



## **REPORT TO SCRUTINY AND AUDIT COMMITTEE – 1 JULY 2016**

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

#### **1. Recommendation**

- 1.1 The Committee is recommended to review, discuss and comment on the update on actions agreed at previous meetings of the Committee, as detailed in the appendix to this report.**

#### **2. Discussion**

- 2.1 This report outlines progress made with actions agreed at the meeting of the Committee which was held on 19 May, 2016. One action is outstanding from the meeting of the Committee held on 18 February, 2016, and several actions from the meeting on 30 March, 2016, are ongoing. These are detailed within the report.
- 2.2 Appropriate officers have provided information on progress made with agreed actions and these updates are set out in the appendix to this report.
- 2.3 The Head of Finance and the Monitoring Officer within Business Services have been consulted and have no adverse comments to make.

#### **3 Equalities, Staffing and Financial Implications**

- 3.1 An equalities impact assessment is not required because the reason for this report is to provide an update to Committee on outstanding actions and there will be no differential impact, as a result of this report, on people with protected characteristics.
- 3.2 There are no staffing or financial implications arising as a result of this report.

**Ritchie Johnson**  
**Director of Business Services**

Report prepared by: Victoria McCaskill, Committee Officer  
Date: 15 June, 2016



PROGRESS WITH OUTSTANDING ACTIONS FROM SCRUTINY AND AUDIT COMMITTEE AS AT 15 JUNE, 2016

	Item Title	Date of Meeting	Action Agreed	Service Required to Take Action	Progress to Date
1.	Progress with Actions from Previous Scrutiny and Audit Meetings	18 February 2016	To note that a copy of the new procedures, relating to the operation of the grant scheme relating to the Aberdeenshire European Fisheries Fund, would be uploaded to Ward Pages now that the final guidance had been received from Scottish Government.	Infrastructure Services	The Team Manager – European Policy and Programmes advised that there has been no update from the Scottish Government. He had raised the matter with them again by phone and the Co-ordinator had done so by email.
2.	Internal Audit Reports (Public)	30 March, 2016	1) To note that Social Work and Housing Committee is due to receive a report on Older People Residential Care (Internal Audit 1604) and Day Care Establishment Visits (Internal Audit 1610) at its June meeting and agree to monitor the subsequent action taken by that Committee before deciding if further investigation was required by Scrutiny and Audit Committee.	Business Services	Updates on the visits by external inspectors will now follow a route through the Integration Joint Board (IJB). The IJB has established an Audit Committee which will have its inaugural meeting during the summer. The relationship between the IJB Audit Committee and the Scrutiny and Audit Committee of the Council still requires some clarification. This is to ensure Scrutiny and Audit arrangements are effective and also to ensure we avoid any duplication or confusion of roles. We anticipate being in a position to share such

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			<p>2) To receive a paper on Self-Directed Support, including specific reference to the impact of implementation; budget management; and case studies demonstrating how the process works to a future meeting of the Committee. (Internal Audit 1624 – Self-Directed Support)</p>	<p>Aberdeenshire Health and Social Care Partnership</p>	<p>reports and provide assurance between the Audit Committees. The reports specifically referred to in this instance will be made available through Ward pages, at the appropriate stage of progress through the IJB Audit Committee and any subsequent work with the Scrutiny and Audit Committee of the Council.</p> <p>The Terms of Reference for the IJB Audit Committee were uploaded to Ward Pages on 15 June, 2016, for members' information.</p> <p>The Self-Directed Support update and report will follow the same route as 2(1) above.</p>

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			<p>3) To invite the newly appointed Sustainability and Climate Change Co-ordinator to attend a meeting of the Committee, by no later than August 2016, in order to provide an update on work undertaken to implement the agreed recommendations. (Internal Audit 1521 – Energy Efficiency)</p>	<p>Infrastructure Services</p>	<p>The new Sustainability and Climate Change Co-ordinator has agreed to attend Committee on 1 July, 2016.</p>
3.	Work Plan Update	30 March, 2016	<p>1) To approve the outcomes of the session with the Risk Manager to consider an overview of Council and Partner agency response service, as detailed in Appendix 2 of the report, and await the outcome of various debriefs and remedial action which would be fed back to members.</p> <p>2) That suggestions for future investigation topics would be sought from all Aberdeenshire Councillors.</p>	<p>Business Services</p> <p>Business Services</p>	<p>SLT considered the draft report on 4 May, 2016, and it was approved subject to some additional comments being reflected.</p> <p>An action plan was also agreed, and the report, plus the action plan, will be added to Ward pages by the end of June 2016.</p> <p>E-mail sent to all Councillors inviting suggestions for investigation topics. Suggested topics discussed at meeting of SAC on 8 June.</p>

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			<p>3) To delegate work on the final version of the Committee report on the Contracts Register to the Director of Business Services following consultation with the Chair and Vice Chair of Scrutiny and Audit Committee.</p>	Business Services	This has been considered and endorsed by SLT. This will go to Full Council on 30 June 2016 for consideration.
4.	Internal Audit Reports (Exempt)	19 May, 2016	<p>(1) To instruct officers to continue to maintain, and report on, the register of breaches of Financial Regulations in its current format.</p> <p>(2) To instruct officers to arrange an Internal Audit Call In with the Head of HR and OD to discuss timesheet errors. (Internal Audit 1630, Timesheets and Allowances)</p> <p>(3) To instruct officers to obtain assurance from Services that guidance on timesheet completion had been circulated to, and seen by, staff with delegated authority and to investigate how assurance can be obtained going forward. (Internal Audit 1630, Timesheets</p>	Internal Audit  Business Services  Business Services	<p>Internal Audit officers will continue to maintain, and report on, the register of breaches of Financial Regulations in its current format.</p> <p>This matter will be dealt with either by a call-in to the Committee meeting on 1 July or via the Workshop scheduled for the same day.</p> <p>This matter is currently being pursued and an update will be provided by no later than 1 July 2016.</p>

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		<p>and Allowances)</p> <p>(4) To instruct officers to provide members with further information on which Services had failed to comply with the requirement to confirm that staff with delegated authority had read and understood the guidance on timesheet completion and to also include the reasons for non-compliance. (Internal Audit 1630, Timesheets and Allowances)</p> <p>(5) To instruct officers to include some information on the roll-out of iTrent in the planned workshop with HR and OD. (Internal Audit 1630, Timesheets and Allowances)</p> <p>(6) To instruct officers to investigate whether savings relating to mileage claims in excess of normal daily commuting mileage could be accelerated and report back the findings to members. (Internal Audit 1555, Travel and Subsistence)</p>	<p>Internal Audit</p> <p>Business Services</p> <p>Business Services</p>	<p>Internal Audit officers provided updates as requested on report 1630 Timesheets and Allowances and a further update was posted on Ward Pages on 26 May, 2016.</p> <p>This will be included in the workshop planned for 1 July.</p> <p>This is currently being investigated as part of the medium term financial strategy. Committee will be advised of the outcome when known.</p>

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		<p>(7) To instruct officers to clarify what recommendations were made by Internal Audit in Internal Audit Report 1555 on Travel and Subsistence and provide this information to members.</p> <p>(8) To instruct officers to address the issue of how deadlines to implement Internal Audit recommendations were set and the reasons that those deadlines were missed in the planned workshop with HR and OD. (Internal Audit 1555, Travel and Subsistence)</p> <p>(9) To instruct officers to investigate how the next set of reports on breaches of Financial Regulations, due to come to the November meeting of the Committee, could be amended to show which Service or Sub-Service were responsible for the breaches.</p>	<p>Internal Audit</p> <p>Business Services</p> <p>Business Services/ Internal Audit</p>	<p>Internal Audit officers posted an update on Ward Pages on 26 May, 2016.</p> <p>This will be included in the workshop planned for 1 July.</p> <p>Internal Audit Officers will incorporate the additional information to show which Service or Sub-Service is responsible for breaches and will report this at six monthly intervals. It is anticipated that the next update will be provided to the Committee in November 2016.</p>

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5. Internal Audit Reports (Public)	19 May, 2016	<p>(1) To instruct officers to liaise with colleagues in Revenues and provide further information to members on non-compliance with the Payment Card Industry Data Security Standard and the subsequent risk of financial penalty and the removal of the facility to take card payments. (Internal Audit 1633, Cash Receipting System)</p> <p>(2) To instruct the Director of Business Services to investigate the reasons behind the high number of overdue Internal Audit recommendations which had not been implemented and report back to members with his findings.</p>	Business Services	<p>This matter is currently being pursued and a report will be prepared for the August meeting of the Committee.</p> <p>This issue was discussed at SLT on 8 June 2016 and the key issues/reasons were as follows:</p> <ul style="list-style-type: none"> <li>• Overambitious timescales set by officers</li> <li>• Competing priorities</li> <li>• Changing circumstances that impact on the original recommendation.</li> </ul> <p>All Services agreed to reinforce the need to set realistic deadlines and to ensure final audit reports are signed off at least at Head of Service level. In addition, commitment was made to continue to work with Internal Audit colleagues to ensure</p>

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			(3) To instruct officers to provide members with a further update on the status of Internal Audit 1362 – Building Maintenance Stores.	Internal Audit	<p>explanations and updates are both timeous and appropriate.</p> <p>An update was uploaded to Ward Pages on 1 June, 2016.</p>
6.	Internal Audit Annual Report and Internal Financial Control Statement 2015/16	19 May, 2016	That, for future meetings of the Committee, where Internal Audit had not been provided with updates from Services by the time of the Pre-Meeting, officers from those Services would be called before Committee to provide updates in person.	All Services	Noted.
7.	Progress with Actions from Previous Scrutiny and Audit Meetings	19 May, 2016	To instruct officers to update members on when financial training sessions were to be scheduled for School Administrators.	Business Services	This matter is currently being pursued with the Service.