

ABERDEENSHIRE COUNCIL**SCRUTINY AND AUDIT COMMITTEE****WOODHILL HOUSE, ABERDEEN, 15 DECEMBER, 2016**

Present: Councillors G Owen (Chair), R Cassie (Vice Chair), P W Bellarby, A J C Cullinane, K Farquhar, J Ingram, J Latham, G Petrie, C Shand and I S Tait.

Apologies: Councillors B H Stuart and M Watt.

Officers: Director of Business Services, Chief Internal Auditor, Head of Service (Roads, Landscape Services and Waste Management), Head of Service (Transportation), Principal Officer (Client Transport) (Mr S Jamieson), Commissioning Services Manager (Older People and Physical Disability) (Mrs S McIntosh), Head of Commercial and Procurement Services, Support Services Manager, Education and Children's Services, Head of Service (HR & OD), Head of Service (Children's Services), Corporate Finance Manager, Risk Manager, Service Manager (Support & Advice) (Mrs S Donald), Senior Solicitor (Governance) (Miss F Stewart), Principal Committee Officer (Mr A Nicol) and Committee Officer (Mrs S Rawlins).

Also in attendance: Anne Cairns, Audit Scotland

1. DECLARATION OF MEMBERS' INTERESTS

The Chair asked members if they had any interests to declare in terms of the Councillors' Code of Conduct. No interests were declared.

2(a). PUBLIC SECTOR EQUALITY DUTY

In taking decisions on the undernoted items of business, the Committee **agreed**, in terms of Section 149 of the Equality Act 2010 to:-

- (1) have due regard to the need to :-
 - (a) eliminate discrimination, harassment and victimisation,
 - (b) advance equality of opportunity between those who share a protected characteristic and persons who do not share it,
 - (c) foster good relations between those who share a protected characteristic and persons who do not share it, and
- (2) consider the contents of equality impact assessments, where provided, and to take those into account when reaching a decision.

2(b). RESOLUTION

The Committee **agreed** in terms of Section 50A (4) and (5) of the Local Government (Scotland) Act 1973 to exclude the public from the meeting during consideration of Item 3 so as to avoid disclosure of exempt information of the classes described in paragraphs 1, 12 and 14 of Part 1 of Schedule 7A of the Act.

3. INTERNAL AUDIT REPORTS (EXEMPT)

There had been circulated a report dated 29 November, 2016, by the Chief Internal Auditor which provided members with an update and progress made with implementing agreed recommendations resulting from Internal Audit investigations. Appendices A and B to the report provided information on progress made by Services in completing agreed Internal Audit recommendations, and Appendix C gave an explanation of the gradings used.

Members discussed Taxi Invoices and Creditors Payments.

Following discussion, the Committee **agreed**:-

- (1) to acknowledge the detail within the report and appendices;
- (2) to request that the report going to Infrastructure Services Committee regarding Taxi Invoices addressed the legal aspects and be brought to the Audit Committee on 15 February 2017, and
- (3) to request that the report going to Policy and Resources Committee regarding Creditors Payments be brought to the Audit Committee on 15 February 2017.

4. INTERNAL AUDIT REPORTS (PUBLIC)

There had been circulated a report dated 29 November, 2016, by the Chief Internal Auditor, which advised members of Internal Audit Reports which had been presented to and discussed by the Social Work and Housing, Policy and Resources and Infrastructure Services Committees in the preceding cycle. Appendices to the report gave a summary of progress made by Services in completing agreed recommendations and an explanation of the gradings used.

Members discussed Care at Home System and Service, Data Protection, Revenues and Benefits System, Bus Service Operators Grant, Teachers Payroll and Supply Teachers Payroll.

Following discussion, the Committee **agreed**:-

- (1) to acknowledge the content of the report and its appendices,
- (2) to request clarification on whether working time included travel time; and
- (3) to commend the Revenues and Benefits Teams for their good report.

5. INTERNAL AUDIT PLAN 2016/17 - UPDATE

There had been circulated a report dated 29 November, 2016, by the Chief Internal Auditor, which advised members of the progress of Internal Audit in the current year. The report stated that all of the residual 2015/16 audits had been completed and that progress with the 2016/17 planned work was slightly ahead of that achieved at the same point in 2015/16.

The Committee **agreed** to note the content of the report and its appendices.

6. CHILD PROTECTION IN ABERDEENSHIRE

With reference to the Minute of Meeting of 1 July, 2016 (Item 7, Page 227), there was circulated a report dated 1 December, 2016, by the Director of Business Services, which asked the Committee to receive a presentation from Bob Driscoll, Head of Children's Services and

Chief Social Work Officer regarding Child Protection Services in Aberdeenshire, and to discuss any relevant matters which might then arise.

Bob Driscoll, Chief Social Work Officer, provided the Committee with assurances regarding resources, policies, procedures and approval to Child Protection and the links to wider IJB responsibilities in respect of wider families' needs, such as mental health, substance misuse and how joined up the referral process was.

He concluded that Aberdeenshire was not perfect but was doing well and that services had the maturity to identify areas for improvement.

Following discussion and questions from members, the Committee thanked Mr Driscoll for his interesting presentation.

7. REVIEW OF THE PERFORMANCE OF THE TREASURY MANAGEMENT FUNCTION AND INVESTMENTS FOR THE PERIOD TO 30 SEPTEMBER 2016

There was circulated a report dated 9 November, 2016, by the Director of Business Services which asked the Committee to (1) note the details of the review of performance of the treasury function and investments for the period to 30 September 2016; (2) agree that a further report be provided in September 2017 on the outturn review of the performance of the treasury management function for the period 1 April 2016 to 31 March 2017. Appendix A to the report gave details of borrowing, loan repayments, counterparties and balances and other investment activity. Appendix B gave details of compliance and performance.

The Committee **agreed**:-

- (1) to note the content of the report, and;
- (2) to request that a report on when loans were due to be repaid be included in future reports.

8. RISK MANAGEMENT REVIEW

There was circulated a report dated 23 November, 2016, by the Director of Business Services which asked the committee to (1) note the contents of the review; (2) agree that a further report would be provided in December 2017. There was an appendix to the report which detailed all risk management work done.

The Committee unanimously **agreed** to suspend Standing Order 20(8)(c) in order to allow the meeting to continue beyond 12.45 pm.

Following discussion and questions by members, the Committee **agreed**:-

- (1) to note the content of the report, and
- (2) that a further report would be provided in December 2017.

9. THE WORK OF THE NEW AUDIT COMMITTEE AND TRANSITIONAL ARRANGEMENTS

With reference to the Minute of Meeting of Aberdeenshire Council of 24 November, 2016 Item 7), there was circulated a report by the Director of Business Services, which asked the Committee (1) to note the decision of Full Council regarding future governance arrangements; (2) to note that the Freedom of Information Report would come to this Committee/the Audit Committee with appropriate recommendations to be considered; (3) subject to approval by

Full Council, to agree that reports on outstanding scrutiny topics as detailed in paragraph 3.2 of this report be received by the Audit Committee at its meeting on 15th February 2017; where the Committee would either dismiss the topic from future work or recommend to the appropriate Policy or Area Committee that it consider the findings from this Committee/the Audit Committee as part of their own scrutiny activity. The report asked the Committee to discuss and agree proposed transitional arrangements, which would be subject to agreement by Full Council as they proposed an extension of the remit of the Audit Committee for a limited period of time.

The Committee **agreed**:-

- (1) to note the decision of Full Council and to hold a more in-depth session after the meeting regarding the future governance arrangements;
- (2) to note that the Freedom of Information Report would come to this Committee/Audit Committee with recommendations to be considered, and
- (3) subject to the approval of Full Council, to agree that reports on the outstanding scrutiny topics detailed in paragraph 3.2 of the report be received by the Audit Committee at its meeting on 15 February 2017; where the Committee would either dismiss the topic from future work or recommend to the appropriate Policy or Area Committee that it consider the findings from this Committee/the Audit Committee as part of their own scrutiny activity.

10. FREEDOM OF INFORMATION REPORT - FINAL RECOMMENDATIONS

There was circulated a report dated 14 December, 2016, by the Director of Business Services, which asked the Committee to agree a final form of words for recommendation 20 of the final SAC Freedom of Information report. The report stated that the Scrutiny and Audit Committee began its investigation into Freedom of Information on 21 September 2016 and that Consideration of the evidence and the drafting of the investigation report continued until the end of November. In the final wrap up session with the lead service on 1 December 2016, Committee members agreed a number of recommendations relating to Freedom of Information processes within the Council. All 22 recommendations were discussed, and agreement on the final wording of each was reached, with the exception of recommendation 20. Committee was therefore asked to review the two options discussed at the meeting on 1 December and agree a form of words for inclusion in the final report.

The Committee **agreed on option B**:-

“The Council should take immediate steps to identify a successor for the retiring FOI Reviews Clerk who is responsible for managing internal FOI reviews to ensure an adequate transition period for knowledge transfer. The Council should also ensure there is an appropriate level of back-up cover in place e.g. to cover periods of leave.”

11. REVIEW OF WORK OF THE COMMITTEE

There was circulated a report dated 12 December, 2016, by the Director of Business Services, which provided information relating to a review of work of the Scrutiny and Audit Committee.

The report explained as background that, since 2003, the Committee had produced 28 reports investigating a wide range of topics, recommending changes resulting in real improvements to Council Services. There were currently four investigations, previously approved by the Council, which were considered to be open, namely Cross Service Learning and Development Budget Commissioning and Delivery, Charging for Services – Are You Getting It Right?,

Alternative Delivery Models and Contracts Register. An appendix to the report provided an assessment of the implementation progress in relation to these investigations.

The report requested that members consider which, if any, of the investigations can be dismissed. The report went on to recommend that a refresh of the position in respect of the investigation entitled Cross Service Learning and Development Budget Commissioning and Delivery. The investigation on the Contracts Register, approved by Aberdeenshire Council in June, 2016, would be subject to an initial update report to the Committee by no later than the end of June, 2017. With the implementation of the new Scheme of Governance on 27 January 2017, the Audit Committee's new remit did not automatically enable it to continue scrutiny work initiated by the Scrutiny and Audit Committee and as such, the transitional arrangements would allow the Audit Committee to continue to receive updates on open investigations. Since this required additional powers to be delegated to the Audit Committee, it required to be agreed by Full Council at its meeting on 26 January 2017.

The Committee **agreed**:-

- (1) to note the updates and the work undertaken by the Scrutiny and Audit Committee to date from that previously reported to the Committee;
- (2) that in respect of the Cross Service Learning and Development Budget Commissioning and Delivery investigation, that a fuller update providing information on the implementation of actions and detail of what had actually been achieved be submitted to the meeting of the Committee on 15 February, 2017 by the Director of Business Services;
- (3) that in respect of the Charging for Services – Are You Getting It Right? investigation, this was now embedded and could be dismissed;
- (4) that in respect of the Alternative Delivery Models investigation, this could be dismissed;
- (5) that in respect of the Contracts Register investigation, this would not be finalised by February and that this should be something that could reasonably continue with the Audit Committee, and
- (6) that the access to the contracts register from the corporate website be made more transparent.

12. PROGRESS WITH ACTIONS FROM PREVIOUS SCRUTINY AND AUDIT COMMITTEE MEETINGS

There was circulated a report dated 7 December, 2016, by the Director of Business Services, which updated members on progress made with actions agreed at the previous meeting of the Scrutiny and Audit Committee, held on 3 November, 2016. One action outstanding from the meeting held on 18 February, 2016 had now been concluded and details were provided.

After consideration the Committee **agreed**:-

- (1) to note the content of the report and appendix;
- (2) to request that the service confirm that all ten councillors affected by issues relating to councillors claiming expenses had received a letter of apology;
- (3) to request that councillors be advised of the correct email address to which they should send their payroll information;

- (4) to request that a written assurance be given that all administrators in schools had received training around procurement, and
- (5) to request that information about Councillors' entitlement to employee benefits was corrected on Ward Pages or alternative provision was made for finding out about them.

13. AUDIT SCOTLAND: PERFORMANCE AUDIT OF HOUSING BENEFIT

There was circulated a report dated 11 November, 2016, by the Head of Finance, which asked the Committee to consider the Housing Benefit Risk Assessment Report on the Aberdeenshire Support and Advice Team in 2016/2017. There was an appendix to the report which detailed the results of the investigation carried out by Audit Scotland.

Anne Cairns addressed the Committee outlining one risk around speed of processing which it was acknowledged was due to workload and new staff being in position and the changes in Welfare Reform that had been introduced since the last visit in 2012. There was no action plan as a result of the investigation as all actions were in place already. There would be a small update in 2017 on speed of processing but there had already been an improvement.

After consideration the Committee **agreed** to note the content of the report and appendix.