

# MORAY COUNCIL

## Minute of Meeting of the Audit and Scrutiny Committee

Wednesday, 14 February 2024

Council Chambers, Council Office, High Street, Elgin, IV30 1BX

### **PRESENT**

Councillor Peter Bloomfield, Councillor John Cowe, Councillor John Divers, Councillor Amber Dunbar, Councillor Jérémie Fernandes, Councillor Donald Gatt, Councillor David Gordon, Councillor Sandy Keith, Councillor Graham Leadbitter, Councillor Marc Macrae, Councillor John Stuart, Ms Margaret Wilson

### **APOLOGIES**

Mr Ivan Augustus, Councillor Theresa Coull, Councillor Neil McLennan, Councillor Shona Morrison

### **IN ATTENDANCE**

The Chief Executive; Depute Chief Executive (Education, Communities and Organisational Development); Chief Officer, Health and Social Care Moray; Chief Social Work Officer/Head of Service; Head of Governance, Strategy and Performance; Head of Financial Services; Audit and Risk Manager; Social Work Service Manager; Caroline O'Connor, Committee Services Officer as Clerk to the meeting, all Moray Council and Angela Pieri and Andrew Wallace, Grant Thornton - External Auditors.

Councillors Colyer, Mustard and Robertson were also present.

#### **1. Chair**

Councillor Leadbitter, as Chair of the Audit and Scrutiny Committee, chaired the meeting.

#### **2. Declaration of Group Decisions and Members Interests \***

In terms of Standing Orders 21 and 23 and the Councillors' Code of Conduct, there were no declarations from Group Leaders or Spokespersons in regard to any prior decisions take on how Member will voted on any item on the agenda or any declarations of Member's interests in respect of any item on the agenda.

With regard to Item 7 "Internal Audit Plan Year Ending 31 March 2025", Councillor Gatt stated, for transparency, that he is Convener of the Grampian Valuation Joint Board and would be taking part in the debate.

#### **3. Resolution**

The meeting resolved that in terms of Section 50A (4) and (5) of the Local Government (Scotland) Act 1973, as amended, the public and media representatives be excluded from the meeting for Item 11 of business on the grounds that it involves the likely disclosure of exemption information of the class.

Para number of the minute	Para Number of Schedule 7a
13	<p style="text-align: center;">Para 7</p> <p style="text-align: center;">Information relating to the financial or business affairs of any of the particular person(s) for any matters referred to in section 27(1) of the Social Work (Scotland) Act 1968</p>

#### **4. Minute of meeting of 22 November 2023**

The minute of the Audit and Scrutiny Committee of 22 November 2023 was submitted and approved.

#### **5. Written Questions \*\***

The Committee noted that no written questions had been submitted.

#### **6. Internal Audit Section Update Report**

The meeting had before it a report by the Audit and Risk Manager providing Committee with an update on the work of the Internal Audit Section.

In response to a question from the Chair relating to whether the revised implementation date of 31 March 2024 for the ICT Business Continuity Plan was the completion date, the Audit and Risk Manager confirmed a follow-up review would then be undertaken to update the plan and would be reported back to Committee to evidence implementation.

In response to a suggestion from Councillor Gatt relating to the ICT security audit that passwords should be changed at least every six months, the Audit and Risk Manager confirmed he would include that as part of the email audit review being undertaken. The Depute Chief Executive (Education, Communities and Organisational Development) provided further assurance that corporate users are required to change passwords more frequently than once every six months with a level of complexity within passwords to ensure security.

In response to a question from Councillor Macrae relating to whether potential weaknesses in cyber security should be discussed in public, the Depute Chief Executive (Education, Communities and Organisational Development) advised most weaknesses relate to phishing and that human behaviour is responsible for the majority of attacks. Action is being taken to reduce human vulnerability in the form of briefings and training to members of staff.

In response to a question from Councillor Gatt relating to whether more accurate completion dates could be included in future audit reports to Committee, the Audit and Risk Manager stated that the revised dates for implementation are provided by the services when a follow-up review is undertaken. The Audit and Risk Manager confirmed he has prepared a new reporting format to come into effect during 2024 which will be a clearer and more transparent format.

In response to a question from the Chair relating to whether it was likely the procurement timescales for a replacement for the CareFirst system would take the full year for which the CareFirst contract had been extended, the Head of Service / Chief Social Work Officer advised it was anticipated it could be completed within a

year, however a scoping exercise was being undertaken to give more accurate predictions and this would be reported back to Committee. In order to provide assurance, the Chair asked for a report from the service updating on progress be brought back to Committee in 6 months' time.

In response to a concern raised by Councillor Gatt relating to the extended timescale for the review of stock levels in the Building Service stores audit and a question from Councillor Stuart on what mechanisms the Committee has to propose an amendment to the timescale, the Chief Executive advised the revised reporting format will provide the Committee with context on factors as to why timescales have not been achieved and levels of assurance. Thereafter if the Committee are not assured and provide details of what they are not assured about and what action they would like taken, recommendations can then be made to address the areas not assured on. The Head of Governance, Strategy and Performance further advised if the process described by the Chief Executive was not satisfactory, it was within the remit of the Committee to make a recommendation to another Committee.

Thereafter the Committee unanimously agreed:-

- i. to note the contents of the report; and
- ii. an update report by the service on procurement timescales for the CareFirst replacement system be brought back to Committee in six months time.

## **7. Internal Audit Section - Completed Projects Report**

The meeting had before it a report by the Audit and Risk Manager advising Committee on the work of the Internal Audit Section for the period from 22 November 2023 to 14 February 2024.

In response to a question from Councillor Gatt relating to the variances in stocks in the Occupational Therapy Store and seeking a follow-up report to provide assurance about operation of the store and training requirements, the Audit and Risk Manager advised training was an issue for the service, systems have been reviewed and issues would be picked up as part of the review. The Chief Executive advised whilst the report had stated significant issues had been identified and the service has agreed to all the recommendation, if Committee members were not assured additional recommendations could be added.

In response to concern raised by Councillor Gatt relating to the breach of Financial Regulations in respect of advance payments in the Children's Services Commissioning audit, the Audit and Risk Manager confirmed there had been a breach however the issue had now been addressed by the service.

Councillor Gatt therefore moved to add an additional recommendation to note in relation to Appendix 2, Children's Services Commissioning, whilst Financial Regulations had been breached, the Audit and Risk Manager confirmed a follow up review will be undertaken to evidence implementation of the recommendation and will be reported to this Committee.

This was seconded by Councillor Dunbar.

There being no one otherwise minded the Committee unanimously agreed to note:-

- i. the contents of the report; and
- ii. in relation to Appendix 2, Children's Services Commissioning, whilst Financial Regulations had been breached, the Audit and Risk Manager will provide assurance that action had been taken to prevent a recurrence.

## **8. Internal Audit Plan Year Ending 31 March 2025**

The meeting had before it a report by the Audit and Risk Manager providing Committee with details of the planned internal audit coverage for the year ending 31 March 2025.

In response to a question from Councillor Gordon relating to the stage Members can become involved in proposed projects for the Audit Plan, the Audit and Risk Manager advised determination of what is to be included in Plan lies with him and any suggestions from Members or senior management could be considered as part of the annual process in preparation of the annual Plan. In the past Members have not been consulted, however this year consultations has been undertaken with the Council Leader and the Chair of this Committee. The Audit and Risk Manager stated this will be expanded to include all Members of this Committee for greater consultation moving forward. To provide assurance the Chair confirmed discussions between himself, the Audit and Risk Manager and Head of Governance, Strategy and Performance are informed by discussion at Committee. He further advised it would be possible to debate projects for inclusion with advice from the Audit and Risk Manager relating to risks for other items which would then be delayed.

The Chair advised a scrutiny training session entitled "How to ask the right questions" had been organised for 27 February with an invitation extended to all Members.

In response to a question from Ms Wilson relating to staff resources and noting that the Audit and Risk Manager is responsible for auditing the Moray Growth Deal and whether any additional resources were provided, the Audit and Risk Manager advised that no additional resources were available. However, due to a requirement to provide additional budget savings by not replacing the Corporate Investigations Officer post, he hoped to replace this post with a full time Audit Assistant which would provide some flexibility within the services despite the reduced staff resources.

Thereafter the Committee unanimously agreed to note the contents of the report.

## **9. Audit and Scrutiny Committee Self-Assessment and Evaluation Exercises**

The meeting had before it a report by the Audit and Risk Manager advising the Committee on the outcome of a self-assessment of Compliance with the Good Practice Principles Checklist and Evaluation of Effectiveness Toolkit undertaken from the Chartered Institute of Public Finance and Accountancy (CIPFA) Publication "Practical Guidance for Local Authorities and Police 2022 Edition".

Following consideration the Committee unanimously agreed to note the contents of the report.

## **10. The National Fraud Initiative in Scotland**

The meeting had before it a report providing Committee with information on the Council's approach to participation in the National Fraud Initiative (NFI).

In response to a question from Councillor Keith relating to the risks of fraud or errors if not participating however the report stating local authorities are mandatory participants, the Audit and Risk Manager confirmed the data requires to be submitted however investigation of the data matches does not result in identifying fraud. Given the time take to investigate matches and the limited benefits to justify the time taken, it is planned to be more selective in terms of percentage testing moving forward.

Thereafter the meeting unanimously agreed to note the contents of the report.

## **11. Question Time \*\*\***

The Committee noted that there were no questions.

## **12. Thanks**

The Committee, in noting the Chief Executive had announced his intention to retire in the coming months, joined the Chair in thanking the Chief Executive for his support to this Committee and his extensive length of public service to the Council.

## **13. Update on Improvement Plan for Adult Social Care Commissioning [Para 7]**

The meeting had before it a report by the Head of Service / Chief Social Work Officer updating the Committee of progress regarding the Improvement Plan for Adult Social Care Commissioning in line with the external review conducted by KPMG, finalised in February 2023.

In response to a question from the Chair who noted the significantly improved position however previous reports had summarised in progress in different ways and asked for details on overall values of each contract to provide more assurance, especially for those coloured red, the Head of Service / Chief Social Work Officer advised it would be possible to bring back a report with details of the average values of contracts.

The Chair moved to add an additional recommendation that an update report be brought back to Committee with details of contract values. The Chief Officer, Health and Social Care Moray agreed this was appropriate in terms of good governance. The Chief Executive confirmed the update report should also include details of timelines and risks.

There being no one otherwise minded the Committee unanimously agreed:-

- i. to note the progress since February 2023 in relation to the recommendations detailed in the Improvement Plan attached at Appendix 1;
- ii. to note the updated Improvement Action Plan approved by Moray Integrated Joint Board (MIJB) Audit, Performance and Risk (APR) Committee on 26 October 2023 (para 12 of minute refers) attached at Appendix 2;

- iii. that the Internal Audit will undertake a follow up review after the final date of the Improvement Plan; and
- iv. an update report including details of contract values, timelines and risks be brought back to Committee in six months.