

ANGUS COUNCIL

MINUTE of MEETING of the **SCRUTINY AND AUDIT COMMITTEE** held remotely on Tuesday 31 January 2023 at 2.00pm.

Present: Councillors CRAIG FOTHERINGHAM, GAVIN NICOL, CHRIS BEATTIE, JULIE BELL, LYNNE DEVINE, HEATHER DORAN, IAIN GALL, ROSS GREIG, LOUISE NICOL, IAN MCLAREN, MARTIN SHEPHERD, LOIS SPEED and DEREK WANN.

Councillor FOTHERINGHAM, Convener, in the Chair.

1. APOLOGIES/SUBSTITUTES

An apology for absence was intimated on behalf of Councillor Ronnie Proctor MBE, with Councillor Ian McLaren substituting.

2. DECLARATIONS OF INTEREST

There were no declarations of interest made.

At this stage, the Convener advised that a joint inspection of Adult Support and Protection in Angus had been undertaken in collaboration with Healthcare Improvement Scotland and His Majesty's Inspectorate of Constabulary in Scotland between September 2022 and January 2023. He advised that the Joint Inspection Report had been published on the Care Inspectorate website today. The Report in the main was positive and had highlighted a significant number of strengths that had been demonstrated across Angus and that the hardworking and dedicated workforce had responded to considerable challenges and had kept adults who were at risk of harm, safe and protected.

The Convener on behalf of the Committee welcomed the Report, thereafter the Chief Executive confirmed that an update Report would be presented to the next Scrutiny and Audit Committee meeting in March 2023.

3. MINUTE OF PREVIOUS MEETING

The minute of meeting of this Committee of 29 November 2022 was approved as a correct record and signed by the Convener.

4. TAYSIDE CONTRACTS ANNUAL PERFORMANCE REPORT 2021/22

With reference to Article 4 of the minute of meeting of this Committee of 25 January 2022, there was submitted Report No 5/23 by the Depute Chief Executive presenting the Tayside Contracts Annual Performance Report for 2021/22.

The Report indicated that the Council had a variety of strategic and operational mechanisms in place to monitor the ongoing performance of Tayside Contracts. The Council had also established an Officer Monitoring Group covering all the Directorates where the Council engaged Tayside Contracts in the delivery of services. Operational meetings were also held with Tayside Contracts in each of the service areas to deal with day to day matters. The governance framework provided oversight of the whole Tayside Contracts operation and its service delivery performance for Angus Council.

Appendix 1 to the Report detailed the Tayside Contracts Annual Performance Report and highlighted some of the key achievements and developments in 2021/22.

The Depute Chief provided a brief introduction to the Report.

Keith McNamara, Managing Director, Dougie McKay, Head of Operations and Frank Reilly, Head of Human Resources and Facilities Services, all Tayside Contracts provided an overview of the key highlights, current challenges and priorities, and also set out the 2021/22 achievements under the "5C themes" of the current 2021/24 Business plan related to:-

Confidence, Trust and Relationships; Commercial Approach; Collaboration and Sharing; Continuous Improvement and Performance; and Communities, Councils and Customers.

Thereafter the representatives responded to questions and concerns raised from Councillors Fotheringham, Wann, Beattie, G Nicol, L Nicol, Bell, Devine and Shepherd, in relation to the presentation of the report requiring to be more performance led; gully cleansing; ongoing issues with faulty school 20mph safety signs; school meals and free school meals eligibility uptake; AMEY; collaboration in Practice Road Maintenance Partnership (RMPs); key performance indicators (KPIs); Tay Cuisine including update on the number of local food providers, and Reporting of Injuries, Diseases and Dangerous Occurrences (RIDDOR) Reporting.

Councillors Beattie and Bell also requested that consideration be given to incorporating additional KPIs, in terms of maximisation of external income in relation to Tay Cuisine and RIDDOR, and in response, Mr McNamara provided an update and also agreed to the request for additional indicators in future reporting.

In response to Councillors Bell and Louise Nicol's requests for further information related to the update number of local food providers and the percentage eligibility of pupils taking up school meals in respect of the three local authority areas, Mr McNamara and Mr Reilly provided brief updates but indicated that they would require to look further into the request and would revert back to Councillors Bell and Nicol in due course. Mr McNamara agreed to the request for such additional indicators in future reporting.

Councillors Devine and Shepherd also took the opportunity to congratulate Mr McNamara and his team in terms of the initiative being taken forward to support local employability including "Job Academies" apprenticeships; community groups and North East Sensory Services (NESS) and also acknowledged the savings of £180k per annum in relation to the improved efficiencies at Collace Quarry.

The Committee agreed to note the Tayside Contacts Annual Performance Report for 2021/22.

5. INTERNAL AUDIT ACTIVITY UPDATE

With reference to Article 6 of the minute of meeting of this Committee of 29 November 2022, there was submitted Report No 6/23 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 provided an update in relation to the Internal Audit activity within the Council from June 2022 and an update on progress with the planned audit work, including new audits drawn from the audit pool; and the implementation of internal audit and counter fraud recommendations.

The Service Leader – Internal Audit provided an update on progress with the Internal Audit activity, Data Analysis/Continuous Auditing including Payroll and Creditors – Duplicate payments; and progress with implementation of actions from internal audit recommendations and counter fraud reviews.

In response to Councillor Bell's question related to End User Computing assurance level, the Service Leader – Internal Audit indicated that she would require to further investigate and revert back to Councillor Bell following the meeting.

Councillor Devine raised concern regarding the number of level 2 internal audit actions that were outstanding from previous years, and in response, the Director of HR, OD, DE, IT and Business Support in providing an update also confirmed that work was in progress to resolve and close off the outstanding level 2 actions.

The Committee agreed:-

- (i) to note the update on progress with the planned Internal Audit work as outlined in Appendix 1 to the Report; and
- (ii) to note management's progress in implementing internal audit and counter fraud recommendations as outlined in Appendix 1 to the Report.

6. CORPORATE GOVERNANCE – ACTION PLAN UPDATES

With reference to Articles 9 and 17 of the minutes of meeting of Angus Council of 8 September 2022 and this Committee of 29 November 2022 respectively, there was submitted Report No 7/23 by the Director of Strategic Policy, Transformation and Public Sector Reform presenting an update in relation to the Action Plan included in the 2021/22 Annual Governance Statement and also providing an update in relation to the Action Plan from the 2021/22 Scrutiny and Audit Committee Annual Report to Council.

The Report indicated that the final 2021/22 Annual Governance Statement was included in the Council's 2021/22 audited Annual Accounts and included a number of improvement actions to be taken forward during 2023/24 to strengthen the Council's corporate governance.

Updates to the Annual Governance Statement and Scrutiny and Audit Committee Annual Report Action Plans were outlined in Appendices 1 and 2 to the Report with approval being sought to extend the completion dates on a number of actions. Further updates would be reported to this Committee in June and also in August 2023 as part of the Committee's draft annual report for 2022/23 and would include any new actions identified as part of the 2023 self-assessment exercise.

The Service Leader-Governance and Change provided an overview of the key areas of the Report including the request to extend the completion dates for actions in relation to Roles of CLT and Other Groups; Risk Appetite and Service Risk Registers; and the proposed arrangements for the self-assessment session scheduled for 28 March 2023.

Councillors Fotheringham, Greig and Shepherd raised questions and sought further clarification in relation to the assessment of Risk Appetite, the extension of completion dates in relation to the three actions; the Council Organogram action; and the omission of start dates in the Develop Directory of Officers Contact Details and Review EIA Committee Process actions; and in response, the Service Leader - Governance and Change provided an update. He also agreed to review the actions where the start dates had been omitted.

The Committee agreed:-

- (i) to note the update to the 2021/22 Annual Governance Statement Action Plan included in Appendix 1 to the Report;
- (ii) to note the update to 2021/22 Scrutiny and Audit Committee Annual Report Action Plan to Council included in Appendix 2 to the Report;
- (iii) to approve the extension to the completion dates on specific actions as set out in Section 4.2 of the Report; and
- (iv) to note the arrangements for the Committee's 2022/23 self-assessment session on 28 March 2023 at 10am to 12 noon and agreed the format for the meeting as outlined in Section 4.3 of the Report.

7. CORPORATE RISKS AND RISK MANAGEMENT

With reference to Article 10 of the minute of meeting of this Committee of 23 August 2022, there was submitted Report No 8/23 by the Chief Executive providing an update on progress and the work being undertaken on the Council's Risk Management Framework, including an updated corporate risk register.

The Report indicated that work on the development of risk appetite was still progressing but had been delayed due to competing priorities and a change of personnel within Zurich Municipal (ZM). The Council's corporate risks had been reviewed, with three risk scores revised in terms of risks:- Financial Sustainability; Transforming for the Future and Health and Safety Compliance. Section 4 of the Report outlined an update in relation to workforce, decarbonisation of car fleet, and National Care Services risks.

The Chief Executive provided a brief summary of the Report including an overview of the revised risks scores in relation to the Financial Sustainability; Transforming for the Future; and Health and Safety Compliance risks.

Councillors Wann, Gall, Bell and Doran raised questions and sought clarification in terms of future pay deals, National Care Service; budget savings and the Council's future financial sustainability; Partnerships and procurement; and Transforming for the Future, particularly in regard to the impact of COVID-19; and in response, updates were provided from the Chief Executive, Director of Finance and the Director of Strategic Policy, Transformation and Public Sector Reform.

In response to Councillor Doran's question in terms of impact of change, the Chief Executive highlighted that whilst this factor would already be incorporated into other risk area, intimated that she was content to include impact of change as a specific action into the Transformation for the Future Risk going forward.

The Committee agreed:-

- (i) to note the continued work being undertaken to promote and embed Risk Management; and
- (ii) having scrutinised, to note the Corporate Risk Register and all risks contained therein.

8. DETAILED RISK REPORTING TO SCRUTINY AND AUDIT COMMITTEE

With reference to Article 8 of the minute of meeting of this Committee of 29 November 2022, there was submitted Report No 9/23 by the Service Leader – Internal Audit presenting detailed risk information to the Scrutiny and Audit Committee in line with the programme agreed by this Committee in June 2022 (Report 163/22 refers) and subsequently confirmed in August 2022 (Report 207/22 refers).

The Director of HR, OD, DE, IT and Business Support provided a brief introduction, thereafter Andrew Howe, Service Leader, Digital Enablement and IT gave an informative update on the IT Resilience and Cyber-Attack (Business Continuity) Risk.

In providing background, the Service Leader confirmed that cyber-attacks were increasingly common and government and public sector organisations targeted regularly and emphasised that a dedicated team were in place to focus on mitigating controls. In addition to the preventative measures in place, there was also focus on incident management and incident response to ensure the impact of any successful cyber-attack was minimised.

Cyber criminals had dedicated tools and resources to carry out advanced attacks, and over the years the main focus had been on technical control which continued but additionally there was now an increased focus on process and people.

In providing examples of cyber-attacks, he intimated that in line with an industry wide move, the strategy was to migrate service to the cloud highlighting that the organisation and staff would benefit from improved communication and collaboration tools including the flexibility and efficiencies provided by cloud computing and agile working. On that basis, he indicated that there was a risk-based approach to cyber security and that the controls and mitigations in place were proportionate and in line with industry best practices.

Councillors Fotheringham and Doran raised questions in terms cloud security and given the significant increase in cyber-attacks whether there were any proposals to provide a briefing update session to elected members, and in response, the Service Leader indicated that he would be content to facilitate a briefing session for members, going forward.

The Committee agreed:-

- (i) to note the information presented in relation to the IT Resilience and Cyber-Attack (Business Continuity) Risk; and
- (ii) that there were no changes to the programme of risk reporting in Section 3 of the Report in light of the changes highlighted at Section 4.2 of the Report.

9. COST OF LIVING SYSTEMS AND ACTIONS

With reference to Article 12 of the minute of meeting of Angus Council of 3 November 2022, there was submitted Report No 10/23 by the Depute Chief Executive providing an update on the systems and actions being implemented by Angus Council and its partners to address the impact of the cost of living crisis on Angus citizens and communities.

The Report indicated that an update on the cost of living crisis was included as part of the Recovery and Renewal report presented to Angus Council on 3 November 2022. In addition, the Council had approved the distribution of £1.672m from the Scotland Government Local Authority Covid-19 Economic Recovery LACER Fund on 30 June 2022.

The fund targeted areas including:- Child Poverty; Fuel Poverty/Cost of Living; Food Poverty; Climate Change/Transport Poverty; and Town Centres – Economic Growth, with the breakdown of spend and fund update outlined in Sections 3 and 4 of the Report.

Angus Council and its partners were working to ensure support was given to those who needed it most. LACER funding was supporting much of the work currently underway and the demand pressures on services was being monitored. It was anticipated that the cost of living crisis would continue for some time and that the ongoing service and support demands would create challenges in terms of the level of support the Council and its partners could sustain, particularly once the current LACER funding was exhausted.

Appendices 1 and 2 of the Report detailed information related to the Cost of Living Roadshow and Headteacher survey and data.

The Depute Chief Executive provided a brief update and also intimated that the Report had been brought forward for members to consider whether the scope and effectiveness of the systems established by the Council were adequate. In reference to the comprehensive Report he highlighted the ongoing work to monitor the impact of the increased cost of living across the Angus communities.

Councillors Doran, Greig and Bell sought further clarification and information in relation to the LACER funding including flexibility of other funding sources to meet demand; number of bus passes issued including breakdown of areas; and future funding sources.

In response, the Depute Chief Executive intimated that there was concern across the community planning partnership around the interventions being put in place which were directly funded by the LACER fund, and the risk around when the current funding was exhausted, as to how the services and support could be sustained going forward.

The Service Leader – Vibrant Communities and Sustainable Growth also confirmed that demand for LACER funding was high and at present there was a small surplus in the fund. She also confirmed that work was ongoing to leverage other funding options and that the project was ready to proceed, but subject to external monies being made available.

In terms of the Targeted Free Public Transport, the Director of Finance advised that 27 bus passes had been issued and that he would require to look further into the breakdown of areas and revert back to Councillor Greig in due course.

Councillors Louise Nicol and Fotheringham highlighted that the Cost of Living Roadshows had been well received and good feedback provided.

Thereafter, the Committee agreed:-

- (i) to acknowledge the work currently being undertaken to support people with the cost of living across Angus; and
- (ii) to note the scope and effectiveness of the systems established by the Council and its partners to address the impact of the cost of living crisis on our citizens and communities.

10. REGULATION OF INVESTIGATORY POWERS (SCOTLAND) ACT 2000 QUARTERLY REPORT

With reference to Article 10 of the minute of meeting of this Committee of 29 November 2022, there was submitted Report No 11/23 by the Director of Legal and Democratic Services advising members of the use of surveillance powers by the Council in terms of the Regulation of Investigatory Powers (Scotland) Act 2000 in the period 1 October 2022 to 31 December 2022.

The Report indicated that Angus Council was a public authority for the purpose of the Regulation of Investigatory Powers (Scotland) Act 2000 ("RIP(S)A") and had the power to authorise directed covert surveillance and the use of covert human intelligence sources. Covert activities covered by RIP(S)A would be lawful if the activities were authorised and if they were conducted in accordance with the authorisation.

In the period 1 October 2022 to 31 December 2022, one covert surveillance activity was authorised with no authorisations in respect of the use of a Covert Human Intelligence Source.

The Director of Legal and Democratic Services referred to the one authorisation for covert surveillance activity, and advised that no further details could be provided to members but confirmed that all relevant processes had been followed in accordance with legal requirements and that the authorised activities were conducted in accordance with the authorisation.

The Committee agreed:-

- (i) to note that one authorisation was granted for surveillance and other investigatory activities regulated by the Regulation of Investigatory Powers (Scotland) Act 2000 in the period 1 October 2022 to 31 December 2022; and
- (ii) to note that an annual report was considered and approved at the Policy and Resources Committee on 25 October 2022 on Policy and Guidelines on the use of covert surveillance, covert Human Intelligence Sources and surveillance through social media.

11. CHANGE PROGRAMME UPDATE

With reference to Article 8 of the minute of meeting of the Policy and Resources Committee of 6 December 2022, there was submitted Report No 408/22 by the Director of Strategic Policy, Transformation and Public Sector Reform providing a progress update in relation to the Council's Change Programme, relating to the 3-year planning period (2022/23 to 2024/25).

The Report indicated that during the reporting period, there had been some adjustments and re-profiling of savings resulting in an updated target position of £6.678m for 2022/23 (a

decrease of £0.233m), while the 3-year period total had decreased to £21.282m (a slight decrease of £0.190m).

This amended position was mainly due to a full assessment of each project being undertaken to measure the deliverability of the full savings target. Details of these variances were explained in Section 5.2 of the Report.

The Service Leader, Governance and Change provided a brief update and confirmed that 98% of the projects for 2022/23 had now been completed.

The Committee agreed to note the progress update in relation to the Council's current Change Programme (2022/23 to 2024/25), along with the summary included in Appendix 1 to the Report.