

ANGUS COUNCIL

MINUTE of MEETING of the **SCRUTINY AND AUDIT COMMITTEE** held in the Town and County Hall, Forfar, on Tuesday 21 April 2015 at 2.00pm.

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

Councillor SPINK, Convener, in the Chair.

1. APOLOGIES/SUBSTITUTES

An apology for absence was intimated on behalf of Councillor Mark Salmond.

2. DECLARATIONS OF INTEREST

The Committee agreed to note that no declarations of interest were made.

3. MINUTE OF PREVIOUS MEETING

The minute of meeting of this Committee of 10 March 2015 was approved as a correct record and signed by the Convener.

4. INTERNAL AUDIT ACTIVITY UPDATE

With reference to Article 4 of the minute of meeting of this Committee of 10 March 2015, there was submitted Report No 165/15 by the Service Manager – Governance, providing the Audit Manager's update on the main findings of the Internal Audit Reports issued since the date of the last meeting.

Four Internal Audit Reports had been issued since the last Committee, these being:-

- Transforming Angus - Governance
- Salaries
- European Fisheries Fund
- Information Governance

The Report provided an update in relation to the 2014/15 Internal Audit Plan, Follow Up Audits and Investigation Activity.

The Committee agreed:-

- (i) to note the update on progress with the 2014/15 Internal Audit Plan; and
- (ii) to note the update on investigation work conducted by Internal Audit since April 2014.

5. REVISED STRUCTURE FOR GOVERNANCE SERVICE

There was submitted Report No 166/15 by the Service Manager – Governance, presenting for members information the management decision on a revised structure for the Governance Service within the Chief Executive's Unit.

The Report indicated that the current organisational structure of the governance service split the staffing resource into three areas - Internal Audit, Benefits Fraud and Risk & Insurance, with no specific resource to support the Service Manager in her wider change, governance and scrutiny roles, as outlined in Appendix 1.

The revised structure took account of the changes that had happened over the last year to eighteen months in terms of the service's evolving internal consultancy responsibilities around change, transformation and Lean. In addition, it reflected the changed focus in terms of providing a whole service that contributed to and supported in its different ways, the Council's

change and transformation agenda, whilst still maintaining Internal Audit's independence and necessary compliance role.

The Committee agreed to note the management decision to implement a revised structure which reflected the changes to the functions and roles that had developed over the past year in relation to supporting the Council's change agenda.

6. ANNUAL INTERNAL AUDIT PLAN 2015-16

With reference to Article 7 of the minute of meeting of this Committee of 22 April 2014, there was submitted Report No 167/15 by the Service Manager – Governance, appending a copy of the Audit Manager's Annual Internal Audit Plan for 2015-16.

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 Audit Manager's proposed Annual Internal Audit Plan for 2015-16.

The Committee agreed:-

- (i) to note that a risk based approach methodology had been utilised to develop the proposed Internal Audit Plan for 2015-16; and
- (ii) to approve the proposed 2015-16 Internal Audit Plan.

7. CORPORATE RISK REGISTER UPDATE

With reference to Article 5 of the minute of meeting of this Committee of 25 November 2014, there was submitted Report No 168/15 by the Service Manager – Governance, presenting the quarterly Corporate Risk Register update for review and challenge.

The Report indicated that in accordance with the Risk Management Strategy, the Council's Management Team would review the Corporate Risk Register (CRR) quarterly and consequently update this Committee on progress made against identified actions.

The Council's performance management system, Covalent, automatically issued reminders to all risk and action owners prompting an update for these risks and actions to be made. Actions were generally progressing in line with their due date with some now completed and any overdue actions were being followed up.

The risk score for the Business Continuity Risk (No.12) had been re-assessed in light of completed actions and its likelihood had been reduced giving it a new lower risk score of 6.

The Committee agreed to note the contents of the update Report, as attached at Appendix 1.

8. ACCOUNTS COMMISSION REPORT – AN OVERVIEW OF LOCAL GOVERNMENT IN SCOTLAND 2015

There was submitted Report No 169/15 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 the terms of reference of this Committee involved consideration of relevant reports published by the Accounts Commission for Scotland. A copy of "An Overview of Local Government in Scotland 2015" Report and the Self-Assessment Supplement for Councillors, were appended to the Report.

The Committee agreed:-

- (i) to note the Accounts Commission Report "An Overview of Local Government in Scotland 2015" attached as Appendix 1, having considered the implications for the Council; and

- (ii) to note the Self-Assessment Supplement, attached as Appendix 2 to the Report and agreed that a workshop would be arranged for all members of the Council where the Supplement could be used to identify any significant issues or gaps which members considered required to be addressed.

9. SCRUTINY PANEL REVIEWS

The Service Manager – Governance gave an update in relation to the two scrutiny panels and indicated that both panels were progressing well, were working within the appropriate timescales and were on course for scrutiny review reports to be presented to this Committee in June 2015.