

ABERDEENSHIRE COUNCIL

AUDIT COMMITTEE

WOODHILL HOUSE, ABERDEEN, 2 NOVEMBER, 2017

Present: Councillors R Cassie (Chair), A McKelvie (Vice Chair), N Baillie, A Bews, A Buchan, M Ewenson, A Fakley, W Howatson, A Kloppert, S Leslie, H Smith, I Sutherland, I Taylor and B Topping.

Officers: Director of Business Services, Corporate Finance Manager, H R Manager (HR & OD) (Mr P Matthews), Senior Auditor (Internal Audit) (Mr C Harvey), Senior Auditor (Internal Audit) (Mr A Johnston), Business Support and Development Manager, Education and Children's Services, Quality Improvement Officer (Education and Learning), Education Support Officer (Education Development) (Mr J McLean), Social Work Manager (Criminal Justice) (Mrs D Leslie), Business Services Manager (Shared), Legal Services Manager (Governance) and Committee Officer (Mrs S Rawlins).

Also in attendance: Ms 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 Items 7 and 8, so as to avoid disclosure of exempt information of the classes described in the undernoted paragraphs of Part 1 of Schedule 7A of the Act.

Item No	Paragraph No of Schedule 7A
7	1, 12 & 14
8	11, 12 & 14

3. AUDIT COMMITTEE OF 21 SEPTEMBER, 2017

There was circulated for approval the Minute of Meeting of the Audit Committee of 21 September, 2017.

With regard to the Councillors listed as present, the Committee **agree** to note that Councillors A Buchan and A Kloppert were present at the meeting on 21 September, 2017.

Thereafter the Minute was **noted** and **approved** as appropriate.

4. PROGRESS WITH ACTIONS FROM PREVIOUS AUDIT COMMITTEE MEETINGS

There was circulated a report dated 17 October, 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 September, 2017.

During discussion the Legal Services Manager (Governance) provided clarification of the process when this Committee agreed that a referral for scrutiny was required. The Chair acknowledged the clarification, but expressed concerns about the length of time it was taking for referrals to be acted upon. The Legal Services Manager (Governance) confirmed that the process was being reviewed to ensure referrals were taken forward in a timeous manner.

After consideration the Committee **agreed**:-

- (1) to note the content of the report and appendix,
- (2) to request that individual Officers were not named in the report, and
- (3) that in respect of Information Technology in Schools, to request that the date for the away day be circulated to the Committee by 17 November, 2017.

5. INTERNAL AUDIT REPORTS (PUBLIC)

There was circulated a report dated 17 October, 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 Criminal Justice Service, Overtime, Libraries Income and Expenditure, New Governance Arrangements, Day Services Establishment Visits and Business Continuity Planning.

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

- (1) to acknowledge the content of the report and its appendices, and
- (2) that in respect of Building Maintenance Stores, to request that a note on the process undertaken when concerns are raised be circulated to the Committee.

6. ABERDEENSHIRE HEALTH AND SOCIAL CARE PARTNERSHIP INTERNAL AUDIT REPORT

There was circulated a report dated 17 October, 2017 by the Chief Internal Auditor, which asked the Committee to note the issues raised within the report.

The Legal Services Manager (Governance) clarified the remit of this Committee in relation to receiving Audit Reports from the Health and Social Care Partnership.

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

- (1) to note the content of the report, and
- (2) that in respect of the budgeting framework, to request that Officers consider whether Housing and Integration Joint Board budgets could be aligned.

7. INTERNAL AUDIT REPORTS (EXEMPT)

There was circulated a report dated 17 October, 2017, by the Chief Internal Auditor which provided members with an update and progress in 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** to acknowledge the detail within the report and appendices

8. OFF-PAYROLL WORKING CHANGES TO IR35

There was circulated a report dated 9 October, 2017 by the Director of Business Services, which asked the Committee note the progress made to date in addressing HM Revenue and Customs (HMRC) changes to IR35 legislation.

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

- (1) note the content of the report, and
- (2) instruct that the process in place to determine the status in relation to IR35, prior to contract commencement, be circulated to the Committee.