

ANGUS COUNCIL

MINUTE of MEETING of the **SCRUTINY AND AUDIT COMMITTEE** held in the Town and County Hall, Forfar, on Tuesday 27 September 2016 at 11.00am.

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

Councillor BOYD, Vice-Convenor, in the Chair.

The Vice-Convenor on behalf of the Committee paid tribute to Bob Spink who had resigned as a Councillor due to health reasons. Bob had been the Convenor of Scrutiny and Audit since May 2012 and had always presented a balanced and fair approach when conducting Scrutiny and Audit business.

1. APOLOGIES/SUBSTITUTES

An apology for absence was intimated on behalf of Councillor Jeanette Gaul with Councillor Alex King substituting.

2. DECLARATIONS OF INTEREST

Councillor Bill Duff declared an interest in item 7 as he was a Council appointed Director of Angus Alive. He indicated that he would participate in any discussion and voting.

3. MINUTE OF PREVIOUS MEETING

The minute of meeting of this Committee of 23 August 2016 was approved as a correct record and signed by the Vice-Convenor.

4. TRANSFORMING ANGUS: PROGRAMME UPDATE

With reference to Article 15 of the minute of meeting of the Policy and Resources Committee of 30 August 2016, there was submitted Report No 323/16 by the Strategic Director – Resources providing a progress update in relation to the Council's Transforming Angus Change Programme.

The Report indicated that the Transforming Angus programme initiatives had continued to progress since the last update report and that whilst some initiatives had some good progress (eg Help to Live at Home and Agile), others had been less positive (eg Channel Shift and Procurement Review) with limited progress achieved to date, additional resources had recently been targeted at these initiatives to get them back on track. In addition, the Report gave an overview of key 'headline' progress across the TA Programme along with the overall Transforming Angus Change Fund position.

The Committee, for its interest, agreed to note the update in relation to the various aspects of the Council's Transforming Angus change programme.

5. INTERNAL AUDIT ACTIVITY UPDATE

With reference to Article 7 of the minute of meeting of this Committee of 23 August 2016, there was submitted Report No 352/16 by the Service Manager – Governance and Consultancy, providing the Audit Manager's update on the main findings of the Internal Audit Report issued since the date of the last meeting.

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

- Strategic and Operational Planning
- IT User Access Management – Carefirst Application.

The Report provided an update in relation to the progress of internal audit activity within the Council up to the end of August 2016, the progress with the 2016/2017 Internal Audit Plan, the progress with implementing Internal Audit recommendations and the Internal Audit Charter.

Councillor Murray highlighted that considerable work had been undertaken in relation to the implementation of the internal audit recommendations and commended the officers on the progress made. He thereafter raised a query in relation to the background of the outstanding level 1 recommendation from the Resources Directorate for the period 2011/12 which was outlined in Table 2 of the Report.

The Strategic Director – Resources indicated that he would seek to obtain the background information in relation to the outstanding level 1 recommendation and would advise members accordingly.

The Committee agreed:-

- (i) to note the update on the completion of the 2015/2016 Internal Audit Plan and the progress with the 2016/2017 Internal Audit Plan;
- (ii) to note the management's progress in implementing Internal Audit recommendations; and
- (iii) to approve the Internal Audit Charter.

6. ANGUS COMMUNITY PLAN AND SINGLE OUTCOME AGREEMENT 2013/2016 – 2015/2016 FULL YEAR HIGHLIGHT REPORT

With reference to Article 9 of the minute of meeting of this Committee of 29 September 2015, there was submitted Report No 353/16 by the Head of Planning and Place, presenting the 2015/2016 Full Year Highlight Report on the Angus Community Plan and Single Outcome Agreement 2013/2016.

The Report indicated that the Plan had identified the local outcomes which were based around the partnership's five priorities to improve quality of life and opportunities for individuals, families and communities in Angus. They also contributed towards the Scottish Government's national outcomes.

Guidance for the Community Empowerment (Scotland) Act stipulated that a Local Outcome Improvement Plan (LOIP) should be agreed by community planning partners by 1 October 2017. The Angus Community Plan and Single Outcome Agreement 2013/2016 was therefore being extended for a transition period during which a Local Outcome Improvement Plan would be developed and consulted upon.

A selection of indicators were included in the Report, where performance had either exceeded, or failed to meet target. Overall, the performance of the Angus Community Planning Partnership had been relatively positive with 61% of the indicators meeting or exceeding target.

The Committee agreed:-

- (i) to approve the 2015/2016 Full Year Highlight Report for the Angus Community Plan and Single Outcome Agreement 2013/2016, as appended to the Report;
- (ii) to note that the Report had been submitted to the Angus Community Planning Partnership Board meeting on 21 September 2016; and
- (iii) to note that the Report would be submitted to the Scottish Government by the end of September 2016, for information.

7. ANGUS COUNCIL ANNUAL ACCOUNTS 2015/2016 AND ANNUAL AUDIT REPORT TO MEMBERS

With reference to Article 6 of the minute of meeting of this Committee of 23 August 2016, there was submitted Joint Report No 354/16 by the Chief Executive, Strategic Director – Resources and the Head of Corporate Improvement and Finance, providing Audit Scotland's Annual Audit Report to Members on the 2015/2016 Audit of Angus Council, Strang's Mortification and Angus Council's Charitable Trust and requesting members of this Committee to approve the 2015/2016 audited Annual Accounts of Angus Council for signature.

The Report indicated that Audit Scotland's Annual Audit Report to members was a positive one and had recognised the progress made by the Council on a number of fronts and the Council's compliance with relevant accounting and governance standards. Although there were no major areas of concern, the Report highlighted some significant risks that would need to be managed by the Council including those associated with the funding environment which was subject to sustained pressure to deliver more with less.

Five actions were highlighted which were currently being worked on and were addressed and outlined in the Action Plan, which was appended to the Report.

The Councillors' unaudited Annual Accounts for financial year 2015/2016 had been submitted to the Controller of Audit for audit by the Council's appointed external auditors.

Attached as Appendix 3 to the Report was Audit Scotland's Report on their Review of Internal Financial Controls. The review summarised Audit Scotland's comments arising from their 2015/2016 audit work.

The Head of Corporate Improvement and Finance highlighted a number of points. Stephen Boyle, Audit Scotland thereafter provided an overview in relation to the Angus Council 2015/2016 Audit.

Having also heard from some members, the Committee agreed:-

- (i) to note the contents of Audit Scotland's Annual Audit Report to Members, attached as Appendices 1A and 1B to the Report;
- (ii) to approve the 2015/2016 Audited Annual Accounts of Angus Council for signature in accordance with the Local Authority Accounts (Scotland) Regulations 2014, attached as Appendix 2 to the Report; and
- (iii) to note the contents of Audit Scotland's Report on their Review of Internal Financial Controls, attached as Appendix 3 to the Report.