

ANGUS COUNCIL

MINUTE of MEETING of the **SCRUTINY AND AUDIT COMMITTEE** held in the Town and County Hall, Forfar, on Tuesday 28 January 2014 at 2.00pm.

Present: Councillors BOB SPINK, BRIAN BOYD, BILL BOWLES, LYNNE DEVINE, BILL DUFF, DAVID FAIRWEATHER, CRAIG FOTHERINGHAM, JEANETTE GAUL, JIM HOUSTON, 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

Councillor Bowles and Jeanette Gaul declared a non financial interest in item 6 as Council appointed Directors of Angus Care and Repair. They both indicated that they would take part in any discussion and voting.

Paul Kelly, Audit Manager declared a financial interest in item 8 as he worked for the company referred to within the extension to current contract request report and it also directly related to his continuing role as part of that contract. He indicated that he would leave the meeting during consideration of this item.

3. MINUTE OF PREVIOUS MEETING

The [minute of meeting of this Committee of 12 November 2013](#) was approved as a correct record and signed by the Convener.

4. ANGUS COMMUNITY PLAN AND SINGLE OUTCOME AGREEMENT 2013/16 – 2013/14 MID YEAR HIGHLIGHT REPORT

With reference to Article 6 of the minute of meeting of this Committee of 24 September 2013, there was submitted [Report No 47/14](#) by the Head of Planning and Place, presenting highlights of the 2013/14 Mid Year Performance Report on the Community Plan and Single Outcome Agreement 2013/16.

The Report indicated that the Community Plan and Single Outcome Agreement for 2013/16 outlined the five priority areas that the Community Planning Partnership had agreed to focus on to support the partnership vision.

The plan also 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.

The Report also outlined the progress of the five thematic partnerships in terms of indicators and actions, as detailed in Section 3 of the Report.

Having heard from Vivien Smith, Head of Planning and Place, and following a number of questions from members, the Committee agreed:-

- (i) to note the contents of the Report;
- (ii) to approve the highlights of the 2013/14 Mid Year Performance Reports on the Community Plan and Single Outcome Agreement 2013/16; and
- (iii) to note that the Report had been submitted to the Angus Community Planning Partnership Board on 4 December 2013.

5. SICKNESS ABSENCE JULY – SEPTEMBER 2013

With reference to Article 15 of the minute of meeting of this Committee of 24 September 2013, there was submitted [Report No 48/14](#) by the Strategic Director – Resources, advising on the level of sickness absence within the Council for the period 1 July to 30 September 2013.

Having heard from a number of members, the Committee agreed to note the terms of the Report.

6. INTERNAL AUDIT ACTIVITY UPDATE

With reference to Article 5 of the minute of meeting of this Committee of 12 November 2013, there was submitted [Report No 49/14](#) 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.

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

- Direct Payments and Self Directed Support
- LEADER
- European Fisheries Fund
- Collaborative and Joint Arrangements – Angus Care and Repair

The Report indicated that follow up work had been undertaken in respect of Counter Fraud and also highlighted the amendments to the 2013/14 Internal Audit Plan.

The Committee agreed:-

- (i) to note the update on progress with the 2013/14 Internal Audit Plan;
- (ii) to note the update on follow up work on previous years' reports; and
- (iii) to ratify the amendments to the 2013/14 Internal Audit Plan.

7. BENEFIT FRAUD PROSECUTION AND SANCTION POLICY

With reference to Article 6 of the minute of meeting of Angus Council of 19 November 2013, there was submitted [Report No 50/14](#) by the Service Manager – Governance, informing members of amendments to the Council's Benefit Fraud Prosecution and Sanction Policy.

The Report indicated that the Benefit Fraud Prosecution and Sanction Policy had been amended to reflect legislative changes regarding penalty charges and to reflect the changes to the Council's management structure. Decisions regarding prosecution or sanctions in respect of benefit fraud cases would be taken jointly by the Head of Corporate Improvement and Finance and the Service Manager – Governance.

The Committee agreed to note the revised Benefit Fraud Prosecution and Sanction Policy as appended to the Report.

Having declared an interest at item 2 above, Paul Kelly, Audit Manager, left the meeting during consideration of the following item.

8. PROCUREMENT AUTHORITY – EXTENSION TO CURRENT CONTRACT

With reference to Article 7 of the minute of meeting of this Committee of 13 June 2013, there was submitted [Report No 51/14](#) by the Service Manager – Governance, requesting an extension to the current co-sourcing contract for an additional period of six months from 1 August 2014 to allow an External Quality Assessment to be conducted to inform the eventual procurement exercise.

The Report indicated that the Public Sector Internal Audit Standards had brought in new requirements for the External Quality Assessment (EQA) of internal audit. Within this, as best practice, was a principle that there should be an EQA undertaken should there be a material change within the internal audit function. The move to a co-sourced Audit Manager was such a change and therefore it was proposed that an EQA be conducted on the basis of a validated self assessment.

To allow time for the EQA to be discharged and inform the co-sourcing exercise, it was proposed that the current co-sourcing contract be extended for an additional period of six months from 1 August 2014.

The Committee agreed:-

- (i) to extend the current co-source contract for a period of a further six months to 31 January 2015; and
- (ii) to note the procurement exercise for the External Quality Assessment would be conducted under Chief Officers delegated authority.

9. SCRUTINY REVIEWS

The Service Manager – Governance advised that both panels were progressing well and on target with the reviews. Both panels had undertaken briefings, site visits and evidence gathering meetings.

Councillors Boyd and Myles, Panel Chairs, also gave a brief overview of progress to date.