

ABERDEENSHIRE COUNCIL

AUDIT COMMITTEE

WOODHILL HOUSE, ABERDEEN, 21 SEPTEMBER, 2017

Present: Councillors R Cassie (Chair), N Baillie, A Bews, S Dickinson (substitute for A McKelvie), M Ewenson, A Fakley, B Howatson, J Hutchinson (substitute for S Leslie), H Smith, I Sutherland, I Taylor and B Topping.

Apologies: Councillors A McKelvie, S Leslie

Officers: Director of Business Services, Chief Internal Auditor, Chief Accountant, Corporate Finance Manager, Service Manager (Support & Advice), Business Services Manager (Shared), Information Systems Manager (Mr D Gammack), Business Support and Development Manager, Education, H R Manager (HR & OD) (Mr P Matthews), Senior Solicitor (Governance) (Miss F Stewart) and Committee Officer (Mrs S Rawlins).

Also in attendance: Gillian Woolman, Anne MacDonald, 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 8 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. MINUTES FROM THE AUDIT COMMITTEE MEETING 21 JUNE, 2017

The Committee had before them, and **approved** as a correct record the Minute of the Meeting of the Committee of 21 June, 2017.

4. PROGRESS WITH ACTIONS FROM PREVIOUS AUDIT COMMITTEE MEETINGS

There was circulated a report dated 31 August, 2017, by the Director of Business Services, which updated members on progress made with actions agreed at the previous meeting of the Audit Committee, held on 21 June, 2017.

After consideration the Committee **agreed:-**

- (1) to note the content of the report and appendix;
- (2) to request that the Committee receives the annual fraud report;
- (3) to request that all members of the Audit Committee receive an invitation to attend the away day that the ECS Committee are holding to look at Information Technology in Schools, and
- (4) to request that the report that ECS Committee receives, following the away day, is brought to the Audit Committee in due course.

5. INTERNAL AUDIT REPORTS (PUBLIC)

There had been circulated a report dated 06 September, 2017, by the Chief Internal Auditor, which advised members of Internal Audit Reports which were being presented 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 Benefits, Budget Monitoring, Halls, Transportation Purchasing and Creditors, Children's Homes, Social Media, Housing Repairs Year-End Stock Takes, Payroll Reconciliations, Transportation Taxi Contract MOT and Licensing Checks and Primary School Visits.

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

- (1) to acknowledge the content of the report and its appendices;
- (2) that in respect of Transportation Purchasing and Creditors, request that the Committee receives a report on the Councils preparation for and ability to meet the requirements of HMRC IR35 regarding the tax implications;
- (3) that in respect of Social Media, request that the Social media policy is circulated to all Elected members;
- (4) that in respect of Transportation Taxi Contract MOT and Licensing Checks, request that information on how transportation is implementing monitoring of compliance, is circulated to the Committee;
- (5) that in respect of Primary School Visits, request that ECS Committee consider undertaking Stage 1 of the Committee Review Process in relation to the issues raised around the systems and processes used for procurement within schools and report back to the Audit Committee in due course, and

- (6) that in respect of Registrars, request that confirmation be circulated to the Committee, that the system has gone live and all data will be imported by the end of September 2017.

6. EXTERNAL AUDIT DRAFT 2016/17 ANNUAL AUDIT REPORT

There had been circulated a report dated 30 August, 2017 by the Director of Business Services, which asked the committee to discuss and note the content of the report. Appendix 1 to the report provided information on the Aberdeenshire Council Draft 2016/17 Annual Audit Report.

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

- (1) to note the content of the report and its appendix.

7. ANNUAL ACCOUNTS FOR 2016/2017 FOR ABERDEENSHIRE COUNCIL AND ITS CHARITABLE TRUSTS

There had been circulated a report dated 23 September, 2017 by the Director of Business Services, which asked the committee (1) note the unmodified audit certificates for Aberdeenshire Council for 2016/17; (2) consider the audited Annual Accounts for 2016/17 for Aberdeenshire Council and approve them for signature; and (3) approve the detailed action plan contained within the external auditor's report and agree that a report on the progress to achieving the actions is presented to the Audit Committee on 21 March, 2018.

The Committee **agreed:-**

- (1) to note the content of the report;
- (2) to approve the Annual Accounts for 2016/17 Aberdeenshire Council for signature, and
- (3) to approve the detailed action plan contained within the external auditor's report and agree that a report on progress to achieving the actions is presented to the Audit Committee on 21 March, 2018;

8. INTERNAL AUDIT REPORTS (EXEMPT)

There had been circulated a report dated 05 September, 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.

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

- (1) to acknowledge the detail within the report and appendices, and
- (2) that in respect of the CRM System, request that confirmation of business continuity arrangements is circulated to the Committee.

