

ANGUS COUNCIL

MINUTE of MEETING of the **SCRUTINY AND AUDIT COMMITTEE** held in the Town and County Hall, Forfar, on Tuesday 25 August 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, RONNIE PROCTOR and MARK SALMOND.

Councillor SPINK, Convener, in the Chair.

1. **APOLOGIES/SUBSTITUTES**

There were no apologies intimated.

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 23 June 2015 was approved as a correct record and signed by the Convener.

4. **MEETING OF SCRUTINY AND AUDIT COMMITTEE IN MAY 2016**

The Committee agreed to note, in terms of Standing Order No 34(3) that the meeting of this Committee scheduled for Tuesday 31 May 2016 had been rescheduled to Tuesday 21 June 2016. This was to allow the Audit Manager's Annual Report to inform the Annual Governance Statement.

5. **2014/15 UNAUDITED ANNUAL ACCOUNTS**

With reference to Article 4 of the minute of meeting of this Committee of 26 August 2014, there was submitted Report No 317/15 by the Head of Corporate Improvement and Finance, outlining the Council's 2014/15 unaudited Annual Accounts and East of Scotland European Consortium (ESEC) 2014/15 unaudited Annual Accounts, which, as required by law had been submitted to the Controller of Audit for audit purposes.

The Report indicated that the Annual Accounts had been prepared by the Head of Corporate Improvement and Finance and his team on a draft basis and were submitted to the Council's Controller of Audit for audit purposes in accordance with the statutory deadline of 30 June 2015.

At the ESEC Board meeting in March 2015, the Board were advised of the requirement for producing their Annual Accounts under the Local Authority Accounts (Scotland) Regulations 2014, which came into force in October 2014. It was agreed at that meeting that due to the geographical spread of members and that the Board was made up of nominees from several different local authorities, to delegate the Board's responsibilities for scrutiny of the unaudited accounts to the host authority's Scrutiny and Audit Committee which performed the same function for the Angus Council Accounts.

The ISA 260 Report for Angus Council would not be available until the audit work was complete. The findings from the audit work and ISA 260 Report for Angus Council would be incorporated into the Annual Report to Members this year as a result of change in legislation and would be submitted to the Scrutiny and Audit Committee meeting on 29 September 2015. The Report would also be presented to Angus Council on 22 October 2015.

Having heard the Head of Corporate Improvement and Finance highlight a number of points, and having also heard from a number of members, the Committee agreed:-

- (i) to note the Angus Council 2014/15 Unaudited Annual Accounts;
- (ii) to note the East of Scotland European Consortium (ESEC) 2014/15 Unaudited Annual Accounts; and
- (iii) to note that under the new legislation the ISA 260 Report previously received from the Council's external auditor would now form part of the Annual Report to Members which would, on its completion, be reported to this Committee prior to the annual accounts being approved by this Committee.

At this stage, the Convener intimated that this was the last meeting for Paul Kelly, Audit Manager, and on behalf of the Committee, Paul was thanked for his hard work and commitment and wished him every success in the future. Susan Mackay, the new Audit Manager, was thereafter welcomed to the meeting.

6. INTERNAL AUDIT ACTIVITY UPDATE

With reference to Article 4 of the minute of meeting of this Committee of 23 June 2015, there was submitted Report No 318/15 by the Service Manager – Governance and Consultancy, providing the Audit Manager's update on the main findings of the Internal Audit Reports issued since the date of the last meeting.

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

- PSN Compliance
- Council Tax Reduction
- Creditors CIS Payments

The Report provided an update in relation to the 2014/15 Internal Audit Plan, 2015/16 Internal Audit Plan and Investigations Activity.

The Committee agreed:-

- (i) to note the completion of the 2014/15 Internal Audit Plan;
- (ii) to note the update on progress with the 2015/16 Internal Audit Plan; and
- (iii) to note the update on investigation work conducted by Internal Audit since April 2015.

7. 2013/2014 SCRUTINY PANEL REVIEWS - UPDATE

With reference to Article 9 of the minute of meeting of this Committee of 24 June 2014, there was submitted Joint Report No 319/15 by the Strategic Director – Communities and Service Manager – Governance and Consultancy, presenting updates on the action plans from the 2013/14 Scrutiny Panel reviews, for review and challenge.

The Report provided an update on progress with the actions from the 2013/14 Scrutiny reviews in relation to the Progress Towards Zero Waste review and the Roads Maintenance review. There had been slippage in completing the actions and revised completion dates, where appropriate, were detailed within the appendices to the Report.

Councillor Houston raised concerns in relation to the revised timescales to December 2015 in respect of two actions referred to within the Roads Maintenance review. Councillor Myles also highlighted that in respect of recommendation 2 of the Progress Towards Zero Waste review, he understood that there were areas of Glenesk that had not yet been included in the roll-out of kerbside recycling.

In response to the points raised, the Service Manager – Governance and Consultancy advised that she would seek to further clarify the position and liaise with the Head of Technical and Property Services and thereafter would report back to members.

The Committee agreed:-

- (i) to note the contents of the updated action plans;
- (ii) to the proposed change in response to recommendation 1 of the Zero Waste Review; and
- (iii) to note the revised completion dates.

8. NATIONAL FRAUD INITIATIVE – PROGRESS REPORT

With reference to Article 12 of the minute of meeting of this Committee of 26 August 2014, there was submitted Report No 320/15 by the Service Manager – Governance and Consultancy, providing members with an update on the work of the 2014 National Fraud Initiative (NFI).

The Report indicated that participation in the National Fraud Initiative was an integral part of the Council's corporate approach to the prevention and detection of fraud and error. The low level of outcomes identified to date provided assurance that, for those areas covered by National Fraud Initiative, the internal control framework of the Council was operating effectively. A further update would be reported to this Committee when the investigation work had been completed.

The Committee agreed:-

- (i) to note the progress in investigating the matches from the National Fraud Initiative (NFI) 2014; and
- (ii) to note that Audit Scotland had assessed the Council's approach to the National Fraud Initiative as satisfactory.

9. 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 321/15 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. Attached as Appendix 1 to the Report was the updated Report.

The Committee agreed to note the contents of the Corporate Risk Register Update.

10. COMPLAINTS

With reference to Article 9 of the minute of meeting of this Committee of 25 November 2014, there was submitted Report No 322/15 by the Chief Executive highlighting the complaints statistics and satisfaction for 2014/15 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. Details of the analysis of key indicators for 2014/15 were outlined in Section 4 of the Report and a full copy of the indicators was attached as Appendix 1 to the Report. Indicator 7 of the Performance Management Framework required Councils to Report on customer satisfaction with the complaints process, and to achieve this, satisfaction surveys were issued to all complainers within six weeks after the complaint had been closed off. During 2014/15, 21 completed questionnaires had been returned and the results were outlined in Section 5 of the Report.

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

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

- (i) to note the key performance indicators on complaints closed between 1 April 2014 and 31 March 2015; and
- (ii) to note the results of the satisfaction survey sent to everyone who had made a complaint which was closed during 2014/15.

11. SICKNESS ABSENCE 2014/2015

With reference to Article 10 of the minute of meeting of this Committee of 30 September 2014, there was submitted Report No 323/15 by the Head of HR, IT and OD, analysing sickness absence within the Council during the 2014/15 financial year.

The Report indicated that the year's absence figure was a 4.3% increase on last year's performance. Human Resources continued to support managers to address their absence management responsibilities through direct one-to-one support and through the delivery of appropriate training. Additional support from the Council's occupational health provider in relation to reducing absence was also currently being investigated.

The Report also indicated that stress related absence (work and non work related) accounted for approximately one in four of the days lost and remained the single largest cause of absence.

The Council was also currently reviewing the reasons for sickness absence categories as part of the introduction of the new Leave Management Module of the Corporate HR/Payroll System. It was anticipated that the reasons for sickness absence would be more appropriately defined and reported upon in the future, including a separation of work related and non work related stress.

The Committee agreed to note the terms of the Report.

12. UPDATE ON CREDITORS PAYMENT PERFORMANCE TO MARCH 2015

With reference to Article 14 of the minute of meeting of this Committee of 26 August 2014, there was submitted Report No 324/15 by the Head of Corporate Improvement and Finance updating members on the Council wide performance in paying supplier invoices based on data for the financial year 2014/15.

The Report reflected the performance of all Council Departments in authorising invoices for payment within 30 days of invoice receipt.

The Committee agreed to note the contents of the Report.

13. AN OVERVIEW OF LOCAL GOVERNMENT IN SCOTLAND 2015 – RESULTS FROM SELF-ASSESSMENT WORKSHOP

With reference to Article 8 of the minute of meeting of this Committee of 21 April 2015, there was submitted Report No 325/15 by the Head of Corporate Improvement and Finance, presenting the results of an elected member self-assessment workshop which considered questions raised in the Accounts Commission Overview of Local Government in Scotland 2015 Report.

Attached as Appendix 1 to the Report was a summary of the discussion which took place at the workshop in June 2015, in respect of each of the questions raised in the Accounts Commission's supplement, along with an indication of possible areas for action. Attached as Appendix 2 to the Report was the full draft action plan.

The Committee agreed:-

- (i) to note the completed Self-Assessment Supplement to the Accounts Commission's 2014 Overview Report, attached as Appendix 1 to the Report and the proposed Action Plan for the Council, attached as Appendix 2 to the Report; and
- (ii) to approve the proposed Action Plan as outlined in Appendix 2 to the Report.