

ANGUS COUNCIL

MINUTE of HYBRID MEETING of the **SCRUTINY AND AUDIT COMMITTEE** held in the Town and County Hall, Forfar on Tuesday 25 April 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 AND LOIS SPEED.

Councillor FOTHERINGHAM, Convener, in the Chair.

1. APOLOGIES/SUBSTITUTES

Apologies for absence were intimated on behalf of Councillors Ronnie Proctor MBE and Derek Wann, with Councillor Ian McLaren substituting for Councillor Proctor.

2. DECLARATIONS OF INTEREST/STATEMENTS OF TRANSPARENCY

There were no declarations of interest or statements of transparency made.

3. MINUTE OF PREVIOUS MEETING

The minute of meeting of this Committee of 9 March 2023 was approved as a correct record and signed by the Convener.

4. ANGUSALIVE ANNUAL PERFORMANCE REPORT 2021/22

With reference to Article 8 of the minute of meeting of this Committee of 1 March 2022, there was submitted Report No 106/23 by the Director of Strategic Policy, Transformation and Public Sector Reform presenting the ANGUSalive's Annual Performance Report for 2021/22.

The Report focussed on ANGUSalive's key achievements and developments during 2021/22 and included a financial overview. More detailed financial information was available in ANGUSalive's Report and consolidated financial statements for the period ended 31 March 2022, which were accessible direct from Office of the Scottish Charity Regulator (OSCR)/ Companies House.

Councillors Doran, Gall, Bell, Greig and Speed raised questions and sought further information in relation to the Culture App, customer feedback, financial position in terms net surplus/deficit position including recovery plan, staff costs, visitor numbers including future sustainability, digital library data and demographics; breakdown of ANGUSalive group expenditure in relation to 78% of staff costs, the delivery and promotion of the Council's ACCESS services; reserves position and an update in regards to future projected attendances and events at the Reid Hall, Forfar.

In response, the Director of Strategic Policy, Transformation and Public Sector Reform provided an update in terms of the Council's Change Programme including £500k targeted savings and future proposals under discussion.

Thereafter, Kirsty Hunter, Chief Executive, ANGUSalive responded to members questions and comments and agreed that further customer feedback would be incorporated into future reports. She also confirmed that information in regards to previous customer feedback, digital library data and demographics, and breakdown of senior management costs in comparison to other staff costs would be made available to Councillors Bell, Doran and Greig following the meeting.

In response to Councillor Speed's question in terms of the promotion of the Council's ACCESS service, Ms Hunter indicated that she would take on board any suggested feedback and ideas

in this regard, and would also welcome further dialogue with Councillor Speed following today's meeting.

The Committee, having reviewed, agreed to note the ANGUSalive Annual Performance Report for 2021/22 as outlined in Appendix 1 to the Report.

5. INTERNAL AUDIT ACTIVITY UPDATE

With reference to Article 8 of the minute of meeting of this Committee of 9 March 2023, there was submitted Report No 107/23 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 highlighted progress with the Internal Audit activity; and provided a summary of the Adults with Incapacity (AWI); GDPR Compliance (Education and Lifelong Learning) and Private Water Supplies Legislation Internal Audit reviews and the Health and Safety – Consultancy update.

Eunice McLennan, Head of Community Health and Care Services in providing a background update, also highlighted the key areas of the Adults with Incapacity (AWI) Internal Audit review which had concluded that the overall level of assurance for the period covered by the audit testing was "No Assurance."

Work was progressing well in order to address the deficits with an action group established to review the identified actions including those outlined in the previous improvement plan.

Updates were also provided in relation to the Rapid Improvement Event (RIE) and follow up events to finalise the operational instructions; staff training planned for July to September; a list of issues and requirements with Eclipse had been compiled for submission to the Eclipse Board; and confirmed that issues had been addressed in 38 out of 40 cases with the remaining 2 cases being progressed. The Mental Health Officers (MHO) team had also been relocated back into the Mental Health and Wellbeing Service.

In conclusion, the Head of Community Health and Care Services highlighted that matters were being addressed promptly with all areas of concern being covered.

Councillor Bell welcomed the assurance provided thereafter in response to Councillor Doran's question, the Service Leader, Internal Audit advised that follow up work would be progressed and monitored through the Council's Pentana system and thereafter reported back to Committee in due course.

The Director of Finance, in response to Councillor Shepherd's questions in relation to GDPR Compliance (Education and Lifelong Learning) review, confirmed that the Data Protection Officer was now in place and in terms of the Brunton Block, Arbroath advised that the clear out of records had been completed.

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. CIIA REPORT – FRAUD IS ON THE RISE

There was submitted Report No 108/23 by the Service Leader, Internal Audit presenting the Chartered Institute of Internal Auditor's (CIIA) Audit Committee Briefing "Fraud is on the rise" Report, and an update on Internal Audit's consideration of the Council's arrangements in relation to the key questions outlined in the Report.

The Report provided information to assist members to understand the fraud landscape and how the Council should be working to counter fraud risks. Section 4 of the Report outlined the CIIA questions for audit committee including the Internal Audit's response.

Appendix 1 to the Report provided an overview of the current fraud risks as assessed by the CIIA.

The Service Leader, Internal Audit and the Team Leader, Counter Fraud responded to questions raised from Councillors Bell, Devine and Greig in relation to the impact of Brexit; working at home particularly around staff management, and whistleblowing.

The Committee agreed to note the contents of the Report.

7. TREASURY MANAGEMENT STRATEGY STATEMENT 2023/24

With reference to Article 5 of the minute of meeting of Angus Council of 16 March 2023, there was submitted Report No 89/23 by the Director of Finance seeking members approval of the proposed Treasury Management Strategy for Angus Council for financial year 2023/24. The production of a Treasury Management Strategy Statement for the forthcoming financial year was a requirement of the Treasury Management in the Public Services Code of Practice issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).

Following questions from Councillors Bell and Shepherd in relation to IFRS 16 Leasing and debt rescheduling and having heard from the Director of Finance, the Committee having reviewed and scrutinised, agreed to note the Treasury Management Strategy Statement and Annual Investment Strategy for 2023/24, attached as Appendix A to the Report.

8. EXTERNAL AUDIT – ANNUAL AUDIT PLAN 2022/23

With reference to Article 11 of the minute of meeting of this Committee of 1 March 2022, there was submitted Report No 109/23 by the Director of Finance presenting the External Auditor's Annual Audit Plan for 2022/23.

The Report indicated that this was the first Audit Plan from the Council's new auditor and reflected some changes made by Audit Scotland in how best value was assessed through the annual audit process.

The summarised work plan for the 2022/23 external audit of Angus Council outlined the main areas including financial statements audit planning; wider scope and Best Value; reporting arrangements, timetable and audit fee and other matters.

The 2022/23 significant audit risks were outlined in Exhibit 2 of the Appendix to the Report.

Mark Laird, Senior Audit Manager, Audit Scotland provided a detailed overview and highlighted the various aspects of the Report and also responded to Councillors Bell and Doran's questions in relation to Exhibit 2, Estimation in valuation of land and buildings and climate change.

The Committee having reviewed, agreed to note the proposed External Auditor's Annual Audit Plan for 2022/23.

9. DETAILED RISK REPORTING TO SCRUTINY AND AUDIT COMMITTEE

With reference to Article 11 of the minute of meeting of this Committee of 9 March 2023, there was submitted Report No 110/23 by the Service Leader, Internal Audit presenting detailed risk

information in line with the programme agreed by this Committee in June 2022 (Report 163/22) and confirmed in August 2022 (Report 207/22).

The Service Leader, Planning and Sustainable Growth highlighted that since the update of the Climate Change Risk provided last year, a significant range of activity had been undertaken including the Net Zero Action Plan highlighting that whilst there was resource within the Planning and Sustainable Growth Service, climate change linked with all areas of the Council's work.

In terms of the Sustainable Energy and Climate Action Plan, she confirmed that an officer was now in post and that a review would be undertaken and reported to Committee in November. Work was in progress to set up and structure the Steering Group which included elected members and business representations.

Data was being gathered in terms of the Annual Public Bodies Duty Report with a report being brought forward to full Council in November 2023. In terms of Angus Council Carbon Insetting Potential, the guidance from Scottish Government was still awaited.

In relation to the Local Heat and Energy Efficiency Strategy (LHEES), a funding package of £75k had been agreed by COSLA and Scottish Government to support the development of LHEES. Consultancy support had been procured and plan in progress which required to be produced by the year end.

The Sustainable Scotland Network Climate Change Impacts Assessment guidance on inclusion in committee reporting was still awaited in relation to action - Embed Climate Change impacts into all Angus Council activities and decisions.

In terms of the Develop and deliver a programme of land use adaptation projects action, the focus had been on developing landscape scale projects. The multi stakeholder Nature Restoration Fund (NRF) development phase project with funding of £145k was underway in Angus Glens. A report was scheduled to be brought forward to the Communities Committee in May 2023. Corporate NRF projects were being delivered annually.

The Service Leader thereafter responded to questions raised by Councillor Bell, Devine and Doran in relation to land use adaptation projects; SECAP Working Group; and carbon emissions costs and impacts of all Council activities and decisions.

The Committee agreed to note the contents of the Report and the information presented in relation to the Climate Change Risk.

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

With reference to Article 10 of the minute of meeting of this Committee of 31 January 2023, there was submitted Report No 111/23 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 January 2023 to 31 March 2023.

The Report indicated that in the period 1 January 2023 to 31 March 2023, 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 provided a brief overview of the Report.

Councillor Speed enquired whether surveillance powers were being exercised enough to address and tackle issues arising as a result of anti-social behaviour. In response, the Director of Legal and Democratic Services advised that she would require to obtain further information from the service in terms of the number and type of complaints received including legal support provided and would revert back in due course.

The Committee agreed 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 January 2023 to 31 March 2023.