

ABERDEENSHIRE COUNCIL
SCRUTINY AND AUDIT COMMITTEE

WOODHILL HOUSE, ABERDEEN, 21 MAY, 2015

Present: Councillors G Owen (Chair), R Thomson (Vice Chair), R Cassie, A J C Cullinane, A Duncan, K Farquhar, A Ross, C Shand and I Tait.

Apologies: Councillor J Ingram.

Officers: Head of Finance, Chief Internal Auditor, Corporate Finance Manager, Senior Solicitor (Peter Robertson), Communications Officer (Neil Moir), Support Officer (Scrutiny and Audit), Waste Management Officer - Strategy and Committee Officer (Victoria McCaskill).

In Attendance: Jim Boyle, Deloitte.

1. DECLARATION OF MEMBERS' INTERESTS

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 5 May 2015, by the Chief Internal Auditor, on a recent internal audit report which had been reported to the Policy and Resources Committee in April 2015, outlining an audit on timesheets and allowances. Appendices were attached to the report setting out progress made by services in completing agreed recommendations contained in internal audit reports as at 5 May 2015. An update on the Register of Breaches of Financial Regulations, reported to Committee on a six monthly basis, was also provided.

During discussion, Members asked questions on the issues raised when Policy and Resources Committee discussed the internal audit on timesheets and allowances; staff

authorised for signing off timesheets; how improvements would be made to the completion of timesheets; the expected implementation date for the new payroll system; progress with agreed recommendations on the audit into early departure payments; whether the interim service level agreement relating to the central procurement unit was now in place; when an audit of Following the Public Pound was scheduled to take place; and progress made with the refresh of Financial Regulations.

Thereafter, the Committee **agreed**:-

- (1) to note the issues raised within the report and attached appendices,
- (2) to instruct officers to upload a copy of the Working Time Fact Sheet, produced by Human Resources and Organisational Development, to Ward Pages,
- (3) to instruct officers to report back on the timescale for completion of the outstanding recommendation relating to Internal Audit 1501 – Early Departure Payments,
- (4) to instruct officers to clarify if the interim Service Level Agreement was now in place, Internal Audit 1340 – Central Procurement Unit,
- (5) to instruct officers to provide details of when an audit of Following the Public Pound was scheduled in the Internal Audit Plan, and
- (6) to instruct officers to investigate if percentages could be added to the graphs used within the Breaches of Financial Regulations appendix in future reports.

4. INTERNAL AUDIT REPORTS (PUBLIC)

There had been circulated a report dated 5 May 2015, by the Chief Internal Auditor, on recent internal audit reports considered by the Social Work and Housing, Policy and Resources and Infrastructure Services Committees in April and May 2015. Audits had been carried out into the homeless persons budget; capital contracts; the corporate arrears recovery system; web-based and telephone payments; and the vehicle maintenance service. Appendices were attached to the report setting out progress made by services in completing agreed recommendations contained in internal audit reports as at 5 May 2015.

During discussion, Members asked questions on capital plan updates; data used within the corporate arrears recovery system's test environment; the nature of the contract between Aberdeenshire Council and Sherriff Officers; vehicle maintenance service staff working excessive un-claimed hours; and the frequency of reported surpluses in excess of budget across Council services.

Thereafter, the Committee **agreed**:-

- (1) to note the issues raised within the report and the attached appendices,
- (2) to instruct officers to bring information on the proposed changes to the capital monitoring to Scrutiny and Audit Committee, prior to Policy and Resources Committee in September 2015, Internal Audit 1515 – Capital Contracts,
- (3) to instruct officers to provide more detail on the contract with Sherriff Officers in relation to data protection concerns, Internal Audit 1522 – Corporate Arrears Recovery System,
- (4) to instruct officers to provide a definition of 'excessive' un-claimed hours, Internal Audit 1525 – Vehicle Maintenance Service, and

- (5) to instruct officers to feed back the concerns of the Committee on the issue of reported surpluses, Internal Audit 1525 – Vehicle Maintenance Service.

5. INTERNAL AUDIT ANNUAL REPORT AND INTERNAL FINANCIAL CONTROL STATEMENT 2013/14

There had been circulated a report dated 5 May 2015, by the Chief Internal Auditor, providing details on planned Internal Audits for 2014/15. Appendix A to the report contained information on audits carried forward from the 2013/14 programme of work which, the report advised, had now been completed. Also contained within Appendix A was an update on progress with audit work scheduled for 2014/15.

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

- (1) to note the content of the report and the attached appendices, and
- (2) to instruct officers to upload a copy of the Checklist for Assessing Conformance with the PSIAS and the Local Government Application Note when available.

6. ANNUAL GOVERNANCE STATEMENT

There had been circulated a report by the Head of Finance setting out information on the Code of Corporate Governance for Aberdeenshire Council. This was based on proper accounting practice set out in the Code of Practice on Local Authority Accounting in the United Kingdom. A copy of the Governance Statement was attached to the report for Members to consider and comment on.

After discussion, the Committee **agreed** to note the contents of the report.

7. THE DELOITTE BENCHMARKING SURVEY 2015: RESULTS REPORT FOR ABERDEENSHIRE COUNCIL

There had been circulated a report, by Aberdeenshire Council's External Auditor, which sought to highlight areas where the Council may wish to improve or review its procedures or performance in relation to benchmarking. Deloitte had collated benchmarking information from their clients and provided a report detailing the Council's results along with a comparison against other similar sized organisations. It was advised that no significant findings or weaknesses had been identified and that the Council generally compared favourably to other organisations included within the survey. The Committee was asked to consider and comment on the report.

During discussion, Members asked questions on how the information was gathered; whether comparing organisations in the public and private sector provided a useful comparison; and how the information could be used by the Council going forward.

Thereafter, the Committee **agreed** to note the contents of the report.

8. UPDATE REPORT ON WASTE INVESTIGATION

There had been circulated a report dated 30 April 2015, by the Director of Infrastructure Services, which provided an update on the progress made following an investigation into the Council's approach to waste management. A copy of the action plan, detailing recommendations made and progress to date, was included for the Committee's information.

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

- (1) to note the progress made in addressing recommendations made following the investigation into the Council's approach to waste management, and
- (2) to instruct officers that no further update reports on the waste management investigation were required by the Scrutiny and Audit Committee.

9. WORK PLAN UPDATE

There had been circulated a report, by the Director of Business Services, which detailed the outcomes of a workshop with the Service Manager, Policy, Performance and Improvement and the Performance Officer on the Local Government Benchmarking Framework which took place on 26 March 2015. The report also set out the outcomes from a workshop session with the Area Managers for Buchan and Banff and Buchan on the Six Key Areas for Development which took place on 23 April 2015.

A copy of a letter sent to the Minister for Transport and Islands by the Director of Infrastructure Services, on the subject of funding concerns for private unadopted roads, was attached to the report for Members' information.

It was advised that a date had not yet been confirmed for the session on Improvement requested by Committee at its previous meeting on 1 April 2015.

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

- (1) to note the outcomes of the workshop on 26 March 2015, with the Service Manager, Policy, Performance and Improvement, and the Performance Officer on the Local Government Benchmarking Framework, as detailed in Appendix I of the report,
- (2) to note the outcomes of a workshop session with Area Managers for Buchan and Banff and Buchan, on the Six Key Areas for Development, on 23 April 2015, as detailed in Appendix II of the report, and to instruct officers to provide an update on *Be Part of the Picture* as agreed at the workshop,
- (3) to note that, in respect of the mini-investigation into unadopted roads, a letter dated 22 April 2015, was sent to the Minister for Transport and Islands on the subject of funding concerns for private unadopted roads, as detailed in Appendix III of the report,
- (4) to note that a date had yet to be confirmed for the session on Improvement requested by Committee at its previous meeting on 1 April 2015, and
- (5) to instruct officers to investigate if a response had been received to the letter sent to the Minister for Transport and Islands on the subject of funding for private unadopted roads.

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

There had been circulated a report dated 5 May 2015, by the Director of Business Services, which updated Members on progress made with actions agreed at previous meetings of the Committee on 30 October 2014 and 19 February 2015. The report also gave details of all agreed actions from the last meeting of the Committee, held on 1 April 2015.

After consideration, the Committee **agreed** to note the contents of the report.