

ANGUS COUNCIL

MINUTE of MEETING of the **SCRUTINY AND AUDIT COMMITTEE** held in the Town and County Hall, Forfar, on Tuesday 24 June 2014 at 2.00pm.

Present: Councillors BOB SPINK, BRIAN BOYD, BILL DUFF, DAVID FAIRWEATHER, CRAIG FOTHERINGHAM, JEANETTE GAUL, JIM HOUSTON, ALEX KING, 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 Rob Murray with Councillor Alex King substituting. An apology for absence was also intimated on behalf of Councillor Bill Bowles.

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 22 April 2014](#) was submitted and approved as a correct record.

4. INTERNAL AUDIT ACTIVITY UPDATE

With reference to Article 6 of the minute of meeting of this Committee of 22 April 2014, there was submitted [Report No 279/14](#) 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.

Seven Internal Audit Reports had been issued since the last meetings, these being:-

- Data Protection
- Equalities
- Creditors (Non PECOS) ordering and invoicing
- Protection of Vulnerable Groups (PVG) Scheme
- Payroll Key Controls
- Email Accounts
- 2013/2014 Year End Stock Accounts

The Report also provided an update on the Internal Audit involvement in undertaking investigations.

The Committee agreed:-

- (i) to note the update on progress with the 2013/2014 Internal Audit Plan;
- (ii) to note the update on progress with the 2014/2015 Internal Audit Plan;
- (iii) to note the update and investigation work conducted by Internal Audit since February 2014; and
- (iv) to note that for future Internal Audit Reports further information would be provided on the "less material" findings.

5. INTERNAL AUDIT ANNUAL REPORT AND REVIEW OF CORPORATE GOVERNANCE

With reference to Article 5 of the minute of meeting of this Committee of 13 June 2013, there was submitted [Report No 280/14](#) by the Service Manager – Governance presenting the Audit Manager's Internal Audit Annual Report and independent assurance opinions in relation to both the overall corporate governance arrangements and internal controls for 2013/2014.

In relation to compliance with the local Code of Corporate Governance, the results of the assessment by the Corporate Governance Officers Group and the audit work indicated that the Council was complying with the majority of the principles of the local Code, with a number of areas required to be taken forward for full compliance.

In relation to the overall internal control environment which included internal financial controls, with the exception of those improvement areas as identified in Section 4.1 and 4.2 of the Report, it was the Audit Manager's overall opinion that the internal financial governance and control framework of the Council was considered to be sound and reasonable assurances had been obtained of effective working in the year under review.

The Committee agreed to note the contents of the Audit Manager's Annual Report for 2013/2014, as appended to the Report.

6. CORPORATE GOVERNANCE – ANNUAL REVIEW AND DRAFT ANNUAL GOVERNANCE STATEMENT FOR YEAR TO 31 MARCH 2014

With reference to Article 6 of the minute of meeting of this Committee of 13 June 2013, there was submitted [Report No 281/14](#) by the Chief Executive advising of the outcome of the annual review of compliance with the Council's Local Code of Corporate Governance and presenting the draft Annual Governance Statement for consideration.

The Report indicated that the overall conclusion from the review was that during 2013/2014, the Council continued to demonstrate that the governance arrangements and framework within which the Council operated were sound and operated effectively.

The Committee agreed:-

- (i) to note the terms of the draft Annual Governance Statement, as appended to the Report; and
- (ii) to note that the Annual Governance Statement would be signed by the Leader of the Council and the Chief Executive and would be included as part of the Council's Annual Report and Accounts for submission to the Controller of Audit.

7. CUSTOMER COMPLAINTS

With reference to Article 9 of the minute of meeting of the Strategic Policy Committee of 4 December 2012, there was submitted [Report No 282/14](#) by the Chief Executive updating members on the implementation of an electronic recording system which provided a standard approach to complaints handling, following the introduction of a new national model for complaints management.

The Report indicated that a procedure for an electronic system to log, monitor and report on formal complaints had been introduced on 1 April 2013 and during that period, 363 complaints had been recorded on the system. Senior management within the directorates regularly reviewed the information gathered from complaints to assess whether council services could be improved or internal policies and procedures updated.

Having heard from the Chief Executive, the Committee agreed:-

- (i) to note the contents of the Report; and
- (ii) to remit to Chief Officers to ensure that complaints were logged on the system, to analyse complaints about the service and to aim to use lessons learned from complaints to drive service improvements.

8. CORPORATE RISK MANAGEMENT UPDATE

With reference to Article 12 of the minute of meeting of the Policy and Resources Committee of 10 June 2014, there was submitted [Report No 266/14](#) by the Service Manager – Governance providing an update on the development of the new Corporate Risk Register.

The Report indicated that a workshop had been held with the Executive Management Team to consider cross-cutting corporate risks. These risks included risks from directorate risk registers suggested for escalation to the corporate risk register and also broader corporate risk areas. It was intended that these risks would be further developed into an overarching corporate risk register with the corporate and directorate risk registers to be presented to both the Policy and Resources and Scrutiny and Audit Committees during the September cycle of meetings, for their respective overview and scrutiny interests.

The Committee, for its interest, agreed:-

- (i) to note the on-going work to develop a new corporate risk register; and
- (ii) to note that both the directorate and corporate risk registers would be presented to the Scrutiny and Audit and Policy and Resources Committees in the September cycle of meetings.

9. SCRUTINY PANEL REVIEWS - REPORTS

With reference to Article 9 of the minute of meeting of this Committee of 13 June 2013, there was submitted [Report No 283/14](#) by the Service Manager – Governance presenting the draft reports of the Zero Waste and Roads Maintenance scrutiny panels for consideration and agreement and outlining the ongoing monitoring arrangements for the review outcomes.

Having heard from the panel Chairs, who gave a brief overview of the reports, the Committee agreed:-

- (i) to approve the draft scrutiny panel review reports, as appended to the Report;
- (ii) to submit the reports to the Communities Committee meeting on 19 August with a recommendation that the reports and recommendations be agreed and the actions remitted to the Strategic Director – Communities, for implementation;
- (iii) to refer the reports to Angus Council for their information and interest, following consideration by the Communities Committee; and
- (iv) to approve the onward monitoring arrangements for the report action plans and outcomes from the perspective of this Committee.

10. OUTCOME OF SCRUTINY REVIEW TOPIC CANVASS

With reference to Article 5 of the minute of meeting of this Committee of 4 April 2013, there was submitted [Report No 284/14](#) by the Service Manager – Governance informing the Committee of the outcome of the first scrutiny review canvassing exercise and providing options for review areas and scrutiny panel composition.

As part of the canvas exercise to identify topics, a workshop with elected members had been held to which all members had been invited. Senior Officers had also been given the opportunity to raise topic areas for review. Overall, seventeen new proposed topic areas had been raised and these areas, together with four areas brought forward from 2013/14 had been evaluated. Attached as Appendix 1 to the Report were the proposals showing the review areas, the reason for suggesting the topic, the suggested main questions and the potential improvements which could accrue. The Appendix also provided the supporting detail for the various reviews discussed within the Report.

The Service Manager – Governance then reported on the responses that had been received from members of the Committee on their preferences for two Scrutiny Rapid Improvement Events (workshops) that they wished to take forward, along with two scrutiny panel areas they also wished to be taken forward.

Following discussion, the Committee agreed:-

- (i) to approve the process-type review around Building Warrants and to remit to the Service Manager – Governance to take this forward within the lean review programme;
- (ii) to progress, as Scrutiny Rapid Improvement Events (workshops), “Shared Business Managers for Primary Schools” and “Housing Repairs”;
- (iii) to progress, as panel review areas, “Improving Partnership Working” and “Costs and Benefits of Transforming Angus / New Management Structure”;
- (iv) that the Service Manager – Governance give careful consideration to the scope of the review of “Costs and Benefits of Transforming Angus / New Management Structure”; to ensure it did not conflict with any decisions taken by the Council within the last six months, in terms of Standing Orders;
- (v) to establish two Scrutiny Panels to take forward these reviews and to appoint Councillor Fotheringham as Chair of the Transforming Angus / New Management Structure review panel and Councillor Bowles as Chair of the Improving Partnership Working review panel;
- (vi) to remit to the Service Manager – Governance the allocation of members to the panels, noting that it may not be possible for members to achieve their first preferences;
- (vii) to note that the Service Manager – Governance was progressing the identification of lead officers for each of the panel reviews: and
- (viii) to note that review topics not addressed this year could be carried forward to the next launch of reviews.

11. MEETING OF SCRUTINY AND AUDIT COMMITTEE IN OCTOBER

It was noted that the meeting of the Committee scheduled for Tuesday 7 October at 2pm had been re-scheduled to Tuesday 30 September 2014 at 10:00am to allow the Audited Accounts to be signed off by Audit Scotland within the statutory timescale.