

ANGUS COUNCIL

SCRUTINY AND AUDIT COMMITTEE – 20 AUGUST 2019

ANNUAL GOVERNANCE STATEMENT ASSURANCES

REPORT BY MARGO WILLIAMSON, CHIEF EXECUTIVE

ABSTRACT

This report advises members of governance assurances in respect of those organisations included in the council's group accounts. It also provides draft letters of assurance from the Convener on behalf of the committee to Angus Health & Social Care Partnership and AngusAlive for approval.

1. RECOMMENDATIONS

It is recommended that the Committee:

- (i) note the assurances relating to IJB, Tayside Contracts, Tayside Valuation Joint Board and determine whether any amendments are required to the council's Annual Governance Statement
- (ii) note that assurances from AngusAlive will not be available until after their Board meeting on 6 September
- (iii) authorise the Convener of the Scrutiny and Audit Committee on behalf of the Committee to write to Angus Health & Social Care Partnership and AngusAlive confirming the adequacy and effectiveness of the council's governance arrangements
- (iv) delegate authority to the Director of Strategic Policy, Transformation & Public Sector Reform, following consultation with the convener of this committee, to update Angus Council's Annual Governance Statement if required, once the relevant information (referenced at paragraph 4.4 of this report) is received from AngusAlive

2. ALIGNMENT TO THE ANGUS LOCAL OUTCOMES IMPROVEMENT PLAN/CORPORATE PLAN

The work of the Scrutiny and Audit Committee supports the achievement of the corporate priorities set out in the Local Outcomes Improvement Plan and the Council Plan. This report relates to the role of the Scrutiny and Audit Committee in relation to scrutiny of relationships with partners and their input to the Group Annual Governance Statement that is part of the council's statutory annual accounts.

3. BACKGROUND

Reference is made to report 198/19 submitted to this committee on 18 June 2019, which provided the council's draft Annual Governance Statement for approval. Section 5 of the report noted that the final Annual Governance Statement requires to reflect the governance arrangements of the 'group' which, for the year to 31 March 2019, includes Tayside Valuation Board, Tayside Contracts, AngusAlive and Angus Health & Social Care Partnership. Assurances had not been received at the time of writing report 198/19.

4. ASSURANCES FROM PARTNER ORGANISATIONS

Sections 4.1 to 4.4 of this report summarise the assurances in respect of those organisations included in the council's group accounts.

4.1 ANGUS HEALTH & SOCIAL CARE PARTNERSHIP / INTEGRATION JOINT BOARD (IJB)

The IJB's [Annual Governance Statement](#) concludes

"While there remain a number of challenging areas of governance that are still developing and require to be developed further, it is the opinion of the IJB Chairperson and Chief Officer that at 31 March 2019, reasonable assurance can be placed upon the adequacy and effectiveness of the IJB's governance arrangements. We consider that the internal control environment provides reasonable and objective assurance that any significant risks impacting on the IJB's principal objectives will be identified and actions taken to avoid or mitigate their impact. Additionally systems are in place to regularly review and improve the internal control environment."

The IJB's [Internal Audit Annual Report](#) from A Gaskin, Chief Internal Auditor, has the following conclusions:

"Based on work undertaken I have concluded that:

- Reliance can be placed on the IJBs governance arrangements and systems of internal controls for 2018/19."

"In addition, I have not advised management of any concerns around the following:

- Consistency of the Governance Statement with information that we are aware of from our work;
- The format and content of the Governance Statement in relation to the relevant guidance;
- The disclosure of all relevant issues."

The convener of this committee has received a letter from the chair of the IJB Audit Committee, confirming that "adequate and effective governance arrangements were in place throughout Angus IJB during the year 2018/19".

4.2. TAYSIDE CONTRACTS

The [unaudited annual accounts](#) are available from the Tayside Contracts website. The Annual Governance Statement, which starts on page 12, is signed by the Managing Director and Vice-Convenor of Tayside Contracts Joint Committee, and concludes.

"It is our opinion that the annual review of governance together with the work of internal and external auditors and certifications of assurance from senior managers provide sufficient evidence that the principles of good governance operated effectively and the Joint Committee complies with the Local Code of Corporate Governance in all significant respects. It is proposed through 2019/20 that steps are taken to address the areas identified for improvement to further enhance the Joint Committee's governance arrangements."

The council's Director of Finance has received a copy of the 2018/19 Internal Audit Annual Report, which has been shared with the Corporate Governance Officers Group. There are no issues which would affect the council's annual governance statement.

4.3. TAYSIDE VALUATION JOINT BOARD (TVJB)

TVJB's [Annual Governance Statement](#) concludes:

"The annual review demonstrates sufficient evidence that the Codes principles of delivering good governance in local government operated effectively and the Joint Board complies with the Local Code of Corporate Governance in all significant respects. Future actions will be taken as necessary to maintain and further enhance the Joint Board's governance arrangements."

The [Internal Audit Annual Report](#) concludes:

"In our opinion, overall, the Board operates adequate internal control systems as defined in the Audit Needs Assessment. The audit and assurance work has not identified any significant gaps in the Board's control environment that would increase the risk of financial loss."

4.4. ANGUSALIVE

AngusAlive's Board will be asked to provide a letter of assurance to the council and to authorise the sharing of the AngusAlive Internal Audit annual report. AngusAlive's Board do not meet until 6 September, so the Committee is asked to delegate authority to the Director of Strategic Policy, Transformation & Public Sector Reform, following consultation with the convener of this committee, to update the council's Annual Governance Statement if required, once the relevant information is received. Any changes would be reported to this committee in September.

5. **ASSURANCES PROVIDED TO PARTNER ORGANISATIONS**

Angus Council provides services to both the IJB and AngusAlive. It is proposed that the Convener of this committee write to both organisations confirming the adequacy and effectiveness of the council's governance arrangements. The following wording is suggested:

The Angus Council Scrutiny & Audit Committee has overseen delivery of a risk-assessed Internal Audit plan for 2018/19. As Convener of the Scrutiny & Audit committee, taking into account the work undertaken by the committee, I confirm on behalf of the committee that adequate and effective governance arrangements were in place throughout Angus Council during the year 2018/19 in relation to the support services provided to the Angus IJB / AngusAlive.

6. **PROPOSALS**

Members are asked to review the assurances in respect of partner organisations and to determine whether any amendments are required to [the Council's Annual Governance Statement](#). Members are also asked to review the proposed letter of assurance to the IJB and AngusAlive (section 5 above) and authorise the Convener to sign the letters.

7. **FINANCIAL IMPLICATIONS**

There are no financial implications arising directly from this report.

NOTE: No background papers, as detailed by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report.

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