

# ANGUS COUNCIL

MINUTE of MEETING of the **SCRUTINY AND AUDIT COMMITTEE** held in the Town and County Hall, Forfar, on Tuesday 24 September 2019 at 11.00am.

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

Councillor DUFF, Vice Convener, in the Chair.

## 1. APOLOGIES/SUBSTITUTES

Apologies for absence were intimated on behalf of Councillor Alex King.

## 2. DECLARATIONS OF INTEREST

Councillors Bell and Myles declared non-financial interests in Item 5 (Report No 308/19) in that they were members of Angus Health and Social Care Integration Joint Board. They indicated that they would participate in any discussion and voting on this item.

Councillors Brown, Devine and Duff declared non-financial interests in Items 7 and 10 (Report No's 310/19 and 313/19) in that they were Council appointed Directors of AngusAlive. They indicated that they would participate in any discussion and voting on these items.

Councillor McLaren declared a non-financial interest in Item 10 (Report No 313/19) in that he was a Trustee of the Robert and William Strang Mortification. 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 20 August 2019 was approved as a correct record and signed by the Convener.

With reference to Article 12 of the minute of meeting of 20 August 2019, Councillor Devine requested a progress update in terms of ACCESSLine. The Chief Executive advised that progress was being made and as a result there had been significant reductions in the call waiting times. The Depute Chief Executive confirmed that discussions had taken place with the Team Manager – Business Support and her existing team, and that arrangements had been put in place or were being implemented that would address the issues raised.

## 4. SCRUTINY PANEL REVIEW UPDATE

Members noted with reference to Article 4 of the minute of meeting of this Committee of 20 August 2019, that the report on the findings of the Scrutiny Panel set up to examine the process undertaken to introduce parking charges had not yet been finalised. The Report would be submitted in November.

## 5. ANGUS INTEGRATION JOINT BOARD ANNUAL PERFORMANCE REPORT

With reference to Article 5 of the minute of meeting of this Committee of 25 September 2018, there was submitted Report No 308/19 by the Chief Officer, Angus Health and Social Care Partnership providing an update on the progress made in delivering the Strategic Plan and the effect of the Partnership's activities on performance during 2018/19.

The Report built on previous bi-annual performance Reports presented to the Integration Joint Board (IJB). 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 on 26 June 2019 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 in that the content, with its focus on the impact of health and social care interventions on Angus citizens, would be of interest to elected members.

The IJB had agreed previous reports related to the development of the Partnership's performance framework. The 2018/19 Annual Performance Report aimed to review the performance relating to the Angus Health and Social Care Partnership's Strategic Commissioning Plan 2016-2019. This included the national core indicators, which demonstrated progress against the national outcome.

The 2018/19 Annual 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 overview of the Partnership's key areas of achievement in 2018/19, in particular highlighting that Angus had performed well nationally in terms of eight of the ten national quantitative core indicators in respect of admissions, bed days and timely discharge; and she also highlighted that the two national core indicators relating to falls admissions and percentage of adults with intensive care needs had reduced and that a review of all information relating to falls was required to understand why the Angus performance had declined, whilst Scotland as a whole continued to improve. She also highlighted the new Mental Health and Wellbeing Network, the new Integrated Services in Angus (IONA) and the innovative work carried out in the Letham Health and Wellbeing Centre and the work undertaken to reduce the prescribing costs in Angus significantly.

Councillor Myles commended the Report and the partnership's achievements in 2018/19 and highlighted that the good financial position was not necessarily the case for some IJBs who faced considerable financial challenges.

Councillor Bell reflected on the challenges of the IJB over the last year and referred to the significantly improved position in terms of the prescribing budget. She thereafter commended all those involved in the work of the IJB highlighting the positive feedback that had been received at a conversation event in terms of service delivery and staff.

Following considerable discussion and having heard from some members in respect to the new Mental Health and Wellbeing Network and social prescribing and having heard the responses from the Chief Officer and the Principal Planning Officer, Angus Health and Social Care Partnership, the Committee agreed to note the contents of the Report.

## **6. INTERNAL AUDIT ACTIVITY UPDATE**

With reference to Article 7 of the minute of meeting of this Committee of 20 August 2019, there was submitted Report No 309/19 by the Service Leader (Internal Audit) providing the internal audit activity update on the main findings of internal audit reports issued since the date of the last meeting.

The Report indicated that work continued within the Internal Audit team to complete a small number of items from the 2018/19 Internal Audit Plan agreed by this Committee in April 2018. The 2019/20 Internal Audit Plan was being progressed and adhoc requests for advice were being dealt with as they arose.

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

- Continuous Auditing – Payroll and Accounts Payable
- Review of Voluntary Severance Scheme

The Report presented the progress with the Internal Audit activity within the Council up to 31 August 2019, provided an update 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.

Councillor Bell raised a question relating to the loss of knowledge and skills in terms of the Early Retirals and Voluntary Redundancies (ER/VR) exit packages and the Council's resilience in this regard. In response, having heard from the Service Leader (Internal Audit), Chief Executive and the Director of Finance, 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; and
- (iii) to note management's progress in implementing internal audit recommendations.

## **7. CHANGE PROGRAMME UPDATE**

With reference to Article 11 of the minute of meeting of the Policy and Resources Committee of 27 August 2019, there was submitted Report No 310/19 by the Director of Finance, providing a progress update in relation to the Council's Change Programme.

The Report highlighted that Report No 278/19, was considered by the Policy and Resources Committee at its meeting on 27 August 2019, which provided a progress update in relation to the Council's Change Programme.

The Report indicated that delivering change throughout the organisation was continuing at pace with particular emphasis on securing all savings agreed for achieving the 2019/20 balanced budget position. Areas where delivery was at risk had been identified and were the focus of leadership attention to secure. Work was also progressing on developing the next phase of change and savings delivery, against an evermore challenging backdrop.

The Change Programme was an intrinsic part of the Council's strategic planning and would continue to be progressed to deliver the future change and transformation required to ensure the Council was sustainable and delivering best value to the citizens and communities of Angus.

The Director of Finance provided an overview of the Report.

Councillor Myles commended the Report and all those involved in the excellent progress made in achieving the target savings of £10.22m. Councillor Devine also commended the Report and requested an update in terms of Procurement and Commissioning and Angus Alive, in relation to the 50/50 split of severance costs.

The Director of Finance provided an informative progress update in terms of Procurement and Commissioning and confirmed that a Programme Lead and Commercial Lead had been appointed and that they had commenced work in June 2019. He anticipated that significant progress would now be made in the delivering the ambitions of the programme. He also provided an update in terms of the Council's request to partner organisation Angus Alive, to achieve savings of £900,000 over a three year period 2018/19 to 2020/21.

The Chief Executive welcomed members' feedback and referred to the success in delivering the budget savings in the last few years but emphasised the greater challenges ahead in the continued development of the Change Programme to ensure delivery of the required savings.

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

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

With reference to Article 12 of the minute of meeting of this Committee of 18 June 2019, there was submitted Report No 311/19 by the Chief Executive, providing an update of the work being undertaken in relation to the Council's approach to risk management, its risk management guidance and the corporate risk register.

The Report indicated that an in-depth review of the Council's risk management arrangements, including the corporate risk register, had been undertaken. This was agreed by the Corporate Leadership Team at their meeting on 6 August 2019. This included a new dashboard approach, attached as Appendix 1 to the Report, which provided an outline of all corporate risks, risk owner, scoring and progress with mitigating measures and a section for new risk.

Risk templates for risks with current scores of 15 or above were also attached as an Appendix to the Report. The Council's risk management guidance now comprised a step by step guide and a more detailed reference document, attached as Appendices 2 and 3 to the Report respectively.

The Manager, Risk, Resilience and Safety provided an overview of the Report.

Councillor Bell referred to the four corporate risks with scores of 16, in particular highlighting the Health and Safety Compliance Risk, and enquired as to the timescales involved and if the current resources were sufficient in achieving the target score.

In response, the Manager, Risk Resilience and Safety provided an update on progress and intimated that gaps for improvement had been identified through a corporate analysis and peer review, identifying similar themes and trends required to be addressed as a priority. She indicated that work was progressing and that between now and December it was anticipated that the Health and Safety Compliance Risk would be reduced from a red to an amber score. A progress report would be submitted to a Scrutiny and Audit Committee meeting thereafter. She confirmed that the next step was to deliver training on the new guidance and that the roll out of training would commence in November 2019. She advised that resources were sufficient meantime, however emphasised that this may require to be reviewed in future.

The Chief Executive highlighted the importance of self-evaluation in assessing "How good is our Council" and that the review process had been an open and honest self-evaluation which had identified a number of areas of risk. She also considered the Report to be clearer and more accessible than the previous version of the Report.

The Vice Convener thereafter welcomed the new corporate risk register dashboard and commended the work of all those involved in the review process.

The Committee agreed:-

- (i) to note the outcome of the review that had been undertaken on the corporate risk register;
- (ii) to note the corporate risk register dashboard and significant risks, scored at 15 or above; and
- (iii) to note the revised risk management guidance which aligned with the updated risk management strategy.

## **9. SHARED RISK ASSESSMENT: A REVISED APPROACH**

There was submitted Report No 312/19 by the Director of Strategic Policy, Transformation and Public Sector Reform, highlighting to members the revised approach to Scrutiny Coordination and Shared Risk Assessment, following the consultation undertaken in October 2018.

The Report indicated that the Chair of the Accounts Commission and Chair of the Strategic Scrutiny Group (SSG) had written to the Council's Chief Executive on 31 August 2019, attached as Appendix 1 to the Report, providing an update on progress with the revised approach to Scrutiny Coordination and Shared Risk Assessment (SRA), following consultation.

The SSG was established in February 2008 to bring together bodies scrutinising local authorities (eg Audit Scotland, Education Scotland, Care Inspectorate, Scottish Housing Regulator). The SRA process was established as the vehicle for those bodies to share intelligence and to agree scrutiny risks in each of Scotland's 32 councils.

The paper developed by the SSG setting out the revised approach to Scrutiny Coordination and Shared Risk Assessment was attached as Appendix 2 to the Report. The main findings of the Report identified the need for scrutiny bodies to improve how they worked together to ensure that scrutiny activity was delivered as efficiently and consistently as possible.

The proposals included a more focused approach to sharing intelligence and the key aspects which were outlined in Section 4.2 of the Report.

Having heard from the Director of Strategic Policy, Transformation and Public Sector Reform, the Committee agreed to note the revised approach to Scrutiny Coordination and Shared Risk Assessment.

## **10. ANGUS COUNCIL ANNUAL ACCOUNTS 2018/19 AND ANNUAL AUDIT REPORT TO MEMBERS**

With reference to Article 4 of the minute of meeting of this Committee of 25 September 2018, there was submitted Joint Report No 313/19 by the Chief Executive and the Director of Finance,

providing Audit Scotland's Annual Audit Report to Members on the 2018/19 Audit of Angus Council, Robert and William Strang Mortification and Angus Council Charitable Trust and requests members of the Committee to approve the 2018/19 Audited Annual Accounts of Angus Council, Robert and William Strang Mortification and Angus Council Charitable Trust, for signature.

The Council's unaudited Annual Accounts for financial year 2018/19 had been submitted to the Controller of Audit by the Council's appointed External Auditors in accordance with the statutory deadline of 30 June 2019.

The Auditor's Report highlighted the strong progress made in addressing the actions from the 2017/18 Audit Report to Members and identified a number of new actions for the Council to consider. The independent and external perspective was helpful and work was in hand to address these actions 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 Audit Scotland's Annual Report on the 2018/19 audit.

The unaudited accounts presented to this Committee on 20 August 2019 had been amended for a small number of audit adjustments and details of the main movements were set out in Appendix 2 to the Report.

In terms of the Robert and William Strang Mortification and Angus Council Charitable Trust 2018/19 Annual Accounts, including Audit Certificate, the statutory deadline for the submission of the draft accounts for audit of 30 June 2019, was achieved. The statements were prepared in accordance with the Charity Statement of Recommended Practice. The audits would be completed with the issue of the unqualified audit opinions on 24 September 2019 subject to the Scrutiny and Audit Committee approving the Accounts for signature. The audited accounts would be presented to a meeting of the Trustees in October.

The Director of Finance provided a brief summary of the Report.

Gillian Woolman, Assistant Director, Audit Scotland, thereafter provided a detailed overview of the Angus Council 2018/19 Annual Audit Report.

Councillor Myles thanked officers for the preparation of a clear concise and easy to read Annual Audit Report.

Following a number of questions from members in relation to compliance with the Code of Practice, Borrowing; Public Performance Reporting; and the Voluntary Severance Scheme Payback period and in response having heard from the Director of Finance and Director of Strategic Policy, Transformation and Public Sector Reform, the Committee agreed:-

- (i) to note the content of the Audit Scotland's Annual Audit Report to Members, attached as Appendices 1A and 1B to the Report;
- (ii) to approve for signature in accordance with the Local Authority Accounts (Scotland) Regulations 2014, the 2018/19 Audited Annual Accounts of Angus Council; Robert and William Strang Mortification and Angus Council Charitable Trust;
- (iii) to note the summary of the main movements within the Angus Council Audited Annual Accounts, attached as Appendix 2 to the Report; and
- (iv) to note the key messages and 2018/19 action plan within the Annual Audit Report to Members.

## **11. TREASURY MANAGEMENT ANNUAL REPORT 2018/19**

With reference to Article 8 of the minute of meeting of this Committee of 25 September 2018, there was submitted Report No 314/19 by the Director of Finance appending a copy of the Angus Council's Treasury Management Arrangements, activity and performance during 2018/19.

The Report indicated that the Council was required, through regulation issued under the Local Government in Scotland Act 2003, to produce an annual report reviewing treasury management activities and prudential and treasury indicators following the end of each financial year. The Report met the Treasury Management in the Public Services Code of Practice (2017 Edition) and

the Prudential Code for Capital Finance in Local Authorities (2017 Edition), both published by the Chartered Institute of Public Finance and Accountancy.

The Treasury and Management Annual Report detailed Angus Council's borrowing and investment activities during 2018/19, attached as Appendix 1 to the Report.

The Director of Finance provided an overview of the Report and having heard from some members, the Committee agreed to note the 2018/19 Treasury Management Annual Report and its associated Appendix to the Report.

24 Sept