

MORAY COUNCIL

Minute of Meeting of the Audit and Scrutiny Committee

Wednesday, 22 November 2023

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

PRESENT

Mr Ivan Augustus, Councillor Peter Bloomfield, Councillor Theresa Coull, 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 Neil McLennan, Councillor Shona Morrison, Councillor John Stuart, Ms Margaret Wilson

ALSO PRESENT

Councillor Kathleen Robertson, Councillor Derek Ross

IN ATTENDANCE

The Chief Executive; Depute Chief Executive (Economy, Environment and Finance); Depute Chief Executive (Education, Communities and Organisational Development); Head of Governance, Strategy and Performance; Head of Financial Services; Head of Housing and Property Services; Audit and Risk Manager; Property Asset Manager; Caroline O'Connor, Committee Services Officer as Clerk to the meeting, all Moray Council and Hannah McKellar, Grant Thornton - External Auditor.

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 Order 21 and 23 and the Councillors' Code of Conduct, there were no declarations from Group Leaders or Spokespersons in regard to any prior decisions taken on how Members will vote on any item on the agenda or any declarations of Member's interests in respect of any item on the agenda.

Councillor Gatt did however state that in relation to Item 5 "Internal Audit Section Update Report" he is Convener of the Grampian Valuation Joint Board and for transparency in relation to Item 6 "Internal Audit Section Completed Projects", a recent personal transaction had flagged up issues for the Audit Officer. This was noted.

Mr Augustus stated that he was a member of the Moray Integration Joint Board and Skills Development Scotland. This was noted.

3. Minute of the meeting held 13 September 2023

The minute of the meeting of the Audit and Scrutiny Committee dated 13 September 2023 was submitted for approval.

The Chair advised a number of amendments to the minute had been submitted by Councillor McLennan shortly before the meeting and reminded Members the agreed minute style is a summary of discussion held whilst decisions are minuted in detail.

Following discussion the Chair advised he was not prepared to accept the amendments given the late notice of receipt of the amendments, the detail contained therein and that members of the Committee had not been given reasonable opportunity to consider the amendments.

Councillor McLennan noted the decision of the Chair.

Thereafter the Committee unanimously approved the minute.

4. Written Questions **

The Committee noted that no written questions had been submitted.

5. 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.

The Chair advised Councillor Ross was in attendance as he wished to speak on Appendix 5.

In response to a question from Councillor Gatt relating to there no longer being funding for the Corporate Investigations Officer vacancy, the Head of Governance, Strategy and Performance advised no decision had yet been taken and this would need to be considered by Moray Council.

In response to a question from Councillor Gatt relating to the Audit and Risk Manager's concerns about insufficient internal audit staffing resources to meet the needs of the Council, Moray Integration Joint Board (MIJB) and the Grampian Valuation Joint Board (GVJB), the Chief Executive advised shortages in staffing resources across the Council are being considered by the senior management team and the Accounts Commission direction next year will focus on workforce planning in terms of Best Value.

In response to a question from Ms Wilson relating to whether a review could be progressed into internal audit requirements of the MIJB and GVJB which may result in producing funding for additional resources, the Chief Executive agreed to undertake a review.

In response to a question from Councillor Stuart relating to slippages in timescale and delays in respect of the Self-Directed Support audit and whether audits can be paused to focus on new work, the Audit and Risk Manager advised there is a requirement for annual audit coverage, and it is intended for next year's Audit Plan to be reported to Committee in February 2024. This will include MIJB projects and include details of follow-up reviews to be undertaken next year.

In response to a question from Mr Augustus relating to the duration of temporary staff employed to deal with the backlog and the risk of reoccurrence when the resources are removed, the Audit and Risk Manager advised that would be a matter for the MIJB. The Chief Executive advised that the Audit and Risk Manager is preparing an revised report format for Committee to balance the robustness of the audit process while taking into account the flexibility of resources to respond to the audit requirements. The Audit and Risk Manager confirmed consultation would be undertaken with Committee on the revised reporting format.

In response to a question from Councillor Ross relating to costs incurred for storage of the surplus portacabins in respect of the Aberlour Early Years Learning and Childcare Scheme audit, the Head of Housing and Property advised a number of notes of interest had been received which would be taken forward and the expected yield would exceed the cost of the interim storage.

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

6. Internal Audit Section - Completed Projects

The meeting had before it a report by the Audit and Risk Manager advising the Committee on the work of the Internal Audit Section for the period from 13 September 2023 to 22 November 2023.

In response to a question from Councillor Gordon relating to collection of non-domestic rates, the Audit and Risk Manager advised it was not part of the Debtors System review but a review would be included as part of the 2025/26 Audit Plan.

In response to a question from Councillor Gatt relating to a personal invoicing issue which had raised matters not contained in the audit, the Audit and Risk Manager advised it highlighted further scrutiny was required in relation to reallocation of income received via bank transfer.

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

7. Scottish Public Services Ombudsman Recommendations Report

The meeting had before it a report by the Chief Executive asking the Committee to consider the Scottish Public Service Ombudsman (SPSO) Recommendations Report.

In response to a question from Councillor McLennan asking what the figures were in relation to comparator authorities, the Chief Executive advised he would follow this up with the Council's Complaints Officer.

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

8. Question Time ***

External Funds

The Chair noted numerous external funding streams are due to be received by the Council and asked what the audit process would be in terms of audit and review.

The Audit and Risk Manager advised Heads of Services have been asked to highlight any reviews they would like to be included in the Audit Plan for next year. One response has been received for a review of a funding stream which given timescales is proposed will be included in the 2025/26 Audit Plan. The Audit and Risk Manager confirmed he plans to discuss 2024/25 Audit Plan with the Chair and Council Leader.

Committee Attendance

Under reference to paragraph 7 of the minute of the meeting of this Committee held on 13 September 2023, Councillor Divers sought an update on the outcome of discussions held between the Chair and Committee Chairs relating to committee attendance.

In response the Chair advised that discussions had not yet been held but he planned to progress with the Council Leader and Depute Leader.

Councillor McLennan sought clarification on whether the proposed discussion with Committee Chairs was relating to Chairs attendance at this Committee following the issues raised at the last meeting of this Committee or if the discussions were relating regular catch up meetings with Committee Chairs or both.

In response the Chair advised the proposed discussions were relating to regular catch up meetings, six monthly or annual as deemed most appropriate, to explore a range of issues with the Chairs including what was being scrutinised by their own Committees and what should be scrutinised by this Committee.

Councillor Divers confirmed his question related to Committee Chairs attendance at this Committee to answer questions relating to their Committees rather than Officers, as agreed previously by Council.

In response the Chair advised this would be covered in his discussions with Committee Chairs whilst noting the context of the Committee role has changed since previously agreed by Council.

Councillor McLennan agreed with the comments made by Councillor Divers and suggested in terms of Best Value and effective scrutiny requirements, a smaller Committee would be useful going forward.