

ANGUS COUNCIL

MINUTE of MEETING of the **SCRUTINY AND AUDIT COMMITTEE** held in the Town and County Hall, Forfar, on Tuesday 26 September 2017 at 11.00am.

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

Councillor KING, Convener, in the Chair.

1. APOLOGIES/SUBSTITUTES

There were no apologies intimated.

2. DECLARATIONS OF INTEREST

Councillor Duff declared a non-financial interest in Items 5 and 7 (Report Nos. 320/17 and 323/17) in that he currently served as Director of Angus Alive. He indicated that he would participate in any discussion and voting on these items.

Councillor Lawrie declared a non-financial interest in Item 6 (Report No. 321/17) in that he currently served as Chair of the East of Scotland European Consortium. He indicated that he would participate in any discussion and voting on this item.

3. MINUTE OF PREVIOUS MEETING

Having heard from Councillor Bell, the Committee agreed to approve the minute of meeting of this Committee of 22 August 2017 as a correct record for signature by the Convener, subject to the two references in Article 5 to 'Safe Together Model' being amended to read 'Safe and Together Model'.

4. LOCAL FIRE AND RESCUE PLAN FOR ANGUS 2017-2020

There was submitted Report No 319/17 by Colin Grieve, Local Senior Officer, Scottish Fire and Rescue Service, containing background information in support of members approving the final draft Local Fire and Rescue Plan for Angus 2017-2020.

The Report indicated that the Scottish Fire and Rescue Service (SFRS) was required under the Fire (Scotland) Act 2005, as amended by the Police and Fire Reform (Scotland) 2012, to prepare Local Fire and Rescue Plans for each local authority in Scotland.

The Scottish Fire and Rescue Service's new three year strategic plan provided the National Strategic Framework that underpinned the requirement to undertake the mandatory review of all Local Fire and Rescue Plans.

The development of a new Local Fire and Rescue Plan for Angus provided an opportunity to review how well the Fire and Rescue Service within Angus had performed against existing priorities. Furthermore, it helped to identify areas for improving the safety and overall wellbeing of the communities of Angus against a backdrop of increased demand for public services and changing risk profile. The outcome of the review formed the basis of a draft plan for public consultation. The Local Fire and Rescue Plan review for 2017 was attached as Appendix 2 to the Report.

The Local Fire and Rescue Plan for Angus 2017-2020 set out proposed priorities for improving community safety, whilst helping to address inequalities and enhancing the overall wellbeing of the communities of Angus. The Scottish Fire and Rescue Service's contribution towards supporting the Angus Local Outcome Improvement Plan and Locality Plans sat within the context of the draft Plan.

On behalf of the Committee, the Convener expressed his thanks and appreciation to the Service for the most informative presentation to elected members held recently at Forfar Fire Station.

Following discussion, where questions were answered by Roy Dunsire, Group Manager, Service Delivery, Angus Area, Scottish Fire & Rescue Service, the Committee agreed:-

- (i) to approve the final draft Local Fire and Rescue Service Plan for Angus 2017-2020; and
- (ii) to note the contents of the Report and supporting appendices.

5. ANGUS COUNCIL ANNUAL ACCOUNTS 2016/17 AND ANNUAL AUDIT REPORT TO MEMBERS

With reference to Article 7 of the minute of meeting of this Committee of 22 August 2017, there was submitted Joint Report No 320/17 by the Chief Executive, Strategic Director – Place and the Head of Corporate Finance, providing Audit Scotland's Annual Audit Report to Members on the 2016/17 Audit of Angus Council, Strangs Mortification and Angus Council Charitable Trust and requesting members of the Committee approve the 2016/17 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 audit findings of concern, the Report highlighted some significant risks that would need to be managed by the Council going forward in relation to the budget gap to be addressed beyond 2017/18. Service redesign and transformation through the Change Programme was intended to achieve most of the savings, however, not all of the required savings had yet been identified.

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 Council's Unaudited Annual Accounts for financial year 2016/17 had been submitted to the Controller of Audit for audit by the Council's appointed external auditors.

Attached as Appendices 1A and 1B to the Report was the Auditor's report and a covering letter for the 2016/17 Financial Year.

The Head of Corporate Finance highlighted a number of points. Rachel Browne, Audit Scotland, thereafter provided an overview in relation to the Angus Council 2016/17 Audit.

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

- (i) to note the content of Audit Scotland's Annual Audit Report to Members, attached as Appendices 1A & 1B to the Report; and
- (ii) to approve the 2016/17 Audited Annual Accounts of Angus Council for signature in accordance with the Local Authority Accounts (Scotland) Regulations 2014, as outlined in the link detailed in section 6.1 of the Report.

6. EAST OF SCOTLAND EUROPEAN CONSORTIUM ANNUAL ACCOUNTS 2016/17 AND ANNUAL AUDIT REPORT TO MEMBERS

With reference to Article 7 of the minute of meeting of this Committee of 22 August 2017, there was submitted Joint Report No 321/17 by the Chief Executive, Strategic Director – Place and the Head of Corporate Finance, providing KPMG's Annual Audit Report to members on the 2016/17 Audit of East of Scotland European Consortium (ESEC) and requesting members of the Committee to approve the 2016/17 Audited Annual Accounts of ESEC for signature.

The Report indicated that KPMG's Annual Audit Report to members was a positive one and that there were no matters required to be reported by exception. It concluded satisfactorily in relation to significant risks and focus areas identified in the audit strategy document, the contents of the financial statement, the governance arrangements and the Consortium's ability to continue as a going concern, although the reserves were acknowledged to be low, and the organisation was on the point of losing a subscribing member.

Attached as Appendix 1 to the Report was KPMG's Annual Audit Report for the year ended 31 March 2017.

The Head of Corporate Finance highlighted a number of points. Rachel Slaskia, KPMG, thereafter, provided an overview in relation to the East of Scotland European Consortium 2016/17 Audit.

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

- (i) to note the contents of KPMG's Annual Audit Report, attached as Appendix 1 to the Report; and
- (ii) to approve the 2016/17 Audited Annual Accounts of ESEC for signature in accordance with the Local Authority Accounts (Scotland) Regulations 2014, outlined at the link detailed in Section 5.1 of the Report.

7. INTERNAL AUDIT ACTIVITY UPDATE

With reference to Article 8 of the minute of meeting of this Committee of 22 August 2017, there was submitted Report No 322/17 by the Acting Service Manager – Governance and Consultancy, providing the Audit Manger's update of the main findings of the Internal Audit Report issued since the date of the last meeting.

The Report provided an update on the progress of Internal Audit activity within the Council up to the end of August 2017 and also provided an update on progress with the 2017/18 Internal Audit Plan; a proposed change to the Plan; and progress with implementing internal audit recommendations.

The Committee agreed:-

- (i) to note the update on progress with the 2017/18 Internal Audit Plan,
- (ii) to approve the proposed change to the Plan; and
- (iii) to note management's progress in implementing internal audit recommendations.

8. INTERNAL AUDIT CHARTER REVIEW

With reference to Article 5 of the minute of meeting of this Committee of 27 September 2016, there was submitted Report No 323/17 by the Acting Service Manager – Governance and Consultancy, providing a review of the Internal Audit Charter.

The Report indicated that the internal audit services were delivered in compliance with Public Sector Internal Audit Standards (PSIAS). As part of the PSIAS a Charter was required recognising the mission of Internal Audit and describing the mandatory elements of professional internal audit practice.

The Charter was reviewed annually and changes from the previous version had been shown as tracked changes. The changes to the Charter included those to comply with changes made in the PSIAS in April 2017.

The Committee agreed:-

- (i) to note the proposed changes; and
- (ii) to approve the Internal Audit Charter, attached as Appendix 1 to the Report.

9. CORPORATE RISK REGISTER UPDATE

With reference to Article 11 of the minute of meeting of this Committee of 7 March 2017, there was submitted Report No 324/17 by the Chief Executive, presenting an update on the work being progressed with the Corporate Risk Register.

The Report indicated that the Council's management teams (EMT & CMT) had responsibility for monitoring and reviewing the council's corporate risks and associated risk register. Given the new organisational structure, a major evaluation of the existing risks was to be carried out. This would review the corporate risks, assess the current process and identify any gaps and/or practical ideas to make the process easier to use and to assist senior management more in their work. To commence the evaluation, a workshop would be held with EMT and the updated risk register would be reported to this Committee at its meeting on 21 November 2017.

The Committee agreed to note the contents of the update Report.