

# ANGUS COUNCIL

MINUTE of MEETING of the **SCRUTINY AND AUDIT COMMITTEE** held in the Town and County Hall, Forfar, on Tuesday 18 June 2019 at 2.00pm.

**Present:** Councillors ALEX KING, BILL DUFF, JULIE BELL, BRIAN BOYD, KENNY BRAES, COLIN BROWN, LYNNE DEVINE, MARK MCDONALD, IAN MCLAREN, GAVIN NICOL, and BETH WHITESIDE.

Councillor KING, Convener, in the Chair.

## 1. APOLOGIES/SUBSTITUTES

Apologies for absence were intimated on behalf of Councillors Ben Lawrie, Bob Myles and Mark Salmond with Councillor Gavin Nicol substituting for Councillor Myles.

## 2. DECLARATIONS OF INTEREST

Councillor Bell declared a non-financial interest in Item 9 (Report No 190/19) 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.

Councillors Brown, Devine and Duff each declared a non-financial interest in Item 14 (Report No 195/19) as Council appointed Directors of ANGUSalive. All indicated that they would participate in any discussion and voting on this item.

## 3. 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.

## 4. POLICE AND FIRE REFORM: LOCAL SCRUTINY AND ENGAGEMENT: OPERATIONAL UPDATE

Members were provided with verbal updates in relation to the operational local perspective by Chief Superintendent Andrew Todd and Inspector Archie Martin, Police Scotland.

The Committee noted the information provided.

## 5. MINUTE OF PREVIOUS MEETING

The minute of meeting of this Committee of 23 April 2019 was approved as a correct record and signed by the Convener.

## 6. SCOTTISH FIRE AND RESCUE SERVICE

### (a) MONITORING REPORT FOR THE PERIOD 1 JANUARY 2019 TO 31 MARCH 2019

With reference to Article 4 of the minute of meeting of this Committee of 5 March 2019, there was submitted Report No 186/19 by Gordon Pryde, Local Senior Officer, Scottish Fire and Rescue Service, containing performance information relating to quarter four (January – March) of 2019 on the performance and activities in support of the priorities in the Local Fire and Rescue Plan for Angus 2017 and the wider community planning priorities.

Attached as an Appendix to the Report was the detailed breakdown and analysis of all data collected during the reporting period which also included an overview of a range of community safety engagement events and partnership working. The Report also provided context to the performance of the Scottish Fire and Rescue Service in the Angus area against indicators and targets. Appendix 2 to the Report provided details of a notable event in respect of supporting the Princes Trust programme.

Gordon Pryde, Local Senior Officer, provided a brief summary of the 2018/19 quarter four activities.

Roy Dunsire, Group Manager, provided an overview of some of the performance highlights of the 12 headline indicators and targets, in particular highlighting ADF Fatal and Non-Fatal Casualties, Non-domestic Building Fires, Road Traffic Incidents, Unwanted Fire Alarm Signals and Deliberate Primary and Secondary Fires.

He advised that following a further major fire at Strathmartine Hospital on 7 June 2019, a review of the action plan had been triggered. He confirmed that a multi-agency meeting had been arranged for 25 June 2019 and also extended the invitation to attend to all elected members.

Kate Cowey, Service Leader – Planning and Communities provided an update and overview of the redevelopment of the former Strathmartine Hospital site. She indicated that the planning application had been approved, subject to the requisite planning obligations and conditions at a Special Meeting of Angus Council on 18 December 2014. The application was subsequently called in for determination by Scottish Ministers and following determination, the planning permission decision notice was issued in April 2018.

She also highlighted that despite requesting updates from the developer, there had been limited responses. She indicated that the developer and other stakeholders would now be formally invited to attend a meeting with planning colleagues to discuss concerns and issues raised and to also request an update in terms of the site development.

Councillor Whiteside raised a number of concerns in relation to the Strathmartine Hospital site, and in response having heard from the Group Manager, who confirmed that there was now CCTV on site and that site patrols had been stepped up following the fire on 7 June 2019.

Having heard from the Convener in response to the invitation for elected members to attend the multi-agency meeting, the Committee agreed:-

- (i) to note the performance of the Scottish Fire and Rescue Service as outlined in the Quarterly Monitoring Report for the period 1 January 2019 to 31 March 2019; and
- (ii) that an invitation to an update meeting in terms of the Strathmartine Hospital Site be sent to elected members following the multi-agency meeting on 25 June 2019.

**(b) DRAFT SCOTTISH FIRE AND RESCUE SERVICE STRATEGIC PLAN FOR CONSULTATION**

There was submitted Report No 187/19 by Gordon Pryde, Local Senior Officer, Scottish Fire and Rescue Service, containing background information in support of members noting the Scottish Fire and Rescue Services (SFRS) draft Strategic Plan 2019/22 for consultation.

The Report indicated that the Scottish Fire and Rescue Service launched on 9 May 2019, a new draft Strategic Plan for public consultation. The Plan marked an important stage in the development of the service and set out the Scottish Fire and Rescue Services commitments to the delivery of a first class fire and rescue service for all people across Scotland.

The Plan had been developed by building on the successes and experience gained over recent years. In particular, the Scottish Fire and Rescue Service had drawn from the results of its first ever staff survey in 2018 as well as its transformation consultation in 2018, which gathered views on the future of the Scottish Fire and Rescue Service and involved the services staff, partners and the public. The consultation set out the Scottish Fire and Rescue Services need to transform, and presented a vision of how the service would do even more for the people of Scotland.

Following the consultation, the Scottish Fire and Rescue Service would produce an updated version of the Strategic Plan that incorporated any feedback received. The Plan would then be laid before Parliament by October 2019 for final approval.

Subsequent to the approval and publication of the Strategic Plan, there would be a requirement to undertake a mandatory review of the current Angus Local Fire and Rescue Plan. Intended timescales and arrangements for the review would be brought forward to the Committee.

Gordon Pryde, Local Senior Officer, provided a brief overview of the Report.

The Committee agreed:-

- (i) to note the draft Strategic Plan, as appended to the Report;
- (ii) to note the ten week consultation period, which commenced on 9 May and ran until 18 July 2019; and
- (iii) to participate in the consultation, by sharing their views on the Scottish Fire and Rescue Services Strategy.

## **7. ANGUS LOCAL POLICING AREA PERFORMANCE RESULTS FOR THE PERIOD 1 APRIL 2018 TO 31 MARCH 2019**

With reference to Article 5 of the minute of meeting of this Committee of 5 March 2019, there was submitted Report No 188/19 by Chief Superintendent Andrew Todd, which updated the Committee on the performance results for the period 1 April 2018 to 31 March 2019.

Attached as Appendix A to the Report were the performance indicators that had been sub-divided into the following priorities within the Report which were the Local Policing Priorities as identified in the three year Local Policing Plan:-

- Putting Victims at the heart of what we do
- Tackling Crime and Anti-Social Behaviour
- Protecting Vulnerable People
- Maintaining Public Safety

Also attached as an Appendix to the Report was the Performance Summary Report advising that 31,118 calls had been received during the period 1 April 2018 to 31 March 2019.

Chief Superintendent Andrew Todd advised that the format of the Report was currently being reviewed.

Chief Inspector David McIntosh thereafter provided an overview and highlighted a number of key areas of the Report.

Following discussion, a number of questions were answered by Chief Inspector McIntosh.

Councillor Bell requested in terms of sexual crimes that consideration be given to breaking down the information further to illustrate age and trend. In response, Chief Superintendent Todd indicated that they would review and bring back more insight in future reporting.

The Committee agreed to note the contents of the Report.

## **8. WORKFORCE DATA REPORT**

With reference to Article 6 of the minute of meeting of this Committee of 20 November 2018, there was submitted Report No 189/19 by the Director of HR, Digital Enablement, IT and Business Support providing information to members in relation to the workforce.

The Report indicated that the Workforce Data Report attached as Appendix 1 to the Report was produced bi-annually for services and for reporting to Committee twice each year, covering the period 1 April to 30 September and 1 October to 31 March. Appendix 2 provided analysis highlights in relation to each of the data sets.

The next report would reflect the new management structure in place from the 1 April 2019.

The Depute Chief Executive provided an overview of the highlight report for the period 1 October 2018 to 31 March 2019.

Councillor Bell raised a query in terms of the continued high levels of stress and enquired as to when the next staff survey was due to be issued. In response, the Depute Chief Executive indicated that a full review of workforce engagement was being undertaken and highlighted that Hive, a new digital employee feedback system was to be piloted from next month. He also confirmed that a revised Employee Attendance Management Policy and Procedures had been developed for consultation with Trade Unions and that an overall Health and Wellbeing Strategy was currently under development.

The Committee agreed to note the contents of the Report.

## **9. CHANGE PROGRAMME UPDATE**

With reference to Article 6 of the minute of meeting of the Policy and Resources Committee of 30 April 2019, there was submitted Report No 190/19 by the Director of Strategic Policy, Transformation and Public Sector Reform providing a progress update in relation to the Council's Change Programme.

The Report highlighted that Report 131/19 – Schedule 1, was considered by the Policy and Resources Committee at its meeting on 30 April 2019, which provided a progress update in relation to the Council's Change Programme.

Good progress had been made with the various projects in the Change Programme all of which required to achieve the £10.22m savings used in settling the 2019/20 balanced budget position.

The latest summary of the Change Programme was attached as Appendix 1 to the Report. The various cells now highlighted in blue represented the number of projects that were fully complete.

The majority of the incomplete projects would be finalised shortly once full budget code information was available. The main projects with savings that were still in progress were highlighted in Section 5.3 of the Report.

Work had already commenced to address the anticipated funding gap for 2020/21. Whilst c£8.6m savings had already been identified in the Change Programme, it was anticipated that the funding gap was still likely to be in the region of £6m, albeit many variables would influence that estimate.

Section 6 of the Report provided details in relation to the movement in comparison to the previous update Report and also the key reasons for the variances since the issue of Report 23/19.

The Change Programme would continue to be progressed to deliver the change and transformation required to ensure the Council was sustainable and delivering best value to the citizens and communities of Angus.

The Director of Strategic Policy, Transformation and Public Sector Reform provided a brief overview of the Report.

Councillor Devine requested an update in terms of the Tay Cities Deal and also whether there was an opportunity for an update to be provided at the forthcoming elected members' development day. In response, the Director of Strategic Policy, Transformation and Public Sector Reform provided an update and confirmed that whilst there was no provision for an update to be given at the development day, an update could be provided at a future development day.

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

## **10. ACCOUNTS COMMISSION REPORT: CHALLENGES AND PERFORMANCE 2019**

There was submitted Report No 191/19 by the Director of Strategic Policy, Transformation and Public Sector Reform, highlighting to members the "Challenges and Performance 2019" Report recently published by the Accounts Commission.

The Report provided a useful summary of information highlighting the key issues that Councils across Scotland were currently facing. The Report also included six recommendations. These recommendations, with evidence of how the Council was progressing against these points, were outlined in Section 3.4 of the Report.

Angus Council was addressing each of these recommendations as part of its ongoing commitment to quality improvement, performance and change throughout all service areas of the Council. The examples highlighted were intended to provide members with a snap-shot of progress.

Gillian Woolman, Assistant Director, Audit Scotland provided an informative overview of the Report.

Having heard from the Convener, who referred to Exhibit 1 of the Report which outlined the current major policy and legislative changes affecting local government. He highlighted that many of the policy changes and initiatives were interdependent and would influence each other and also how the Council would operate. He also emphasised the effects of these initiatives and how they would impact on the Council's budget.

The Committee agreed:-

- (i) to note the 'Challenges and Performance 2019' Report, recently published by the Accounts Commission, attached as Appendix 1 to the Report; and
- (ii) to note that a development session for all members was to be arranged covering the 'Challenges and Performance 2019' Report as well as the Accounts Commission's Financial Overview 2017/18 Report considered by the Committee in January 2019.

## **11. REPORTS RELEVANT TO THE WORK OF THE SCRUTINY AND AUDIT COMMITTEE**

With reference to Article 9 of the minute of meeting of this Committee of 5 March 2019, there was submitted Report No 192/19 by the Director of Strategic Policy, Transformation and Public Sector Reform, advising members of reports submitted to other Angus Council committees and to the IJB that were relevant to the work of the Scrutiny and Audit Committee.

Attached as Appendix 1 to the Report was a list of reports submitted to other Angus Council committees and the IJB for the period 1 February 2019 to 21 May 2019.

The Committee agreed:-

- (i) to note the reports listed in Appendix 1 to the Report; and
- (ii) that there were no reports that should be the subject of a more detailed discussion by this Committee.

## **12. CORPORATE RISK REGISTER AND RISK MANAGEMENT GUIDANCE REVIEW**

With reference to Article 8 of the minute of meeting of this Committee of 5 March 2019, there was submitted Report No 193/19 by the Chief Executive, providing an update of the work being carried out in relation to the Council's approach to risk management, risk management guidance and the corporate risk register.

The Report indicated that further review work had been undertaken in relation to the corporate risk register, however, more work was needed to produce a robust and comprehensive register. A creative conversation would be held with the Corporate Leadership Team (CLT) in July to sense check the register and to ensure that it was fit for purpose.

Work was also being undertaken to re-invigorate the Council's Risk Management Guidance documents to make them more accessible and user friendly. It was proposed to submit both the updated Corporate Risk Register and Guidance to this Committee after the summer recess.

The Committee agreed:-

- (i) to note the ongoing review of the Corporate Risk Register; and
- (ii) to note the work being carried out to update the Council's Risk Management Guidance in line with the revised Risk Management Strategy.

### **13. CORPORATE COUNTER FRAUD REVIEW 2018/19**

With reference to Article 8 of the minute of meeting of this Committee of 20 November 2018, there was submitted Report No 194/19 by the Service Leader - Internal Audit, summarising the activity undertaken by the Corporate Fraud Team (CFT) in the year to 31 March 2019.

The Report supported the Council's zero tolerance approach to fraud and corruption. The Corporate Fraud Team was a specialist investigative team which operated in 2018/19 within the Internal Audit Service reporting to the Chief Executive. The continued work of the CFT played a key role in the Council's response to its risk of fraud and corruption.

Corporate fraud included instances where individuals sought to profit from their position as employees. In 2018/19 the CFT concluded 12 corporate fraud investigations. In addition to the investigative work carried out during 2018/19, the CFT had provided a diverse range of advice and guidance to a number of areas including Environmental Services, Housing, Legal and Democratic, Schools and Learning and Children, Families and Justice.

In 2018/19, data matching initiatives had resulted in the removal of the Council's Tax discounts or exemptions amounting to £73,176.

In addition to data matching, the CFT continued to examine any allegations of Council Tax Fraud. The CFT worked in collaboration with colleague partners in Revenues Division and with their continued professional support had identified Council Tax savings of £9,132.

The responsibility for the investigation of Housing Benefit fraud was that of the Department for Work and Pensions (DWP) though the CFT continued to identify benefit overpayments. These recoverable amounts arose from the investigation of other case types such as tenancy fraud and Council Tax allegations and also from referrals received from the Housing Benefit Matching Service. The overpaid benefits identified during the year to 31 March 2019 amounted to £26,118. The CFT also assisted DWP with benefit investigations through the sharing of intelligence and during 2018/19 that work identified £30,754 of fraud and error in Housing Benefit and Council Tax.

The CFT's main activity in 2018/19 was the investigation of allegations of corporate and employee fraud. Demand for this service was high. By investigating these allegations the CFT had managed the risk of financial and reputational loss associated with employee misconduct and strengthened the Council's governance arrangements by improving internal controls. The CFT would continue to work to counter fraud and to ensure the ongoing safeguarding of public resources. This would play a significant role in protecting public assets.

The Committee agreed to:-

- (i) to note the contents of the Report; and
- (ii) to note the results of the self-assessment against the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption, attached as Appendix 1 to the Report.

### **14. INTERNAL AUDIT ACTIVITY UPDATE**

With reference to Article 5 of the minute of meeting of this Committee of 23 April 2019, there was submitted Report No 195/19 by the Service Leader - Internal Audit, 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 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 a small number of 2018/19 projects were in progress but had not been completed in time for reporting in June 2019. These would be reported to the next meeting. There were no significant issues identified to date in that work.

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

- New management structure revised governance arrangements
- Council Governance and oversight of arrangements with ANGUSalive
- Council oversight of Integration Joint Board (IJB)
- School Funds Governance (follow-up)
- Change Programme governance
- Data analysis payroll and accounts payable
- IT user access administration - Integra (follow-up)
- IR35 (off-payroll working rules)
- EESH 2020 housing standards compliance
- Corporate Health and Safety

The Report presented the progress with the Internal Audit activity within the Council up to the 16 May 2019, provided an updated on progress with the 2018/19 and 2019/20 Internal Audit Plans and progress with implementing internal audit recommendations.

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

The Director of Schools and Learning provided an informative update in terms of the School Funds Governance (Follow-up) Audit.

Following discussion and having heard from some members, the Committee agreed:-

- (i) to note the update on progress with the 2018/19 Internal Audit Plan;
- (ii) to note the update on progress with the 2019/20 Internal Audit Plan;
- (iii) to note the management's progress in implementing Internal Audit recommendations; and
- (iv) to note the availability of the following documents on the Elected Members SharePoint site, and the further work being undertaken in terms of Safeguarding Public Money: are you getting it right? and the Role of the Head of Internal Audit.

## **15. INTERNAL AUDIT ANNUAL REPORT AND REVIEW OF CORPORATE GOVERNANCE**

With reference to Article 11 of the minute of meeting of this Committee of 19 June 2018, there was submitted Report No 196/19 by the Service Leader – Internal Audit, presenting the Audit Manager's Internal Audit Annual Report and independent assurance opinions in relation to both overall corporate governance arrangements and internal control for 2018/19.

The Report indicated that the Internal Audit Annual Report and review of Corporate Governance provided an overall opinion from the Service Leader – Internal Audit on the internal control and internal financial control environment within the Council for the 2018/19 financial year. This would be used to inform the production of the Council's Annual Governance Statement.

The Internal Audit Annual Report attached as Appendix 1 to the Report provided the information and assurances in relation to the matters outlined in Section 3 of the Report.

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

Councillor Devine thereafter commended all staff involved in the preparation of a very comprehensive Report.

The Committee agreed to note the contents of the Internal Audit Annual Report for 2018/19.

## **16. CORPORATE GOVERNANCE – LOCAL CODE OF CORPORATE GOVERNANCE 2018**

With reference to Article 12 of the minute of meeting of this Committee of 19 June 2018, there was submitted Report No 197/19 by the Chief Executive, advising of the outcome of the review of the Local Code of Corporate Governance and presenting the revised Local Code for approval.

The Report indicated that Angus Council first adopted a Local Code in 2002. It had been regularly reviewed and updated to ensure consistency with best practice and guidance, in particular the CIPFA/SOLACE framework Delivering Good Governance in Local Government. The framework set out seven core principles for good governance, which were outlined in Section 4 of the Report.

The Local Code of Corporate Governance affirmed the Council's commitment to achieving a good standard of corporate governance. It set out the key policies, procedures and structures which demonstrated the Council's compliance with the seven core principles. The Local Code had been reviewed and updated and was attached as Appendix 1 to the Report.

The Committee agreed to approve the revised Local Code of Corporate Governance.

#### **17. CORPORATE GOVERNANCE – ANNUAL REVIEW AND DRAFT ANNUAL GOVERNANCE STATEMENT FOR THE YEAR TO 31 MARCH 2019**

With reference to Article 13 of the minute of meeting of this Committee of 19 June 2018, there was submitted Report No 198/19 by the Chief Executive advising of the outcome of the annual review of compliance with the principles of good governance and presenting the draft Annual Governance Statement for consideration.

The Report indicated that the overall conclusion of the review was that during 2018/19 the Council demonstrated that the governance arrangements and framework within which the Council operated were sound and operating effectively and that the Council was generally compliant with the core principles of good governance.

The 2017/18 review identified a number of developments which were expected to be delivered in 2018/19 to strengthen the Council's Corporate Governance. An updated was provided in Appendix 1 to the Report.

The 2019/20 action plan was included with the Annual Governance Statement and progress would be reported to this Committee in January and June 2020.

Having heard from the Manager – Governance, Risk and Scrutiny, the Committee agreed:-

- (i) to note the progress in addressing the improvement actions from the 2017/18 Annual Governance Statement, appended as Appendix 1 to the Report;
- (ii) to note the 2018/19 draft Annual Governance Statement, including actions to be taken forward during 2019/20, appended as Appendix 2 to the Report;
- (iii) to note that 2018/19 draft Annual Governance Statement would be included in the Council's unaudited annual accounts, which would be submitted to the Controller of Audit in accordance with the statutory deadline of 30 June 2019; and
- (iv) to note that the Statement would be kept under review and updated as necessary until the audited accounts were approved for signing in September. The final statement would be signed by the Leader of the Council and the Chief Executive.

#### **18. SCRUTINY AND AUDIT COMMITTEE SELF-ASSESSMENT AND ANNUAL REPORT**

With reference to Article 14 of the minute of meeting of this Committee of 19 June 2018, there was submitted Report No 199/19 by the Chief Executive, providing a draft Annual Report to Council on the work undertaken by the Scrutiny and Audit Committee during 2018/19.

The Report indicated that a self-assessment workshop was held in March 2019, to inform the Scrutiny and Audit Committee Annual Report for 2018/19. Two self-assessment checklists from the CIPFA guidance formed the basis for discussion at the workshop.

The Good Practice Self-Assessment confirmed a high level compliance with the principles set out in the CIPFA guidance.

The Evaluation of Effectiveness checklist was intended to help Committee members to consider where the Committee was most effective and where there may be scope to do more. The scores for 2018/19 demonstrated an improvement over the 2017/18 score. Further details were included in the Annual Report attached as Appendix 1 to the Report.

The Manager – Governance, Risk and Scrutiny provided an overview of the Report and highlighted that the Annual Report would be updated to refer to four limited assurance Internal Audit Reports, as set out in the Internal Audit Annual Report (Report 196/19 refers).



The Committee agreed:-

- (i) to note the draft Annual Report for the year to 31 March 2019;
- (ii) that the Annual Report would be updated to refer to four limited assurance Internal Audit Reports, as set out in the Internal Audit Annual Report (Report 196/19 refers); and
- (iii) to note that the Annual Report would be signed by the Convener and would be submitted to full Council after the recess.

**19. 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.

**20. PAYROLL USER ACCESS MANAGEMENT – INTERNAL AUDIT**

There was submitted Report No 200/19 by the Service Leader – Internal Audit, providing the full content of Internal Audit Report 18/26 on Payroll User Access Management which had been issued since the last Scrutiny and Audit Committee.

Paul Kelly, Director, Scott Moncrieff provided an informative update and overview of the Report.

Following questions from members and in response having heard from the Depute Chief Executive, the Committee agreed to note the recommendation as outlined in the Report.