

## ABERDEENSHIRE COUNCIL

### AUDIT COMMITTEE

WOODHILL HOUSE, ABERDEEN, 14 DECEMBER, 2017

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

**Apologies:** Councillors A Buchan and H Smith.

**Officers:** Director of Business Services, Director of Education and Children's Services, Chief Internal Auditor, Corporate Finance Manager, HR Manager (HR & OD) (Mr P Matthews), Quality Improvement Officer (Education and Learning), Business Services Manager (Shared), Principal Solicitor (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 Item 9, 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**  
9

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

### 3. AUDIT COMMITTEE OF 2 NOVEMBER, 2017

There was circulated, **noted** and **approved** as appropriate, the Minute of Meeting of the Audit Committee of 2 November, 2017.

### 4. PROGRESS WITH ACTIONS FROM PREVIOUS AUDIT COMMITTEE MEETINGS

There was circulated a report dated 27 November, 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 2 November, 2017.

Members discussed Information Technology in Schools and Primary School Visits.

After consideration the Committee **agreed** to note the content of the report and appendix.

### 5. INTERNAL AUDIT REPORTS (PUBLIC)

There was circulated a report dated 28 November, 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 Payroll System and Processes, Proposed Sport and Culture Trust, EAFRD Grant Claim, Social Work Tendering, Compliance with Procurement Related Legislation and Council Regulations, Education Maintenance Allowances, PFI / PPP Schools and Vehicle Usage.

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

- (1) to acknowledge the content of the report and its appendices, and
- (2) that in respect of Payroll System and Processes, to request confirmation be provided that the audit logs are contained within the backups of the system,
- (3) that in respect of Payroll Systems and Processes, to request that regular updates are received by the Audit Committee,
- (4) that in respect of PFI/PPP, to request that a report on the position of Aberdeenshire's PFI/PPP schools contracts, to include contract timescales benefits and exit positions, is submitted to the Committee,
- (5) that in respect of Vehicle Usage, to request that confirmation be provided that drivers are aware that any personal use would not be covered by Council insurance, and
- (6) that in respect of Data Protection, to request that an update is submitted to the meeting of the Committee on 21 March, 2018.

### 6. INTERNAL AUDIT PROGRESS WITH 2017/18 AUDIT PLAN

There was circulated a report dated 28 November, 2017 by the Chief Internal Auditor, which advised members of the progress of Internal Audit in the current year. The report asked the Committee to approve the rescheduling of the planned audit of Teachers Payroll and Business

rates from 2017/18 to 2018/19 and otherwise review, discuss and comment on the issues raised within the report.

The report stated that all but one of the residual 2016/17 audits had been completed, with the final one being in draft form with the appropriate Service to respond. The report also indicated that progress with the 2017/18 planned work was slightly ahead of the position achieved at the same point in 2016/17.

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

- (1) note the content of the report, and
- (2) request that Directors are reminded of the importance of Services responding to the requests from Internal Audit on the progress of implementing agreed recommendations.

## **7. INTERNAL CONTROL AND GOOD GOVERNANCE (CREDITORS PAYMENT)**

With reference to the minute of the meeting of the Committee on 15 February, 2017 (Item 5, Page 3), there was circulated a report dated 10 November, 2017 by the Director of Business Services, which asked members to acknowledge the progress in implementing the Budget Review Task Force Action Plan and further acknowledge that the actions will be signed off as Directors confirm implementation within their respective Services. Appendix 1 to the report provided details of the Budget Review Task Force Action Plan.

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

- (1) acknowledge the content of the report and its appendices, and
- (2) request that that an update is submitted to the meeting of the Committee on 21 March, 2018.

## **8. PAYROLL AND i-TRENT IMPLEMENTATION UPDATE**

With reference to the minute of the meeting of the Committee 21 June, 2017 (Item 6, Page 2), the Interim HR and OD Manager provided an oral update on the Payroll and i-Trent Implementation.

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

- (1) acknowledge the update, and
- (2) request that further updates are provided to the Audit Committee.

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

There was circulated a report dated 28 November, 2017, by the Chief Internal Auditor which provided members with an update on 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 provided an explanation on the gradings used.

Following discussion, the Committee **agreed** to acknowledge the detail within the report and appendices.