

AUDIT, RISK AND SCRUTINY COMMITTEE

ABERDEEN, 27 November 2025. Minute of Meeting of the AUDIT, RISK AND SCRUTINY COMMITTEE. Present:- Councillor Malik, Convener; and Councillors Allard, Alphonse, Bonsell, Clark (as substitute for Councillor McRae), Massey, van Sweeden and Yuill.

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.

MINUTE OF PREVIOUS MEETING OF 11 SEPTEMBER 2025

1. The Committee had before it the minute of its meeting of 11 September 2025.

The Committee resolved:-

to approve the minute as a correct record.

COMMITTEE BUSINESS PLANNER

2. The Committee had before it the Committee Business Planner prepared by the Chief Officer – Governance.

The Committee resolved:-

to note the content of the business planner.

ALEO ASSURANCE HUB UPDATE REPORT - CORS/25/268

3. The Committee had before it a report by the Executive Director of Corporate Services which provided assurance on the governance arrangements, risk management and financial management of Arm's Length External Organisations (ALEOs) as detailed within the ALEO Assurance Hub's terms of reference.

The report recommended:-

that the Committee -

- (a) to note the level of assurance provided by each ALEO on governance arrangements, risk management and financial management respectively and the risk ratings applied by the ALEO Assurance Hub, as detailed in appendices B-H; and
- (b) to note that the ALEO Assurance Hub would discuss any outstanding issues specified in the appendices with ALEO representatives, with a view to maintaining low/very low risk ratings and improving any medium risk ratings to low/very low.

The Assurance Manager advised that the governance risk rating was low in relation to BPJV.

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In response to a question relating to Aberdeen Performing Arts, and what the acronym CE stood for, to note that this was Cyber Essentials.

In response to questions relating to Bon Accord Care and whether a formal business plan and medium term financial plan would be put in place, the Chief Officer – Finance advised that work was ongoing to complete the medium term financial plan for 2025-26 to 2027-28.

The Committee resolved:-

- (i) to note the update provided in relation to the governance risk rating of BPJV; and
- (ii) to otherwise approve the recommendations contained in the report.

COUNTER FRAUD POLICY - CORS/25/269

4. The Committee had before it a report by the Executive Director of Corporate Services which presented the updated Counter Fraud Policy.

The report recommended:-

that the Committee -

- (a) approves the Counter Fraud Policy attached at Appendix A; and
- (b) notes the associated Counter Fraud Policy Guidance attached at Appendix B.

In response to a question relating to the Integrity Group, the Counter Fraud Officer advised that the group was made up of officers from across the Council whose role was to oversee the new Fraud Risk Management framework and that they reported to the Risk Board.

In response to a question relating to the main changes in the versions of the policy, the Counter Fraud Officer advised that the new policy provided effective guidance to officers to identify, manage and record evidence of fraud.

In response to questions relating to the Counter Fraud Officers and the Fraud Sharepoint site, the Counter Fraud Officer advised that the Counter Fraud Officers were Council employees who operated under the Chief Officer – Finance and that a fraud page was available on the intranet which was available to officers and Councillors.

In response to a question relating to the terminology used in fraud models and why personality analysis was used in the fraud pentagon model, the Counter Fraud Officer advised that the fraud models had developed over time to capture what fraud was and how to prevent it, with personality components added at later stages.

In response to a question relating to whether the new policy was a significant enhancement or an update to the existing policy, the Counter Fraud Officer advised that it was a significant enhancement due to the Council now having an obligation to prove

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they were taking steps to prevent fraud where officers were actively looking to identify fraud weaknesses resulting in proactive measures being implemented.

In response to a question relating to the Counter Fraud Policy and how the exposure to fraud would be managed by the ALEO Assurance Hub, the Assurance Manager advised that the ALEO Assurance Hub looked for assurance across all aspects of governance with the workplan setting out the details of what was expected in terms of providing assurance around counter fraud. She further advised that the Counter Fraud Officer had held a briefing session for ALEO's around this.

In response to a question relating to this Committee's role and the nature of the reports from the Chief Officer – Finance, the Chief Officer – Finance advised that where there were any identified fraud related matters, that reports would be submitted to this Committee.

In response to a question relating to what the three levels of defence were in relation to fraud, the Counter Fraud Officer advised that these were Doers, Helpers and Checkers with assurance taken from controls across the model.

In response to a question relating to whether consideration was given to the existing responsibilities for officers when policies were updated or replaced, the Assurance Manager advised that all policies when reviewed were presented to the Policy Group first to ensure that officer responsibilities were cross referenced across both versions.

In response to a question relating to the expectations of ALEO's and who was responsible, the Counter Fraud Officer advised that each ALEO were responsible for compliance with legislation which the ALEO Assurance Hub would monitor to ensure that the Council were not exposed, with the Council managing their own exposure.

The Committee resolved:-

to approve the recommendations contained in the report.

ANNUAL ACCOUNTS 2025/26- ACTION PLAN & KEY DATES - CORS/25/267

5. The Committee had before it a report by the Executive Director of Corporate Services which provided high level information and key dates in relation to the 2025/26 Annual Accounts including linkages to the plans and timetables of the Council's External Auditors.

The report recommended:-

that the Committee note the information in relation to the 2025/26 annual accounts process contained in the report.

In response to a question relating to a recent training session for the Committee and the list of things that would be useful for the accounts, the Assurance Manager advised that

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the Senior Audit Manager would hold detailed sessions ahead of the accounts being presented to the Committee. She further advised that the training programme to roll out scrutiny training for other committee's was being developed.

In response to a question relating to what additional actions were required to comply with the regulations of being listed on the London Stock Exchange (LSE), the Chief Officer – Finance advised that there were some procedural changes implemented which were set out in the Bond Protocol. He further advised that the main impact was preparation and reporting of the annual accounts within a compressed timeframe.

The Committee resolved:-

to approve the recommendation contained in the report.

INTERNAL AUDIT PROGRESS REPORT - IA/25/013

6. The Committee had before it a report by the Chief Internal Auditor which provided an update on the work of Internal Audit since the last update to Members. The report contained details of progress against the approved Internal Audit plans, audit recommendations follow ups, and other relevant matters for the attention of the Committee.

The report recommended:-

that the Committee –

- (a) note the progress of the Internal Audit Plan; and
- (b) note the progress that management had made with implementing recommendations agreed in Internal Audit reports.

In response to a question relating to the high number of overdue audit recommendations, the Audit Team Manager advised that Internal Audit had no concerns regarding the number and that management were providing updates in relation to the progress. The Assurance Manager advised that the audit recommendations were monitored by the Risk Board.

In response to a question relating Audit AC2404 and when the NEC system would be available, the Executive Director of Corporate Services advised that the system was a system that would be used by more than one cluster in relation to property and housing services which would require digital support for each of the clusters to go live in the first quarter of 2026.

In response to a question relating to the executive summary and the three reviews mentioned versus the two reports before the Committee and whether the third report would be presented to the Committee, the Audit Team Manager advised that the third review was in relation to financial controls that was issued to management only and that a separate report was presented to this Committee at its last meeting by the Chief Officer – Finance.

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In response to a question relating to Audit AC2418 and whether an alternative partner could be appointed, the Climate and Environment Policy Manager advised that there was a well established relationship with the partner and that on this occasion this would be brought in house to complete the work and that this had added additional work onto the team.

In response to a question relating to Audit AC2504 and whether the reporting on business planning would be a specific piece of work or part of standard workstreams, the Executive Director of Families and Communities advised that there was a Resettlement Strategy and Delivery Plan in operation with the audit providing areas to enhance the work already being undertaken.

The Committee resolved:-

to approve the recommendations contained in the report.

COMPLAINTS HANDLING - AC2603

7. The Committee had before it a report by the Chief Internal Auditor which presented the planned Internal Audit report on Complaints Handling.

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 increase in stage 1 complaints and the reasons for this, the Customer Services Manager advised that there was an increased awareness of recording complaints and that an analysis was undertaken and presented in the annual report showing the key themes for the year. She further advised that there were different trends each year and these varied across the organisation.

In response to a question relating to why there was no subsequent or independent review to confirm closed complaints had been categorised correctly and whether this was something that would be undertaken in the future, the Customer Services Manager advised that where capacity allowed within the central team, spot checks would be undertaken to review the outcomes of complaints, working with services to ensure the correct use of outcomes were recorded, providing additional training where required. She further advised that new guidance had been issued via the intranet.

In response to a question relating to why central records did not indicate timescales or progress, the Customer Service Manager advised that this related to lessons learnt which services are asked to identify. She stated that the actions to follow up on the identified lessons learnt could take a variety of formats with differing timescales that the service managed and were not reported back to the central team.

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In response to a question relating to whether compliments were also recorded, the Customer Services Manager advised that these were recorded and feedback provided to the relevant service.

The Committee resolved:-

to note the report and the attached internal audit report.

CARBON BUDGETING - AC2602

8. The Committee had before it a report by the Chief Internal Auditor which presented the planned Internal Audit report on Carbon Budgeting.

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 risk rating and whether it would be categorised differently if judged on the minimum statutory duty, the Climate and Environment Policy Manager advised that the Council were going beyond the statutory requirements to deliver net zero by 2045 and that the scrutiny undertaken was based on the work taking place rather than the statutory duties. The Audit Team Manager advised that a goal had been set to reach net zero by 2045 where good carbon budget setting and monitoring would drive that and this is where the major risk rating came from.

In response to a question relating to the service not accepting the risk rating and whether actions were being taken to address the recommendations made within the audit, the Chief Executive advised that the Council were on a journey of materiality with carbon budgeting setting and reporting being new which would take time to fully discuss and integrate carbon budgeting processes throughout the Council.

In response to questions relating to the Climate Oversight Group and how long they had been established and the reasons for frequent absences from the meetings, the Climate and Environment Policy Manager advised that the group had been meeting on a regular basis since the start of climate change in 2020/2021 and that there had been challenges with diary clashes for some attendees. The Chief Executive advised that the specialist officers required to have leadership and commitment from the senior leadership team with accountability from the Corporate Management Team (CMT). She further advised that the introduction of quarterly reports on carbon budgeting from the Chief Officer – Strategic Place Planning to the CMT would see improved participation.

In response to a question relating to whether there was a requirement for more people to be involved with the Climate Oversight Group to ensure business was completed, the Chief Executive advised that the Council had specialists and that the challenge was the data and how it was gathered. The Climate and Environment Policy Manager advise that the Climate Oversight Group monitored the process and ensured that the key information was available to those making key decisions.

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In response to a question relating to ensuring that there was a defined process in place to achieve a balanced carbon budget and whether the Council would have this in place, the Climate and Environment Policy Manager advised that carbon budgeting guidance had been issued to officers and that although a budget setting process was in place it had not been documented. He further advised that this had now been drafted with an expectation to have it finalised by the year end.

In response to a question relating to whether carbon budgeting key decision making processes were quantified and whether there were barriers to quantifying, the Climate and Environment Policy Manager advised that the quantifying of data was different across the sectors which all required methodologies to measure carbon data. He further advised that the Scottish Climate Intelligent Service were developing industry standards however there was not a timescale at this stage.

In response to a question relating to how home working carbon data was quantified, the Climate and Sustainability Policy Team Lead advised that there was set methodology used to capture the data.

In response to a question relating to the reporting of carbon budget monitoring, Climate and Sustainability Policy Team Lead advised that carbon data was collated on a quarterly basis with the data reported annually.

In response to a question relating to whether the 2024/25 target would be met, the Climate Change and Environment Manager advised that for that period, the figures would be different due to a period of time where the Energy from Waste plant was not operational.

In response to a question relating to when the Energy Board was established, the Interim Chief Officer – Strategic Place Planning advised that it was established in October 2024 which was chaired by the Executive Director of City Regeneration and Environment and met on a regular basis.

In response to a question relating to whether the national template for recording data changed, the Climate and Sustainability Policy Team Lead advised that the templates were preloaded with the conversion factors and that it was known in advance if any questions had been altered.

The Committee resolved:-

- (i) to note that officers would circulate the methodology used to capture home working carbon data out with the meeting; and
- (ii) to otherwise note the report and the attached internal audit report.

- **COUNCILLOR M.T.MALIK, Convener**