

ANGUS COUNCIL

MINUTE of ADJOURNED HYBRID MEETING of the **SCRUTINY AND AUDIT COMMITTEE** held in the Town and County Hall, Forfar on Tuesday 29 August 2023 at 10.00 am.

Present: Councillors CRAIG FOTHERINGHAM, GAVIN NICOL, CHRIS BEATTIE, LYNNE DEVINE, HEATHER DORAN, IAIN GALL, ROSS GREIG, LOUISE NICOL, RONNIE PROCTOR MBE, 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 Julie Bell.

2. **ANGUS HEALTH AND SOCIAL CARE PARTNERSHIP ANNUAL PERFORMANCE REPORT**

With reference to Article 12 of the minute of meeting of this Committee of 27 October 2022, there was submitted Report No 215/23 by the Chief Officer providing an update to the Committee on the effect of activity on performance during 2022/23.

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 and how progress was being made towards delivering the vision, strategic shifts and planned improved outcomes for the people of Angus.

John Cooper, Head of Community Health and Care Services provided an overview of the key areas of the Report and highlighted the approaches that supported individuals to live longer and healthier lives and that the focus for the Health & Social Care Partnership was on health improvement and disease prevention including addressing health inequalities; building capacity within our communities; supporting carers and supporting the self-management of long term conditions.

Councillor Speed raised questions around transitioning adults, respite for unpaid carers and the increasing numbers associated with unmet need. Mr Cooper advised that a Short Life Working Group had been established to look at the increasing numbers in relation to unmet need and would provide a further update in due course. In relation to transitioning adults this would be discussed further and also brought back in due course.

The Committee agreed, having reviewed the Report, to note the current Angus Health and Social Care Partnership Annual Performance Report 2022/2023.

3. **2022/23 UNAUDITED ANNUAL ACCOUNTS**

There was submitted Report No 216/23 by the Director of Finance presenting the Council's 2022/23 Unaudited Accounts, which as required by law had been submitted to the Controller of Audit for audit purposes.

The Report indicated that the Annual Accounts were prepared on a draft basis and submitted to the External Auditor appointed by the Controller of Audit for independent review within the statutory timeframe of 30 September and thereafter published on the Council's website no later than 31 October 2023.

The Director highlighted that the Usable Reserves total was £81.170 million and the Uncommitted General Fund Reserve £2.522 million as reported in the unaudited accounts. However, the Usable Reserves had reduced by £1.007 million as outlined in Report 189/23 due to the late creditors that were subsequently reflected in concluding the 2022/23 unaudited annual accounts totalling £1.002 million plus a correction of £0.005 million identified in the Renewal & Repairs Fund. The Uncommitted General Fund reserve had reduced by £1.002 million for the late creditor adjustment, however, this may not be the final position and may change on completion of the audit process.

The Service Leader – Finance provided a detailed commentary in respect of a number of key areas of the Report including reserves, income and expenditure, balance sheet and cash flow statements as of 31 March 2023.

Following a number of questions from members the Committee agreed, having reviewed the report, to note the Angus Council 2022/22 Unaudited Annual Accounts.

4. ANNUAL GOVERNANCE STATEMENT ASSURANCES

With reference to Article 16 of the minute of meeting of this Committee of 15 June 2023, there was submitted Report No 217/23 by the Chief Executive advising members of governance assurances in respect of those organisations included in the Council's group accounts and provided the wording to be included in draft letters of assurance from the Convener on behalf of the Scrutiny and Audit Committee to Angus Health and Social Care Integration Joint Board (IJB) and Angus Alive, for approval.

The Report indicated that the final Annual Governance Statement required to reflect the governance arrangements of the "Group" which, for the year to 31 March 2023, included Tayside Valuation Joint Board (TVJB), Tayside Contracts, Angus Alive and Angus Health and Social Care Partnership, noting that assurances had not been received at the time when Report 180/23 was written.

Sections 4.2 to 4.5 of the Report summarised the assurances in respect of those organisations included in the Council's group accounts.

The Chief Executive provided an overview of the Report and thereafter, the Committee agreed: -

- (i) to note the current position with assurances related to Angus Health and Social Care Integration Joint Board (IJB), Tayside Contracts, Tayside Valuation Joint Board (TVJB) and Angus Alive and determined no amendments were required to the Council's draft Annual Governance Statement (Report 180/23 Appendix 1 refers);
- (ii) to note that assurances from Angus Alive in relation to their Internal Audit Annual Report and the assurance letter from the Chair of their Finance and Audit Sub-Committee would not be authorised until after their meeting on 15 September 2023;
- (iii) to delegate authority, as a result of the timing of (ii) above, to the Director of Legal & Democratic Services, following consultation with the Convener of the Scrutiny and Audit Committee, to update Angus Council's draft Annual Governance Statement if required, once the relevant information was available from Angus Alive; and
- (iv) to authorise the Convener of the Scrutiny and Audit Committee on behalf of the Committee to write to Angus Health and Social Care Integration Joint Board (IJB) and Angus Alive confirming the adequacy and effectiveness of the Council's governance arrangements.

5. CORPORATE RISKS AND RISK MANAGEMENT

With reference to Article 7 of the minute of meeting of this Committee of 31 January 2023, there was submitted Report No 218/23 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 advised that the Risk Monitoring Group continued to meet quarterly and recently reviewed: -

- The Corporate Risk Register
- The Directorate Risk Registers
- Reviewed and agreed Terms of Reference

In addition, proposals were discussed for the development of the risk appetite framework, future committee reporting arrangements and undertaking an annual review of corporate risks, aligned to the budget and service planning process. In the first instance this would be submitted to the Council's Leadership Team and then to a future meeting of this committee.

Thereafter, 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.

6. TREASURY MANAGEMENT ANNUAL REPORT 2022/23

With reference to Article 8 of the minute of meeting of Angus Council of 15 December 2022, there was submitted Report No 219/23 by the Director of Finance detailing the Council's treasury management arrangements, activity and performance during 2022/23.

The Report indicated that the financial year 2022/23 had seen significant events that impacted on treasury operations related to the Economy and Interest Rates. As a result, Angus Council continued to hold higher temporary cash balances in 2022/23 which was due mainly to additional grants received from Scottish Government and increased levels of slippage of a number of projects within the capital programme. In a bid to combat inflationary pressures within the economy the Bank of England implemented a series of increases to the Bank Base Rate, which rose from 0.75% in April 2022 to 4.25% in March 2023. Investment returns followed this upward trend which allowed the Council to benefit from improved returns as investments matured and surplus cash was re-invested. The full benefit of those higher returns would not be realised until these new investments matured in the 2023/24 financial year.

The Director of Finance provided a brief overview of the Report and also highlighted the significant events that had impacted on treasury operations during 2022/23.

The Committee agreed:-

- (i) to note the 2022/23 Treasury Management Annual Report and associated Appendix to the Report, and
- (ii) to note the updated Treasury Management Practices as detailed in the Report.

7. DETAILED RISK REPORTING TO SCRUTINY AND AUDIT COMMITTEE

With reference to Article 11 of the minute of meeting of this Committee of 15 June 2023, there was submitted Report No 220/23 by the Service Leader - Internal Audit presenting detailed risk information to members in line with the programme agreed by the Committee in June and requested members to confirm or amend the programme for the remainder of 2022/23.

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

The Director of Finance was heard on the financial sustainability of the council, the funding available and the challenges to the council around the statutory framework. He highlighted the scoring and the need for this along with the positive developments which may ease some of the pressure on the Council. The Verity House Agreement was now in the public domain and it contained a number of commitments, principles and aspirations and it was hoped that through the 2024/25 budget the council would begin to see the impact of the Agreement.

The Committee agreed: -

- (i) to note the information presented in relation to the Financial Sustainability Risk; and
- (ii) to confirm the programme for the remainder of 2023/24 as outlined in Section 3 of the Report.

8. RIPSA QUARTERLY REPORT

With reference to Article 10 of the minute of meeting of this Committee of 25 April 2023, there was submitted Report No 221/23 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 April 2022 to 30 June 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 April 2022 to 30 June 2023, no covert surveillance activities were authorised and there were 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.

The Committee agreed to note that no authorisations were granted for surveillance and other investigatory activities regulated by the Regulation of Investigatory Powers (Scotland) Act 2000 in the period 1 April 2023 to 30 June 2023.

9. COMPLAINTS AND COMPLIMENTS REPORT – 1 JANUARY-31 MARCH 2023

With reference to Article 12 of the minute of meeting of this Committee of 9 March 2023, there was submitted Report No 222/23 by the Director of Legal and Democratic Services highlighting the complaints received in Quarter 4 of 2022/23 and providing assurance to members that work was ongoing to learn from complaints received by Angus Council.

The Report provided the complaint statistics for the fourth quarter of 2022/23. Appendices to the Report provided a breakdown of complaints received by directorate and service area.

During 1 January to 31 March 2022, Angus Council had received 78 complaints. The Report detailed the SPSO performance indicators and the council’s performance over the quarter and also outlined examples of compliments received and a sample of changes made as a result of a complaint being received.

The Director of Legal and Democratic Services provided an overview of the key areas of the Report and also responded to a number of questions.

The Committee thereafter agreed: -

- (i) to note the complaints statistics for the period 1 January to 31 March 2023; and
- (ii) to note the number of records received as detailed in the Appendices to the Report.

10. ANNUAL COMPLAINTS REPORT 2022-23

With reference to Article 19 of the minute of meeting of this Committee of 23 June 2023, there was submitted Report No 223/23 by the Director of Legal and Democratic Services informing members of complaints statistics for 2022/23 and to assure members that by looking at complaints received, lessons were learned which should reduce the likelihood of a similar problem being repeated.

The Report indicated that the Scottish Public Services Ombudsman (SPSO) was the responsible body for complaints, and also set and monitored complaints handling standards for the public sector in Scotland. The model Complaints Handling Procedure (MCHP) defined how the SPSO expected the public service sector to handle complaints quickly and simply, with local and early resolution by empowered and well-trained staff.

In 2022/23, Angus Council received a total of 357 complaints. The SPSO had a variety of indicators as a basis for monitoring complaints handling performance and these were outlined in Section 6 of the Report. Of the 357 complaints received 80 were upheld and 85 partially upheld, 106 were not upheld and 86 were resolved.

Following scrutiny, the Committee agreed to note the contents of the Report.

11. INTERNAL AUDIT ACTIVITY UPDATE

With reference to Article 5 of the minute of meeting of this Committee of 9 March 2023, there was submitted Report No 224/23 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 presented 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.

Updates, Internal Audit Reports and the Consultancy Review undertaken since the last meeting were as detailed: -

- Continuous Auditing – Creditors Duplicate payments
- Continuous Auditing – Payroll
- Equality Impact Assessments (EIAs) & Fairer Scotland Duties
- Project Management
- Participatory Budgeting
- Digital Strategy & Governance
- Cyber Security
- Mandatory E-Learning Courses

The Team Leader– Internal Audit provided a brief overview of the key areas of the Report.

Thereafter, the Committee agreed: -

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

12. EXCLUSION OF PUBLIC AND PRESS

The Committee resolved that the public and press be excluded during consideration of the following item so as to avoid the disclosure of information which was exempt in terms of Part 1 of Schedule 7A to the Local Government (Scotland) Act 1973, Paragraph 14.

13. INTERNAL AUDIT ACTIVITY UPDATE

There was submitted and noted the Internal Audit report on Cyber Security.