

ANGUS COUNCIL

MINUTE of MEETING of the **SCRUTINY AND AUDIT COMMITTEE** held in the Town and County Hall, Forfar, on Tuesday 30 September 2014 at 11.00am.

Present: Councillors BOB SPINK, BRIAN BOYD, BILL BOWLES, BILL DUFF, CRAIG FOTHERINGHAM, JEANETTE GAUL, JIM HOUSTON, ROB MURRAY, BOB MYLES, IAN McLAREN and RONNIE PROCTOR MBE.

Councillor SPINK, Convener, in the Chair.

Prior to the commencement of the formal business the Convener welcomed Councillor Ian McLaren to his first meeting of this Committee.

1. APOLOGIES/SUBSTITUTES

An apology for absence was intimated on behalf of Councillor Lynne Devine.

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 26 August 2014](#) was submitted and approved as a correct record and signed by the Convener.

4. INFORMATION REPORT FOR THE PERIOD 27 AUGUST 2014 TO 30 SEPTEMBER 2014

There was submitted and noted [Report No 427/14](#) by the Head of Corporate Improvement and Finance providing information to members with regard to services in the Resources Directorate for the period 27 August 2014 to 30 September 2014.

5. DIRECTORATE ANNUAL REPORTS 2013/14

With reference to Article 4 of the minute of meeting of this Committee of 24 September 2013, there was submitted [Report No 420/14](#) by the Chief Executive advising of the production of the 2013/2014 Directorate Annual Reports.

The Report indicated that as an integral part of the Council's performance management arrangements, each directorate prepared an Annual Report for the previous year reporting to their service committee in the first cycle after the recess.

The Report was designed to give members, employees and the public an update of performance within Directorates during the previous financial year.

The Committee then heard from the Chief Executive and the Strategic Directors for Communities, People and Resources in relation to their Annual Reports.

Having heard from a number of members, the Committee, for its interest, agreed to note the contents of the Reports.

6. COUNCIL TAX SINGLE PERSON DISCOUNT – DATA MATCHING

There was submitted [Report No 421/14](#) by the Service Manager – Governance providing members with an update on the outcomes of a data matching exercise which compared the 2011 electoral register against those households where council tax single person discounts were being claimed.

The Report indicated that the results of the data matching exercise were forwarded to Revenues and Benefits staff who had identified 100 cases for further review. The review work had now been concluded and had resulted in the cancellation of single person discounts as detailed in Section 4 of the Report.

The Committee agreed to note the outcome from the data matching exercise, which had resulted in the cancellation of Single Person Discounts totalling £11,336 for 2011/12 and £7,093 for previous financial years.

7. INTERNAL AUDIT ACTIVITY UPDATE

With reference to Article 9 of the minute of meeting of this Committee of 26 August 2014, there was submitted [Report No 422/14](#) by the Service Manager – Governance providing the Audit Manager's update on the main findings of Internal Audit Reports issued since the date of the last meeting.

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

- General Fund Capital Programme
- Charitable Funds
- Health and Safety Governance

The Report provided an update in relation to the 2013/2014 and 2014/15 Internal Audit Plans, Investigations Activity and the Internal Audit Charter.

The Report also provided details of a consultancy exercise in relation to the Council's workforce planning review which had been carried out as part of the 2013/14 Internal Audit Plan, as outlined in Appendix 1 of the Report.

The Committee agreed:-

- (i) to note the update on progress with the 2013/14 Internal Audit Plan;
- (ii) to note the update on progress with the 2014/15 Internal Audit Plan;
- (iii) to note the update on investigation work conducted by Internal Audit since April 2014; and
- (iv) to approve the Internal Audit Charter following its annual review.

8. EARLY RETIRAL/VOLUNTARY REDUNDANCY 2013/14

With reference to Article 12 of the minute of meeting of this Committee of 24 September 2013, there was submitted [Report No 423/14](#) by the Head of HR, IT and Organisational Development advising of the number of employees released from employment on various grounds during 2013/14.

The Report indicated that 24 employees had been released on early retiral/voluntary redundancy and a total of six employees had been released on ill health grounds.

The Committee agreed to note the terms of the Report.

9. SICKNESS ABSENCE APRIL – JUNE 2014

With reference to Article 8 of the minute of meeting of this Committee of 26 August 2014, there was submitted [Report No 424/14](#) by the Head of HR, IT and Organisational Development advising of the level of sickness absence within the Council for the period 1 April to 30 June 2014.

The Committee agreed to note the terms of the Report.

10. SICKNESS ABSENCE 2013/14

With reference to Article 14 of the minute of meeting of this Committee of 24 September 2013, there was submitted [Report No 425/14](#) by the Head of HR, IT and Organisational Development analysing sickness absence within the Council during the 2013/14 financial year.

The Report indicated that the year's absence figure was a 10.3% improvement on last year's performance which had led to a reduced direct cost of almost £500,000 (12.25%). This was a welcomed improvement given the operational and financial consequences of absence and it was noted that the absence figure for the financial year 2013/14 was the lowest level since 2003/04.

The Report also indicated that stress-related absence accounted for approximately one in four days lost and remained the single largest cause of absence. An analysis over each of the last four years showed that 77% of stress absence was caused by non work related issues. As a matter of priority, the Council strived to reduce stress related absence and to support employees through its various absence management measures.

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

11. AUDIT SCOTLAND REPORT – SUPPORTING SERVICE IMPROVEMENT

There was submitted [Report No 426/14](#) by the Service Manager – Governance providing members with details of a recent Audit Scotland Report in which they had reviewed the Council's arrangements for managing and maintaining Council data and information services.

The Report indicated that the use of information and knowledge was at the heart of many of the services the Council provided. Although there were important archives of paper files, most day to day information was stored in computer systems. Improving the management of information, from the point of view of technology, accessibility and business function was a long running theme of the corporate Information and Communications Technology (ICT) strategy.

The review had been undertaken by Audit Scotland's Computer Services team and was an important output of the planned 2013/14 External Audit Plan.

Having heard from Gerry O'Neill, Audit Scotland who highlighted a number of key areas of the review, the Committee agreed to note the contents of the Report and the action plan, as appended to the Report.

12. SCRUTINY REVIEWS

The Service Manager – Governance reported that the Convener, Service Manager – Governance and the Lead Officers from the Improving Partnership Working Panel and Costs and Benefits of Transforming Angus/New Management Structure Panel had met with the respective Chairs. She indicated that the scope for each panel had been drafted and that the first meetings would take place in October.

Having heard from Councillor Murray, the Service Manager – Governance agreed to also provide a written update to all members of this Committee.

13. 2013/14 EXTERNAL AUDIT PROCESS (ISA 260) – REPORT TO THOSE CHARGED WITH GOVERNANCE ON THE 2013/14 AUDIT AND 2013/14 AUDITED ACCOUNTING STATEMENTS

With reference to Article 4 of the minute of meeting of this Committee of 26 August 2014, there was submitted [Report No 428/14](#) by the Head of Corporate Improvement and Finance, advising of the outcome of the External Audit Review as documented in the Auditor's ISA 260 Report.

The Report indicated that the audit process for 2013/14 was now complete and arrangements had been made for the audited accounts and audit certificate to be signed on 30 September 2014. The audited Accounts along with the Auditor's Report to members and the Controller of Audit would be submitted to the Scrutiny and Audit Committee on 25 November 2014 and Angus Council on 11 December 2014 for further review.

The ISA 260 Report highlighted some errors and corrections which had been identified through the audit of the draft accounts and indicated these would be adjusted in the Auditor's accounts with the exception of two items as detailed in Appendix B to the ISA 260 Report. These had been agreed with the External Auditors to leave unadjusted due to their non-material nature.

The Committee agreed:-

- (i) to note the contents of the ISA 260 Report from the Council's External Auditor;
- (ii) to note the contents of the 2013/14 final audited accounting statements, as appended to the Report; and
- (iii) to note that the Auditor's formal Report to Members and the Controller of Audit would be provided to this Committee in the next cycle.

14. EXCLUSION OF PUBLIC AND PRESS

The Committee resolved, in terms of Standing Order 27 (2) that the public and press be excluded from the meeting during consideration of the following item, so as to avoid the possible disclosure of information which was exempt in terms of Part 1 of Schedule 7A of the Local Government (Scotland) Act 1973, paragraphs 6 and 14.

15. REMOVAL OF CONTRACTOR FROM COUNCIL CONTRACTS AND LISTS OF SUPPLIERS

There was submitted [Joint Report No 418/14](#) by the Head of Technical and Property Services and the Service Manager – Governance in relation to the removal of a contractor from Council contracts and the lists of suppliers.

Having heard from the Audit Manager and a number of members, the Committee, for its interest, agreed to approve the recommendations, as detailed in the Report.