

ABERDEENSHIRE COUNCIL

AUDIT COMMITTEE

WOODHILL HOUSE, ABERDEEN, 15 FEBRUARY, 2017

Present: Councillors G Owen (Chair), R Cassie (Vice Chair), P W Bellarby, C Clark (substitute for A J C Cullinane), J Ingram, J J Latham, C H Nelson (substitute for M Watt), G Petrie, C Shand, M M Stewart and I S Tait.

Apologies: Councillors A J C Cullinane, B H Stuart and M Watt.

Officers: Director of Business Services, Chief Internal Auditor, Corporate Finance Manager, Support Services Manager, Education and Children's Services, Team Leader (HR & OD) (Mr M Brewis), Communications Team Leader (Customer Communications and Improvement) (Mr N Moir), Public Transport Manager (Transportation) (Mr R McKenzie), Legal Services Manager (Governance), Solicitor (Mr R Taylor) and Committee Officer (Mrs S Rawlins).

Also in attendance: Anne MacDonald and Gillian Woolman, Audit Scotland and Holly Dyce, Diploma Student RGU.

OPENING REMARKS FROM THE CHAIR

The Chair welcomed everyone present and welcomed Holly Dyce, a diploma Student at RGU, who was doing work experience within Legal and Governance. Under the Governance arrangements, the new Audit Committee has the ability to have substitutes attend and the Chair welcomed Cllrs Clark, Stewart and Nelson and informed the meeting that private internal audit papers would be dealt with first. Finally, suspension of standing orders would now be at 1pm, if required.

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 Items 3, 4 and 5 so as to avoid disclosure of exempt information of the classes described in paragraphs 1, 6, 12 and 14 of Part 1 of Schedule 7A of the Act.

3. INTERNAL AUDIT REPORTS (EXEMPT)

There had been circulated a report dated 31 January, 2017, 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 Travel and Subsistence, Creditors Payments, Agency Staff Contract, Payroll Advance Payments, Timesheets and Allowances.

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

- (1) to acknowledge the detail within the report and appendices;
- (2) that in respect of Travel and Subsistence, an update position be brought to the Audit Committee on 29 March 2017;
- (3) that in respect of Creditors Payments, request that an update of the timescales and risks related to new Repairs and Planned Maintenance System implementation be brought to the Audit Committee on 29 March 2017;
- (4) that in respect of Agency Staff Contracts, request that an explanation of the delay in gaining accreditation and confirmation that the proposed increase in use of agency staff is as per contractual arrangements is circulated to all members;
- (5) that in respect of Payroll Advance Payments, request that an Officer attends the Audit Committee meeting on 29 March 2017 to address the issues;
- (6) to request that the update paper going to SLT and then the Business Services Committee in April regarding the iTrent system, be brought to the Audit Committee in June 2017. An update of the position to be brought to the Audit Committee on 29 March 2017, and
- (7) that in respect of Timesheets and Allowances, request that a report addressing a full update and timescales be brought to the Audit Committee on 29 March 2017.

4. TAXI INVOICES REPORT (EXEMPT)

With reference to the Minute of Meeting of 15 December, 2016 (Item 3, Page 2), there was circulated a report dated 02 February, 2017, by the Director of Infrastructure Services which asked the members to note the actions taken to address disputed taxi invoices submitted under Social Work transport contracts. Appendix 1 to the report provided information on the correspondence between the service and the service provider.

Members discussed the legal advice and outcomes.

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

- (1) to acknowledge the detail within the report and appendices, and
- (2) to confirm that the work of the Audit Committee on this item is now complete.

5. BUDGET REVIEW GROUP TASK FORCE REPORT (EXEMPT)

There had been circulated a report dated 20 January, 2017, by the Director of Business Services which asked the members to acknowledge the Budget Review Task Force Action Plan. Appendix 1 to the report provided information on action plan signed off by the Strategic Leadership Team in November 2016 and includes details of the work being undertaken to resolve any issues identified.

Members discussed retrospective purchase orders.

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

- (1) to acknowledge the detail within the report and appendix, and
- (2) to request that the update report to the Strategic Leadership Team every four months, be brought to the Audit Committee.

6. INTERNAL AUDIT REPORTS (PUBLIC)

There had been circulated a report dated 31 January, 2017, by the Chief Internal Auditor, which advised members of Internal Audit Reports which had been presented to and discussed by the Policy and Resources Committee in the preceding cycle and to the Audit Committee at this meeting. 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 External Legal Advice, Electronic Document Management System, Registrars, Teachers Recruitment Procedures and Data Protection.

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

- (1) to acknowledge the content of the report and its appendices;
- (2) that in respect of External Legal Advice, request that the extended report and a breakdown of the expenditure is circulated to members;
- (3) that in respect of Registrars, request that enquiries are made into whether Aberdeenshire Council can receive funds from the Scottish Government for the services we provide;
- (4) that in respect of Teachers Recruitment Procedures, request a verbal update, at the meeting of the Committee on 29 March, 2017, on the process regarding the three cases involving overseas criminal checks and assurance that all staff conducting interviews have been appropriately trained in recruitment and selection process.
- (5) that in respect of Data Protection, request that an update on timescales be brought to the Audit Committee on 29 March 2017.

7. AUDIT SCOTLAND CODE OF PRACTICE

There had been circulated a report dated 14 February, 2017 by the Director of Business Services, which asked the committee to note the paper which introduced Audit Scotland and

their Code of Practice. Appendix 1 to the report provided information on Local Government Audits by way of an introduction to Audit Scotland. The report was received as an introduction to the full report which would be brought to the committee in March 2017.

The Committee **agreed:-**

- (1) to note the content of the report and its appendices, and
- (2) to request that the letter sent to the Leader and Chief Executive outlining the process be shared with all members of the committee.

8. CROSS SERVICE LEARNING AND DEVELOPMENT BUDGET COMMISSIONING AND DELIVERY

With reference to the Minute of Meeting of 22 September, 2016 (Item 6, Page 3), there was circulated a report dated 31 January, 2017, by the Director of Business Services, which asked the committee to (1) note the updates on the work undertaken by the Scrutiny and Audit Committee to date and (2) consider whether the investigation updates are now complete, can be left to parent committees to progress or have barriers to their implementation which should be challenged. Appendix A to the report gave details of the progress made by the Service in completing agreed actions.

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

- (1) to acknowledge the content of the report and its appendices, and
- (2) to confirm that the work of the Audit Committee on this item is now complete.

9. OUTCOMES FROM TOPIC SCORING ACTIVITIES

There was circulated a report dated 24 January, 2017, by the Director of Business Services which asked the Committee to (1) Consider the outcomes of the exploratory workshop on "Using Complaints to Improve our Services and Customer Feedback Process"; (2) Consider the outcomes of the exploratory workshop on "Effectiveness of the Town Centre Health Check Exercise"; (3) Consider the outcomes of the exploratory workshop on "Performance Reporting"; (4) Consider the report on "IT System for Council Tax Collection and Collection of Income and Debts" and (5) Consider the report on the "Council's Strategy for Disposing of Surplus Equipment". Appendices 1 through 3 to the report gave details of workshops undertaken relevant to each topic. In respect of appendices 4 and 5 an apology by the Director of Business Services relating to the delay was given. The committee then were then advised that this could be addressed either by (a) adjourning the items to a future date or (b) referring the items to the appropriate policy committee.

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

- (1) to note the content of the report and its appendices;
- (2) that in respect of Using Complaints to Improve our Services and Customer Feedback Process, the workshop was full and frank and that the work of the Audit Committee on this item is now complete;
- (3) that in respect of Effectiveness of the Town Centre Health Check exercise, by a majority view the work of the Audit Committee on this item is now complete;

- (4) that in respect of Performance Reporting, there was nothing more to be done and that the work of the Audit Committee on this item is now complete;
- (5) that in respect of the IT System for Council Tax Collection and Collection of Income and debts, the item be continued to an adjourned meeting on 29 March, 2017 for consideration prior to the scheduled meeting on that date, and
- (6) that in respect of the Council's Strategy for Disposing of Surplus Equipment, the item be continued to an adjourned meeting on 29 March, 2017 for consideration prior to the scheduled meeting on that date.

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

There was circulated a report dated 31 January, 2017, 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 15 December, 2016.

After consideration the Committee **agreed:-**

- (1) to note the content of the report and appendix;
- (2) to request further clarification, via Ward Pages, that the update given on Working Time complies with the EU Directive;
- (3) to request written confirmation that the training on procurement to be delivered to all schools in June 2017 would include all staff, and
- (4) to request that the Review of the Performance of the Treasury Management Function report to Business Services Committee be shared with all members of the Audit Committee.

The committee agreed to adjourn the meeting to 29 March, 2017 for consideration of the outstanding business.

