

ANGUS COUNCIL

MINUTE of HYBRID MEETING of the **SCRUTINY AND AUDIT COMMITTEE** held in the Town and County Hall, Forfar on Thursday 26 October 2023 at 2.00pm.

Present: Councillors CRAIG FOTHERINGHAM, GAVIN NICOL, CHRIS BEATTIE, BRIAN BOYD, LYNNE DEVINE, IAIN GALL, IAN MCLAREN, LOUISE NICOL, JILL SCOTT AND LOIS SPEED.

Councillor FOTHERINGHAM, Convener, in the Chair.

Prior to the commencement of business, the Convener welcomed Mrs Liz McKenzie, Committee Officer to her first meeting of the Scrutiny and Audit Committee.

1. APOLOGIES/SUBSTITUTES

Apologies for absence were intimated on behalf of Councillors Julie Bell, Heather Doran, Ross Greig, Ronnie Proctor MBE, Martin Shepherd and Derek Wann, with Councillors Brian Boyd, Jill Scott and Ian McLaren substituting.

2. DECLARATIONS OF INTEREST/STATEMENTS OF TRANSPARENCY

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

3. MINUTES OF PREVIOUS MEETINGS

The minutes of meetings of this Committee of 22 August and 29 August 2023 were approved as correct records and signed by the Convener.

4. ANNUAL PERFORMANCE REPORT 2022/23

With reference to Article 10 of the minute of meeting of Angus Council of 7 September 2023, there was submitted Report No 239/23 by the Chief Executive presenting the Angus Council Plan Annual Performance Report for 2022-2023 covering the period 1 April 2022 to 31 March 2023.

The annual performance report for 2022/23 focused on what had been achieved over the previous 12 months including key statistics, improvements and how work had progressed over year. The performance report was designed to show how the Council was delivering on the Council's vision to make Angus a great place to Live, Work and Visit. The Report built on the work undertaken on the Strategy on a Page and the Best Value Audit which was shown highlighted throughout the Report and which would be the focus on performance reporting moving forward.

Following questions from Councillors Devine, Boyd, Scott and Gavin Nicol, and having heard from officers in response, the Committee agreed, to approve the Angus Council Plan Annual Performance Report 2022/23, attached as Appendix 1 to the Report.

5. PETITION – RENAMING OF CUMBERLAND CLOSE, KIRRIEMUIR

There was submitted Report No 277/23 by the Director of Legal, Governance and Change, advising members of a petition which had been received in connection with the re-naming of Cumberland Close, Kirriemuir.

The Petition sought permission to re-name Cumberland Close, Visocchoi's Close, and a copy of the covering letter submitted with the petition along with details of its rationale which was also submitted with the petition were attached as Appendix 1 to the Report. Background information was also submitted with the petition.

Having heard from the Convener, the Committee agreed to refer the Petition to Angus Council for consideration.

6. ANNUAL ACCOUNTS 2022/23 AND ANNUAL AUDIT REPORT TO MEMBERS

At this point Pauline Gillen, Mark Laird and Neil O'Connor from Audit Scotland joined the meeting.

With reference to Article 9 of the minute of meeting of this Committee of 29 November 2022, there was submitted Joint Report No 278/23 by the Chief Executive and the Director of Finance presenting Audit Scotland's Annual Audit Report to Members on the 2022/23 Audit of Angus Council and Angus Council Charitable Funds and requesting members of the Committee to approve the 2022/23 Audited Annual Accounts of Angus Council and Angus Council Charitable Funds for signature.

The Service Leader – Finance provided an overview of the key areas of the Report and in particular made reference to pensions liability. He also extended his appreciation to the External Auditors for the expeditious manner in which the 2022/23 audit had been conducted and to his own team for all their hard work.

The Auditor's report identified five new actions for the Council to consider for 2022/23 and highlighted that good progress had been made on prior year recommendations but for those actions not yet implemented, revised responses and timescales had been agreed by as detailed in Appendix 1 to the Report.

In relation to the Angus Council Charitable Funds 2022/23 Annual Accounts, 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 subject to the Committee approving the Accounts for signature. The audited accounts would be presented to a meeting of Trustees in December 2023.

Pauline Gillen, Audit Scotland, provided a detailed overview of Appendices A and B of the Report to the Committee and answered members' questions.

Following questions and comments, Councillor Proctor took the opportunity to commend the Director of Finance, his team and Audit Scotland for presenting the report so comprehensively.

The Committee agreed:-

- (i) to note the content of Audit Scotland's Annual Audit Report Covering Letter, appended as Appendix A to the Report;
- (ii) to note the content of Audit Scotland's Annual Audit Report to Members, appended as Appendix B to the Report;
- (iii) to approve for signature, in accordance with the Local Authority Accounts (Scotland) Regulations 2014, the 2022/23 Audited Annual Accounts of

Angus Council; and
Angus Council Charitable Funds;
- (iv) to note the summary of the main movements within the Angus Council Audited Annual Accounts, appended as Appendix C to the Report; and
- (v) to note the key messages and the 2022/23 Action Plan within the Annual Audit Report to Members.

At this point Pauline Gillen, Mark Laird and Neil O'Connor from Audit Scotland left the meeting.

7. LOCAL GOVERNMENT IN SCOTLAND – FINANCIAL OVERVIEW 2021/2022 AND OVERVIEW 2023

With reference to Article 8 of the minute of meeting of this Committee of 23 August 2022, there was submitted Joint Report No 279/23 by the Director of Finance and the Director of Legal, Governance and Change presenting the Accounts Commission's Local Government in Scotland Overview Reports - Financial Overview 2021/22 and the 2023 Overview.

The financial overview provided a high-level independent analysis of the financial performance of Scotland's Councils during 2021/22 and their financial position at the end of that year. It also

looked ahead and commented on the financial outlook for Councils in the medium and longer terms. The 2023 Overview Report was the third and final in the series and drew on the findings from the financial overview.

The Reports were an important tool to highlight to councillors, officers and the public, the issues Councils were most concerned about and which may require addressing.

In reference to the Financial Overview Report 2021/22, the Director of Finance provided an informative overview and intimated that the Report and Appendices provided a high-level independent analysis of the financial performance of councils during 2021/22 and the financial position at the end of that year. It also set out some of the longer-term financial challenges facing councils in the context of the Scottish Government's Resource Spending Review and the cost-of-living crisis.

The Director of Legal, Governance and Change also provided an informative overview of the key messages which were summarised under five main themes, namely; finance and resources, community needs and inequalities, collaboration, leadership; and workforce.

Thereafter, the Committee agreed:-

- (i) having reviewed, to note the content of the Accounts Commission's 2021/22 Financial Overview Report for Local Government, appended as Appendix A to the Report;
- (ii) having reviewed, to note the content of the Accounts Commission's 2023 Overview Report for Local Government, appended as Appendix B to the Report;
- (iii) to note supplement 1 that accompanied the 2023 Overview Report, appended as Appendix C to the Report, which provided a range of case studies to illustrate examples and practice in relation to the five themes focussed on in Report;
- (iv) to note supplement 2 that accompanied the 2023 Overview Report, appended as Appendix D to the Report, that provided several questions to assist elected members scrutinise and understand the Council's performance; and
- (v) to note that the Reports were about Local Government in Scotland as a whole rather than Angus Council specifically.

8. BEST VALUE THEMATIC WORK IN COUNCILS 2022-2023

There was submitted Report No 280/23 by the Chief Executive presenting Audit Scotland's report on 'Angus Council Leadership of the development of new local strategic priorities', which was part of Audit Scotland's Best Value thematic work in councils 2022/23.

The Report indicated that in 2023, the Accounts Commission/Audit Scotland had introduced a new approach to auditing Best Value in Scottish councils. The new approach continued to audit against the statutory duty but was now fully integrated with the annual audit at each council. It also included detailed work each year, focusing on a theme across all of the councils, which would be collated into a national report.

Audit Scotland's 2023 Report provided further assurance to members that Angus Council was working in a manner that was well aligned with the Best Value principles under review as part of the thematic audit. The Report included five improvement actions which were outlined in Section 5 of the Report. The improvement actions, along with the Council's management response, would be added to the Council's performance management system – Pentana - and reported to this Committee as part of the Corporate Governance improvement action update reports.

The Committee agreed:-

- (i) having reviewed, to note the content of Audit Scotland's Best Value thematic report: 'Angus Council Leadership of the new local strategic priorities'; and
- (ii) to note the Key Messages and the Improvement Actions which had been included in Audit Scotland's Report.

9. INTERNAL AUDIT ACTIVITY UPDATE

With reference to Article 11 of the minute of meeting of this Committee of 29 August 2023, there was submitted Report No 281/23 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 provided an update in relation to the Internal Audit activity within the Council and provided 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 reviews completed in relation to Payroll and IT Asset Hardware Inventory.

The Committee agreed:-

- (i) to note the update on progress with the planned Internal Audit work, as outlined in Appendix 1 to the Report;
- (ii) to note management's progress in implementing internal audit and counter fraud recommendations, as outlined in Appendix 1 to the Report;
- (iii) to note the addition of a Serious Organised Crime audit to the 2023/24 plan; and
- (iv) to note that there had been no change in the guidance relating to the Audit Charter, and that no update was required at this time.

10. DETAILED RISK REPORTING TO SCRUTINY AND AUDIT COMMITTEE

With reference to Article 7 of the minute of meeting of this Committee of 29 August 2023, there was submitted Report No 282/23 by the Service Leader - Internal Audit presenting detailed risk information to members in line with the programme agreed by the Committee in June 2023.

The Report detailed the timetable for individual risk presentations, based on the Corporate Risk Register as of 9 May 2023.

The Director of Legal, Governance and Change was heard in relation to legislation risk and the measures currently in place to ensure that services within the Council were fully aware of new legislative requirements and the steps implemented to mitigate any risk.

The Committee agreed to note the information presented in relation to Legislation risk.

11. COMPLAINTS AND COMPLIMENTS REPORT – QUARTER 1

With reference to Article 9 of the minute of meeting of this Committee of 29 August 2023, there was submitted Report No 283/23 by the Director of Legal, Governance and Change highlighting the complaints received in Quarter 1 from 1 April – 30 June 2023 and providing assurance to members that work was ongoing to learn from complaints received by Angus Council. The Report also included details of compliments received during this period.

The Report provided a summary of records logged by customers by Directorate and service area and outlined the four key Performance Indicators that the Scottish Public Services Ombudsman used to monitor practice and identify trends.

The Director of Legal, Governance and Change provided an overview of the key areas of the Report.

The Committee thereafter agreed: -

- (i) to note the complaints statistics for the period 1 April to 30 June 2023;
- (ii) to note the sample of compliments received for the period; and

- (iii) to note the complaints received by each of the Council's Directorates as outlined in Appendix 1 to the Report.

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

With reference to Article 8 of the minute of meeting of this Committee of 29 August 2023, there was submitted Report No 284/23 by the Director Legal, Governance and Change 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 July to 30 September 2023.

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 July to 30 September 2023 one covert surveillance activity had been authorised and there were no authorisations in respect of the use of a Covert Human Intelligence Source.

The Director of Legal, Governance and Change 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 to note that one authorisation had been granted for surveillance and other investigatory activities regulated by the Regulation of Investigatory Powers (Scotland) Act 2000, in the period 1 July to 30 September 2023.