

ANGUS COUNCIL

MINUTE of MEETING of the **SCRUTINY AND AUDIT COMMITTEE** held remotely on Thursday 27 October 2022 at 2.00pm.

Present: Councillors CRAIG FOTHERINGHAM, GAVIN NICOL, CHRIS BEATTIE, JULIE BELL, LYNNE DEVINE, HEATHER DORAN, IAIN GALL, ROSS GREIG, LOUISE NICOL, RONNIE PROCTOR MBE, LOIS SPEED and DEREK WANN.

Councillor FOTHERINGHAM, Convener, in the Chair.

It was noted that the Convener was experiencing connection issues. Councillor Gavin Nicol, Vice Convener took the Chair.

1. APOLOGIES/SUBSTITUTES

There were no apologies intimated.

2. DECLARATIONS OF INTEREST

There were no declarations of interest made.

3. MINUTE OF PREVIOUS MEETING

The minute of meeting of this Committee of 23 August 2022 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 23 August 2022, there was submitted Report No 351/22 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 from June 2022 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 provided an update on progress with the Internal Audit plan work, the internal audit reviews related to GDPR Compliance-Business Support; Business Support; Fostering, Adoption and Kinship Allowances; Corporate Parenting; System login access; and the Implementation of actions resulting from Internal Audit recommendations.

The Director of HR, Digital Enablement, IT and Business Support thereafter provided an update in relation to the Business Support consultancy review and highlighted that staff interviewed had indicated that they enjoyed working in the business support service and received good support from managers. In referring to the work in progress and the planned work, she intimated that this would reduce the pressures within the service, improve capacity and increase output. She also confirmed that the key learning points from this review would be taken forward in future.

Councillors Fotheringham, Gall, Devine, Greig and Doran raised questions and comments in relation to the secondment of the Service Leader- Internal Audit to Dundee City Council; System Login access audit; business support areas covered; and Corporate Parenting, particularly related to the training for staff and elected members. In response, the Service Leader – Internal Audit, the Director of HR, Digital Enablement, IT and Business Support and Depute Chief Executive provided updates.

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 the IJB audit plan for 2022/23 as outlined in Appendix to the Report;
- (iii) to note management's progress in implementing internal audit and counter fraud recommendations as outlined in Appendix 1 to the Report;
- (iv) to note the update on recent relevant publications from CIPFA, and that further information on these would come to this Committee, in future, as required; and
- (v) to note that there had been no change in the guidance related to the Audit Charter, therefore no update was required at this time.

The Convener re-joined the meeting during Agenda Item 4 at 2.03pm, and took the Chair from Item 5 onwards.

5. REVISION OF 2022/23 ANNUAL INTERNAL AUDIT PLAN

With reference to Article 10 of the minute of meeting of this Committee of 1 March 2022, there was submitted Report No 352/22 by the Service Leader - Internal Audit highlighting proposals for revision of audit work during 2022/23 following changes in the Internal Audit team.

The Report indicated that in terms of the Public Sector Internal Audit Standards (PSIAS), the Service Leader – Internal Audit was required to set a risk-based audit plan sufficient to provide the required assurance to members and officers in relation to the corporate governance, risk management and internal controls.

Several changes had taken place in the internal resource for 2022/23 since the plan had been agreed and further detail of the changes and mitigating actions taken were outlined in Section 3.2 of the Report.

It was also proposed that two audits be removed from the plan in relation to Procurement and the Consultancy review of Service Design work with external consultant.

The Service Leader – Internal Audit provided an overview of the proposed changes to the 2022/23 Internal Audit Plan and the changes in respect of the internal audit resource.

Councillor Greig raised concern in relation to the secondment of staff to other areas, and in response, the Chief Executive provided an update in terms of the recruitment challenges, and confirmed that Dundee City Council staff were also working within Angus Council at this current time, in other areas so it is very much a sharing of resources. She also emphasised that the secondment request had been fully considered and discussed with the Service Leader – Internal Audit.

In response, the Service Leader – Internal Audit advised that she was content that the arrangements in place, were strong and robust.

The Committee agreed:-

- (i) to note that the proposed changes to work for 2022/23 had been developed using a risk-based approach;
- (ii) to note that the work identified should allow the Service Leader - Internal Audit to provide an Annual Internal Audit Opinion in June 2023 without limitation of audit scope and that this position would be kept under review; and
- (iii) to approve the proposed changes to the 2022/23 Internal Audit Plan.

6. NATIONAL FRAUD INITIATIVE UPDATE

With reference to Article 9 of the minute of meeting of this Committee of 30 November 2022, there was submitted Report No 353/22 by the Service Leader - Internal Audit advising members of the publication of Audit Scotland's Report – 'The National Fraud Initiative in Scotland 2022'; also providing information on the National Fraud Initiative (NFI) planning for 2022/23 and a final update on the outcomes of NFI for 2020/21.

The Report indicated that Audit Scotland had published a national Report summarising the results of each biennial NFI. Section 4 of the Report summarised the Angus Council position in relation to the three recommendations outlined in the national report.

A summary of the NFI national and local outcomes were outlined in Section 5 of the Report.

Audit Scotland reported that 95% of the cash overpayments identified by the scheme were being recovered at 31 March 2022. Angus Council were also seeking to recover in full the overpaid Housing Benefit, Council Tax Reduction and Non-Domestic Rates.

The Service Leader provided a summary of the key areas of the Report, thereafter the Committee agreed:-

- (i) to note the Audit Scotland Report 'The National Fraud Initiative in Scotland 2022';
- (ii) to note the self-appraisal checklist outlined in Appendix 1 to the Report;
- (iii) to note the local outcomes from NFI 2020/21 of £604 from overpaid housing benefit; £11,743 from incorrect council tax reduction; £27,541 from Non-Domestic Rates and a notional value of £182,850 from cancelled Blue Badge permits; and
- (iv) to note the continued participation of Angus Council in NFI.

7. ANNUAL GOVERNANCE STATEMENT ASSURANCES UPDATE

With reference to Article 7 of the minute of meeting of this Committee of 23 August 2022, there was submitted Report No 354/22 by the Chief Executive advising members of an update to governance assurances in respect of ANGUSalve, who were included in the Council's group accounts.

The Report indicated that ANGUSalve's Internal Audit Report was received by the Council on 12 September 2022 and that subsequently the Council's Annual Governance Statement was updated to include the wording as described in Section 4.2 of the Report.

The ANGUSalve's Annual Performance Report for 2021/22 would also be submitted to the Scrutiny and Audit Committee meeting on 31 January 2023.

Having heard from the Chief Executive, the Committee agreed to note the update relating to the governance assurances from ANGUSalve and the additional information now included in the Council's Annual Governance Statement.

8. THE CIPFA FINANCIAL MANAGEMENT CODE – UPDATE AND SELF ASSESSMENT

There was submitted Report No 355/22 by the Director of Finance providing information to members on best practice guidance which applied to the Council's financial management arrangements; including the self -assessment of the Council's compliance with the best practice guidance undertaken.

The Report indicated that in October 2019 and partly in response to the significant financial pressures being faced by local authorities throughout the UK, CIPFA published its first Financial Management (FM) Code. The FM Code was designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability.

The six principles of the FM Code were:- Leadership, Accountability, Transparency, Standards, Assurance and Sustainability.

The implementation date for the FM Code was April 2020 however due to the impact of COVID-19 pandemic, the 2020/21 financial year was considered a shadow year. The first year of compliance was 2021/22, and the self-assessment against the Principles and Standards was outlined in Appendix 1 to the Report.

The Director of Finance gave a brief overview of the main key areas of the Report and also provided further detail in relation to the three actions outlined in the Report in respect of Principles 1, 3 and 5.

He also provided a response to Councillors Bell and Devine questions in relation to the self-assessment update timeline and the action outlined in Principle 3 – Transparency in regards to building consultation on the Council's financial strategy into Place, Planning and Engagement.

The Committee agreed:-

- (i) to note the best practice guidance published by CIPFA known as the Financial Management (FM) Code;
- (ii) to note the results from the recent self-assessment undertaken against the FM Code which showed strong compliance and only a small number of actions being required;
- (iii) having scrutinised, to note the self-assessment undertaken; and
- (iv) to note that updates to the self-assessment would be undertaken periodically (every 3-5 years) in the future, for reporting to this Committee.

9. DETAILED RISK REPORTING TO SCRUTINY AND AUDIT COMMITTEE

With reference to Article 11 of the minute of meeting of this Committee of 23 August 2022, there was submitted Report No 356/22 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).

Thereafter, the Service Leader, Governance and Change provided a presentation on the Partnership Risk highlighting the risk description, likelihood and potential impact.

In referring to the Best Value Audit 2022 Report, he drew members attention to one of the key messages which stated:-

“The Council and its partners have a clear vision for Angus, There is strong partnership working and collaboration. Partners across Angus worked well together to deliver services to those most in need during the COVID-19 pandemic. The Council is looking to learn from others how to engage effectively with communities on the service redesign required.”

The current risk score reported was overall risk -9, impact -3; likelihood – 3 with the risk target being overall-6, impact- 3 and likelihood-2.

He also highlighted the existing controls in place included regular meetings with a wide range of partners through Angus Community Planning Partnership, regular meetings with Chief Executives of neighbouring authorities; shared understanding that partnership working delivered economies of scale in certain areas; strategic commissioning function within Angus Council and liaison with Tayside Contracts, Angus Health and Social Care Partnership (AHSCP), ANGUSalve and Voluntary Action Angus (VAA) including council representation being in attendance at Tayside Contracts; AHSCP and ANGUSalve Strategic Board Governance meetings.

The additional mitigating actions in place were working with ANGUSalve and Tayside Contracts to align their priorities; continue to develop work with VAA and the third sector partners; and a review of the Community Plan to ensure that there was a plan in place that could deliver what people in Angus required.

In summary, he re-iterated the strong partnership working in Angus, but emphasised there was no scope to be complacent, also highlighted the significant Council spend, savings and financial pressures emerging that were unprecedented on the Council and partner agencies in relation to pay awards, inflation and rising demand. He also confirmed that the Partnership Risk would continue to be monitored over the coming months.

Councillors Bell and Fotheringham raised comments and questions in terms of the lack of reference to NHS Tayside as a key strategic partner, risk register and risk scoring.

Councillor Speed raised concerns that following the recent upgrades to gym equipment in Angus, she had been made aware that this equipment was not accessible to all. In referring to the budget constraints, she emphasised the importance of improving partnership working to ensure that disparities and issues were identified and addressed.

In response, the Chief Executive, the Service Leader, Governance and Change and the Head of Community Health and Care, provided updates.

Councillors Devine and Proctor intimated their support to the upgraded facility at Arbroath.

In response to the concerns raised by Councillor Speed in terms of inaccessible gym equipment, the Chief Executive and the Convener intimated these concerns would be raised with the Chief Executive of ANGUSalve in due course.

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

10. ANGUS ADULT PROTECTION COMMITTEE SIGNIFICANT CASE REVIEW (SCR) P19

With reference to Article 10 of the minute of meeting of this Committee of 25 January 2022, there was submitted Report No 357/22 by the Chief Executive presenting the progress being made against the Angus Adult Protection Committee (AAPC) Action Plan.

The Report indicated that the formation of a Commission as instructed by the Scottish Government, composed of Healthcare Improvement Scotland and the Care Inspectorate for Independent Assurance and Improvement Support, and the work undertaken with the Commission, Adult Protections Committees and Chief Officers had responsibility for commissioning SCRs to ensure any improvement actions were delivered.

There were 59 recommendations in the SCR Report assigned to a range of agencies including Angus Council and Angus Health and Social Care Partnership (AHSCP). Work was ongoing across all services to progress the improvement actions.

Appendices 1 and 2 of the Report outlined the progress update against the SCR P19 Action Plan in respect of AHSCP and Angus Council respectively.

The Chief Executive provided an overview and also highlighted that the Commission were satisfied with the progress made and that the SCR P19 Report and Action Plan would now be remitted back to the Angus Chief Officers' Group (COG) for future scrutiny.

Councillor Gall in reference to the interim escalation clause to be included in service specifications suggested that consideration should be given to including a direct telephone number instead of the ACCESSline numbers as detailed in Section 4.4 (3) of the Report.

Thereafter Councillor Bell in reflecting the discussion that also took place at the recent meeting of IJB in terms of the SCR P19 Report, emphasised that there had been considerable

assurance provided as a result of the work undertaken including the progress made with the improvement action plans.

The Committee agreed:-

- (i) to note the contents of the Report;
- (ii) having scrutinised, to note the Angus Adult Protection Committee Significant Case Review P19 Action Plan and progress being made as detailed in the Report and Appendices, with particular reference to the Angus Council and Angus Health and Social Care Partnership Improvement Actions;
- (iii) to note that the Commission comprising Healthcare Improvement Scotland and the Care Inspectorate for Independent Assurance and Improvement Support, had advised that they are satisfied with progress and were confident in the AHSCP's ability to complete their improvement actions; and had noted good progress with Angus Council's improvement actions; and
- (iv) that the scrutiny of the SCR P19 Report and progress with the Action Plan be returned to the Angus Chief Officers' Group (COG).

11. ANGUS HEALTH AND SOCIAL CARE PARTNERSHIP ANNUAL PERFORMANCE REPORT

With reference to Article 14 of the minute of meeting of this Committee of 24 August 2021, there was submitted Report No 358/22 by the Chief Officer providing an update to the Committee on the effect of activity on performance during 2021/22.

The Report built on previous performance reports presented to the Scrutiny and Audit Committee, and demonstrated the impact of some of the improvements being made across the Health and Social Care Partnership (HSCP) and how progress was being made towards delivering the vision, strategic shifts and planned improved outcomes for the people of Angus.

The aim of the Angus HSCP Strategic Commissioning Plan 2019-2023 was to progress approaches that supported individuals to live longer and healthier lives and this included having access to information and support within communities. The focus for Angus HSCP's was on health improvement and disease prevention including addressing health inequalities, building capacity within communities, supporting carers and supporting the self-management of long-term conditions. Section 4 of the Report detailed further information in terms of the Improving Health and Wellbeing measures.

Jillian Galloway, Head of Community Health and Care Services provided an overview of the key areas of the Report and highlighted the impact that COVID-19 continued to have on the reported data. Going forward, the focus was to improve access to evidence based alternatives such as social prescribing and the link in with ANGUSalive to provide access to evidence-based exercise programmes.

Councillors Fotheringham and Doran raised questions and sought further information in relation to Delayed Discharges, Prescribing particularly related to anxiety and depression medication; the reduction of people using the Alcohol and Drug Services and treated within three weeks of referral; and respite measures.

In response, Jillian Galloway provided an update and also confirmed that there had been no delayed discharges in Angus over the last four week period. She anticipated that the next interim Performance Report would demonstrate an improved performance going forward.

George Bowie, Head of Community Health and Care Services emphasised that the Respite measure should be treated carefully, given the impact that COVID-19 had had on respite provision. He also confirmed that current demands were now being met.

In reference to Delayed Discharges, Councillor Bell took the opportunity to highlight that at a recent meeting of NHS Tayside, there had been recognition of the outstanding work undertaken in Angus in respect of Delayed Discharges, and emphasised that delays reported were not attributed to Angus. Jillian Galloway in providing context, advised that 98% of patients in Tayside had been discharged without delay.

The Committee agreed, having reviewed the Report, to note the current Angus Health and Social Care Partnership Annual Performance Report 2021/2022.

12. ANNUAL CHIEF SOCIAL WORK OFFICER REPORT 2021/2022

With reference to Article 17 of the minute of meeting of this Committee of 24 August 2021, there was submitted Report No 359/22 by the Chief Social Work Officer presenting the Angus Council Chief Social Work Officer Annual Report for 2021 to 2022.

The Report indicated there was a requirement to ensure oversight and accountability within the local authority for all social work and social care services, including those delegated to the Integration Joint Board

The Report provided an overview of how Angus Council performed in the delivery of a wide range of social work and social care services during 2021/22 and also acknowledged the external pressures that had impacted on the delivery of services and increased service demand this year included the pandemic, the war in Ukraine, the emerging cost of living crisis and the budgetary pressures on all local authority and partner services. Further impact was the transformative change proposed in terms of the National Care Service.

The Chief Social Work Officer thereafter provided a brief summary of the key achievements and challenges and developments and improvements during 2021/22 and also responded to Councillor Doran's question in relation to the barriers and challenges in the recruitment of foster carers and Continuing Care.

Councillor Devine took the opportunity to commend the work undertaken by staff to ensure that children were safely looked after. She also highlighted the recent parkrun that had been undertaken in Arbroath to raise awareness of the need for foster carers, and also the recent meeting held in terms of the rollout of the PREpare approach to improving family engagement in child protection planning.

The Committee having scrutinised, agreed to note the contents of the Annual Chief Social Work Officer Report for 2021/2022 as outlined in the Appendix to the Report.

13. TREASURY MANAGEMENT ANNUAL REPORT 2021/22

With reference to Article 9 of the minute of meeting of Angus Council of 16 December 2021, there was submitted Report No 360/22 by the Director of Finance detailing the Council's treasury management arrangements, activity and performance during 2021/22.

The Report indicated that the financial year 2021/22 had seen some significant events that impacted on treasury operations related to the Economy and Interest Rates and Loans Fund Review. In summary, as a result of sound treasury management activity, the Council was able to meet all of its financial obligations and cashflow requirements during the financial year, without encountering any liquidity problems.

The Director of Finance provided an brief overview of the Report and also highlighted the significant events that had impacted on treasury operations during 2021/22.

The Committee agreed to note the 2021/22 Treasury Management Annual Report and associated Appendix to the Report.

14. CHANGE PROGRAMME UPDATE

With reference to Article 6 of the minute of meeting of the Policy and Resources Committee of 30 August 2022, there was submitted Report No 221/22 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 a significant review of the Change Programme had been undertaken during the period September 2021 to February 2022 as part of the preparation process for the Council's budget setting where the new baseline position had been agreed for the forthcoming financial year. The Report was therefore now focussed on reporting from that agreed baseline position set out in the Finance & Change Plan 2022 – 2025, which was agreed by the Council at its budget setting meeting on 3 March 2022 (Report 55/22 Appendix 2 refers). This included a savings target of £6,801,000 for 2022/23 within an overall savings target total of £20,110,000 over the 3-year period including 2023/24 and 2024/25.

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.

15. ANGUS JOINT CHILD POVERTY LOCAL ACTION REPORT: OUR BRIGHT FUTURES

With reference to Article 16 of the minute of Angus Council of 8 September 2022, there was submitted Report No 310/22 by the Depute Chief Executive presenting to this Committee for review and scrutiny, the Angus Community Planning Partnership's (ACPP's) Child Poverty Local Action Report 2021/22 and Action Plan 2022/23.

The Angus Community Planning Partnership had committed to put addressing poverty and wellbeing at the heart of all their strategic work.

The Child Poverty (Scotland) Act 2017 had introduced the requirement for local authorities and each relevant Health Board to jointly prepare an annual Child Poverty Local Action Report. The report set out the measures taken in the area of the local authority during the reporting year for the purpose of contributing to the meeting of the child poverty targets. The report, alongside the action plan, set out the background and current picture in Angus, what actions were being taken to tackle each of the three drivers of poverty and the planned way forward.

The plan should be read in conjunction with The Angus Promise Plan 2021-24 which focused on the specific needs of children, young people and families who were on the edges of the care system, in the system or have moved on to independence.

Councillor Greig re-iterated the concern raised at the recent Angus Council meeting, in relation to the name change of the Report to "Our Bright Futures Report" and suggested that the original title should also be noted on the front page of the Report.

The Depute Chief Executive, in response, acknowledged the concerns raised and emphasised that the title change did not diminish or downplay child poverty in any respect and was reflective of Angus Community Planning Partnership's commitment to address and eliminate child poverty and to focus on creating a brighter future. In highlighting the service design work undertaken, he also provided an update of some of the Partnership's activities and initiatives.

He also confirmed that the recent roadshow held in Arbroath had been well received with over 250 persons in attendance, who had been provided with support, information and advice.

Councillor Doran sought further clarity regarding the context and timeline for future regular updates to be brought forward, and in response, the Depute Chief Executive provided an overview and intimated that an update Report would be brought forward to the Committee in early course.

Councillor Speed emphasised the requirement to focus on the action plan to be taken forward to reduce poverty and anticipated that the change of name would not lessen the poverty issues.

The Committee having reviewed and scrutinised the Report, agreed to note the Angus Joint Child Poverty Report 2021/22 and Action Plan 2022/23.

16. ANGUS COUNCIL PLAN ANNUAL PERFORMANCE REPORT 2021/22

With reference to Article 6 of the minute of meeting of Angus Council of 8 September 2022, there was submitted Report No 302/22 by the Chief Executive presenting the Angus Council Plan Annual Performance Report for 2021/2022 covering the period 1 April 2021 to 31 March 2022.

The annual performance report for 2021/22 focused on what had been done for the previous 12 months, key statistics, improvements and how they were progressing. 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 (SoaP) and the Best Value Audit which was shown highlighted throughout the document and would be the focus on the performance reporting moving forward.

The Committee agreed to note the 2021/22 Angus Council Plan Annual Performance Report as appended to the Report.

17. ANGUS COMMUNITY PLANNING PARTNERSHIP ANNUAL PERFORMANCE REPORT 2021/22

With reference to Article 7 of the minute of meeting of Angus Council of 8 September 2022, there was submitted Report No 303/22 by the Chief Executive presenting the Angus Community Planning Partnership Annual Performance Report 2021/22 and the work delivered by the Angus Community Planning Partnership for the period 1 April 2021 to 31 March 2022.

The Annual Performance Report for 2021 – 2022 included: -

- Our Partnership Summary
- Legislative Context
- Our Performance – key areas of work
- 2030 Aspirations – Update.
- Sections on each priority including case studies: Reducing Child Poverty, Improving Mental Health & Wellbeing, Improving Accessibility and Connectivity
- 2022 Review of Community Plan

The performance report was designed to show how the partnership was delivering on our vision to make Angus a great place to live, work and visit and set the scene for the proposed Community Plan Review which would be tabled in November 2022. This review was aligned to the requirements in the Community Empowerment Act and would present a lot of opportunities for our communities to help shape the future direction of Community Planning in Angus 2022 – 2030.

Councillors Fotheringham and Louise Nicol commended the Partnership in the work involved to promote the Period Poverty campaign to eradicate period poverty in Angus.

The Committee agreed to note the Angus Council Annual Performance Report 2021/22.