be reported, wherein the Service Manager advised that reports would be submitted to the Communities, Housing and Infrastructure Committee.

The report recommended:

that the Committee note the report.

The Committee resolved:-

- (i) to note that further reports relating to Leased Centres would be submitted to the Communities, Housing and Infrastructure Committee;
- (ii) to otherwise note the content of the report.

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ANNUAL ACCOUNTS 2015/16 - ACTION PLAN AND KEY DATES - CG/16/016

25. The Committee had before it a report by the Interim Director of Corporate Governance which provided high level information and key dates in relation to the 2015/16 Annual Accounts including linkages to the plans and timetables of the Councils External Auditors.

The report recommended:

that the Committee note the contents of the report.

The Committee resolved:-

to approve the recommendation contained in the report.

OVERVIEW OF LOCAL GOVERNMENT 2015 - REPORT BY THE CHIEF EXECUTIVE

26. The Committee had before it a report by the Chief Executive which provided an overview of the Council's position with respect to the recommendations in Audit Scotland's report "An Overview of Local Government in Scotland 2015".

The Corporate Performance and Transformation Manager advised that a report on the Best Value Audit would be submitted to this Committee at its meeting in April.

The report recommended:

That the Committee –

- (a) consider the attached position statement with respect to the recommendations in Audit Scotland's report An Overview of Local Government in Scotland 2015; and
- (b) agree that the issues identified are being addressed within broader improvement programmes or to instruct further action as appropriate.

The Committee resolved:-

- (i) to note that a report relating to the Best Value Audit would be submitted to this Committee at its meeting in April; and
- (ii) to otherwise approve the recommendations contained in the report.

LOCAL SCRUTINY PLAN 2016/17

27. The Committee had before it a report by Audit Scotland, External Auditor which presented Aberdeen's draft Local Scrutiny Plan for 2016/17.

The Committee resolved:-

to note the content of the draft Local Scrutiny Plan.

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EXEMPT INFORMATION

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

CROSS SERVICE - TIME SHEETS

28. The Committee had before it a report by the Internal Auditor which presented an audit into whether timesheets across the Council had been completed, authorised and paid correctly in line with the Council's terms and conditions and Financial Regulations.

The Committee resolved:-

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

WINDOWS REPLACEMENTS

29. With reference to article 26 of the minute of its meeting of 26 November 2015, the Committee had before it a report by the Internal Auditor which advised on the outcome of an audit relating to the process for dealing with complaints against officers. The report had appended the original report and associated appendices relating to windows replacements.

The report recommended:

That the Committee is requested to review, discuss and comment on the issues raised within the report.

The Convener sought agreement from the Committee on a number of recommendations that she had discussed with the Convener of Finance, Policy and Resources Committee prior to the meeting, those being:

That the Committee:

- (a) notes the contents of the report
- (b) notes the extracts from the Managing Discipline Guidance for Managers regarding suspension as noted in Appendix A of the report;
- (c) notes that the Conveners of Audit, Risk and Scrutiny Committee and Finance, Policy and Resources Committee raised concerns about the operational and strategic management of the housing repairs services separately and independently with the Chief Executive and the Director of Communities, Housing and Infrastructure;
- (d) notes the concerns regarding operational and strategic management of the housing repairs services raised by the Trade Unions separately and

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- independently of Elected Members with the Chief Executive and the Director of Communities, Housing and Infrastructure;
- (e) note that there was no specific policy or procedure to deal with complaints against officers;
 - (f) instructs the Director of Corporate Governance to develop a new policy for dealing with complaints against officers, in liaison with trade unions to ensure a consistent approach was maintained across the Council regardless of officer grades; and
 - (g) instructs the Director of Corporate Governance to report to the Finance, Policy and Resources Committee on 7 June 2016 with proposals for a new policy relating to complaints against officers.

The Committee resolved:-

to approve the recommendations as outlined by the Conveners of Audit, Risk and Scrutiny Committee and the Finance, Policy and Resources Committee.

MATTERS UNDER INVESTIGATION

30. With reference to article 7, resolution (i) of this minute, the Internal Auditor and the Head of Policy, Performance and Resources provided information in relation to the investigation undertaken in respect of alleged complaints with an ALEO.

The Committee resolved:-

in response to a question from Councillor Townson relating to an ALEO to note the information provided.

- **COUNCILLOR JACKIE DUNBAR, Convener**