

ANGUS COUNCIL

MINUTE of MEETING of the **SCRUTINY AND AUDIT COMMITTEE** held in the Town and County Hall, Forfar, on Thursday 22 June 2017 at 2.00pm.

Present: Councillors ALEX KING, BILL DUFF, JULIE BELL, BRIAN BOYD, KENNY BRAES, LYNNE DEVINE, MARK McDONALD, BEN LAWRIE, ANGUS MACMILLIAN DOUGLAS OBE, IAN MCLAREN and BETH WHITESIDE.

Councillor KING, Convener, in the Chair.

Prior to the commencement of business and having heard from the Convener, the Committee agreed, in accordance with the provisions of Standing Order 37 (2), to change the Order of Business which would now be considered in the following order.

1. APOLOGIES/SUBSTITUTES

Apologies for absence were intimated on behalf of Councillors Brenda Durno and Mark Salmond with Councillor Mark McDonald substituting for Councillor Durno.

2. DECLARATIONS OF INTEREST

There were no declarations of interest made.

3. COMMITTEE MEMBERSHIP

With reference to Article 8 of the minute of meeting of Angus Council of 16 May 2017, the Committee agreed to note the members appointed to this Committee.

4. SCRUTINY AND AUDIT COMMITTEE - REMIT

There was submitted the remit of the Scrutiny and Audit Committee.

Councillor Duff highlighted whether it was appropriate for the remit to be extended to include the scrutiny of Angus Alive and Angus Health and Social Care Integration Joint Board.

Having heard from the Head of Legal and Democratic Services, the Committee agreed that the remit should be amended to include the scrutiny of Angus Alive and Angus Health and Social Care Integration Joint Board; and that a report proposing the amendment to the remit as contained within the Council's Standing Orders would require to be submitted to the next available meeting of Angus Council.

5. MINUTE OF PREVIOUS MEETING

The minute of meeting of this Committee of 7 March 2017 was approved as a correct record and signed by the Convener.

6. SCOTTISH FIRE AND RESCUE QUARTERLY PERFORMANCE REPORT FOR THE PERIOD 1 JANUARY TO 31 MARCH 2017

With reference to Article 6 of the minute of meeting of this Committee of 7 March 2017, there was submitted Report No 211/17 by Colin Grieve, Local Senior Officer, Scottish Fire and Rescue Service, containing performance information relating to the fourth quarter (January to March) of 2017 on the performance of the Scottish Fire and Rescue Service in support of member scrutiny of local service delivery.

Attached as Appendices 1 and 2 to the Report was the detailed breakdown and analysis of all data collected during the reporting period along with the performance summary for the period 1 April 2016 to 31 March 2017.

Colin Grieve, Local Senior Officer provided an overview and highlighted a number of key performance results.

Following discussion, where questions were answered, the Committee agreed to note the performance of the Scottish Fire and Rescue Service against the priorities, performance indicators and targets detailed within the local Fire and Rescue Plan for Angus 2014-17.

7. ANGUS LOCAL POLICING AREA PERFORMANCE RESULTS FOR THE PERIOD 1 APRIL 2016 TO 31 MARCH 2017

With reference to Article 7 of the minute of meeting of this Committee of 7 March 2017, there was submitted Report No 212/17 by Chief Superintendent Paul Anderson, which updated the Committee on the performance results for the period 1 April 2016 to 31 March 2017.

Attached as Appendix A to the Report were the performance indicators that had been subdivided into the following priorities within the Report which were the Local Policing Priorities as identified in the three year Local Policing Plan:-

- Serious and Organised Crime
- Public Protection and Safety
- Road Safety
- Antisocial Behaviour
- Theft and Scams

Chief Superintendent Paul Anderson accompanied by Chief Inspector David McIntosh, took the opportunity and provided an overview and update in relation to the four recent terrorist attacks which had taken place in England in the last three month period. He thereafter highlighted a number of key areas and provided a detailed overview of the Report.

Following discussion and having heard from some members, the Committee agreed to note the contents of the Report.

At this point, the Scottish Fire and Rescue Service and Police Scotland representatives left the meeting.

8. CORPORATE GOVERNANCE – LOCAL CODE OF CORPORATE GOVERNANCE 2017

There was submitted Report No 213/17 by the Chief Executive advising of the outcome of the Review of the Local Code of Corporate Governance and presenting the revised Local Code for approval.

The Report indicated that Angus Council first adopted a Local Code in 2002. This had been regularly reviewed and updated to ensure consistency with best practice and guidance, in particular the CIPFA/SOLACE framework Delivering Good Governance in Local Government. The framework was revised during 2016 and related Scottish Guidance Notes were published in November 2016. The framework set out seven core principles for good governance and these were outlined in Section 4 of the Report.

The Local Code of Corporate Governance affirmed the Council's commitment to achieving good standards of corporate governance. It set out the key policies, procedures and structures which demonstrated the Council's compliance with the seven core principles. The Local Code had been revised in line with the 2016 Delivering Good Governance Framework and was attached as Appendix 1 to the Report.

The Committee agreed to approve the revised Local Code of Corporate Governance.

9. INTERNAL AUDIT ACTIVITY UPDATE

With reference to Article 9 of the minute of meeting of this Committee of 7 March 2017, there was submitted Report No 217/17 by the Acting Service Manager – Governance and Consultancy, providing the Audit Manager's update of the main findings of the Internal Audit Report issued since the date of the last meeting.

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

- Agile Working;
- Review of Corporate Culture;
- Corporate Budgeting and Financial Accounting;
- Development of CAATs (Computer Audit Assisted Techniques);
- Carbon Reduction;
- Interreg (European Grant Funding);
- GDP Readiness (Phase 1);
- Year End Stocktake at 31 March 2017.

The Report provided an update in relation to the progress of Internal Audit Activity in the Council up until the end of May 2017, the progress with the 2016/17 and 2017/18 Internal Audit Plans and the progress with implementing internal audit recommendations.

The Committee agreed:-

- (i) to note the update on the completion of the 2016/17 Internal Audit Plan;
- (ii) to note the update on the completion of the 2017/18 Internal Audit Plan; and
- (iii) to note management's progress in implementing Internal Audit recommendations.

10. INTERNAL AUDIT ANNUAL REPORT AND REVIEW OF CORPORATE GOVERNANCE

With reference to Article 7 of the minute of meeting of this Committee of 21 June 2016, there was submitted Report No 215/17 by the Acting Service Manager – Governance and Consultancy, 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 2016/17.

The Report indicated that in relation to corporate governance, it was the Audit Manager's opinion that the Council had a framework of controls in place that provided reasonable assurance regarding the organisation's governance framework, effective and efficient arrangements were in place to promote value for money. The Local Code of Corporate Governance was adequate and effective, and although some areas for improvement had been identified, the Code was complied with in all material aspects.

Attached as Appendix 1 to the Report was the Audit Manager's Internal Audit Annual Report which provided the information and assurance in relation to the matters outlined in Section 3 of the Report.

The Committee agreed to note the contents of the Audit Manager's Internal Audit Annual Report for 2016-17.

11. CORPORATE GOVERNANCE – ANNUAL REVIEW AND DRAFT ANNUAL GOVERNANCE STATEMENT FOR THE YEAR TO 31 MARCH 2017

With reference to Article 8 of the minute of meeting of this Committee of 21 June 2016, there was submitted Report No 214/17 by the Chief Executive advising of the outcome of the annual review of compliance with the principles of good governance and presenting the draft Annual Government Statement for consideration.

The Report indicated that the overall conclusion to the review was that during 2016/17, the Council had demonstrated that the governance arrangements and framework within which the Council operated were sound and operating effectively and that the Council was generally compliant with the core principles of good governance.

The 2015/16 review had identified a number of developments which were expected to be delivered in 2016/17 to strengthen the Council's corporate governance. Attached as Appendix 1 to the Report, was a further progress report. Five of the improvement actions had been completed and the remaining three actions were carried forward for further action during 2017/18.

Attached as Appendix 2 to the Report was the updated Action Plan for 2017/18 and attached as Appendix 3 to the Report was the Council's draft 2016/17 Annual Governance Statement.

The Committee agreed:-

- (i) to note the progress in addressing the improvement actions from the 2015/16 annual governance statement, attached as Appendix 1 to the Report; and the further improvements which would be taken forward during 2017/18, attached as Appendix 2 to the Report;
- (ii) to note the draft 2016/17 Annual Governance Statement as outlined in Appendix 3 to the Report; and
- (iii) to note that the 2016/17 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.

12. REVISED ANNUAL INTERNAL AUDIT PLAN 2017/18

With reference to Article 10 of the minute of meeting of this Committee of 7 March 2017, there was submitted Report No 216/17 by the Acting Service Manager – Governance and Consultancy submitting revisions of the Audit Manager's Annual Internal Audit Plan for 2017/18 for approval.

The Report indicated that in terms of the Public Sector Internal Audit Standards (PSIAS), the Audit Manager was required to set a risk based audit plan sufficient to provide the required assurances to members and officers in relation to corporate governance risk management and internal controls.

Attached as Appendix 1 to the Report were the outcomes of the annual planning and exercise and the Audit Manager's revised 2017/18 Internal Audit Plan for approval.

The revision of the plan had been made with reference to risk factors and to ensure that appropriate assurances could still be delivered for 2017/18.

The Committee agreed:-

- (i) to note that a risk-based approach had been utilised to revise the previously agreed plan to take account of reduced resources for 2017-18; and
- (ii) to approve the proposed revision to the 2017-18 Internal Audit Plan.

13. CORPORATE COUNTER FRAUD REVIEW 2016/17

With reference to Article 7 of the minute of meeting of this Committee of 19 April 2016, there was submitted Report No 218/17 by the Acting Service Manager – Governance and Consultancy, providing background to the work of the Corporate Fraud Team (CFT) and summarising the activity undertaken in the year to 31 March 2017.

The Report indicated that the Council had a zero tolerance approach to fraud and corruption and the existence of a professional Corporate Fraud Team (CFT) demonstrated the Council's commitment to its objectives. Angus Council was committed to minimising the risk of loss due to fraud or corruption and to take appropriate action against those who attempted to defraud the Council, whether from within the authority or from outside.

The Counter Fraud Team had had a successful year, revising existing counter fraud policies to strengthen the Council's counter fraud framework, publicising and promoting counter fraud on the Council's website and internal intranet and working collaboratively throughout the Council to raise awareness and to provide a specialist investigation service.

Five council properties had been repossessed and savings in excess of £122,000 were identified. The Corporate Fraud Team staff had investigated allegations of employee fraud and in doing so had managed the risk of financial loss and reputational damage associated with employee misconduct. The Corporate Fraud Team continued to work and manage resources to counter fraud and ensure the ongoing safeguarding of public resources.

The Committee agreed:-

- (i) to note the contents of the Report;
- (ii) to note the amended Counter-Fraud and Corruption Strategy attached as Appendix 1 to the Report; and
- (iii) to note that the Counter-Fraud and Corruption Strategy had been submitted and approved at the Policy and Resources Committee on 20 June 2017.

14. SLACIAG ANNUAL REPORT

There was submitted Report No 219/17 by the Acting Service Manager – Governance and Consultancy submitting the 2016 Annual Report of the Scottish Local Authorities Chief Internal Auditors' Group (SLACIAG) for noting.

Appendix 1 to the Report summarised SLACIAG's purpose and the activity throughout the year that had supported the Internal Audit Manager and the Internal Audit Service.

The Committee agreed to note the 2016 Scottish Local Authorities Chief Internal Auditors' Group Annual Report.

15. LOCAL GOVERNMENT IN SCOTLAND – PERFORMANCE AND CHALLENGES 2017

There was submitted Joint Report No 220/17 by the Chief Executive, Strategic Director – Place and the Head of Corporate Finance, submitting the Accounts Commission Overview Report which provided a high level, independent view of the challenges facing Councils, how well they were addressing these and what more they could do.

The Report drew on findings from Local Government in Scotland: Financial Overview 2015/16, Local Government Audit Work in 2016 and published performance data. The Report was primarily for Councillors and Senior Council Officers as a source of information and to support them in their complex and demanding roles.

Scotland's Councils were operating in an increasingly demanding environment. New and returning Councillors faced major challenges from continued reduction in their funding from Scottish Government, and greater demands for services from an ageing population, and in parts of the country, a growing school population. In addition, Councils needed to respond effectively to national policy priorities in the Scottish Government's Programme for Governance, and along with their partners, would need to demonstrate progress in integrating health and social care and in meeting the requirements of the Community Empowerment Act.

The Overview Report, attached as Appendix 1A to the Report, covered three areas and further details were outlined in Section 4.1 of the Report. The main highlights from the key messages in the Overview Report were outlined in Section 4.3 of the Report.

The Committee agreed:-

- (i) to note the contents of the Accounts Commission's Performance and Challenges 2017 Report and supplementary Appendices 1A, 1B & 1C, as attached to the Report; and
- (ii) to note that the Report was about Local Government in Scotland as a whole rather than Angus Council specifically.

16. REGULATION OF INVESTIGATORY POWERS (SCOTLAND) ACT 2000 – ANNUAL REPORT

There was submitted Report No 221/17 by the Head of Legal and Democratic Services advising members of the use of surveillance powers by the Council in terms of the Regulation of Investigatory Powers (Scotland) Act 2000 in the period 1 April 2016 to 31 March 2017.

The Report indicated that Angus Council was a public authority for the purpose of the Regulation of Investigatory Powers (Scotland) Act 2000 (“RIP(S)A”) and had the power to authorise directed covert surveillance and the use of covert human intelligence sources. Covert activities covered by RIP(S)A would be lawful if the activities were authorised and if they were conducted in accordance with the authorisation.

In the year to 31 March 2017, three surveillance activities had been authorised. All of these authorisations related to directed surveillance. Two authorisations related to Community Safety and the prevention and detection of antisocial behaviour. The remaining authorisation related to Consumer Protection and the prevention and detection of breaches of the Consumer Protection from Unfair Trading Regulations 2008.

The Head of Legal and Democratic Services provided an update and having heard from Councillor Lawrie who requested further background information in relation to the three surveillance activities outlined in the report, the Committee agreed:-

- (i) to note the requirements on the Council in respect of surveillance and other investigatory activities in terms of the Regulation of Investigatory Powers (Scotland) Act 2000;
- (ii) to note the number of authorisations granted for surveillance and other investigatory activities regulated by the above Act;
- (iii) to note that annual reports on the use of surveillance and other investigatory activities regulated by the above Act would be submitted to this Committee; and
- (iv) that the Head of Legal and Democratic Services would further liaise with Councillor Lawrie to provide background information in relation to the three surveillance activities as outlined in the Report.

17. COMPLAINTS HANDLING PROCEDURE

With reference to Article 11 of the minute of meeting of this Committee of 22 November 2016, there was submitted Report No 222/17 by the Chief Executive highlighting the changes to the Council’s Complaint Handling Procedure which now incorporated Social Work 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. The Scottish Government had completed a review of the Social Work Complaints System and as a result the complaints system changed in April 2017.

The context of the change was an emphasis on partnership working and a more standardised, simplified and aligned complaints process. As a result of the review Angus Council now operated a two stage model complaints handling procedure (CHP) which included the new Social Work CHP for all complaints.

The Committee agreed to approve the amended complaints handling procedure as outlined in Appendix 1 to the Report.

18. TRANSFORMING ANGUS: PROGRAMME UPDATE

With reference to Article 7 of the minute of meeting of Angus Council of 23 March 2017, there was submitted Report No 133/17 by the Strategic Director – Resources providing a progress update in relation to the Council’s Transforming Angus Change Programme.

The Committee agreed to note the update in relation to the various aspects of the Council’s Transforming Angus Change Programme, including the financial update in relation to the Transforming Angus Change Fund.

**19. COMPLAINTS RAISED WITH THE SCOTTISH PUBLIC SERVICES OMBUDSMAN
1 OCTOBER 2016 TO 31 MARCH 2017**

With reference to Article 14 of the minute of meeting of this Committee of 22 November 2016, there was submitted Report No 223/17 by the Head of Legal and Democratic Services providing information about complaints made to the Scottish Public Services Ombudsman (SPSO) in respect of Angus Council during the period 1 October 2016 to 31 March 2017.

The Report provided details of all complaints received by the SPSO in respect of Angus Council between 1 October 2016 to 31 March 2017. The Council had adopted the SPSO national complaints handling procedures in December 2012 and the purpose behind the national procedure was to enable Councils to compare the number and type of complaints with other local authorities but to also enable Council's to learn from complaints and to use them to drive improvement within Council Services.

During the period 1 October 2016 to 31 March 2017, a total of 5 letters of complaint were received by the SPSO in relation to Angus Council. All five complaints were not pursued although the SPSO made enquiries regarding one complaint. Details of these complaints were outlined in Appendix 1 to the Report.

Attached as Appendix 2 to the Report were details of complaints received from 1 October 2015 to 31 March 2016.

The Committee agreed:-

- (i) to note the findings of the Scottish Public Services Ombudsman; and
- (ii) that the actions taken in respect of the Scottish Public Services Ombudsman recommendations were appropriate.

**20. COMPLAINTS RAISED WITH THE COMMISSIONER FOR ETHICAL STANDARDS IN
PUBLIC LIFE – 1 APRIL 2016 TO 31 MARCH 2017**

With reference to Article 15 of the minute of meeting of this Committee of 19 April 2016, there was submitted Report No 224/17 by the Head of Legal and Democratic Services, advising of complaints made against Angus Councillors to the Commission for Ethical Standards in Public Life (the Standards Commission) during the period 1 April 2016 to 31 March 2017.

The Report indicated that the Ethical Standards in Public Life Etc. (Scotland) Act 2000 provided for a framework to encourage and, where necessary enforce, high ethical standards in public life. The Act established the Standards Commission for Scotland and placed a duty on local authorities to adopt the Councillors' Code of Conduct. It also provided a framework for breaches of that Code to be investigated and adjudicated upon by the Standards Commission.

During the period 1 April 2016 to 31 March 2017, Angus Councillors were referred to the Standards Commission for investigation on six separate occasions. One complaint was not pursued and five complaints were investigated. A brief summary of the complaints were attached as Appendix 1 to the Report.

Appendix 2 to the Report provided an update in relation to complaints from 1 April 2015 to 31 March 2016.

The Committee agreed:-

- (i) to note the findings of the Report; and
- (ii) to request the Head of Legal and Democratic Services to update members on the outcome of the ongoing complaint decisions in the Report at a later date.

21. WORKFORCE DATA REPORT

With reference to Article 15 of the minute of meeting of this Committee of 22 November 2016, there was submitted Report No 225/17 by the Head of HR, IT, Corporate Comms and OD providing information to members in relation to the workforce.

The Report indicated that historically the HR service had provided a number of separate reports to Committee covering a range of information regarding the Council's workforce including sickness absence statistics and headcount information. This and further additional information had now been brought together into a single, more comprehensive Workforce Data Report and was attached as Appendix 1 to the Report.

The Report would be produced bi-annually for services and for reporting to Committee covering the periods 1 April – 30 September and 1 October – 31 March.

Future Reports would include figures in relation to vacant posts and turnover statistics and would continue to build on different data sets where these were considered useful. Attached as Appendix 2 to the Report was the analysis highlights in relation to each of the data sets.

The data presented was described in relation to the previous Council's Directorate structure of Chief Executive's Unit, Angus Health & Social Care Partnership, Children & Learning, Communities and Resources. This data would be amended to reflect the new organisational structure for the committee report in November 2017

The Committee agreed to note the contents of the Report.