

ANGUS COUNCIL

MINUTE of MEETING of the **SCRUTINY AND AUDIT COMMITTEE** held in the Town and County Hall, Forfar, on Tuesday 25 September 2012 at 2pm.

Present: Councillors BOB SPINK, BRIAN BOYD, BILL BOWLES, LYNNE DEVINE, BILL DUFF, DAVID FAIRWEATHER, JEANETTE GAUL, JIM HOUSTON, DAVID LUMGAIR, BOB MYLES and RONNIE PROCTOR.

Councillor SPINK, Convener, in the Chair.

1. APOLOGIES/SUBSTITUTES

Apologies for absence were intimated on behalf of Councillors Craig Fotheringham and David May with Councillor David Lumgair substituting for Councillor David May.

2. DECLARATIONS OF INTEREST

The Committee agreed to note that no declarations of interest were made.

3. COMMITTEE MEMBERSHIP

With reference to Article 8 of the minute of meeting of Angus Council of 28 June 2012, the Committee agreed to note the members appointed to the Committee.

4. REMIT OF COMMITTEE

There was submitted and noted the remit of the Scrutiny and Audit Committee.

5. DEPARTMENTAL ANNUAL REPORTS 2011/2012

There were submitted:-

- (a) [Chief Executive's Department Annual Report;](#)
- (b) [Corporate Services Department Annual Report;](#)
- (c) [Education Department Annual Report;](#)
- (d) [Infrastructure Services Department Annual Report;](#)
- (e) [Neighbourhood Services Department Annual Report;](#) and
- (f) [Social Work and Health Department Annual Report.](#)

The Committee then heard from the respective departmental representatives in relation to their departmental Annual Reports.

Having heard from a number of members, the Committee for its interest, agreed to note the Reports.

6. CORPORATE IMPROVEMENT PLAN 2011/2012 ANNUAL PERFORMANCE REPORT

With reference to Article 5 of the minute of meeting of the Strategic Policy Committee of 4 September 2012, there was submitted [Report No 561/12](#) by the Chief Executive advising members of the production of the Corporate Improvement Plan 2011/2012 Annual Performance Report.

The Report indicated that as an integral part of the Council's performance management arrangements, a Corporate Improvement Plan Annual Report was submitted to this Committee in the first committee cycle following the summer recess. The Report was designed to give members, employees and the public an at a glance picture of performance against that plan during the year.

The Committee, for its interest, agreed to note the terms of the Corporate Improvement Plan for 2011/2012 Annual Performance Report.

7. SICKNESS ABSENCE 2011/2012

With reference to Article 7 of the minute of meeting of the Scrutiny and Audit Sub-Committee of 20 September 2011, there was submitted [Report No 547/12](#) by the Chief Executive analysing sickness absence within the Council during the 2011/2012 financial year.

The Report indicated that the year's absence figure represented a 4% increase on the previous year's performance which had led to an increased direct cost of nearly £210,000 (5%) during the year. This was the first increase in overall absence levels since 2005/2006, however managers continued to implement the Council's various procedures to control absence which hopefully would be reflected in an improvement in performance during 2012/13.

Having heard from a number of members, the Committee agreed to note the terms of the Report.

8. SICKNESS ABSENCE APRIL - JUNE 2012

With reference to Article 11 of the minute of meeting of the Scrutiny and Audit Sub-Committee of 27 June 2012, there was submitted [Report No 548/12](#) by the Chief Executive advising on the level of sickness absence within the Council for the period 1 April to 30 June 2012.

The Committee agreed to note the terms of the Report.

9. PREMIUM PAYMENT AND ADDITIONAL HOURS COSTS 2011/2012

With reference to Article 9 of the minute of meeting of the Scrutiny and Audit Sub-Committee of 20 September 2011, there was submitted [Report No 549/12](#) by the Chief Executive, advising on the premium payment and additional hours costs within the Council during the 2011/2012 financial year.

The Report indicated that there had been a decrease in overall premium payment costs of £47,060 (3.09%) in 2011/2012 and that the total additional hours costs incurred in 2011/2012 amounted to £1,366,339 compared to £1,394,742 in 2010/2011, which was a decrease of £28,403 (2.04%).

The Committee agreed to note the terms of the Report.

10. BUSINESS MILEAGE, PUBLIC TRANSPORT AND SUBSISTENCE COSTS 2011/2012

With reference to Article 10 of the minute of meeting of the Scrutiny and Audit Sub-Committee of 20 September 2011, there was submitted [Report No 550/12](#) by the Chief Executive advising of business mileage, public transport and subsistence costs within the Council during the 2011/2012 financial year.

The Report indicated that there had been an increase in business mileage costs and public transport and a decrease in subsistence costs, with the overall increase totalling £100,374 (8.78%).

The Committee agreed to note the contents of the Report.

11. TEMPORARY, AGENCY AND SUPPLY WORKERS COSTS 2011/2012

With reference to Article 11 of the minute of meeting of the Scrutiny and Audit Sub-Committee of 20 September 2011, there was submitted [Report No 551/12](#) by the Chief Executive advising of the costs of the use of temporary, agency and supply workers during the 2011/2012 financial year.

The Report indicated that expressed as a percentage of total employee costs, the cost of these workers in 2011/2012 was 4.0% compared to 3.9% in 2010/2011.

The Committee agreed to note the terms of the Report.

12. MONITORING EMPLOYEE TURNOVER 2011/2012

With reference to Article 12 of the minute of meeting of the Scrutiny and Audit Sub-Committee of 20 September 2011, there was submitted [Report No 552/12](#) by the Chief Executive advising of employee turnover within the Council during the 2011/2012 financial year.

The Report indicated that the Council's rate of turnover for employees who had moved between departments within the Council was 8.50% and for employees leaving the Council it was 8.19%.

The Committee agreed to note the terms of the Report.

13. EARLY RETIRAL/VOLUNTARY REDUNDANCY 2011/2012

With reference to Article 13 of the minute of meeting of the Scrutiny and Audit Sub-Committee of 20 September 2011, there was submitted [Report No 553/12](#) by the Chief Executive advising of the number of employees released on early retiral/voluntary redundancy and ill health during the 2011/2012 financial year.

The Report indicated that seven employees had been released on early retiral/voluntary redundancy and a total of six employees had been released on ill health grounds.

The Committee agreed to note the terms of the Report.

14. QUARTERLY STAFFING REVIEW

With reference to Article 10 of the minute of meeting of the Scrutiny and Audit Sub-Committee of 27 June 2012, there was submitted [Report No 554/12](#) by the Chief Executive providing an overview of the Council's staffing levels and vacancy management and of establishment changes during the period 1 April to 30 June 2012.

The Committee agreed to note the terms of the Report.

15. EFFICIENCY REVIEWS – PROGRESS UPDATE

With reference to Article 10 of the minute of meeting of the Scrutiny and Audit Sub-Committee of 10 January 2012, there was submitted [Report No 555/12](#) by the Chief Executive giving an end of year progress update on the 2011/12 programme of efficiency reviews.

The Report indicated that as an integral part of the Council's performance management arrangements, an end of year report monitoring progress against the performance of efficiency reviews for the year was submitted to both the officer Performance Review Group and to this Committee.

The end of year progress update as appended to the Report had been considered by the Performance Review Group on 18 June 2012.

The Committee agreed to note the progress against the programme of efficiency reviews scheduled for 2011/12 as detailed in the Appendix to the Report.

16. CORPORATE EFFICIENCY REVIEW - ADVERTISING

With reference to Article 5 of the minute of meeting of the Scrutiny and Audit Sub-Committee of 15 February 2011, there was submitted [Report No 556/12](#) by the Chief Executive advising on the outcome of a corporate efficiency review on advertising.

The Report provided a summary of the main conclusions from the review and a copy of the final review report was attached as an Appendix to the Report.

The Committee agreed to note the terms of the Report.

17. UPDATE ON CREDITORS PAYMENT PERFORMANCE TO JUNE 2012

With reference to Article 4 of the minute of meeting of the Scrutiny and Audit Sub-Committee of 27 June 2012, there was submitted and noted an update paper from the Head of Finance on creditors payment performance to June 2012 which reflected the performance of all Council departments in authorising invoices for payment/payment within 30 days of the invoice being received.

18. INTERNAL AUDIT ACTIVITY UPDATE

With reference to Article 7 of the minute of meeting of the Scrutiny and Audit Sub-Committee of 27 June 2012, there was submitted [Report No 557/11](#) by the Head of Finance, providing the Chief Internal Auditor's update on the main findings of internal audit reports issued since 27 June 2012.

The Report indicated that four internal audit reports had been issued since the last meeting, these being Financial Strategy, Performance Management, Council Complaints and Cash Collection/ACCESS.

The Committee agreed:-

- (i) to note the summaries of the audit reports and follow-ups; and
- (ii) to note that the Chief Internal Auditor would bring back to future Committees update reports in relation to follow-up audits, including any outstanding actions.

19. NATIONAL FRAUD INITIATIVE REPORT 2010/2011

With reference to Article 19 of the minute of meeting of the Scrutiny and Audit Sub-Committee of 21 September 2010, there was submitted [Report No 558/12](#) by the Head of Finance bringing to the attention of members the work of the National Fraud Initiative in Scotland and outlining the outcomes of the 2010 exercise both across Scotland and specifically for Angus Council. A copy of the Audit Scotland Report entitled "National Fraud Initiative in Scotland" was appended to the Report.

The Committee agreed:-

- (i) to note, for its interest, the contents of the Audit Scotland Report on the National Fraud Initiative in Scotland;
- (ii) to note the participation of Angus Council in NFI 2010 and the outcome value of circa £74,000;
- (iii) to note the outcomes of the internal data matching exercise in relation to single persons council tax discount of £33,000 cancelled in 2010 and that a similar exercise was in progress for 2011 matches; and
- (iv) to note the continued participation of Angus Council in NFI 2012.

Councillor David Lumgair left the meeting at this point.

20. BENEFIT FRAUD INVESTIGATION REVIEW TO 31 MARCH 2012

With reference to Article 17 of the minute of meeting of the Scrutiny and Audit Sub-Committee of 20 September 2011, there was submitted [Report No 559/12](#) by the Head of Finance, providing background to the work of the Benefit Fraud Team and summarising the activity undertaken in the year to 31 March 2012.

The Report indicated that the year to 31 March 2012 represented another successful year for the Benefit Fraud Team (BFT) with the annual sanction target of thirty being exceeded. The reduction in the value of overpayments identified was attributed to lower value cases rather than a significant reduction in the caseload. The policy of developing joint working opportunities with colleagues from the DWP Fraud Investigation Service continued to offer mutual advantage to both parties and supported counter fraud activity.

The Committee agreed:-

- (i) to note the contents of the Report and:
- (ii) to note that the Chief Internal Auditor would bring back to a future meeting, a Report detailing the number of cases which had resulted in a Court conviction.

21. EXCLUSION OF PUBLIC AND PRESS

The Committee agreed in terms of Standing Order 27(2) that the public and press be excluded from the meeting during consideration of the following item, so as to avoid the possible disclosure of information which was exempt in terms of Part 1 of Schedule 7A to the Local Government (Scotland) Act 1973, paragraph 1.

22. INTERNAL AUDIT INVESTIGATIONS AND FURTHER CLARIFICATION REPORT

There was submitted [Report No 560/12](#) by the Head of Finance updating the Committee on the investigation work conducted by Internal Audit, together with items of further clarification which involved exempt information.

The Committee agreed:-

- (i) to note the summaries of investigation outcomes and items of further clarification; and
- (ii) to note the Chief Internal Auditor would bring back to future meetings, update reports as necessary.