

ANGUS COUNCIL

MINUTE of MEETING of the **SCRUTINY AND AUDIT COMMITTEE** held in the Town and County Hall, Forfar, on Tuesday 24 April 2018 at 2.00pm.

Present: Councillors ALEX KING, BILL DUFF, JULIE BELL, BRIAN BOYD, TOMMY STEWART, LYNNE DEVINE, DAVID FAIRWEATHER, RICHARD MOORE, MARK McDONALD, IAN MCLAREN, MARK SALMOND and BRENDA DURNO.

Councillor KING, Convener, in the Chair.

1. APOLOGIES/SUBSTITUTES

Apologies for absence were intimated on behalf of Councillors Kenny Braes, Colin Brown, Ben Lawrie and Beth Whiteside, with Councillors Tommy Stewart, Richard Moore and Brenda Durno substituting for Councillors Brown, Lawrie and Whiteside, respectively.

2. DECLARATIONS OF INTEREST

Councillor Duff declared a non-financial interest in Items 6,7,8 and 9 (Report Nos. 133/18, 134/18, 135/18 and 136/18 refers) in that he currently served as a Council Director of Angus Alive. He indicated that he would participate in any discussion and voting on these items.

3. MINUTE OF PREVIOUS MEETING

The minute of meeting of this Committee of 6 March 2018 was approved as a correct record and signed by the Convener.

At this stage of the meeting, and with reference to the minute of the Special Meeting of this Committee of 20 February 2018, the Convener confirmed that the co-sourced contract with Scott Moncrieff would expire at the end of April 2018 and highlighted that this was the last meeting for the co-sourced Audit Manager.

4. ACCOUNTS COMMISSION REPORTS

There was submitted Joint Report No 131/18 by the Chief Executive and Head of Finance and Legal, presenting to the Committee, two reports recently published by the Accounts Commission.

The Report indicated that the National Scrutiny Plan 2018 outlined plans for the scrutiny of local government at a strategic level for 2018/19. As such it sought to ensure that there was a co-ordinated approach to the activity over the various scrutiny bodies. The plan outlined the main areas of scrutiny activity, the approach to this and the scrutiny body that would undertake each area of activity. Local Scrutiny Plans were prepared subsequent to the National Scrutiny Plan, which was also on the agenda, Report No 132/18 refers.

In terms of Local Government in Scotland: Challenges and Performance 2018, the report provided an overview of the challenges and issues facing local government at present and was wider in scope than their earlier Report "Financial Overview 2016/17" which was considered by this Committee on 23 January 2018.

The Report highlighted the key challenges and outlined the manner in which some local authorities were seeking to address these.

Following discussion, several members' questions were answered by the Head of Finance and Legal.

Councillor Julie Bell also highlighted the importance for a healthy democracy that Councils represented and reflected the make-up of their communities in terms of gender, ethnicity and other socio-demographic characteristics. She indicated that she would be keen to be involved in any future projects to explore proactively what could be done to improve representation.

She also raised a concern in terms of accessibility of Council reports and associated papers and the impact that inaccessibility had on others.

Having heard from the Strategic Director – People who outlined the significant work that had been undertaken to promote democracy in Angus, and also in terms of accessibility, he indicated that a revised Digital Strategy Report was due to be considered at the next meeting of Angus Council.

The Committee agreed:-

- (i) to note the attached Report published by the Accounts Commission; and
- (ii) that a briefing would be provided to members on the Local Government in Scotland: Challenges and Performances 2018 Report.

5. ANGUS COUNCIL LOCAL SCRUTINY PLAN 2018/19

There was submitted Joint Report No 132/18 by the Chief Executive and Head of Finance and Legal, presenting a Report recently published by the Accounts Commission concerning its planned scrutiny of Angus Council over 2018/19.

The Report indicated that the Local Scrutiny Plan outlined the specific activity for Angus Council to be undertaken in light of the National Scrutiny Plan (Report 131/18 refers). The Report outlined the main scrutiny risks arising from an assessment undertaken by the Local Area Network of scrutiny bodies e.g. delivery of transformational change.

The Appendix to the Report detailed the specific scrutiny activities that would be undertaken to assess the Council's management of these risks, together with how the assessment would be reported back to the Council.

Also highlighted in the Report were comments made with regard to the risks identified within the Local Scrutiny Plan in terms of Education, Housing and Homelessness and the Duties under the Public Bodies (Joint Working) Scotland Act.

Rachel Brown, Senior Audit Manager, Audit Scotland provided an overview of the Report.

The Committee agreed to note the Angus Council Local Scrutiny Plan 2018/19 Report published by the Accounts Commission.

6. INTERNAL AUDIT ACTIVITY UPDATE

With reference to Article 8 of the minute of meeting of this Committee of 6 March 2018, there was submitted Report No 133/18 by the Chief Executive, providing the Audit Manager's Internal Audit Activity update on the main findings of the Internal Audit Reports issued since the date of the last meeting.

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

- Carbon Reduction
- Continuous Auditing – Payroll and Accounts Payable
- Integra User Access Management

The Report presented the progress of internal audit activity within the Council up to the end of March 2018 and provided an update on progress with the 2017/18 Internal Audit Plan and the implementation of internal audit recommendations.

Following discussion and having heard from Councillors David Fairweather and Lynne Devine and also the Audit Manager, the Committee agreed:-

- (i) that to provide clarity in terms of the audit recommendations, the Audit Manager would review the format of the Report;
- (ii) to note the update and progress with the 2017/18 Internal Audit Plan; and
- (iii) to note the management's progress in implementing Internal Audit recommendations

7. ANNUAL INTERNAL AUDIT PLAN 2018/19

With reference to Article 12 of the minute of meeting of this Committee of 22 June 2017, there was submitted Report No 134/18 by the Chief Executive, attaching the Audit Manager's Annual Internal Audit Plan for 2018/19 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 exercise and the Audit Manager's proposed 2018/19 Internal Audit Plan, for approval.

The 2018/19 Internal Audit Plan set out the proposed activity to be performed by the Council's Internal Audit team in order to allow the Service Leader (Internal Audit) to provide an Annual Internal Audit opinion in June 2019.

The Audit Manager provided an overview of the Report, following which Councillor Bill Duff raised a query in relation to the combined percentage allocation of audit days in relation to Angus Alive and the Integration Joint Board.

Thereafter, Councillor Lynne Devine highlighted that the former Chair of the Integration Joint Board had provided regular briefings to elected members and requested this matter be reviewed. The Strategic Director – People agreed to progress this further with the Chief Officer of the Integration Joint Board.

The Committee agreed:-

- (i) to note that a risk-based approach methodology had been utilised to develop the proposed Internal Audit Plan for 2018/19;
- (ii) that the Audit Manager would seek to obtain the Integration Joint Board audit time allocation data from Fife, Tayside and Forth Valley Management Services (FTF) and report back to a future meeting, for information, in due course; and
- (iii) to approve the proposed 2018/19 Internal Audit Plan.

8. SCRUTINY AND AUDIT COMMITTEE SELF ASSESSMENT AND ANNUAL REPORT

With reference to Article 9 of the minute of meeting of this Committee of 6 March 2018, there was submitted Report No 135/18 by the Chief Executive, providing a draft Annual Report to Council on the work undertaken by the Scrutiny and Audit Committee during 2017/18.

The Report indicated that a draft Annual Report had been prepared by the Convener and Vice-Convener of this Committee and was attached at Appendix 1 to the Report for review and comment. The Annual Report would be updated to reflect any discussion at the meeting and the facilitated meeting. The Report would then be re-submitted to the June meeting for final agreement. The final Report would then be signed by the Convener and submitted to the Council after the recess.

Councillor Brian Boyd raised concerns in relation to the lack of attendance of members at this Committee during 2017/18 and stressed the importance of attendance at this Committee. He also highlighted the lack of attendance at a recent training event held for elected members in respect of the General Data Protection Regulations (GDPR).

The Committee agreed:-

- (i) to note the draft Annual Report for the year to 31 March 2018;
- (ii) to note that an updated Annual Report would be submitted to this Committee in June 2018 for final agreement; and would then be signed by the Convener and submitted to full Council after the recess; and

- (iii) to note that a facilitated meeting would be arranged for all Scrutiny and Audit Committee members to consider and complete the CIPFA Good Practice self-assessment and Evaluating the Effectiveness of the Audit Committee self-assessment. The session would be held prior to the June meeting.

9. CHANGE PROGRAMME UPDATE

With reference to Article 5 of the minute of meeting of the Policy and Resources Committee of 13 March 2018, there was submitted Report No 136/18 by the Head of Strategic Policy, Transformation and Public Sector Reform, providing a progress update in relation to the Council's Change Programme.

The Report indicated that as stated in Report No 59/18 considered by Angus Council at its budget setting meeting on 15 February 2018, significant progress had been made in developing the Change Programme, with the estimated savings value over the next three financial years now totalling £27.66million. The full scope of the Change Programme was outlined in Appendix 1 to the Report.

All the projects started up during 2017 to deliver change/savings in financial year 2018/19 were now well developed and contributed to achieving the balanced budget for 2018/19. An update in terms of these projects was outlined within Section 4.2 of the Report.

The Change Fund balance reported to the Policy and Resources Committee in Report 412/17 identified a surplus in the fund of £0.605million. This had increased to £0.677million and the key reasons for the variants were outlined in Section 6.2 of the Report.

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

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

With reference to Article 16 of the minute of meeting of this Committee of 22 June 2017, there was submitted Report No 137/18 by the Service Leader – Legal and Democratic, 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 2017 to 31 March 2018.

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 2018, no surveillance activities were authorised.

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 that no authorisations were granted for surveillance and other investigatory activities regulated by the above Act in the year to 31 March 2018; and
- (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.