

# ANGUS COUNCIL

MINUTE of MEETING of the **SCRUTINY AND AUDIT COMMITTEE** held in the Town and County Hall, Forfar, on Tuesday 23 April 2019 at 2.00pm.

**Present:** Councillors ALEX KING, BILL DUFF, JULIE BELL, BRIAN BOYD, KENNY BRAES, COLIN BROWN, LYNNE DEVINE, 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 Brown declared a non-financial interest in Item 6 (Report No 122/19) in that he was a Council appointed Director of Angus Alive. He indicated that he would participate in any discussion and voting on this item.

Councillor Devine declared a non-financial interest in Item 6 (Report No 122/19) in that she was a Council appointed Director of Angus Alive. 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 122/19) in that he was a Council appointed 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 5 March 2019 was approved as a correct record and signed by the Convener.

## 4. SCRUTINY AND AUDIT COMMITTEE REMIT

With reference to Article 10 of the minute of meeting of this Committee of 21 August 2018, there was submitted Report No 120/19 by the Director of Strategic Policy, Transformation and Public Sector Reform, advising members of proposed changes to the remit of the Scrutiny and Audit Committee.

The Report indicated that Report No 242/18, submitted to the Committee in August 2018, had advised members that CIPFA had updated the publication "Audit Committees – Practical Guidance for Local Authorities and Police". The guidance represented best practice for audit committees in local authorities throughout the UK and included suggested "terms of reference" (remit) for local authority audit committees. A copy of the 2018 CIPFA Guidance had been posted in the Elected Members section of the Council's intranet.

The remit of the Committee had been reviewed against the suggested terms of reference included in the CIPFA guidance and a number of changes were proposed to ensure that the remit fully complied with recommended best practice. The proposed remit was attached as Appendix 1 to the Report and the main changes were summarised in Section 5 of the Report.

In terms of point (7) of the remit, Councillor Devine queried the position in relation to the inclusion of other significant partnerships or collaborations, for example, VAA, to the remit. Having heard from the Manager, Governance, Risk and Scrutiny and the Director of Finance, who indicated that a report summarising the governance and assurance arrangements of organisations and collaborations outwith the Council's group accounts could be prepared and provided for consideration at a future meeting of this Committee.

The Committee agreed:-

- (i) to note the revised remit;

- (ii) to approve the remit for inclusion in the updated Standing Orders, which would be submitted to Council in May for approval; and
- (iii) to request the Director of Strategic Policy, Transformation and Public Sector Reform to provide a Report summarising the governance and assurance arrangements of organisations and collaborations outwith the Council's group accounts, to a future meeting of this Committee.

## **5. INTERNAL AUDIT ACTIVITY UPDATE**

With reference to Article 6 of the minute of meeting of this Committee of 5 March 2019, there was submitted Report No 121/19 by the Chief Executive, providing the Internal Audit Activity update on the main findings of the Internal Audit Reports issued since the date of the last meeting.

The Report indicated that work continued within the Internal Audit team to progress the 2018/19 Internal Audit Plan agreed by this Committee in April 2018. Ad hoc requests for advice were currently being dealt with as they arose. The focus of some items within the Plan had been revised to take account of change of circumstances and ensured internal audit work remained effective. There had been some slippage in the Plan and that there was a possibility that some work may not be completed in time for the Annual Report in June 2019 however sufficient work would be completed to allow the Annual Report and opinion to be provided.

Four Internal Audit Reports had been issued since the last meeting, these were in relation to:-

- Property Repairs Work Allocations (Schedule of Rates)
- Interreg
- Risk Management
- Environmental Health, Environmental Protection and Food Safety

The Service Leader – Internal Audit provided an overview of the first three Internal Audit Reports.

Councillor Devine raised a query in terms of the impact of changes to contractual arrangements in relation to the Property Repairs Work Allocations (Schedule of Rates) Internal Audit Report. The Service Leader indicated that she would require to revert this query directly to the Contracts Section and would respond in due course.

In terms of the Environmental Health, Environmental Protection and Food Safety Internal Audit Report, the Director of Communities highlighted that there had been significant reductions in staff numbers within the section over recent years. The Environmental Protection team currently consisted of 3.5 FTE EHOs reduced to 2.5 FTE, due to one staff member being on long term sickness absence. A review of the workload in terms of statutory and non-statutory functions had been undertaken, and some functions identified on a risk basis, had either been reduced or stopped. In terms of Food Safety Work, he confirmed that there were proposals to not inspect some category D and E premises due to capacity issues but highlighted these were lower risk premises and stressed that all high risk premises would continue to be inspected.

The workloads were expected to increase due to new and updated legislative requirements and duties being introduced at various times throughout 2019. He highlighted that in terms of changes to policy and new legislation by Scottish Government, where there were additional functions introduced this tended to lead to additional funding being made available which was likely to mitigate risks and address staffing capacity.

He expressed that staff sickness had a major impact on the small team, given the nature of the work involved and difficulties in sourcing professionally qualified staff. He stressed that the Environment Protection and Food Safety teams were not operating in silos, and had been actively flexible in working together and that additional resources had also been made available to accommodate additional hours incurred. In his view, he considered the current staffing level, based on the full complement was sufficient to undertake the work but again highlighted that long term sickness had impacted on service provision.

He confirmed that in terms of the action plan, 8 actions had been developed and were due to be implemented, and that 4 of these were already well in hand.

Councillor Braes raised a query in terms of the resource sharing agreement in place with Environmental Health services at Angus, Perth and Kinross and Dundee City Councils and in response, was answered by the Director of Communities.

Councillor Boyd referred to the services provided in terms of the Open Championship at Carnoustie in 2018, and commended the staff for all their hard work during and in the build up to the event which provided a £70 million boost for the local economy.

Councillor Duff raised concern in terms of the continued reduction to staff numbers, workload issues, the Council's statutory responsibilities not being met, additional legislative requirements being introduced, additional overtime and also the significant sickness absence. He stressed however that there was no criticism of staff in terms of the findings of the audit report. In his opinion, he considered that the staff reductions had been too extensive and in reference to the Report indicated that a Report on the review of staff should be undertaken.

The Convener thereafter proposed the Report should be considered at full Council to ensure that all members were fully aware of the contents of the Report and recommended that a Report to review staffing to meet the additional requirements be undertaken.

The Committee agreed:-

- (i) to note the update on progress with the 2018/19 Internal Audit Plan;
- (ii) that in terms of the Environmental Health, Environmental Protection and Food Safety Internal Audit Report, it should be considered at full Council to ensure that all elected members are fully aware of the position and contents of the Report;
- (iii) to request a Report on the review of staffing within the Environmental Health, Environmental Protection and Food Safety team to offer assurances about its abilities to meet future additional requirements; and
- (iv) to note the management's progress in implementing internal audit recommendations.

## **6. ANGUSALIVE ANNUAL REPORT 2017/18**

With reference to Article 6 of the minute of meeting of this Committee of 25 September 2018, there was submitted Report No 122/19 by the Director of Strategic Policy, Transformation and Public Sector Reform, presenting ANGUSalive's Annual Report for 2017/18.

The Report highlighted some of ANGUSalive's key achievements and developments during 2017/18 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 2018, which could be accessed directly from Companies House.

ANGUSalive's 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 provided an informative overview of the key areas of the Report. She also offered to provide a fuller briefing to all elected members in respect of Angusalive's Annual Report.

Following some questions from members in terms of VAT and tax savings and also social prescribing and in response, having heard from the Chief Executive, ANGUSalive, the Committee agreed:-

- (i) to note the ANGUSalive Annual Report for 2017/18; and
- (ii) to note that the ANGUSalive Annual Report for 2018/19 would be submitted to this Committee once it had been finalised and lodged with the Office of the Scottish Charity Regulator (OSCR)/Companies House.

## **7. EXCLUSION OF PUBLIC AND PRESS**

The Committee resolved, in terms of Standing Order 28(2) that the public and press be excluded from the meeting during consideration of the following item, so as to avoid the

possible disclosure of information which was exempt in terms of Part 1 of Schedule 7A of the Local Government (Scotland) Act 1973, Paragraph 14.

## **8. LICENSING INVESTIGATION**

There was submitted Report No 123/19 by the Director of Finance advising members of a recent investigation affecting the Council's Licensing team.

The Director of Finance provided an informative update and overview of the Report.

Following a number of questions from members and in response having heard from the Director of Finance and the Manager, Legal Team 1, the Committee agreed to note the recommendations as outlined in the Report.