

ANGUS COUNCIL

MINUTE of MEETING of the **SCRUTINY AND AUDIT COMMITTEE** held in the Town and County Hall, Forfar, on Tuesday 23 January 2018 at 2.00pm.

Present: Councillors ALEX KING, BILL DUFF, JULIE BELL, BRIAN BOYD, KENNY BRAES, COLIN BROWN, LYNNE DEVINE, RICHARD MOORE, MARK McDONALD, IAN MCLAREN, MARK SALMOND and BETH WHITESIDE.

Councillor KING, Convener, in the Chair.

1. APOLOGIES/SUBSTITUTES

An apology for absence was intimated on behalf of Councillor Ben Lawrie with Councillor Richard Moore substituting.

2. DECLARATIONS OF INTEREST

There were no declarations of interest made.

3. MINUTE OF PREVIOUS MEETING

The minute of meeting of this Committee of 21 November 2017 was approved as a correct record and signed by the Convener.

4. INTERNAL AUDIT ACTIVITY UPDATE

With reference to Article 6 of the minute of meeting of this Committee of 21 November 2017, there was submitted Report No 21/18 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.

One Internal Audit Report in relation to the Community Asset Transfer (CAT) Scheme had been issued since the last Committee.

The Report provided an update on the progress of the 2017/2018 Internal Audit 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; and
- (ii) to note management's progress in implementing Internal Audit recommendations.

5. LOCAL GOVERNMENT IN SCOTLAND – FINANCIAL OVERVIEW 2016/17

There was submitted Report No 22/18 by the Head of Corporate Finance, presenting the Accounts Commission's Financial Overview Report which provided a high level, independent analysis of the financial performance of councils during, and their financial position at the end of 2016/17.

The Report indicated that it was one of two overview reports that the Accounts Commission published each year, complementing a report on councils' performance and outcomes that would be published at the start of the next financial year in April 2018. It was particularly aimed at councillors and senior officers, and would be of significant interest to elected members who joined councils for the first time following the May 2017 elections.

Scotland's councils were operating in an increasingly demanding environment. Generally, councils faced increasing challenges which required flexible responses that balanced immediate needs, sound long term financial planning and limited financial resources.

The financial overview report attached as an Appendix to the Report covered three areas, namely council's income and budgets for 2016/17; council's financial performance during, and

position at the end of 2016/17; and 2017/18 finances and the challenges faced in the future. The Accounts Commission also produced four supplements which were attached as Appendices to the Report.

The main key messages of the Report were outlined in Section 4.4 of the Report.

The Head of Corporate Finance provided an overview of the report and highlighted a number of key points.

Following discussion where members' questions were answered, the Committee agreed:-

- (i) to note the contents of the Accounts Commission's 2017 Financial Overview Report for Local Government and supplements, attached as Appendices A, A1, A2, A3 and A4 to the Report;
- (ii) to note that the Report was about Local Government in Scotland as a whole rather than Angus Council specifically; and
- (iii) that a workshop be arranged for all members to attend before the commencement of financial year 2018/19 to work through the Audit Scotland Supplement – Scrutiny tool for Councillors.

6. CORPORATE RISK REGISTER

With reference to Article 17 of the minute of meeting of this Committee of 21 November 2017, there was submitted Report No 23/18 by the Chief Executive, presenting an update on the work being progressed with the Corporate Risk Register.

The Report indicated that following on from the last submission of the Corporate Risk Register, further work had been carried out to the Securing Financial Sustainability Risk (CORRR_0001) and those actions would be updated in due course. The Performance Management Risk (CORRR_0004) had also been reviewed with completed actions that strengthened the Council's internal controls.

The Information Risk (CORRR_0007) and the Legislative Change Risk (CORRR_0018) had been reviewed and reworded. The Core Corporate Risk (CORRR_0010) had been removed and was reflected in Risks (CORRR_0002) and (CORRR_0003). The Workforce Fit for the Future (CORRR_0006) and the Health and Social Care Integration (CORRR_0015) were awaiting further review.

The Chief Executive provided an overview of the Report and having heard from a number of members, the Committee agreed:-

- (i) to note the contents of the update Report; and
- (ii) that the Corporate Risk Register reporting period be extended from quarterly to six monthly.

7. ANGUS INTEGRATION JOINT BOARD – SHARING OF AUDIT OUTPUTS PROTOCOL

There was submitted Report No 24/18 by the Chief Officer, Angus Health and Social Care Partnership, seeking approval of a protocol in respect of the sharing of audit outputs in relation to the Angus Integration Joint Board.

The Report indicated that Angus Integration Joint Board was established on 3 October 2015, by order of the Scottish Ministers in terms of the Public Bodies (Joint Working) (Scotland) Act 2014. In terms of the Act and the Integration Scheme, the Council and NHS Tayside were legally required to delegate certain statutory functions in relation to health and social care to the Integration Joint Board.

The Integration Joint Board, in turn, were legally required to direct either NHS Tayside or Angus Council to perform statutory functions in accordance with its requirements (and, most notably, the Integration Joint Board's Strategic Plan).

In addition, the Council were required to provide funding to the Integration Joint Board in respect of the performance of those services that it had delegated to the Integration Joint Board and received funding from the Integration Joint Board in respect of the functions it was directed by the Integration Joint Board to perform.

Given the interrelationship between the Council, NHS Tayside and the Integration Joint Board, there was a need to ensure that each organisation could freely exchange audit information which would allow all three partner organisations to discharge their own statutory duties in respect of integration of health and social care.

A protocol had been drafted in respect of the Sharing of Audit Outputs in relation to all three organisations. Adoption and adherence to the protocol would ensure that all three partner organisations received and shared audit outputs relevant to the integration of health and social care and that audit plans were reviewed across all three partner organisations to ensure a co-ordinated approach to governance arrangements in respect of the integration of health and social care.

The Protocol has been approved by NHS Tayside and the Integration Joint Board. The Report and recommendations contained therein, followed approval of Report 417/17 by the Policy and Resources Committee on 28 November 2017, to provide access to Council premises and information to Fife, Tayside and Forth Valley Audit and Management Services in the performance of the Internal Audit functions of the Angus Integration Joint Board.

The Committee agreed to approve the Sharing of Audit Outputs Protocol, attached as Appendix 1 to the Report.