

# **MORAY COUNCIL**

## **Minute of Meeting of the Audit and Scrutiny Committee**

**Wednesday, 24 April 2019**

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

### **PRESENT**

Councillor James Allan, Councillor Theresa Coull, Councillor Lorna Creswell, Councillor Tim Eagle, Councillor Ryan Edwards, Councillor Claire Feaver, Councillor Donald Gatt, Councillor Aaron McLean, Councillor Derek Ross, Councillor Amy Taylor

### **APOLOGIES**

Councillor Frank Brown, Councillor John Cowe, Councillor Marc Macrae

### **IN ATTENDANCE**

The Corporate Director (Corporate Services), the Audit Manager, the Transportation Manager and Mrs C Howie, Committee Services Officer as Clerk to the Meeting.

### **ALSO PRESENT**

Councillor Morrison (ex-Officio), Councillor Warren (Chair of Children and Young People's Committee) and Councillor Coy

## **1 Chair of Meeting**

The meeting was chaired by Councillor Donald Gatt.

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

In terms of Standing Order 20 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.

## **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 during consideration of the items of business appearing at the relevant paragraphs of this minute as specified below, so as to avoid disclosure of exempt information of the class described in the appropriate paragraphs of Part 1 of Schedule 7A of the Act.

Paragraph of Minute	Number	Paragraph Number of Schedule 7A and Reason
	13	8 Information on the amount of any expenditure proposed to be incurred by the Authority
	13	9 Information on terms proposed or to be proposed by or to the Authority

#### **4 Minute of Meeting of 27 February 2019**

The Minute of the meeting of the Audit and Scrutiny Committee dated 27 February 2019 was submitted and approved.

Councillor Edwards entered the meeting during discussion of this item.

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

The Committee noted that no written questions had been submitted.

#### **6 Internal Audit Plan - Year Ending 31 March 2020**

A report by the Corporate Director (Corporate Services) provided the Committee with details of the planned internal audit coverage for the year ending 31 March 2020.

Councillor Feaver sought clarification on the possibility of including commissioning and tendering of services for Integrated Children's Services and the construction programme for affordable housing in the Audit Plan.

In response the Audit Manager advised the Plan contained some contingency time and these areas could potentially be covered within the Plan, however if Councillor Feaver had particular areas of concern he would be happy to discuss these with her outwith the meeting.

In response to a query from Councillor Creswell in respect of the Moray Leisure Centre the Audit Manager advised that work had been undertaken by the service management in respect of Arms Length External Organisations. He is monitoring how these processes are being taken forward and is not proposing to undertake any further audit work on this at this time.

Councillor McLean sought clarification on the plan to review Licensing and if this would cover both the Licencing Board remit and the Licensing Committee remit.

In response the Audit Manager advised this was an area that had not been audited for a period of time and he would be undertaking an overview of both areas with the intention to focus audit work where he thought this would be of most benefit.

The Chair sought clarification on the billing process for recharging the costs of audit work undertaken for the Moray Integration Joint Board (MIJB) and the Grampian Valuation Joint Board (GVJB).

In response the Audit Manager advised the MIJB was funded on a shared basis by Moray Council and NHS Grampian and that the costs of audit work carried out on behalf of the MIJB was covered by the Council. In respect of the GVJB the three North East Councils (Aberdeenshire, Aberdeen City and Moray) jointly fund the audit work undertaken.

Thereafter following clarification of matters arising from the report and appendices to the report the Committee agreed to note the proposed internal audit coverage for the 2019/20 financial year.

## **7 Public Sector Internal Audit Standards - External Quality Assessment of Internal Audit**

A report by the Corporate Director (Corporate Services) provided the Committee with details of a recent external quality assessment undertaken on the Council's internal audit service.

Councillor Eagle sought clarification on the recommendation at 3.3 of the appendix to the report and queried if it would be difficult to amend the Scheme of Delegation.

In response the Audit Manager advised there had been much discussion around this, and given that the internal audit reports presented to this Committee had been drafted and presented by the Audit Manager it was felt this did not raise any immediate issues and could be left for consideration until the annual review of the Scheme of Delegation.

The Chair sought clarification on the information in the appendix to the report in respect of training records for audit staff.

In response the Audit Manager advised that as the individual officers have a professional qualification and are required to keep their own records for continuous professional development purposes this would be an exercise in collating the information into a central place that could be easily accessed.

In response to a query from Councillor Creswell, the Audit Manager advised that the Scottish Local Authorities Chief Internal Auditors' Group had decided who would perform the various External Quality Assessment audits around Scotland to ensure conflicts of interest were avoided.

Thereafter the Committee agreed to note the report and the action plan prepared to address the issues raised in the external quality assessment of internal audit.

## **8 Accounts Commission Report - Local Government in Scotland - Challenges and Performance 2019**

A report by the Corporate Director (Corporate Services) provided Committee with a recently published Accounts Commission report and checklist that considers challenges facing local government at the present time.

Lengthy discussion took place on the scrutiny tool in appendix 1 of the report and how this could be used to help with training for Councillors and also how it can inform scrutiny around the Council.

The Corporate Director (Corporate Services) advised this was similar to a checklist included in the Members induction pack. She advised an annual review is due to be undertaken and the completion of the checklist could help in the review of training required.

Prior to agreement of the recommendations the Chair sought agreement to add the word Members to the recommendation at 2.1 ii).

Thereafter the Committee agreed:

- i. to note the key messages from the Accounts Commission around challenges facing all councils; and
- ii. that the scrutiny tool provided as a supplement to the report be circulated to all Members.

## **9 Audit Scotland Paper - Withdrawal from the European Union**

A report by the Chief Executive provided Committee with information following consideration of a recent Audit Scotland paper on the implications for the public sector of the UK's withdrawal from the European Union (EU).

Councillor McLean sought clarification on workforce planning and the numbers involved in health and social care. He was of the opinion the numbers of staff involved in Moray is as high as 15% and not the six to eight percent noted in the report.

The Audit Manager advised that health and social care is overseen by the Moray Integration Joint Board (IJB) and he did not have details of the actual numbers involved. He advised he was aware this was highlighted in the register of risks for the IJB.

In response to a query from Councillor Creswell the Corporate Director (Corporate Services) advised the Chief Executive is the Lead Officer for Brexit planning and has established a group of officers across the Council to take the lead on a range of risks and possible actions required. She further advised this did not presently involve a large number of staff and has limited impact at the moment.

Discussion took place on the funding streams that may or may not be available post Brexit and possible impacts this may have on council budgets.

Thereafter the Committee agreed:

- i. to note that the Council has been monitoring the potential impacts of 'Brexit' having regard to information contained in the Audit Scotland paper, and in line with additional guidance circulated by Scottish Government;
- ii. to acknowledge that uncertainty will remain while negotiations between the EU and the UK Government are progressed and potentially for an indeterminate period thereafter; and

- iii. that the Council should continue to monitor national developments and take a proportionate risk based approach to mitigate any issues presenting that fall within the remit of the Council to be managed.

## **10 Statement of Outstanding Business at April 2019**

A report by the Chief Executive asking Committee to consider progress and times in relation to follow-up reports and actions requested by the Committee at previous meetings was noted.

## **11 Council Dredger - MV Selkie**

Under reference to paragraph 17 of the draft Minute of the meeting of the Economic Development & Infrastructure Services Committee (ED&I) dated 19 February 2019 and paragraph 20 of the Minute of the meeting of the ED&I dated 28 August 2012 a report by the Corporate Director (Economic Development, Planning and Infrastructure) informed the Committee of the business case and operation of the Council owned dredger MV Selkie.

Discussion took place on the report and Committee were of the opinion that MV Selkie is value for money for the public. It is seen as the most cost effective way to keep harbours clear.

Thereafter the Committee agreed to note the update on the dredger's operation.

## **12 Question Time \*\*\***

Under reference to the employee survey undertaken in 2014 Councillor A McLean sought clarification on the possibility of a report on the Workforce Culture Group that had been set up to look into allegations of bullying.

In response the Corporate Director (Corporate Services) advised the next employee survey was due to commence and it would likely be September/October before the results were known. She further advised updated reports had been provided on the work of the culture project and surveys since 2014 had shown ongoing improvement.

In response to a query from Councillor Feaver the Corporate Director (Corporate Services) confirmed a report in respect of staff hospitality records would be provided in June.

Councillors Coy and Morrison left the meeting at this juncture.

## **13 Council Dredger - MV Selkie [Paras 8 and 9]**

Under reference to paragraph 26 of the Minute of the meeting of Moray Council dated 25 May 2016 and paragraph 11 of the draft Minute of the meeting of this Committee dated 24 April 2019 a report by the Corporate Director (Economic Development, Planning and Infrastructure) informed the Committee of the business case and operation of the Council owned dredger MV Selkie.

Following consideration the Committee agreed to note the update on the dredger's commercial operation.

