

ANGUS COUNCIL

18 JUNE 2015

**ASSURANCE BASED INVESTIGATION OF THE PROCESSES
INVOLVED IN THE DISTRIBUTION OF EXEMPT REPORTS**

REPORT BY RICHARD STIFF, CHIEF EXECUTIVE

ABSTRACT

This report updates members on the investigation of the recent unauthorised release of exempt information included in so called "green papers". In particular it advises members of the conclusions drawn and recommendations made by Audit Scotland following their review of the council's processes for the production and distribution of exempt reports not for publication.

1. RECOMMENDATION(S)

It is recommended that the Council:

- (i) note the contents of this report and in particular the findings of the draft report on the investigation conducted by Audit Scotland;
- (ii) agree that the Chief Executive and the Head of Legal and Democratic Services should take such action as is needed to agree the final report with Audit Scotland and in the light of the recommendations included in the report take such steps as may be needed to improve the security and reliability of the council's administrative processes for the production and distribution of exempt reports.

2. ALIGNMENT TO THE ANGUS COMMUNITY PLAN/SINGLE OUTCOME AGREEMENT/COPORATE PLAN

Effective governance contributes as a whole to the outcomes contained in the Angus Community Plan and the Single Outcome Agreement 2013-2016.

3. BACKGROUND

Members will recall that earlier in 2015 confidential material included in exempt reports was released into the public domain by a person or persons unknown. The local media reported extensively on the basis of this material. This publication had and continues to have the potential to undermine the council's position in relation to commercial and legal processes with which the council remains engaged.

As a result of this "leak" the Chief Executive and the Head of Legal and Democratic Services undertook immediate internal review with a view to identifying both the source of the leak and to provide assurance in relation to the security of the council's internal processes for the production and distribution of exempt reports. No perpetrator could be identified and in general terms the Chief Executive and Head of Legal and Democratic Services remain confident that council processes in this area are sound. The conclusion was drawn that the leak could only be the result of a deliberate act by a person or persons unknown with access to the material in question.

As members will be aware from previous briefings Police Scotland were consulted as to whether they might require to undertake an investigation in relation to potential criminal acts associated with the unauthorised release of information. After careful consideration the Police Scotland view was that as no criminal action could be readily identified an investigation was not warranted.

In parallel, discussions took place with Audit Scotland specifically in relation to the need for assurance with regard to the council's processes for the management of exempt material.

Audit Scotland agreed to the need for an investigation of council processes to provide that assurance.

4. CURRENT POSITION

Audit Scotland has undertaken an assurance based investigation of the council's processes for the production and distribution of exempt reports. Their investigation includes some assessment of Angus Council's process in comparison to those of a small number of other councils.

The draft Audit Scotland report is attached to this report as Appendix 1. Members will see that recommendations have been made for consideration by the council.

5. PROPOSALS

It is proposed that the Chief Executive and Head of Legal and Democratic Services take such action as is needed to agree the final report with Audit Scotland and take such actions as they deem appropriate to modify or develop the council's existing systems to meet the need for security and confidence in the report production and distribution process.

6. FINANCIAL IMPLICATIONS

The costs associated with the production and distribution of exempt reports is met from within existing budgets. There is no specific financial implication arising from this report.

7. CONSULTATION

The Executive Management Team, the Heads of Legal and Democratic Services and Corporate Improvement and Finance and the Service Manager – Governance and Consultancy have been consulted in the preparation of this report.

NOTE: No background papers, as detailed by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report.

REPORT AUTHOR: Richard Stiff

EMAIL DETAILS: stiffr@angus.gov.uk

List of Appendices:

1 – Audit Scotland Report – 2014/15 Audit – Managing Confidential Agenda Papers