

**ABERDEENSHIRE COUNCIL**

**AUDIT COMMITTEE**

**WOODHILL HOUSE, ABERDEEN, 29 MARCH, 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, G Petrie and C Shand.

**Apologies:** Cllr A J C Cullinane, B H Stuart, I S Tait and M Watt.

**Officers:** Chief Executive, Director of Business Services, Chief Internal Auditor, Corporate Finance Manager, Head of Service (Transportation), Consultation and Engagement Officer (Customer Communications and Improvement) (Mrs L Gravener), H R Manager (HR & OD) (Mr P Matthews), Project Officer (Education and Children's Services Policy Framework) (I Stephen), Housing Manager (Asset Management and Repairs), School Administrator (Mrs C Davidson), Waste Support Leader Service Support and Development (Protective Services and Waste Management), Corporate Procurement Manager, Legal Services Manager (Governance), Solicitor (Mr R Taylor) and Committee Officer (Mrs S Rawlins).

**Also in attendance:** Anne MacDonald and Gillian Woolman, Audit Scotland.

**OPENING REMARKS FROM THE CHAIR**

The Chair welcomed everyone to the final session, of this Council, of the Audit Committee. Standing Orders were suspended as the start time of the meeting was outwith the policy.

**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. MINUTES FROM THE AUDIT COMMITTEE MEETING 15 FEBRUARY, 2017**

The Committee had before them, and **approved** as a correct record, the Minute of Meeting of the Committee of 15 February, 2017 subject to the following amendments:-

**Page 1, Present** - The Committee **agreed** to amend the minute to take account of the information given below:-

Following the adjournment of the meeting of 15 February, 2017, the issue of substitute members was more closely examined. Standing Order 3.4.1 provides for substantive members of committees to be represented at meetings they are unable to attend by substitute members with full voting rights, provided the name of the substitute has been intimated to the Director of Business Services or the relevant Committee Officer before the start of the meeting.

It was found that, to date, it has been the Council's practice not to permit substitute members to attend meetings on behalf of a vacant position.

In order to ensure a consistent approach, and compliance with Standing Order 3.4.1, the Minute of the Audit Committee meeting of 15 February, 2017, should be amended to show Cllr M Stewart as "Also Present" rather than having attended as a substitute member.

**Page 5, Item 10 (2)** – The Committee **agreed** to amend the minute to read to request further clarification, via Ward Pages, that the update given on whether Travel Time is regarded as Working Time and complies with the EU Directive;

### **4. MINUTES FROM THE ADJOURNED AUDIT COMMITTEE MEETING 29 MARCH, 2017**

The Committee had before them, and **approved** as a correct record the Minute of Adjourned Meeting of the Committee of 29 March, 2017.

### **5. INTERNAL AUDIT REPORTS (EXEMPT)**

There had been circulated a report dated 14 March, 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. Appendix D to the report provided information on Housing Repairs Subcontractors.

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

- (1) to acknowledge the detail within the report and appendices;

### **6. PAYROLL ADVANCE PAYMENTS (EXEMPT)**

With reference to the Minute of Meeting of 15 February, 2017 (Item 3, Page 2), there was a verbal update provided, by the Director of Business Services.

Members discussed iTrent and Living Wage Accreditation.

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

- (1) to request that the report going to the Business Services Committee in April, 2017, be brought to the next meeting of this Committee in June, 2017.

## 7. INTERNAL AUDIT REPORTS (PUBLIC)

There had been circulated a report dated 14 March, 2017, by the Chief Internal Auditor, which advised members of Internal Audit Reports which had been presented to and discussed by the Policy Committees 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 Disclosure Checks, Self-Billing, Collection Offices, CareFirst System, Information Technology in Schools and Social Work Client Transport.

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

- (1) to acknowledge the content of the report and its appendices;
- (2) that in respect of Disclosure Scotland Checks, request a briefing note, via Ward pages, regarding the completion of an agreed procedure for approving temporary dispensations;
- (3) that in respect of Information Technology in Schools, request an update via Ward pages on which schools are experiencing speed of delivery being an issue when using Glow;
- (4) that in respect of, Information Technology in Schools, request an update via Ward pages on capacity of rural schools to benefit from Council policy;
- (5) that in respect of, Information Technology in Schools, request ECS Committee consider undertaking Stage 1 of the Committee Review Process in relation to whether Glow is a suitable solution and the timescales for this to be introduced, and
- (5) that in respect of CareFirst System, request an update via Ward Pages where CareFirst is on the programme of retendering .

## 8. INTERNAL AUDIT PLAN 2017/2018

There had been circulated a report dated 14 March, 2017, by the Chief Internal Auditor, which explained various aspects of the Internal Audit Plan 2017/18. The Internal Audit Plan 2017/18 Strategy and Risk Assessment was attached as Appendix A to the report and the draft Internal Audit Plan for 2017/18 was attached as Appendix B. The committee was requested to review, discuss and comment on the report and thereafter approve the 2017/18 plan.

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

- (1) to note the content of the report and its appendices and approve the 2017/18 Internal Audit Plan.

## 9. EXTERNAL AUDITOR'S AUDIT REPORT 2015/2016 – PROGRESS ON ACTION PLAN

There had been circulated a report dated 10 March, 2017 by the Director of Business Services, which asked the committee to note the progress made towards addressing the issues raised in the External Auditors report 2015/16. Appendix 1 to the report provided information on progress made by the Service in completing agreed actions.

The Committee **agreed:-**

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

#### **10. EXTERNAL AUDITOR'S ANNUAL PLAN**

There had been circulated a report dated 20 March, 2017 by the Director of Business Services, which asked the committee to discuss and note the paper. Appendix 1 to the report provided information on the Annual Audit Plan for 2016/17 by Audit Scotland.

Members discussed Local Government Elections, Competencies and Training.

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

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

#### **11. INTERNAL CONTROL COMPLIANCE AND GOOD GOVERNANCE**

With reference to the Minute of Meeting of 22 September, 2016 (Item 7, Page 3), there was circulated a report dated 17 March, 2017, by the Director of Business Services, which asked the committee to (1) discuss the update provided in this report with regard to internal controls and (2) consider whether this piece of work can now be signed off.

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

- (1) to acknowledge the content of the report;
- (2) to request an update, via Ward pages, of the actual numbers that are represented by the 86% in paragraph 2.4, and
- (3) to request that the update to the action plan be brought to this committee in June.

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

There was circulated a report dated 14 March, 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 15 February, 2017.

After consideration the Committee **agreed:-**

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

#### **VALEDICTORY**

This being the last meeting of the Audit Committee before the elections on 4 May, 2017, the Chair advised that she wanted to place on record her thanks to all the councillors who had served on the old Scrutiny and Audit Committee or the new Audit Committee. She added that the Committee had achieved a huge amount in terms of changing the policy of the Council and had carried out a suite of crucial investigations which ultimately had an impact on service delivery. She referred to particular improvements to the business of the Committee and commented on the outcomes of several specific investigations. She noted that the Committee had sat on a large number of occasions, considerably more than other Committees, including workshops and evidence gathering session for investigations. She had found this to be really rewarding and believed that the Committee had served the Council well by challenging and

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trying to understand the barriers which officers had and hopefully by making recommendations which had helped to make their day job easier.

She thanked the two Vice Chairs of the Committee, Councillor Thomson and Councillor Cassie, for their support to her throughout the Council term and praised the Committee for its non-political ethos. She also paid tribute to the services of all the officers who had helped the Committee, with particular thanks to the Chief Internal Auditor and his team.