

ANGUS COUNCIL

MINUTE of MEETING of the **SCRUTINY AND AUDIT COMMITTEE** held in the Town and County Hall, Forfar, on Tuesday 25 September 2018 at 10.00am.

Present: Councillors ALEX KING, BILL DUFF, JULIE BELL, KENNY BRAES, COLIN BROWN, LYNNE DEVINE, BEN LAWRIE, 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 Brian Boyd.

2. DECLARATIONS OF INTEREST

Councillor Bell declared a non-financial interest in Item 5 (Report No 300/18) in that she was a member of Angus Health and Social Care Integration Joint Board. She indicated that she would participate in any discussion and voting on this item.

Councillor Duff declared a non-financial interest in Item 6 (Report No 301/18) in that he was a Director of Angus Alive. He indicated that he would participate in any discussion and voting on this item.

3. MINUTE OF PREVIOUS MEETING

The minute of meeting of this Committee of 21 August 2018 was approved as a correct record and signed by 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.

4. ANGUS COUNCIL ANNUAL ACCOUNTS 2017/18 AND ANNUAL AUDIT REPORT TO MEMBERS

With reference to Article 5 of the minute of meeting of this Committee of 26 September 2017, there was submitted Joint Report No 303/18 by the Chief Executive, Strategic Director – Place and the Head of Finance and Legal, providing Audit Scotland's Annual Audit Report to Members on the 2017/18 Audit of Angus Council, Strangs Mortification and Angus Council Charitable Trust and requesting members of the Committee approve the 2017/18 Audited Annual Accounts of Angus Council for signature.

The Council's unaudited Annual Accounts for financial year 2017/18 had been submitted to the Controller of Audit for audit by the Council's appointed external auditors in accordance with the statutory deadline of 30 June 2018.

The Report indicated that the Report to Members and the Controller of Audit had identified a number of actions and work was in hand to address these as outlined in the action plan, attached as Appendix 1 to the Auditor's Report. Attached as Appendices 1A and 1B to the Report was the Auditor's Report and a covering letter for the 2017/18 financial year.

The unaudited statements presented to this Committee on 21 August 2018 had been amended for a number of audit adjustments and details of the main movements were set out in Appendix 2 to the Report.

The Service Leader – Finance provided an update and overview of the summary of main movements of the Annual Accounts for 2017/18, indicating that the link to the Accounts would be updated to reflect a change that had been made to the published version.

Gillian Woolman, Assistant Director, Audit Scotland, thereafter provided a detailed summary in relation to the Angus Council 2017/18 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;
- (ii) to approve the 2017/18 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; and
- (iii) to note the summary of the main movements within the Audited Annual Accounts, attached as Appendix 2 to the Report.

5. ANGUS INTEGRATION JOINT BOARD ANNUAL STRATEGIC AND PERFORMANCE REPORT

There was submitted Report No 300/18 by the Chief Officer, Angus Health and Social Care Partnership providing an update to this Committee on the progress made in delivering the Strategic Plan and the effect of the Partnership's activity on performance during 2017/18.

The Report built on previous quarterly performance reports presented to the Integration Joint Board. The Report demonstrated the level of improvement activity being delivered across the Angus Health and Social Care Partnership (AHSCP) and showed how it was driving progress towards the delivery of the Partnership's vision, strategic direction and planned outcomes for the people of Angus.

The Report was submitted to the Angus Integration Joint Board (IJB) on 27 June 2018 and approved. Whilst the strategic and operational functions reported were delegated to the IJB, it was recognised that there were a number of overlapping areas with Angus Council functions and responsibilities and that the content, with its focus on the impact on Angus citizens of health and social care interventions, would be of interest to elected members.

The 2017/18 Strategic Progress and Performance Report aimed to review the performance described in the Partnership's performance framework, this included the national core indicators, which demonstrated progress against the national outcomes.

The Report also summarised the position of the Strategic Planning Group in reviewing the Strategic Plan 2016/17, the consensus being that the four priorities of the Strategic Plan 2016/2019 remained fit for the future and that they should be retained as the focus of the Strategic Plan for the 2019/2022. These priority areas were outlined in Section 3 of the report. The report also provided progress and performance information on a further three performance areas, namely, Clinical and Care Governance, Staff and Resources.

The 2017/18 Strategic Progress and Performance Report provided evidence of progress in line with the requirements for the annual performance report set out in regulations and these were highlighted in Section 4 of the Report.

The Chief Officer provided an update and highlighted the key areas of the Report.

Following questions and comments from members and having heard the responses from the Chief Officer and also the Head of Community Health and Care Services - South, Angus Health and Social Care Partnership, the Committee agreed to note the contents of the Report.

6. ANGUSalive ANNUAL REPORT 2016/17

There was submitted Report No 301/18 by the Head of Strategic Policy, Transformation and Public Sector Reform presenting ANGUSalive's Annual Report for 2016/17.

The Report highlighted some of ANGUSalive's key achievements and developments during 2016/17 and included a financial overview. More detailed financial information was available in ANGUSalive's Report and consolidated financial statements for the period ended 31 March 2017, which was accessed from the Companies House website.

ANGUSalive Annual Accounts were required by the Office of the Scottish Charity Regulator (OSCR)/Companies House to be audited by December each year.

Kirsty Hunter, Chief Executive of ANGUSalive highlighted the key areas of the Report.

Following a number of questions from members and in response having heard from the Chief Executive, ANGUSalive, the Committee agreed:-

- (i) to note the ANGUSalive Annual Report for 2016/17; and
- (ii) to note that the ANGUSalive Annual Report for 2017/18 would be submitted to this Committee once it had been finalised and lodged with OSCR/Companies House.

7. INTERNAL AUDIT ACTIVITY UPDATE

With reference to Article 6 of the minute of meeting of this Committee of 21 August 2018, there was submitted Report No 302/18 by the Chief Executive, providing the Internal Audit Activity update on the main findings of Internal Audit Reports issued since the date of the last meeting.

Two Internal Audit Reports had been issued since the last meeting, these were in relation to Inventory and Stocktaking Compliance and Voluntary Severance Scheme and Exit Packages.

The Report presented the progress of internal audit activity within the Council up to 14 September 2018 and provided an update on progress with the 2018/19 Internal Audit Plan and the implementation of internal audit recommendations.

The Committee agreed:-

- (i) to note the update on progress with the 2018/19 Internal Audit Plan; and
- (ii) to note management's progress in implementing internal audit recommendations.

8. TREASURY MANAGEMENT ANNUAL REPORT – 2017/18

With reference to Article 10 of the minute of meeting of this Committee of 21 November 2017, there was submitted Report No 304/18 by the Head of Finance and Legal appending a copy of the Angus Council's Annual Report on Treasury Management activities in 2017/18.

The Report indicated that there was a need to prepare and present to Angus Council, a Treasury Management Annual Report. This was a requirement of the revised Treasury Management in the Public Services Code of Practice published by the Chartered Institute of Public Finance and Accountancy.

The Treasury Management Annual Report detailed Angus Council's Treasury Management activities for 2017/18 and was attached as Appendix 1 to the Report. The Annual Report provided details of treasury activities during the year and the extent to which the intended 2017/18 Treasury Management Strategy (Report 109/17) was delivered.

The Committee agreed to note the 2017/18 Treasury Management Annual Report and its associated Appendix.

9. CHANGE PROGRAMME UPDATE

With reference to Article 9 of the minute of meeting of the Policy and Resources Committee of 28 August 2018, there was submitted Report No 305/18 by the Head of Strategic Policy, Transformation and Public Sector Reform providing an update in relation to the Council's Change Programme.

The Report indicated that Report No 254/18 had been considered by the Policy and Resources Committee at its meeting on 28 August 2018 and attached as Appendix 1 to the Report was the Change Programme Summary.

The full report would principally be replicated for consideration by this Committee at the next available meeting. However, in the intervening period the Policy and Budget Strategy Group had considered a new version of the Change Programme which was initiated to support the commencement of the budget planning process for the next three year period with key focus on year 2019/20. The new version would continue to be developed in readiness for presentation to the meeting of the Policy and Resources Committee in October.

In terms of progress with concluding delivery of the savings proposals for 2018/19, as many projects as possible have now been “locked” down as completed. The current position was achieving the full £10,297,000 savings which supported the 2018/19 balanced budget setting position was that a significant portion had been secured, except there remained around £700k of savings that were considered to be at risk.

The position would be closed off in full for the first revenue budget monitoring report for 2018/19, which would also be submitted to the meeting of the Policy and Resources Committee in October. Any savings not secured would require to be addressed, most likely through one-off measures.

The Committee agreed to note the update in relation to the Council’s Change Programme.

10. ANGUS COUNCIL PLAN ANNUAL REPORT 2017-2018

With reference to Article 8 of the minute of meeting of Angus Council of 6 September 2018, there was Report No 306/18 by the Chief Executive, presenting the Angus Council Plan annual performance report for 2017-2018.

The Report indicated that Angus Council faced a challenging financial outlook, which was described fully in Report No 274/17. At the same time demand was increasing for many services and the Council could not sustain the current ways of working and levels of service.

The work of the Change Programme, the digital strategy and the workforce plan were all represented within the Report.

The annual performance report for 2017/18 focused on what success looked like, what has been done to date, good practice case studies, key statistics, improvement progress, how the Council was progressing and planned activity for the coming year. The performance report was designed to show how the Council was delivering on the vision to make Angus Council better, stronger, more sustainable and smaller.

Having heard from the Chief Executive, the Committee agreed:-

- (i) to note the Angus Council Plan annual performance report 2017- 2018 ; and
- (ii) to note that a Council Plan re-fresh would be brought to Committee in February 2019.

11. ANGUS LOCAL OUTCOME IMPROVEMENT PLAN ANNUAL REPORT 2017-2018

With reference to Article 9 of the minute of meeting of Angus Council of 6 September 2018, there was submitted Report No 307/18 by the Chief Executive presenting the Angus Local Outcome Improvement Plan (LOIP) annual performance report for 2017-2018.

The Local Outcome and Improvement Plan and Locality Plans were developed with and for the people of Angus. Since 2017, a lot of work had been done to implement the priorities outlined within the LOIP. The activity formed the basis of the annual performance report.

The Report was designed to show how the partnership was delivering on its vision to make Angus a great place to live, work and visit. The Report was approved by Angus Council on 6 September 2018.

The Chief Executive provided a brief summary of the Report.

Councillors Julie Bell and Lynne Devine highlighted that the list did not reflect the full range of events which had taken place in Forfar/Kirriemuir and suggested that local members should become more involved with Locality Implementation Partnerships (LIPs).

The Chief Executive responded and indicated that future reporting would provide fuller details of key activities for each locality.

The Committee agreed to approve the Angus Local Outcome Improvement Plan (LOIP) annual performance report for 2017-2018.