

# **MORAY COUNCIL**

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

**Wednesday, 19 June 2019**

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

### **PRESENT**

Councillor Frank Brown, Councillor Theresa Coull, Councillor Claire Feaver, Councillor Donald Gatt, Councillor Aaron McLean, Councillor Derek Ross, Councillor Amy Taylor

### **APOLOGIES**

Councillor James Allan, Councillor John Cowe, Councillor Lorna Creswell, Councillor Tim Eagle, Councillor Ryan Edwards, Councillor Marc Macrae

### **IN ATTENDANCE**

The Chief Executive; the Head of Financial Services; the Head of Legal and Democratic Services; the Audit Manager and Mrs C Howie, Committee Services Officer as Clerk to the Meeting.

#### **1 Chair of Meeting**

The meeting was chaired by Councillor 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 other declarations of Member's interests in respect of any item on the agenda.

Councillors Coull, A McLean and Taylor entered the meeting at this juncture and thereafter advised they did not have anything to declare in respect of this item.

#### **3 Councillor Conduct**

The Chair advised that 4 Members of the Committee had complained to him about the conduct of 2 Members at the previous meeting. He took the opportunity to remind all of Standing Order 77 in respect of the Councillors' Code of Conduct and respectfully requested they read it.

#### **4 Minute of Meeting dated 24 April 2019**

The Minute of the meeting of the Audit and Scrutiny Committee dated 24 April 2019 was submitted and approved.

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

The Committee noted that no written questions had been submitted.

### **6 Accounts Commission Paper - Safeguarding Public Money: Are You Getting it Right?**

A report by the Corporate Director (Corporate Services) provided Committee with details of a recent Accounts Commission publication relating to the roles of Councillors and officers in safeguarding public money.

Councillor Feaver sought clarification on how the Council has taken a proportionate approach to achieving good governance by seeking to secure appropriate arrangements at optimal cost.

In response the Audit Manager advised this is referred to within other papers in the report; sound governance arrangements are outlined within a separate report on the agenda and commentary is included in what the Council does well and what requires improvement.

Councillor Brown sought clarification on internal controls in respect of financial regulations as he was aware that in a small number of areas these were not always being followed.

In response the Audit Manager advised procedures are robust, documented and available for staff. He further advised there are a large number of transactions across the Council and if there was an issue that did not comply with policy then it would require investigation, but this would have to be proportionate. He gave reasonable assurance rules and regulations are promoted with staff, noting that if occasional breaches occurred, these would need to be considered to understand if additional measures are required.

Councillor Feaver sought clarification on whether any improvements identified by the audit team were tracked to see if they were adopted by the relevant personnel.

In response the Audit Manager advised that the audit team track actions and where there are exceptions these are reported to Committee.

The Chair stated that agenda setting meetings take place ahead of Committee, thanked the officers for arranging these for several Committee cycles and asked that draft copies of reports be provided at the meetings where possible. He then encouraged all Committee Members to thoroughly read papers ahead of Committee and raise questions where required.

Thereafter the Committee agreed to note:

- i. the latest in the Accounts Commission series of reports on 'How councils work' entitled 'Safeguarding public money: are you getting it right?';
- ii. there are checklists on eight separate subject areas that are within the scope of the report and agreed that these will be considered in detail across this and the next three meetings of this Committee;

- iii. the council has taken a proportionate approach to achieving good governance by seeking to secure appropriate arrangements at optimal cost; and
- iv. Council responses to the questions in the two checklists covering Internal Control and Risk Management, and Audit Committees.

## **7 Annual Governance Statement**

A report by the Corporate Director (Corporate Services) provided Committee with a copy of the Council's Annual Governance statement for 2018/19 for information/review.

Councillor Brown sought clarification in respect of the Integration Joint Board (IJB) and whether the Council would need to review its governance arrangements given that almost 50 percent of the Council's budget is allocated to the IJB.

The Audit Manager advised the accounts for the IJB are separate to the Council and also contain a governance statement that outlines the roles and responsibilities of what they deal with.

Councillor Ross sought clarification, for the benefit of the public, on the external review of Council Management structures and how it will be progressed.

The Chief Executive advised the review was on schedule to be reported to the Council meeting on 27 June.

In response to a query from Councillor Feaver the Audit Manager agreed to supply links to background papers where appropriate.

Thereafter the Committee agreed to note the contents of the Annual Governance Statement provided as Appendix 1 of the report.

## **8 Internal Audit Annual Report - 2018/19**

A report by the Corporate Director (Corporate Services) provided Committee with a copy of the Internal Audit Annual Report for the year ended 31 March 2019, together with the internal audit manager's opinion of the adequacy and effectiveness of the council's system of internal control.

Following consideration the Committee agreed to note the contents of the annual report given as Appendix 1 to the report.

## **9 Report on the Work of the Internal Audit Section in the Period from 1 January 2019 to 31 March 2019**

Under reference to paragraph 7 of the draft Minute of the meeting dated 24 April 2019 a report by the Corporate Director (Corporate Services) advised Committee on the work of the Internal Audit Section for the period from 1 January 2019 to 31 March 2019.

In response to a query from the Chair in relation to payroll access controls the Audit Manager advised staff in the payments section had individual user access however a generic login was being used by those with a role in supporting the system. This was raised as an issue and was being addressed.

In response to a query from Councillor Feaver the Audit Manager advised he was hopeful the system supplier could develop the audit log function to enable monitoring reports on user activity to be produced. If this could not be done then further work would be required to ascertain if additional checks would require to be introduced.

In response to a query from Councillor Taylor in relation to the audit of winter maintenance the Audit Manager advised that Elgin had the only covered salt storage in the area. A cost benefit analysis would be required to determine whether additional covered areas would be appropriate.

Councillor Brown during consideration of the audit of the Social Care - Contributions Policy sought clarification that systems responded quickly enough to ensure that when care packages change people would not be financially disadvantaged while the Council's systems caught up with changes.

In response the Audit Manager advised he was confident the systems work well to prevent this happening.

Councillor Feaver raised concern about a potential weakness in control where a variety of separate systems were in use for recording information.

In response the Audit Manager advised audit work had noted this resulting in recommendations being made to ensure appropriate reconciliations were carried out and that he would be returning to the service to see if progress had been made.

The Chair, returning to the Winter Maintenance audit, sought clarification on how confident the Audit Manager was that departments were forecasting their budget to a degree of accuracy such that the Council wouldn't face an unforeseen overspend later in the year.

In response the Audit Manager advised he had discussed this with the Head of Financial Services. The Head of Financial Services advised that in relation to Roads Management it is unusual to have an overspend as should winter maintenance increase, roads maintenance would decrease and vice versa; and this usually had a balancing effect on the overall budget.

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

## **10 Customer Focus Update**

Under reference to paragraph 8 of the Minute of the meeting dated 29 April 2015 a report by the Corporate Director (Corporate Services) informed Committee of progress in implementation of the Council's Customer Focus Strategy and Charter.

Discussion took place on customer feedback and complaints and it was stated that it would be helpful if lessons being learned through complaints were specified.

Thereafter the Committee agreed to note the progress in implementation of the Council's Customer focus Strategy and Charter.

## **11 Gifts and Hospitality**

A report by the Corporate Director (Corporate Services) advised Committee of the receipt of gifts and hospitality to officers across Council services valued above £30 in 2018/19.

In response to a query from Councillor Ross the Chief Executive advised the Royal International Air Tattoo had taken place at RAF Fairford and the Royal Air Force 100 in Scotland Charity dinner had been held in Edinburgh.

Thereafter the Committee agreed:

- i. to note the number and level of the gifts and hospitality received; and
- ii. that the current system of notification and recording is appropriate.

## **12 Statement of Outstanding Business at June 2019**

A report by the Chief Executive asked Committee to consider progress and timescales in relation to follow-up reports and actions requested by the Committee at previous meetings.

In relation to the Local Outcome Improvement Plan (LOIP) update noted in appendix 1 of the report the Chief Executive advised that the member of staff task with completion of this had been on long term sick, this has recently been allocated to other members of staff; a completion date has yet to be set.

In response to a query from Councillor Feaver the Chair advised that a meeting was planned for August to discuss an Internal Scrutiny Charter.

Thereafter the Committee agreed to note progress and timescales in relation to follow-up reports requested by the Committee.

## **13 Question Time \*\*\***

There were no questions raised.