

ANGUS COUNCIL

MINUTE of MEETING of the **SCRUTINY AND AUDIT COMMITTEE** held in the Town and County Hall, Forfar, on Tuesday 19 April 2016 at 2.00pm.

Present: Councillors BOB SPINK, BRIAN BOYD, BILL BOWLES, LYNNE DEVINE, BILL DUFF, CRAIG FOTHERINGHAM, JEANETTE GAUL, ALEX KING, IAN MCLAREN, ROB MURRAY, BOB MYLES, RONNIE PROCTOR MBE and MARK SALMOND.

Councillor SPINK, Convener, in the Chair.

1. APOLOGIES/SUBSTITUTES

An apology for absence was intimated on behalf of Councillor Jim Houston with Councillor Alex King substituting.

2. DECLARATIONS OF INTEREST

Councillor Bill Duff declared an interest in Items 5, 8 and 10 as he was a Council appointed Director of Angus Alive. He indicated that he would participate in any discussion and voting, in all these items.

Councillor Jeanette Gaul declared an interest in Items 5, 8 and 10 as she was a Council appointed Director of Angus Alive. She indicated that she would participate in any discussion and voting, in all these items.

3. MINUTE OF PREVIOUS MEETING

The minute of meeting of this Committee of 8 March 2016 was approved as a correct record and signed by the Convener.

4. INTERNAL AUDIT ACTIVITY UPDATE

With reference to Article 7 of the minute of meeting of this Committee of 8 March 2016, there was submitted Report No 155/16 by the Service Manager – Governance and Consultancy, providing the Audit Manager's update on the main findings of Internal Audit Reports issued since the date of the last meeting.

Five Internal Audit Reports had been issued since the last meeting, these being:-

- Self-Directed Support
- Transforming Angus – Benefits Realisation
- IT Security
- Universal Credit Preparedness
- Health and Social Care Integration

The Report presented the progress of internal audit activity within the Council up to the end of March 2016 and provided an update on progress with the 2015/16 Internal Audit Plan and the implementation of internal audit recommendations.

The Committee agreed:-

- (i) to note the progress with the 2015/16 Internal Audit Plan; and
- (ii) to note management's progress in implementing internal audit recommendations.

5. ANNUAL INTERNAL AUDIT PLAN – 2016/17

With reference to Article 6 of the minute of meeting of this Committee of 21 April 2015, there was submitted Report No 156/16 by the Service Manager – Governance and Consultancy, appending a copy of the Audit Manager's Annual Internal Audit Plan for 2016/17.

The Report indicated that in terms of the Public Sector Internal Audit Standards (PSIAS), the Audit Manager was required to set a risk based audit plan sufficient to provide the required assurances to members and officers in relation to corporate governance risk management and internal controls. Attached as Appendix 1 to the Report were the outcomes of the annual planning exercise and the Audit Manager's proposed Annual Internal Audit Plan for 2016/17.

The Committee agreed:-

- (i) to note that a risk-based approach methodology had been utilised to develop the proposed Annual Internal Audit Plan for 2016/17; and
- (ii) to approve the proposed 2016/17 Annual Internal Audit Plan.

6. ANGUS COUNCIL LOCAL SCRUTINY PLAN 2016/17

With reference to Article 7 of the minute of meeting of this Committee of 23 June 2015, there was submitted Report No 157/16 by Service Manager – Governance and Consultancy, appending a copy of the Angus Council Local Scrutiny Plan for 2016/17.

The Report indicated that a key development to the shared risk assessment process in 2015/16 was the replacement of Assurance and Improvement Plans with much shorter local Scrutiny Plans that were more clearly focused on the specific local scrutiny risks and responses identified by the Local Area Networks (LANs).

The Plan set out the planned scrutiny activity in Angus Council during 2016/17. No new scrutiny risks has been identified in respect of Angus Council through the 2016 shared risk assessment process. Scrutiny activity involving Angus Council was outlined in Section 4 of the Report. In addition, routine, scheduled audit and inspection work would take place through the annual audit process and the ongoing inspection of school and care establishments by Education Scotland and the Care Inspectorate respectively.

Attached as Appendix 1 to the Plan was a timetable for the planned audit and inspection activity for 2016/17.

The Committee agreed:-

- (i) to note the contents of the Report; and
- (ii) to note the scrutiny risk comments and the planned external scrutiny activity, as detailed in the Angus Local Scrutiny Plan for 2016/17.

7. CORPORATE COUNTER-FRAUD REVIEW 2015/16

With reference to Article 8 of the minute of meeting of this Committee of 23 June 2015, there was submitted Report No 158/16 by the Service Manager – Governance and Consultancy, providing background to the work of the Corporate Fraud Team and summarising the activity undertaken in the year to 31 March 2016.

The Report indicated that in May 2015, the responsibility for investigating allegations of Housing Benefit fraud in Angus transferred to the Department for Work and Pensions Single Fraud Investigation Service (SFIS). All other corporate fraud work remained the responsibility of the Council.

The Report also indicated that the Corporate Fraud Team had achieved excellent results in its inaugural year focussing on data matching to identify fraud and error in Council Tax; the investigation of allegations that included Council Tax Reduction; and developed collaborative working with Council colleagues. They had also identified in excess of £368,000 of recoverable Council Tax and benefit. These results exceeded those identified in previous years and showed the potential for significant savings arising from investment into data matching exercises. They would also continue to work towards achieving the highest standards of investigatory practices to ensure the ongoing safeguarding of public resources.

The Committee agreed to note that, in its inaugural year, the Corporate Fraud Team had identified in excess of £368,000 of recoverable Council Tax and benefit and had assisted in the recovery of six council house tenancies.

8. SCRUTINY PANEL REVIEWS – UPDATE

With reference to Article 10 of the minute of meeting of this Committee of 23 June 2015, there was submitted Report No 159/16 by the Service Manager – Governance and Consultancy, presenting an update on the action plans from the 2013/14 and 2014/15 Scrutiny Panel reviews, for review and challenge.

The Report indicated that in respect of the Progress Towards Zero Waste Review, eight of the nine actions had been completed and a more detailed update was outlined in Appendix 1 to the Report. In respect of the Roads Maintenance Review, seven of the ten actions had been completed and a more detailed update was outlined in Appendix 2 to the Report.

The Transforming Angus/Management Restructure Review indicated that one of the eleven actions had been completed with three actions not having reached the agreed completion date. Updated information for all of the recommendations from the Transforming Angus/Management Restructure Review was outlined in Appendix 3 to the Report. In relation to the Partnership Working Review, all of the actions from the Review had been completed and a detailed update was provided in Appendix 4 to the Report.

Following discussion, and having heard from a number of members, where officers answered various questions, mainly in regards to the action plan update for the Progress Towards Zero Waste review, the Committee agreed:-

- (i) to note the contents of the updated Action Plans;
- (ii) to note the revised completion dates; and
- (iii) to request that the Service Manager – Governance and Consultancy provides a Report to the next meeting of this Committee in relation to the recycling element of the review on Progress Towards Zero Waste.

9. CORPORATE RISK REGISTER UPDATE

With reference to Article 5 of the minute of meeting of this Committee of 26 January 2016, there was submitted Report No 160/16 by the Service Manager – Governance and Consultancy, presenting the quarterly Corporate Risk Register update, for review and challenge.

The Report indicated that in accordance with the Risk Management Strategy, the Council Management Team would review the Corporate Risk Register (CRR) quarterly and consequently update this Committee on progress made against identified actions. There were currently 18 corporate risks which were detailed in Appendix 1 to the Report. The summary of the risks along with their current risk score and previous risks, was attached as Appendix 2 to the Report.

The Council's Risk Management Strategy was due to be reviewed in April 2016 and the outcome would be reported to the Policy and Resources Committee in June 2016. An update would be brought back to this Committee thereafter.

The Committee agree to note the contents of the Corporate Risk Register update.

10. TRANSFORMING ANGUS: PROGRAMME UPDATE

With reference to Article 7 of the minute of meeting of the Policy and Resources Committee of 15 March 2016, there was submitted Report No 113/16 by the Strategic Director – Resources, providing a progress update in relation to the Council's Transforming Angus change programme.

The Report gave details of various aspects of the Council's Transforming Angus change programme including the financial update in relation to the Transforming Angus Change Fund.

The Committee, for its interest, agreed to note the contents of the Report.

11. TREASURY MANAGEMENT STRATEGY STATEMENT 2016/17

With reference to Article 7 of the minute of meeting of Angus Council of 24 March 2016, there was submitted Report No 120/16 by the Head of Corporate Improvement and Finance seeking approval of the proposed Treasury Management Strategy for Angus Council in 2016/17.

The Report indicated that the purpose of the Treasury Management Strategy Statement was to develop the borrowing, investment and debt rescheduling strategies for the forthcoming financial year based on prospects for interest rates. The strategies adopted took account of the current treasury position and treasury limits in force which would limit treasury risk and the treasury activities of the Council.

The Committee, for its interest, agreed to note the proposed Treasury Management Strategy Statement and Annual Investment Strategy for 2016/17, attached as Appendix A to the Report.

12. ACCOUNTS COMMISSION REPORT

There was submitted Report No 161/16 by the Head of Corporate Improvement and Finance, presenting for the Committee's interest and review, a recently published Report by the Accounts Commission, which was relevant to the business of the Council and the role of this Committee.

The Report indicated that in March 2013, the Accounts Commission had published a Report on Major Capital Investment in Councils. In January 2016, the Accounts Commission published a follow-up to the 2013 Report, a copy of which was attached as Appendix 1 to the Report.

The 2016 Report assessed the extent to which Councils had improved performance in managing their capital investment programmes and projects since the 2013 report. The Accounts Commission found that Councils had made some progress in addressing the recommendations from the 2013 report, and had displayed aspects of good practice, but further improvement was needed to comply fully with good practice.

Angus was one of eight councils selected for detailed evaluation during the follow-up audit, which looked in detail at the Brechin Community Campus project. Examples of good practice were highlighted in Appendix 2 to the Report included elected members representations on the Policy and Budget Strategy Group and the Capital Projects Monitoring Group.

The Committee agreed to note the contents of the Report.

13. COMPLAINTS

With reference to Article 10 of the minute of meeting of this Committee of 25 August 2015, there was submitted Report No 162/16 by the Chief Executive, highlighting the complaints received from 1 April 2015 to 31 December 2015 and updating members on the action being taken to ensure the effectiveness of the complaints handling procedure and to learn from complaints.

The Report indicated that since 1 April 2013 the Council had been operating the new Complaints Handling Procedure for Local Authorities as required by the Scottish Public Services Ombudsman. During the period 1 April – 31 December 2015, 145 complaints had been received and a total of 128 had been closed off as at 31 December 2015.

Each Directorate had been asked to identify and act on the key learning points from the complaints received about their service. Complaints, along with the key learning points and procedures/processes had been changed as a result of the complaints, and were attached as Appendices to the Report.

The Committee agreed:-

- (i) to note the complaints closed between 1 April 2015 and 31 December 2015;
- (ii) to note the learning as a result of the complaints; and

- (iii) to note that a full Report on the year end figures along with the satisfaction survey results would be submitted to this Committee in June 2016.

14. COMPLAINTS RAISED WITH THE SCOTTISH PUBLIC SERVICES OMBUDSMAN – 1 OCTOBER – 31 MARCH 2016

With reference to Article 10 of the minute of meeting of this Committee of 24 November 2015, there was submitted Report No 163/16 by the Head of Legal and Democratic Services, providing information about complaints made to the Scottish Public Services Ombudsman (SPSO) in respect of Angus Council during the period 1 October 2015 – 31 March 2016.

The Report indicated that the SPSO had required the Council to comply with the National Complaints Handling Procedure which was adopted by Angus Council in December 2012. The purpose behind a single procedure was to enable Councils to compare the number and type of complaints with other local authorities but also to enable Councils to learn from complaints and to use them to drive improvement within the Council service.

Attached to Appendix 1 was a list detailing all complaints received during the period and for those which were upheld, a section on the lessons learned from the complaint.

The Committee agreed:-

- (i) to note the findings of the Scottish Public Services Ombudsman (SPSO); and
- (ii) that the actions taken in respect of the Scottish Public Services Ombudsman recommendations were appropriate.

15. COMPLAINTS RAISED WITH THE COMMISSIONER FOR ETHICAL STANDARDS IN PUBLIC LIFE – 1 APRIL 2015 TO 31 MARCH 2016

There was submitted Report No 164/16 by the Head of Legal and Democratic Services, advising of complaints made against Angus Councillors to the Commissioner for Ethical Standards in Public Life (the Standards Commission) during the period 1 April 2015 to 31 March 2016.

The Report indicated that the Ethical Standards in Public Life etc (Scotland) Act 2000 provided a framework to encourage and, where necessary enforce, high ethical standards in public life. The Act established a Standards Commission for Scotland and placed a duty on local authorities to adopt the Councillors' Code of Conduct. It also provided a framework for breaches of that Code to be investigated and adjudicated upon by the Standards Commission.

During the period 1 April 2015 to 31 March 2016, Angus Councillors were referred to the Standards Commission for investigation on six separate occasions. The purpose behind the Report was to advise members of the type of complaints made against Councillors and the outcomes.

The Committee agreed:-

- (i) to note the findings of the Report; and
- (ii) to request the Head of Legal and Democratic Services to update members on the outcome of the ongoing complaint decisions in the Report at a later date.