

# ANGUS COUNCIL

MINUTE of MEETING of the **SCRUTINY AND AUDIT COMMITTEE** held in the Town and County Hall, Forfar, on Tuesday 22 January 2019 at 2.00pm.

**Present:** Councillors ALEX KING, BILL DUFF, JULIE BELL, BRIAN BOYD, KENNY BRAES, TOMMY STEWART, LYNNE DEVINE, BEN LAWRIE, MARK MCDONALD, IAN MCLAREN, BOB MYLES, MARK SALMOND and BETH WHITESIDE.

Councillor KING, Convener, in the Chair.

## 1. APOLOGIES/SUBSTITUTES

An apology for absence was intimated on behalf of Councillor Colin Brown with Councillor Tommy Stewart 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 20 November 2018 was approved as a correct record and signed by the Convener.

## 4. INTERNAL AUDIT ACTIVITY UPDATE

With reference to Article 7 of the minute of meeting of this Committee of 20 November 2018, there was submitted Report No 16/19 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.

Four Internal Audit Reports had been issued since the last meeting:-

- Leader
- Continuous Auditing – Payroll and Creditors/Accounts Payable
- Project Management and Governance
- Section 75 Agreements

The Report presented the progress of Internal Audit Activity within the Council up to 11 January 2019; provided an update on progress with the 2018/19 Internal Audit Plan including changes to the focus of some items; progress with the implementation of Internal Audit recommendations, and requested approval to remove the savings targets/income generation work from the plan and postpone post implementation reviews of iPay and Carefirst until a more appropriate point in their implementation.

The Service Leader- Internal Audit provided an overview of the Report.

Councillor Duff raised a query in terms of the Chief Executive Directorate's two level 1 internal recommendations and the People Directorate's one level 2 recommendation which were outstanding from 2016/17. The Chief Executive referred to the two level 1 recommendations and confirmed that due to reporting system changes, these two recommendations had been completed but not closed off. The Service Leader – Internal Audit and the Strategic Director – People indicated that the live reporting system was not currently showing details of the 2016/17 one level 2 recommendation and that this would require further investigation.

The Convener thereafter requested that a detailed update on the outstanding internal audit recommendations in relation to the Chief Executive and People Directorates for 2016/17 be brought to the next meeting of the Committee.

The Committee agreed:-

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

- (iii) to approve the amendments to the 2018/19 Internal Audit Plan, as outlined in the Report.

## **5. CORPORATE GOVERNANCE – ANNUAL GOVERNANCE STATEMENT FOR YEAR TO 31 MARCH 2018 – UPDATED ACTION PLAN**

With reference to Article 4 of the minute of meeting of this Committee of 25 September 2018, there was submitted Report No 17/19 by the Head of Strategic Policy, Transformation and Public Sector Reform, presenting an update on the Annual Governance Statement action plan for review and comment.

The Report indicated that the final 2017/18 Annual Governance Statement was included in the Council's 2017/18 audited Annual Accounts, which were approved by this Committee on 25 September 2018. The Annual Governance Statement included an action plan summarising developments to be taken forward during 2018/19 to strengthen the Council's corporate governance.

There were six actions in the 2017/18 Annual Governance Statement action plan. Planned completion dates ranged from December 2018 to June 2019. There had been some slippage, but work was in progress to address all of the improvement areas. The summarised position as at 10 January 2019 was outlined in Section 4 of the Report.

A further update would be reported to this Committee in June 2019 as part of the annual corporate governance review.

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

## **6. NATIONAL AUDIT SCOTLAND REPORTS: LOCAL GOVERNMENT IN SCOTLAND – FINANCIAL OVERVIEW 2017/18, HEALTH AND SOCIAL CARE INTEGRATION – UPDATE ON PROGRESS AND WITHDRAWAL FROM THE EUROPEAN UNION**

There was submitted Report No 18/19 by the Head of Finance and Legal presenting three national audit reports; the Financial Overview Report 2018, the Health and Social Care Integration – update on progress and the Withdrawal from the European Union.

The Report indicated that the Accounts Commission's overview report highlighted that Scotland's Councils faced an increasing complex range of challenges and continued pressure on finances. Challenges included increasing demand across many of the wide range of services councils delivered to local communities. Demand had to be met against tightening budgets in many service areas along with uncertainty stemming from external factors such as EU withdrawal. One of the most significant issues for councils continued to be funding. In 2017/18, funding from the Scottish Government, councils' main source of funding, again reduced in real terms. The Accounts Commission's reports and associated material was viewed as a useful source of information and guidance.

In terms of the Local Government Overview Report 2018, the financial overview was attached as Appendix A to the Report, covering key areas namely Council's budgets and spending in 2017/18; Council's financial position; Integration Joint Boards' Overview 2017/18 and Council's financial outlook. The Accounts Commission had also produced a supplement to accompany the Report – Supplement 1 – Scrutiny tools for councillors which was attached as Appendix A1 to the Report. The main highlights from the key messages in the Report were outlined in Section 4.3 of the Report.

In terms of Health and Social Care Integration – Update on Progress, the Report was attached as Appendix B to Report which covered two areas, namely the current position; and making integration a success. The main highlights from the key messages in the Report were outlined in Section 4.8 of the Report.

The Audit Scotland Report attached as Appendix C to the Report covered key audit issues that EU withdrawal may present for the public sector.

The Head of Finance and Legal and the Senior Audit Manager, Audit Scotland provided an overview in terms of the Local Government in Scotland - Financial Overview 2017/18 and the Withdrawal from the European Union Reports. The Chief Officer, Angus Health and Social Care Partnership and Senior Audit Manager also provided an update on the Health and Social Care Integration – Update on Progress Report.

A considerable number of members' questions were answered by Officers in terms of each Report.

Councillor Duff raised a query in terms of Exhibit 6 of the Local Government in Scotland – Financial Overview 2017/18 Report and whether the green block showing £323 million reserves included Common Good and Integration Joint Board reserves. The Head of Finance and Legal and the Senior Audit Manager both advised that they would require to look further into whether the figure was taken from the Council's single entity account or group accounts and indicated that this information would be made available to members in due course.

The Convener referred to the Local Government Financial Overview 2018/19 Supplement 1 – Scrutiny tool for Councillors, attached as Appendix 1A to the Report and advised that a further meeting would be arranged for members to attend to work through the Supplement.

Members also raised a number of concerns in relation to the Withdrawal from the EU Report and in particular, enquired whether the actual number of non-UK EU nationals had been identified, and the impact that EU withdrawal would have on local employers, in particular referring to the agricultural, hospitality and food processing sector; and also the impact in other areas including workforce, recruitment, economic and business sector industries.

In response to the concerns raised in relation to the Withdrawal from the EU Report, the Chief Executive and Head of Strategic Policy, Transformation and Public Sector Reform provided an update and highlighted that given the uncertainty surrounding Brexit, it was considered, that the Council was as prepared as it could be with plans being progressed as far as information was available.

The Head of Strategic Policy, Transformation and Public Sector Reform also highlighted that COSLA had issued a questionnaire to all local authorities to assess their Brexit Preparedness and that a Report providing a progress update on priority areas and associated risks would be presented to the next Policy and Resources Committee.

The Convener indicated that should the Report to the Policy and Resources Committee not address members' concerns then a further Report would require to be brought back to the next Scrutiny and Audit Committee for consideration.

The Committee agreed:-

- (i) to note the contents of the Accounts Commission's 2018 Financial Overview Report for Local Government and Supplement 1, attached as Appendices A and A1 to the Report;
- (ii) to note that the Report was about Local Government in Scotland as a whole rather than Angus Council specifically;
- (iii) to note the contents of the Accounts Commission's Health and Social Care Integration Report – Update on Progress, attached as Appendix B to the Report; and also noted that this Report was considered by the Integration Joint Board (IJB) at their meeting on 12 December 2018; and
- (iv) to note the contents of Audit Scotland's report covering the EU withdrawal, attached as Appendix C to the Report.

## **7. ANGUS ADULT PROTECTION COMMITTEE BIENNIAL REPORT 2016 TO 2018**

With reference to Article 12 of the minute of meeting of Angus Council of 6 December 2018, there was submitted Report No 19/19 by the Chief Social Work Officer presenting the Angus Adult Protection Committee (AAPC) Biennial Report for 2016 to 2018, which had been approved by the Angus Adult Protection Committee, the Angus Chief Officer's Group and Angus Council.

The Biennial Report of the AAPC for the period April 2016 to March 2018 presented the work that had been undertaken in Angus, individually and in partnership, to deliver national, Tayside and local adult protection outcomes to improve the lives of vulnerable adults.

The Report indicated that it had been a busy period for the Angus Adult Protection Committee with a new strategic plan based on the over-arching strategic goals that had been identified at

the 2017 development session. The plan had identified areas for future development as well as monitoring and oversight of ongoing work. The Plan would also be regularly updated to include any new national or local priorities that were identified, it would also be updated to include actions related to the recent adult protection inspections.

The Committee agreed to note the contents of the Angus Adult Protection Committee Biennial Report 2016 to 2018, attached as an Appendix to the Report.

## **8. ANGUS CHILD PROTECTION COMMITTEE ANNUAL REPORT 2017 TO 2018**

With reference to Article 13 of the minute of meeting of Angus Council of 6 December 2018, there was submitted Report No 20/19 by the Chief Social Work Officer presenting the Angus Child Protection Committee (ACPC) Annual Report for 2017 to 2018, which had been approved by the Angus Child Protection Committee, the Angus Chief Officer's Group and Angus Council.

The Report indicated that the Angus Child Protection Committee had continued to build on previous strengths in 2017/18. The development of its first three years strategic plan was based on an agreed vision, values and strategic goals which had demonstrated a commitment to joint working, improvement and self-evaluation. Through the Protecting People Partnership, the Committee had ensured the work was co-ordinated with the work of other partnerships, considered a "whole family" approach to child protection and had made best use of the resources that were available.

The Committee agreed to note and endorse the contents of the Angus Child Protection Committee Annual Report with the 2017 to 2018, as attached as an Appendix to the Report.