

# **ANGUS COUNCIL**

MINUTE of HYBRID MEETING of the **SCRUTINY AND AUDIT COMMITTEE** held in the Town and County Hall, Forfar on Tuesday 22 April 2025 at 2.00pm.

**Present:** Councillors CRAIG FOTHERINGHAM, GAVIN NICOL, CHRIS BEATTIE, JULIE BELL, SERENA COWDY, LYNNE DEVINE, IAIN GALL, ROSS GREIG, LOUISE NICOL, RONNIE PROCTOR MBE, LOIS SPEED AND DEREK WANN.

Councillor FOTHERINGHAM, Convener, in the Chair.

## **1. APOLOGIES/SUBSTITUTES**

There were no apologies for absence intimated.

## **2. DECLARATIONS OF INTEREST/STATEMENTS OF TRANSPARENCY**

Mrs McKenzie, Committee Officer made a declaration of interest in relation to items 9 and 10, Report No 127/25, due to a personal connection. She indicated that she would leave the meeting during consideration of the items.

## **3. MINUTE OF PREVIOUS MEETING**

The minute of meeting of this Committee of 4 March 2025 was approved as a correct record and signed by the Convener.

## **4. EXCLUSION OF PUBLIC AND PRESS**

The Committee noted that the public and press would be excluded from the meeting during consideration of item 10 so as to avoid disclosing confidential information in terms of Section 50A(2) and (3)(b) to the Local Government (Scotland) Act 1973.

## **5. TREASURY MANAGEMENT STRATEGY STATEMENT 2025/26**

With reference to Article 6 of the minute of this meeting of this Committee of 23 April 2024, there was submitted Report No 112/25 by the Director of Finance, seeking members approval of the proposed Treasury Management Strategy for Angus Council for financial year 2025/26. 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.

The 2025/26 Treasury Management Strategy Statement and Annual Investment Strategy set out the expected treasury management activities for the forthcoming financial year and was attached as Appendix 1 for consideration and approval. Appendix 1 of the report contained a number of Annexes which were required to fully comply with the Treasury Management Code of Practice and as such were necessarily of a more technical nature. They contained additional information and explained aspects of the core strategy document, except for Annex D which contained statutory indicators that required to be considered and approved by members.

The Committee, having reviewed and scrutinised, agreed to note the proposed Treasury Management Strategy Statement and Annual Investment Strategy for 2025/26 as outlined in Appendix A to the Report.

## **6. CORPORATE RISK REGISTER AND RISK MANAGEMENT UPDATE**

With reference to Article 10 of the minute of meeting of this Committee of 23 January 2024, there was submitted Report No 124/25 by the Director of Finance updating members on the Council's Corporate Risk Register following a detailed review undertaken by the Corporate Leadership Team.

The Report provided an update on progress with actions from an internal audit of Risk Management undertaken in 2024, for information. Progress in addressing the audit actions and development of a new Corporate Risk Register had been substantially impacted by limited

resources in this area compounded by staff absence and a necessity for the Director of Finance to focus on other priority work. This meant that no update on the Corporate Risk Register had been provided to the Committee since January 2024, however, it was noted that risk owners had continued to monitor those risks and deliver agreed actions.

The Report also provided an update on progress with addressing actions arising from the internal audit report and set out a new Corporate Risk Register for the Council, which the Committee reviewed and scrutinised.

Following questions and comments, the Committee agreed:-

- (i) to note the update on the actions arising from the 2024 internal audit of Risk Management as set out within the Report; and
- (ii) having reviewed and scrutinised the updated corporate risk register, to note all risks contained therein as set out within Appendices 1 and 2 of the Report.

## **7. ANNUAL INTERNAL AUDIT PLAN 2025/26**

With reference to Article 12 of the minute of meeting of this Committee of 23 April 2024, there was submitted Report No 125/25 by the Service Leader – Internal Audit presenting the Service Leader’s Annual Internal Audit Plan for 2025/26, for approval.

The Report indicated that the Global Internal Audit Standards (UK Public Sector) which had replaced the Public Sector Internal Audit Standards on 1 April 2025, required the Service Leader - Internal Audit to set a risk-based audit plan sufficient to provide the required assurances to members and officers in relation to corporate governance, risk management and internal controls.

Appendix 1 to the Report outlined the outcomes of the annual planning exercise and the Service Leader’s proposed 2025/26 Internal Audit Plan.

The Service Leader, Internal Audit provided a brief overview of the key areas of the Report including the planning approach and assurance framework.

Following questions, the Committee agreed:-

- (i) to note that a risk-based approach methodology had been utilised to develop the proposal Internal Audit Plan for 2024/25; and
- (ii) to approve the proposed 2024/25 Internal Audit Plan.

## **8. INTERNAL AUDIT STRATEGY, MANDATE AND CHARTER**

There was submitted Report No 126/25 by the Service Leader – Internal Audit, presenting the Internal Audit Mandate and Charter and the Internal Audit Strategy required by new Global Internal Audit Standards (GIAS) (UK Public Sector) to members for consideration and approval.

The Report indicated that Local Authorities in Scotland were required by regulation to have an Internal Audit service and to conform with recognised standards and practices in relation to internal auditing. The recognised standards had been revised and the previously applicable Public Sector Internal Audit Standards were replaced by GIAS (UK Public Sector) from 1 April 2025.

GIAS (UK Public Sector) required the Chief Audit Executive to prepare an Internal Audit Strategy with input from senior managers and the audit committee. It also required input from senior management and the audit committee for the Internal Audit Mandate and Charter. Drafts of these documents were discussed with the Corporate Leadership Team for their input on 18 March 2025 and with the Scrutiny and Audit Committee members at their self-evaluation session on 25 March 2025. The documents were presented at Appendices 1 and 2 attached to the Report.

Following questions, the Committee agreed:-

- (i) to approve the Internal Audit Mandate and Charter, detailed within Appendix 1; and

- (ii) to note that the strategy, detailed within Appendix 2, would aid Internal Audit in achieving the agreed Mandate.

At this point in the meeting (14:25) Councillor Martin Shepherd joined the meeting remotely.

*Prior to consideration of the following Item, the Committee having agreed Item 4 above, considered the exempt Appendix 2 in relation to Report No 127/25, in private.*

Having declared an interest at Article 2 above, Mrs McKenzie left the meeting prior to consideration of the following items.

Thereafter, the meeting resumed in public.

## **9. INTERNAL AUDIT ACTIVITY UPDATE**

With reference to Article 9 of the minute of meeting of this Committee of 3 December 2024, there was submitted Report No 127/25 by Service Leader – Internal Audit providing assurance through an update on Internal Audit matters including main finding from reports issued since the date of the last Scrutiny and Audit Committee; progress with implementation of agreed Internal Audit and Counter Fraud actions, and an update on the implementation of the action plan to ensure compliance with the new Internal Audit Standards – Global Internal Audit Standards (UK Public Sector).

The Report outlined the progress in delivering the agreed 2024/25 plan, which had been agreed at the Scrutiny and Audit Committee on 23 April 2024, and provided an overview of items from the 2023/24 plan that were incomplete in June 2024.

Internal Audit had issued a formal report for each review undertaken as part of the annual audit plan. The action plan within Appendix 3 of the Report was prepared under the SMART (Specific, Measurable, Achievable, Realistic, Timed) criteria which was agreed with management within the relevant services who nominate personal responsible for taking forward the actions and set their own completion date for each action. The agreed action plan formed an integral part of the final audit report and audit recommendations which were ranked to indicate materiality. SMART internal control actions which were also agreed following Counter Fraud investigations.

Following questions the Committee agreed:-

- (i) to note the update on progress with the planned Internal Audit work and one Counter Fraud Investigation detailed within Appendices 1 and 2;
- (ii) to note management's progress in implementing Internal Audit and Counter Fraud recommendations detailed within Appendix 1;
- (iii) to note the progress with implementing the requirements of the new GIAS (UK Public Sector detailed within Section 6 and Appendix 3 of the Report; and
- (iv) to note the Scottish Local Authorities Chief Internal Auditors' Group Annual Report from the Chair 2024 detailed within Section 7 and Appendix 4 of the Report.

## **10. INTERNAL AUDIT ACTIVITY UPDATE – APPENDIX 2**

The Committee noted that this item had been considered as part of Item 9 above.