

ANGUS COUNCIL

MINUTE of MEETING of the **SCRUTINY AND AUDIT COMMITTEE** held in the Town and County Hall, Forfar, on Tuesday 21 January 2020 at 2.00pm.

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

Councillor KING, Convener, in the Chair.

1. APOLOGIES/SUBSTITUTES

Apologies for absence were intimated on behalf of Councillors Brian Boyd and Colin Brown BEM.

2. DECLARATIONS OF INTEREST

Councillor Bell declared a non-financial interest in Items 6, 7 and 11 (Report Nos 397/19, 15/20 and 19/20) 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 these items.

Councillor Devine declared a non-financial interest in Item 8 (Report No 16/20) in that she was a Committee member of Forfar Action Network and Forfar in Flower. She indicated that she would participate in any discussion and voting on this item.

3. MINUTE OF PREVIOUS MEETING

The minute of meeting of this Committee of 19 November 2019 was approved as a correct record and signed by the Convener.

4. INTERNAL AUDIT ACTIVITY UPDATE

With reference to Article 6 of the minute of meeting of this Committee of 19 November 2019, there was submitted Report No 13/20 by the Service Leader (Internal Audit), providing the Internal Audit Activity update on the main findings of the Internal Audit Report issued since the date of the last meeting.

The Report indicated that work continued within the Internal Audit Team to complete one item 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:-

- Review of Cash Handling Arrangements: Cash Receipts
- Absence Management

The Report presented the progress with the Internal Audit activity within the Council up to 13 January 2020, provided an update on progress with the 2018/19 Internal Audit Plan, the 2019/20 Internal Audit Plan, and progress with implementing internal recommendations.

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

Following discussion in terms of the cash handling and absence management and the implementation of actions resulting from Internal Audit recommendations, a number of members' questions were answered by the Director of Finance; the Service Leader (Internal Audit) and the Depute Chief Executive.

The Convener thereafter highlighted, in terms of the Implementation of Actions resulting from Internal Audit recommendations that future reports should include further background detail to problematic areas.

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 management's progress in implementing Internal Audit recommendations;
- (iv) there were no specific areas of risk to be included as pieces of work in the 2020/21 Internal Audit Plan; and
- (v) that in terms of the Implementation of Actions resulting from Internal Audit recommendations to consider including further background detail to problematic areas.

5. CORPORATE GOVERNANCE – ANNUAL GOVERNANCE STATEMENT FOR YEAR TO 31 MARCH 2019 – UPDATED ACTION PLAN

With reference to Article 10 of the minute of meeting of this Committee of 24 September 2019, there was submitted Report No 14/20 by the Director 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 2018/19 Annual Governance Statement was included in the Council's 2018/19 audited Annual Accounts, which were approved by this Committee on 24 September 2019. The Annual Governance Statement included an action plan summarising developments to be taken forward during 2019/20 to strengthen the Council's corporate governance.

There were six actions in the 2018/19 Annual Governance Statement action plan. Planned completion dates ranged from September 2019 to March 2020. Two of the actions had been completed and work was in progress to address the other improvement areas. The summarised position as at 18 December 2019 was outlined in Section 4 of the Report.

A further update would be reported to this Committee in June 2020 as part of the annual corporate governance review.

The Service Leader (Governance and Change) provided an overview of the Report.

Councillor Whiteside requested an update in terms of one of the areas of improvement relating to working with ANGUSalve to ensure adequate storage for archived documents. In response, the Service Leader (Governance and Change) confirmed that a request had been made to ANGUSalve to provide a full catalogue of archived documents.

Councillor Devine referred to the area of improvement in terms of the development of Firmstep to provide automatic recording, monitoring and reporting of Freedom of Information requests and complaints. She highlighted the increasing number of Freedom of Information requests made over the last four year period and enquired as to the category breakdown of information requests and also if the implementation of Firmstep would ease staff workload. The Service Leader (Governance and Change) indicated that he would review the information held and revert back in due course. He also confirmed that Lean review work had been undertaken both in terms of Freedom of Information and complaints and that the Freedom of Information Module (Phase 2) was expected to go live on 1 April 2020, subject to approval by the Change Board.

The Chief Executive also highlighted that Freedom of Information requests were monitored by the Council Leadership Team.

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

6. CHANGE PROGRAMME UPDATE

With reference to Article 10 of the minute of meeting of the Policy and Resources Committee of 26 November 2019, there was submitted Report No 397/19 by the Director of Finance providing a progress update of the Council's current Change Programme and presenting a new version of the Change Programme relating to the updated 3 year Strategic Planning period from 2020/21 to 2022/23 which aligned with the latest Medium Term Budget Strategy.

The Report indicated that significant progress has been made as far as possible on all of the £10,219,711 saving proposals for 2019/20. The final position achieved for financial year 2019/20 was that £9,974,711 of savings had been delivered and removed from base budgets.

This equated to meeting 97.6% of the Council's target which was an excellent achievement. The balance of £245,000 could be met from one-off funding measures using the Council's uncommitted General Fund balances.

The Service Leader (Governance and Change) provided a detailed overview of the key areas of the Report.

Following discussion where some members requested more detail in relation to target savings discussions with Angus Health and Social Care Partnership (AHSCP) and ANGUSalive; commercialisation and the Tayside Scientific Services as detailed within the Environmental and Consumer Protection section of the Organisational Design/Zero based Budgeting (ODZBB) appendix. In response, updates were provided by the Service Leader (Governance and Change).

Councillor Myles referred to the savings delivered in 2019/20 and thereafter commended the work of the Service Leader (Governance and Change) and his team in their significant achievement.

The Committee agreed:-

- (i) to note the progress update in relation to the Council's current Change Programme 2019/20 to 2021/22;
- (ii) to note the new version of the Change Programme (2020/21 to 2022/23); and
- (iii) to note the next steps of developing the Council's Change Programme to support the 2020/21 budget setting process in February 2020 and beyond.

7. CORPORATE RISK REGISTER AND RISK MANAGEMENT GUIDANCE REVIEW

With reference to Article 8 of the minute of meeting of this Committee of 24 September 2019, there was submitted Report No 15/20 by the Chief Executive, providing an update of the work being undertaken in relation to the Council's risk management and guidance and the corporate risk register.

The Report indicated that all the risks on the corporate risk register had been reviewed and the risk dashboard had been updated and were outlined in Appendix 1 to the Report. Appendices 2 and 3 outlined the Council's risk management step by step guide and detailed reference guide.

Training based on the new guidance commenced with the corporate leadership team and corporate risk monitoring group on 20 January 2020 and would roll out to service management teams thereafter.

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

The Convener requested, for ease of reference, that the Corporate Risk Profile outlined in the Dashboard Appendix be reviewed to include additional labelling.

Following discussion, members raised questions in terms of Corporate Risks:-Transforming for the Future, Health and Safety Compliance, EU Exit and Climate Change.

The Director of Strategic Policy, Transformation and Public Sector Reform responded to members questions and also provided an update in relation to the appointment of the Brexit Officer in December 2019.

Councillor Duff welcomed the addition of the Climate Change Risk and advised that there was a Climate Change Member Officer Group in place which met regularly. He highlighted that considerable work and resources had been spent over the last few years on flood prevention schemes and other measures in Angus to mitigate climate change.

The Committee agreed:-

- (i) to note the outcome of the full review that had been undertaken on the corporate risk register;
- (ii) to note the corporate risk register dashboard and all risks contained therein; and
- (iii) to note the finalised risk management guidance.

8. ANGUS COMMUNITY PLAN ANNUAL PERFORMANCE REPORT 2018-2019

There was submitted Report No 16/20 by the Chief Executive presenting the Angus Community Plan Annual Performance Report for 2018-19.

The Report indicated that the Local Outcome Improvement Plan, Report No 279/17 was approved in September 2017. The Local Outcomes Improvement Plan (LOIP) and Locality Plans were developed with and for the people of Angus. At the Community Planning Board meeting on 19 September 2018, it was agreed that that the LOIP would be refreshed. The priorities within the plan remained the same and the activity to deliver on these priorities formed the basis of the Annual Performance Report for 2018-19.

Angus Council had developed a range of strategies and plans alongside the Community Plan which had been consulted upon and were outlined in Section 4.1 of the Report. Appendix 1 outlined the Annual Performance Report for 2018-19 which was designed to show how the partnership was delivering on the Council's vision to make Angus a great place to live, work and visit.

The Director of Strategic Policy, Transformation and Public Sector Reform highlighted the significant progress made and outlined the key areas of the Report.

Councillor Devine, in her view, indicated that the Plan was not particularly user friendly. She also highlighted that some of the information contained within the Plan was factually incorrect.

She thereafter requested an update in terms of WiFi4EU, Glen Isla and Glen Clova projects. In reference to the Youth Engagement Strategy, she expressed concern that there was not enough engagement with young people. In response, the Director of Strategic Policy, Transformation and Public Sector Reform and Depute Chief Executive provided updates.

Councillor Devine also suggested that the Report be reviewed before being considered by Angus Council and offered to provide feedback.

Councillor Bell referred to the 2030 Aspirations – Update, the RAG status and highlighted that the terminology used in the key performance indicators should be reviewed to incorporate the use of plain English.

The Convener also made reference to the key aspiration titles and in response having heard from the Director of Strategic Policy, Transformation and Public Sector Reform, the Committee agreed to note the Community Plan Annual Performance Report for 2018-19.

9. ANGUS CHILD PROTECTION COMMITTEE ANNUAL REPORT 2018 TO 2019

With reference to Article 8 of the minute of meeting of Angus Council of 5 December 2019, there was submitted Report No 17/20 by the Depute Chief Executive presenting the Angus Child Protection Committee (ACPC) Annual Report for 2018 to 2019.

The Report indicated that the Angus Child Protection Committee had continued to work together to improve child protection practice in Angus and a recent PREpare pilot project had taken place to consider the participation of children and families within Child Protection Case Conferences, with a robust evaluation plan in place. There had also been a review of processes for both Angus Early Screening Group and Pre-birth Resource Allocation Meeting (PRAM) with updated, streamlined processes now in place.

The Annual Report had been approved by the Angus Child Protection Committee, the Angus Chief Officers Group and Angus Council.

The Committee agreed to note and endorse the contents of the Angus Child Protection Committee Annual Report 2018-2019, as detailed in Appendix 1 to the Report.

10. ANGUS ADULT PROTECTION COMMITTEE ANNUAL REPORT 2018 TO 2019

With reference to Article 9 of the minute of meeting of Angus Council of 5 December 2019, there was submitted Report No 18/20 by the Designated Chief Social Work Officer presenting the Angus Adult Protection Committee (AAPC) Annual Report for 2018 to 2019, which had been approved by the Angus Adult Protection Committee, the Angus Chief Officer Group and Angus Council.

The Report indicated that it had been a busy period for the Angus Adult Protection Committee and they have continued to work together to improve adult protection practice in Angus.

The Committee agreed to note the contents of the Angus Adult Protection Committee Annual Report 2018-2019, as appended to the Report.

11. LOCAL GOVERNMENT IN SCOTLAND – FINANCIAL OVERVIEW 2018/19

With reference to Article 6 of the minute of meeting of this Committee of 22 January 2019, there Report No 19/20 by the Director of Finance presenting the Accounts Commission's financial overview of the financial year 2018/19 and providing a high-level independent analysis of the financial performance of councils during 2018/19 and their financial position at the end of that year.

The Report outlined the financial outlook for councils, and was one of two overview reports that the Accounts Commission published each year. The second report commented on the wider challenges and performance of councils and would be published in April 2020.

The Report indicated that the Accounts Commission's overview report highlighted that Scotland's Councils faced the increasing challenges of meeting changing and growing demands on their services, but that their income was straining to keep pace. Although Scottish Government funding to councils had been relatively stable this year, since 2013/14 it had fallen in real terms. Funding was forecast to fall further in the medium term against a backdrop of increasing volatility in public finances. The Commission also noted that two-thirds of councils had reduced their general fund reserves over the last years rather than maintaining or building their reserves. The sign of a trend in reducing reserves may be emerging and as previously reported the ongoing use of reserves to manage funding gaps was not sustainable. The

Accounts Commission's Reports and associated material was viewed as a useful source of information and guidance.

The financial overview attached as Appendix A to the Report, covered key areas: - Councils' income in 2018/19; Councils' financial position in 2018/19; Councils' financial outlook and Integration Joint Boards' Overview 2018/19. 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 and Supplement 2 – Scottish Local Government Pension Scheme 2018/19, attached as Appendix A2 to the Report. The main highlights from the key messages in the Report were outlined in Section 4.3 of the Report.

The Director of Finance provided a brief overview highlighting the key messages of the financial overview Report.

Following discussion, members raised questions in terms of the Integration Joint Board, particularly regarding Large Hospital Set Aside situation, the Council's Debt position and Medium and Long Term financial planning. The Director of Finance and Senior Audit Manager, Audit Scotland thereafter provided an update.

In terms of future progression of long term financial planning, the Convener outlined the complexities and challenges faced.

Councillor Myles welcomed the Report highlighting, in particular, that the majority of Integration Joint Board's had struggled to achieve a breakeven position in 2018/19 but Angus Integration Joint Board had reversed that trend.

The Convener thereafter suggested that in terms of future reporting, the Director of Finance continue to provide his analysis of the overview report but that the report be submitted to the Committee as an information report.

The Committee agreed:-

- (i) to note the content of the Accounts Commission's 2018/19 Financial Overview Report for Local Government and Supplements 1 and 2, attached as Appendices A, A1 and A2 to the Report; and
- (ii) to note that the Report was about Local Government in Scotland as a whole rather than Angus Council specifically.