Aberdeenshire
COUNCIL

From mountain to sea

How Good is Our…Governance in Practice?

2020 Report

Business Strategy
Customer & Digital Services
Business Services
September 2020

Summary

Developing effective self-assessment is consistent with the Crerar Review (2007) which recommended the degree of future external scrutiny should be dependent upon the range and quality of performance management and associated self-assessment in place within public services with an emphasis on a demonstrable and robust process.

Aberdeenshire Council responded with the introduction of 'How Good is our Council'? (HGIOC) in 2010 and revised in 2016 to form 'HGIOC? 2'. The tool is a performance improvement model using an evidence-based, self-assessment approach encouraging a comprehensive review of activities and results. It promotes a holistic approach to continuous improvement and evaluation, mapped to a number of established performance improvement frameworks including Aberdeenshire Performs; The EFQM Excellence Model, Best Value principles and the Local Government Benchmarking Framework (LGBF).

HGIOC is aligned to the Best Value audit approach with questions having been matched against the characteristics of a Best Value Council. Completing the *HGIOC* process will contribute to preparation and evidence gathering for the ongoing audit of Best Value by Audit Scotland.

There must be a systematic approach with evidence to back up the self-evaluation judgements. As well as having a validation process built into the *HGIOC* approach there will be an audit of the process by internal audit.

HGIOC provides a framework of key questions under a total of 17 Quality Indicators (QI) of which 6 Core Indicators have been determined. Four of these 6 core indicators form a partial self-assessment and the basis of this report and are as follows:

1.1 Improvements in performance
4.1 Impact on the local community
8.1 Working together across services
9.4 Securing innovation, change and improvement

The core indicators were developed to provide challenge with a critical and honest assessment through a structured, evidenced process which identifies areas of strength, areas for improvement. Subsequently, the areas for improvement are programmed through the development and implementation of a corporate-wide Action Plan. Effective and confident self-evaluation requires evidence from a variety of sources. Accepted practice across HGIO frameworks is based on the principle of triangulation where at least three lines of enquiry are identified. These are likely to be drawn from the following, although this is not an exhaustive list:

- Performance data – particularly where trends can be identified
- Planning, monitoring and evaluation documentation
- Feedback from stakeholders (most importantly from service users)
- Direct observations of delivery / practice
- Case studies backed up with relevant information
- Information from partner organisations we work with

Aberdeenshire Council is committed to improving outcomes and performance for the benefit of service users and communities. In order to achieve improvement, the Council must become self-aware and understand where strengths and opportunities for improvements lie. The 'HGIO?' self-evaluation process is an integral part of the Council's continuous improvement agenda and allows focus to be aligned on particular areas of operation, ensuring a reflective, evidence base and uses a six-point scale to assist in self-evaluation.

Governance and scrutiny practices and policies exist across the organisation and are enacted strategically and operationally.

For the 2020 self-evaluation, an additional suite of 11 questions (Improvement Services questions) have been introduced, and are included herein, to address specific areas of concern surrounding the scrutiny role and function of the Audit Committee. These concerns relate to the level and robustness of scrutiny and governance within the Committee, having been identified both internally, and from Audit Scotland. These questions were constructed by the Improvement Service (the national improvement organisation for local government in Scotland) and adapted to align with the HGIO framework.

This 2020 self-evaluation report summarises the approach taken, and findings from a series of 4 surveys undertaken through July.

Survey Participation Rates

How Good is our Governance? Quality Indicators (10 themed questions) issued to 25 Head of Service and Area Managers. The maximum overall response rate was 60% with 15 senior officers answering all, or some of the questions presented.

Improvement Service Questions (11 tailored questions) issued to 27 Audit Committee Members and Substitute Members. The maximum overall response rate was 44% with 12 Elected Members answering all, or some of the questions presented.

Improvement Service Questions (five tailored questions) issued to seven Policy Committee Chair and Vice-Chair Members. The maximum overall response rate was 43% with three Elected Members answering all, or some of the questions presented.

Improvement Service Questions (five tailored questions) issued to 10 Officers who are regular attendees at Audit Committee. The maximum overall response rate was 80% with 9 Officers answering all, or some of the questions presented.

APPENDIX 1: CODE OF CORPORATE GOVERNANCE SELF ASSESSMENT

Principle 1	Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	
Supporting principles	1.1 Improvements in performance 1.2 Adherence to statutory principles and fulfilment of statutory duties 5.2 Inclusion, equality and fairness 9.2 Leadership and direction	
Requirement of Council framework	**Quality Indicator 1.1: Improvements in Performance**	**Score out of 5** **4.0**
What did we find?	• Performance reporting is now in place for all policy and area committees • Limited information is directly applied against Area reporting; this is an aspect of work which is under ongoing review • Performance is recorded on the performance management system (Pentana). Services are able to monitor and report on the delivery plan and actions. • Pentana is accessible to all officers and partners and Members and work is ongoing to fully update and extend training for all Elected Members. It is updated regularly and administered by the corporate Performance Team	
Areas for improvement	• Elected Members require information that is meaningful, recognises outcomes and allows for service delivery to be reviewed effectively • Opportunity for regular reporting to area committees regarding the performance in relation to the council's priorities	
Requirement of the Council framework	**Quality indicator 1.2: Adherence to statutory principles and fulfilment of statutory duties**	**Score out of 5** **4.0**
What did we find	• The Council's Scheme of Governance provides the framework to support and implement appropriate governance arrangements to maintain transparency, lawfulness, fairness, accessibility and accountability. • Aberdeenshire Learning & Development Online (ALDO) training on the Scheme of Governance is available for all officers and Members so that they are clear on what decisions are within their powers. • We regularly share briefings and advice notes from the Standards Commission with members and prepare internal guidance on standards of conduct. • The Council Publishes an Annual Governance Statement which is revised annually upon the completion of the audit of the Council's accounts.	
Areas for improvement	• Following regular reviews of the Scheme of Governance, refresher training should be available to all Officers and Elected Members.	
Requirement of Council framework	**Quality Indicator 5.2: Inclusion, Equality and Fairness**	**Score out of 5** **4.0**

What did we find	- Tackling Poverty & Inequality Strategy supports delivery of a range of effective interventions. e.g. Child Poverty Action Plan - Aberdeenshire Youth Voice - supports a wide spectrum of young people/ support orgs to input to delivering what is needed Academies - host a number of LGBTQI groups Gypsy/Travellers sub- committee Development of approaches to tackling Cost of School Day across schools. - Good progress in closing the poverty related attainment gap PeterDeen & FraserDeen Scholarships Strong ESOL delivery - targeted in communities of most need. - Award winning New Scots Integration programmes.
Strengths identified	- Equality is at the core of our Scheme of Governance. Culture of zero tolerance to discrimination - A genuine and core commitment to equity and equality in everything we do. This is well demonstrated on all Council communication/report etc - People with protected characteristics are consulted in the development of new strategies or services delivery models - One of the Health & Social Care Partnership (HSCP) priorities is to reduce health inequalities; and resources are targeted for this specifically (e.g. HMP Grampian)
Areas for improvement	- Further consideration to simplify the EIA reporting process - Stakeholder involvement - Service delivery in relation to Equality Act 2010 - EIA should be included in all project delivery - Consider how we are a more open as an employer to supporting those with protected characteristics into employment with us - Consideration to be given to the inclusion of EIA's process as part of Programme Initiation to ensure protected characteristics are taken into account in Service development - We may need to adapt our normal engagement methods during the Living with Covid phase, in line with physical distancing, however we need to make sure that more online engagement doesn't result in some groups of protected characteristics being excluded - Service Workforce plans will assist services to better understand the profile of their workforce in terms of age, gender disability and the plan will formalise any action required in these areas on an ongoing cycle of review

Principle 2	**Ensuring openness and comprehensive stakeholder engagement**	
Supporting principles	4.1 Impact on Community 5.1 Delivering services 5.2 Inclusion, equality and fairness	
Requirement of Council framework	**Quality indicator 5.1 Delivering services**	**Score out of 5 4.1**
What did we find	Throughout the emergency period there have been many Services that have not only continued to operate to a high standard but the level of Service has increased significantly. Examples of these services are Health and Social Care Partnership - ensuring that the most	

	vulnerable of our communities are cared for and supported during this emergency period. • Waste Services - adapting working practices to address requirements of new regulations in order to maintain waste collection across Aberdeenshire. • All services across Aberdeenshire reacted to provide and support delivery of essential services and provide up to date communications of priority services during a period of generational instability.
Strengths identified	• Policy review framework ensures policies are regularly reviewed and updated • Reputation tracker - measures customer satisfaction and is consistently high • Integrated Joint Board approved Locality Plans ensuring service design delivery based on local geography, demographics and need • Health and Social Care Partnership made changes to service delivery quickly at onset of Covid-19, adapting to protect shielded and vulnerable residents • Amendments were made to the Scheme of Governance to quickly respond to changing and emerging need • The Adaptive Services Board has been established to act as an engine room for cross-council integrated and coordinated 'one council' approach for service delivery • Very good use of social media to provide accessible and up to date information on service provision • HROD activity is delivered in line with the Business Services Business Plan and the ability of HR&OD (Human Resources and Organisational Development) to adapt plans and activities has been recently demonstrated through the Covid 19 response where the staff bulletin evidences the ever-changing picture
Areas for improvement	• Make better use of benchmarking • Return to traditional service plans - to provide clarity of each service's activities, areas for improvement etc • Greater challenge to teams who do not use customer feedback effectively • Robust use of LGBF in all services and clear plans for improvement in significant indicators • We don't properly collect all the inputs and outputs from all the engagements and consultation we do. It takes a long time and can often lead to no action at all • Performance reporting for HSCP services is being refreshed to ensure performance indicators are informative and meaningful
Principle 3	**Defining outcomes in terms of sustainable economic, social, and environmental benefits**
Supporting principles	5.1 Delivering services 5.2 Inclusion, equality and fairness 9.1 Vision, values and aims
Principle 4	**Determining the interventions necessary to optimise the achievement of the intended outcomes**
Supporting principles	4.1 Impact on the local community 9.4 Securing innovation, change and improvement

Supporting principles	Quality indicator 4.1 Impact on the local community	Score out of 5 4.2
What did we find	• Aberdeenshire Council is community driven as reflected through approximately 6,000 volunteers for the Grampian Assistance Hub during Covid-19. • Excellent community participation and empowerment supported by the council	
Strengths identified	• Area Management Teams - links with communities to offer support and build capacity • Long standing partnership approaches have strengthened during the COVID19 response • The Council has transferred a number of properties to communities both before and after the implementation of the Community Empowerment (Scotland) Act. • Extensive consultation process for Local Development Plans, etc • The mobilisation of communities in response to the COVID-19 emergency demonstrates resilience and empowerment. This is further evidenced by the ability of Community Council's and Community Representative Structures within Aberdeenshire to continue functioning under lockdown conditions • Our Scheme of Governance supports, and continues to facilitate during the pandemic, public participation at meetings with public access to meetings, petitions and requests to speak	
Areas for improvement	• Mandatory for services to engage/listen and respond - build in the views of communities in their plans • Local Outcome Improvement Plan (LOIP) priorities need to be better embedded in community place plans • Greater expectation on services to demonstrate how they have engaged communities on service changes • Greater training and investment in community councils • Clarity on priorities of the council and within communities to better align expectations • A much clearer description of where the links are between the Council and work ongoing within Communities • Cross-Service engagement coordination • Implementation of Volunteer Policy and Procedures is ongoing, presenting further opportunities	
Principle 5	**Developing the entity's capacity, including the capability of its leadership and the individuals within it**	
Supporting principles	3.1 Impact on staff 9.1 Vision, values and aims 9.2 Leadership and direction 9.3 Leading people and developing partnerships	
Requirement of the Council framework	Quality indicator 3.1 Impact on staff:	Score out of 5 4.0
What did we find	• The response of staff to quickly and adeptly adjust to changes in service delivery and working practices has been widely recognised and highly acclaimed across the Council both anecdotally and evidence by the results of a Business Services employee survey	

	where 83% of staff felt empowered in their role. This is a representation of One Aberdeenshire Principles in practice • A large number of staff have regularly taken part in Team Talks allowing a level of discussion and inclusion previously unknown at Aberdeenshire • Whilst pockets of evidence support staff development by leading projects within Area Teams, this is not widely replicated across all services • With an aging workforce, a lack of succession planning prevents learning and development opportunities within teams/services
Strengths identified	• Personal Performance Plan (PPP) used to identify training and development requirements • Response to COVID with innovation and change introduced across Services. This success is captured by the Operational Impact Assessment (OIA) and work of the Adaptive Services Board (ASB) • Informal 'Learning over Lunch' sessions by some teams to share knowledge • Team Talks by Chief Executive and Directors implemented during lockdown • Newly consulted overarching HR&OD Policy document has empowerment at its core
Areas for improvement	• Good quality discussions with staff are essential - some managers don't see this as a critical part of their role and this must be addressed • Review use of PPP • The networks for senior managers to learn and share are generally attended by the same 30% of managers - no consequences for those who opt-out, needs to be greater challenge for those who don't attend • Most of the 'challenge questions' set out above would be best answered by carrying out regular staff surveys. Some of the questions have been the subject of staff surveys, but perhaps not in a consistent and managed manner. There is a requirement for a greater focus and discussion on training needs analysis across the organisation • The continuing development around the theme of empowerment and what this means to each part of the system • Continually reviewing the area function and what works it does across services. Services do not maximise the strengths that area teams have • Service workforce planning using the new workforce planning tool will bring together many elements of engagement and learning to improve service delivery outcomes in one document. Action plans are being developed with each service in order to deliver cohesive Service Workforce plans by March 2021 • An acceptance that the need for change is going to continue rather than being optional and that the outcomes will be reviewed and lessons learned
Requirement of the Council framework	**Quality indicator 9.1 Vision, values and aims**
What did we find	• One Aberdeenshire built well on previous work and is now well embedded

	• The Mountain to the Sea vision and values stood the test of time and is still very strong and relevant • We are a partner of choice and lead on innumerable activities and initiatives • The 11 council priorities are function based rather than culture based or themed (which risks silo working). • Council Priority reporting does not fully support Area Reporting for local decision making
Strengths identified	• Vision 'from mountain to sea' - aspirational One Aberdeenshire principles have been embedded but they are about our culture rather than our vision • Very strong collegiate approach, good relationships generally with corporate leadership (officers and members); • Through the One Aberdeenshire Principles; PPP process; Council Plan; Council Priorities; Council Vision and Service/Team Vision we have clearly illustrated our purpose and ambition and mechanism to ensure staff engage with our vision and priorities
Areas for Improvement	• Focus on output and outcomes that support well defined and clearly understood priorities • Get the improvement framework sorted • Strategic Leadership Team (SLT) led approach to change - in line with Members and the new council priorities • The vision, values and aims should be reviewed following the new council priorities and new council plan • A greater awareness of the governance route established to ensure a corporate and consistent approach to service delivery
Requirement of the Council framework	**Quality indicator 9.2 Leadership and direction** **Score out of 5 3.6**
What did we find	• Strong programme to reinforce the Council's priorities, and visions, values and aims through Leadership Forums, Team Talks and via Arcadia • The need to meet statutory, regulatory and strategic requirement is constantly reinforced through the Scheme of Governance. • There is a good working relationship between senior officers and elected members, and a clear understanding of roles and responsibilities. Consultations regularly take place with Committee/IJB Chairs and Vice Chairs • There is respect for statutory obligations and legislation and services are good at adapting quickly to meet new requirement • All staff are aware of the council priorities and reports detail which priority is relevant to all committee decisions • One Aberdeenshire principles not applied consistently across all services • We do not give enough advice and guidance to senior members to allow them to take proper strategic decisions, this is particularly true of Planning decisions • Increased blurring of operational boundaries with Policy taken as means to solve Ward issues rather than to deliver a strategy.
Strengths identified	• Use of digital platforms/IT systems during Covid

	• Strong programme to reinforce the Council's priorities, and visions, values and aims through Leadership Forums, Team Talks and via Arcadia • The need to meet statutory, regulatory and strategic requirement is constantly reinforced through the Scheme of Governance • The Scheme of Governance has ensured that there is an awareness of the culture of compliance. There is a consistent message to reinforce the council's priority of leadership etc. We are clear on statutory functions and what we need to focus on • There is strong leadership from officers • Good, solid communications around leadership is always apparent e.g. on the Council website • We plan well and are good at mapping future horizon • Our officers are very influential across professional landscape and influence national programmes • There is a good working relationship between senior officers and elected members, and a clear understanding of roles and responsibilities. Regular consultations with Committee/IJB Chairs and Vice Chairs • There is respect for statutory obligations and legislation and services are good at adapting quickly to meet new requirements • All staff are aware of the council priorities and reports detail which priority is relevant to all committee decisions. • The Chief Executive's regular "Team Talks" during the pandemic have been an example of visible leadership messages to staff and have been clear that employee feedback is welcomed in dealing with recovery from COVID. More junior members of staff especially have welcomed this visible engagement from the Chief Executive • Adaptive Services Board (and SLT and Recovery Reference Group (RRG)) has the potential to be key in the development in reshaping the council post pandemic and if this is more robust linked to the deployment of workforce resources not just financial resources then it would be a stronger solution
Areas for improvement	• Decision making – leadership Cllrs and SLT – lack of speed prior to pandemic, vagueness of council priorities, lack of cohesiveness of BSLT and SLT leading to duplicate work and insufficient sharing • Distributive leadership can and often leads to silos, empowered model, less collaboration and engagement with stakeholders. Lack of collective priorities generally in Aberdeenshire Council although more focus through the pandemic • When a plan is agreed, it shouldn't be optional about whether teams adhere to it - the Council Plan needs to be owned and delivered by everyone • Focus on output and outcomes that support well defined and clearly understood strategic priorities • consistent implementation clear message from Leaders and senior management on future direction of council and its priorities especially important currently. Strategic Transformation board better links with each one • There is an opportunity to engage all staff to further the role of safeguarding children, young people and vulnerable adults. We can learn from the experience of the Grampian Assistance Hub where call

Requirement of the Council framework	Quality indicator 9.3 Leading people and developing partnerships	Score out of 5 4.1
What did we find	- There is strong partnership working with NHS Grampian through integrated health and social care services and the Chief Officer is on both senior management teams - During Covid, there has been excellent cross sector working (e.g. Local Resilience Partnership set up the Grampian Assistance Hub). - Good partnership arrangement at an area level through community planning partnerships. Good partnership working with other services, third sector organisations, community councils, partner organisations. - Many examples of successful partnerships delivering improvement and change within Aberdeenshire Communities (City Region Deal, NESTRANS, Waste Partnership with Moray and Aberdeen City, HSCP and Northern Alliance etc) - Need to consider how good we are at creating an environment that prepares our staff to take on senior roles	
Strengths identified	- Good partnership working – Community Planning Partnership (CPP), HSCP, ONE etc Leadership Forum - Work with existing partners demonstrates our ability to lead and develop strong, focused partnerships - Services have a strong record of participating in industry forums and often take a leading role - HROD have been key to setting up leadership pathways through co-created leadership and management development programmes for Service Managers, aspiring Service managers, Heads of Service and Head Teachers - Workforce planning has re-commenced and all services will have workforce plans in place by March 2021 and this will include a review of succession planning using the toolkit - HROD have valuable networks to maintain professional understanding and standards and feed into regional and national discussions, these include: SPDS Grampian HR North of Scotland Health & Safety group HSCP working NELC Joint staff forum	
Areas for improvement	- Decisions by SLT are not properly cascaded or followed through 'blame culture' - Succession planning - Better system of mentoring and training. Review career grade schemes with consideration to a comprehensive management development programme to improve recruitment and retention - Demonstrate how work across all areas of the Council links and is related. There are many platforms on which this work could be sited	

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- staff were trained in this - it would be good to embed this further across all services
- Identifying capacity within teams to share workload
- Member/ Officer training. Members are asked to make professional planning decisions without receiving the necessary training to guide them through this process.

	but attention would have to be given to how these areas of work are inter-related • Stronger structure around PB Opportunities to develop leadership skills e.g. aspiring to be a Head of Service, Director courses • We should aim to continue the strong collaborative working that we have seen during Covid, and make sure silos or barriers don't start to appear • Teams collaborating to deliver shared goals/ outcomes Streamlining of plans
Principle 6	**Managing risks and performance through robust internal control and strong public financial management**
Supporting principles	8.3 Financial resource knowledge and information management; 9.2 Leadership and Direction 9.3 Leading people and developing partnerships 9.4 Securing innovation, change and improvement

Requirement of the Council framework	**Quality indicator 8.3 Financial resource knowledge and information management**	**Score out of 5 4.0**
What did we find	• Strong systems for collecting data and long history of sharing through a number of routes. • Budget information has been significantly improved by introduction of PowerBI. • Ability to manage budgets has also improved, albeit greater input on services to forecast expenditure. • Process in place for workplans and business cases to be approved prior to expenditure being committed.	
Strengths identified	• PowerBi - live information for budget holders Business Partner model - ability to manage budgets has also improved, albeit greater input on services to forecast expenditure • Once set budgets are monitored and managed well • Strong systems for collecting data and long history of sharing through a number of routes • Processes in place for work plans and procurement approval form to be approved prior to expenditure being committed • During the current pandemic the management of Council finances is key • Weekly updates from the start of the financial year were provided to SLT and Councillors • A new Medium Term Financial Strategy (MTFS) has been reported to Council embedded within the Council's Recovery Plan.	
Areas for improvement	• Setting Budgets around "need" rather than previous spend profiles. Need to be defined in terms of Council Priorities and Objectives, not Service or Directorate "wants" • Much greater joint understanding of how budget pressures are related and affect all employees across all service • Officer training on financial regulations, procedures including procurement • Budgets are still not aligned to council priorities • Services lack transparency over their spend - no challenge MTFS - could be more robust Central data sharing could be improved	

	- Budget setting process Change to "self-service" model is not fully operational. Inconsistency of information between financial and HR systems - Poor consultation on budget setting in the past. - Good buildings are important for Services to deliver services. The budgets for the maintenance and repair of buildings needs to be reviewed to ensure buildings can be well maintained and backlog maintenance is reduced to minimise health and safety risks - We could do more to analyse data and look at what it is telling us. We are risk adverse rather than risk aware - Complete consistency across all service areas is often not achieved. Recruitment restrictions often exemplify this issue in the sharpest way - retrospective purchase orders - Ability to match budgets to council priorities is out of sync - Silo working and lack of forward budgetary planning.	
Requirement of the Council framework	**Quality indicator 9.4 Securing innovation, change and improvement**	**Score out of 5 3.6**
What did we find	- In a recent pathfinder survey in Business Services 81% of staff agreed or strongly agreed with the statement - I feel that I can put forward my ideas and suggestions for improvement. - Emerging culture of co-creation in service design and in developing learning opportunities which involve engaging with stakeholders and customers leading to innovation, reflecting and challenging - Ways of working in HR have adapted in order to facilitate informal change e.g. changes to ways of working rather than formal and lengthy service reviews. Also in HR&OD continues to develop systems and process to move to a self-serve model, i.e. Employee Self Service (Employee Self Service) and People Manager, askHR Portal and ALDO - Ongoing trend towards enhancing the Digital capability and flexible working arrangement for the workforce which has been greatly impacted by home working during the pandemic period - Although the vast majority of Business Services employees feel they can put forward ideas and suggestions for improvement it has a relatively low score compared to other areas. - High levels of input to change through principles, governance and process but low levels of understanding about the true impact of change and real improvement. - There is no scrutiny of the success of Service innovation and change	
Strengths identified	- Transformation Board - Incremental change is part of the day job. That is demonstrated through the maintenance of performance standards through successive budget reductions - Continuous improvement is good - Education has very strict structures for self-evaluation and continuous improvement e.g. HGIOS4 - The council services adapted very quickly during the response to Covid. An Adaptive Services Board has been set up to co-ordinate and oversee the restart of services. In HSCP we have accelerated	

	transformation projects during the response (e.g. wide roll out of "Near Me" for remote consultations and assessments). We are now building on positive changes through Operation Home First which aims to reduce hospital admissions and promote early discharges home • Highly regarded internal audit process that demonstrates need for change within Services and delivery of activities. Directorate Change Boards aid the delivery of Service change • Benefits from work with the Robert Gordon University RGU e.g. Entrepreneurship & Innovation; Library Innovation Network Aberdeenshire (LINA) project Live Life Aberdeenshire (LLA) business transformation Practice sharing/ development - Regional Improvement Trios approach supporting school improvement • The fact that every Council meeting has continued digitally during the pandemic demonstrates a flexibility in leadership, adherence to governance and an ability to use existing platforms and resources to deliver key Council governance and decisions • In a recent pathfinder survey in Business Services 81% of staff agreed or strongly agreed with the statement - I feel that I can put forward my ideas and suggestions for improvement • Emerging culture of co-creation in service design and in developing learning opportunities which involve engaging with stakeholders and customers leading to innovation, reflecting and challenging Ways of working in HR have adapted in order to facilitate informal change e.g. changes to ways of working rather than formal and lengthy service reviews. Also in HR&OD continues to develop systems and process to move to a self-serve model, i.e. ESS and People Manager, askHR Portal and ALDO Ongoing trend towards enhancing the Digital capability and flexible working arrangement for the workforce which has been greatly impacted by home working during the pandemic period.
Areas for improvement	• Innovation is limited, partly due to the fear of blame when it doesn't work • Need to be more outward looking • Transformational change is weak • Innovation and change is not as good or as linked across the board as it could be • Structures in place but don't follow through • Keep changing structure • No consistency • Deeper understanding of these useful structures could be developed • Getting the change to happen is often slow or non-existent • No scrutiny of the success of Service innovation and change • Lack of routine reflection/ review/ service assessment • Will we go back to face to face meetings? • Although the vast majority of Business Services employees feel they can put forward ideas and suggestions for improvement it has a relatively low score compared to other areas. High levels of input to change through principles, governance and process but low levels of understanding about the true impact of change and real improvement.
Principle 7	**Implementing good practices in transparency, reporting, and audit to deliver effective accountability**

| Supporting principles | 9.2 Leadership and Direction
9.4 Securing innovation, change and improvement |

APPENDIX 2: SELF-EVALUATION AUDIT COMMITTEE

Improvement Service question 1	Does Audit Committee fulfil its core functions, providing regard to business conducted and decisions made?	Score out of 5 Elected Members 3.4 Officers 4.1
What did we find – Elected Member responses	- The Committee provides a consistent approach to the auditing of Services. - Having a single Committee ensures that individual reports are viewed through a "corporate lens". - The formality of the process and the regular overview of progress shows the level of commitment to auditing. - Consistent focus over progress of monitoring improvements agreed. - Not yet fully engaged as an apolitical committee working together - some Members do not seem to participate - even accepting that not all will have the same level of interest in or awareness of specific areas reported.	
What did we find – Officer responses	- The Committee needs to be more collaborative in its approach to allow for greater consistency. This could be fostered via informal sessions/ tasks which could be supported by officers/ external trainers. - For Audit to work more effectively, other Committees need to operate differently also, particularly in either self-determining areas for scrutiny, or in responding to those referred by the Audit Committee.	
Key strengths: (identified by Elected Members)	- Non-political - chaired by opposition Member gives credibility. - Ability to initiate the scrutiny referral process - Members with differing backgrounds able to bring some expertise to subject matters within Audit reports across services - Examining council process, service delivery and digging deeper into reports for transparency has as improved as new councillors have grown into their role.	
Key strengths: (identified by Officers)	- Carries out core functions in terms of assurance - Detailed scrutiny and challenge in respect of specific recommendations arising from Internal Audit reports often relating to policies and practices - The Committee provides a consistent approach to the auditing of Services - Questions from elected members demonstrate their understanding of their scrutiny role	
Areas for improvement: (identified by Elected Members)	- Speed up processes and have clear aims for outcomes of items referred to Policy Committees - Greater focus on the powers of Audit Committee - Further development of understanding of scrutiny role and how the Council functions operationally - Training through example. Sitting with officers and working through a previous Audit paper to dissect what is interpreted within the paper compared with what was actually said at the Audit meeting and then reflecting on what delegated powers could have been alternatively applied	

	• Commitment of some of the full members of the committee • More constructive challenge - need to be more forensic in questioning officers • Substitute members can feel they have insufficient experience to make recommendations
Areas for Improvement: (Identified by Officers)	• Consider broader areas of business besides Internal Audit reports • Identify a more suitable way of reviewing audit recommendations • The Committee needs to be more collaborative in its approach to allow for greater consistency. This could be fostered via informal sessions/ tasks which could be supported by officers/ external trainers. For Audit to work more effectively, other Committees need to operate differently also, especially in either self-determining areas for scrutiny, or in responding to those referred by the Audit Committee • Promoting its work more widely and reinforcing improvement focus • Reinstate scrutiny powers so that the Committee can progress with scrutiny as it sees fit rather than having to refer to other Committees which appears to delay the process • Provide evidence value add by Audit Committee to the wider systems; is it giving direction to make these systems better

Improvement Service question 2	**Does the Audit Committee have an effective structure and composition, which supports attendance of members?**	**Score out of 5 3.0**
What did we find?	• Structure and composition agreed by Full Council • Political proportionality in place and chaired by opposition group with substitute members in place • The committee has become more interesting and effective as participation has grown with members gaining confidence from officer support and training. Although Councillors will each engage differently with different topics, some Members rarely participate at all and not all committee members actively participate - tends to be the same members who ask questions of officers or comment on reports. • It shouldn't be the 'Committee of last choice', as it appears to be, with the focus otherwise on "policy making" central Committees - the role, although different, is business critically important. • By working more closely and informally together, officers can gain a better understanding of how elected Audit members have interpreted a paper in a meeting and any weaknesses in understanding a paper, and likewise councillors can gain an interpretation in reflection from officers on a papers content leading to a better understanding of the role within Audit Committee.	
Key Strengths	• Chair and Vice-Chair are appropriate to the positions and both knowledgeable about their roles and able to work closely • Strong core of engaged members • The structure and composition are effective in set up. It invites for collaboration between members and during meetings • Excellent cross section of experienced Councillors in the committee to operate well and examine complex issues • Strong commitment from the majority of member	

Areas for Improvement	• Training for new appointees and refresh existing members • A reminder of the responsibility to the Committee and its function, as well as to the Council as a whole entity • More transparency between Audit officers and Committee members allowing us to learn from each other after a committee meeting • Attendance and commitment of individual members. Perhaps cross-party communications from chair and vice chair to all members, including independent members with a strong expectation to a response and a written commitment to prepare and attend may be required • Better consistent attendance which would help to see the "bigger" picture in dealing with recurring themes and subject matter • Reduce delays in material requests

Improvement Service question 3	**How well known is the role and value of the Audit Committee across the Council?**	**Score out of 5** **Elected Members 2.7** **Officers 3.5**
What did we find?	• There is widespread disparity in how well known and understood, the role and function of the Audit Committee exhibits across the organisation • Referrals arising from Audit Committee's consideration of Internal and External Audit reports (as well as other external performance reports) do not always seem to be well received by other committees - which do not evidence their own work on scrutiny either • To date, there is little evidence of the Committee's impact across the Council - recent reporting of systemic non-compliance with policies agreed several years ago at Full Council level may be assumed to demonstrate a rather low appreciation of the value of Audit across the Council • There is no feedback from Audit Committee to Area or Policy committees of Aberdeenshire Council. There has been no Annual Report or Recommendations made to full council since May 2017 • It is not regarded by some councillors as being as important as policy committees, somewhat poor attendance and participation reflects that	
Key strengths: identified by Elected Members	• Independent role of the Audit Committee is recognised by the council at large • Audit Committee is seen across the Council as a necessity and a method of reviewing internal control systems as well as compliance with policies and guidance • Emphasis on the role of the Audit Committee has a strong historical basis in Aberdeenshire Council, but increasingly confidence in the committee has been challenged • Audit Committee members understand the role very well but it not clear that all Councillors understand the importance of the scrutiny role we all have as Councillors.	
Key strengths: Identified by Officers	• At a senior level with the organisation its role and value is well understood • It is recognised as having an important role in approval of the council's annual accounts.	

	• It is known for its role in scrutiny and its ability to make referrals under the committee review process.
Areas for improvement: Elected Members	• Raise awareness of Audit Committee's role by highlighting examples of completed action • Rollout of a briefing which shows the interlinking between Policy Committees and Audit to all Councillors • Need to increase understanding of the role of the committee through focus on outcomes and dealing with a backlog of historic issue • Being able to inform Policy Committees of the actions of Audit and how the implications carried out after an Audit can be transparently understood by the Policy Committee
Areas for improvement: Officers	• Not sure all officers or the public fully understand the important improvement role of the Audit Committee or what value it adds to the wider system • The questioning on Internal Audit reports should be better balanced between Services and Internal Audi • Regular meetings with the Chairs/Vice Chair of the Policy Committees might improve communication/ elevate the status of, and appropriate response to, the Audit Committee • The proposed annual report and the process of developing that will be a positive step forward. • There could be more Comm's about the Audit Committee's successes (as for policy and area committees) i.e. a round up on Arcadia that staff can read to see what business was considered and what improvements have taken place in council systems and activities (e.g. a reduction in fraud / improvement in processes which give benefits to the customer etc)
Improvement Service question 4	**How effectively does Audit committee make recommendations for the improvement of governance, risk and control and how effectively are these acted upon?** **Score out of 5 3.0**
What did we find	• The committee's strength lies in identifying failure of governance and control, and the effectiveness of trends in performance • More information should be provided through the different networks on HOW we audit (what kind of questions to ask), WHAT the powers and functions are of the Audit committee and what is expected of an elected member in order to do their duty. • More clarity could be provided on HOW is the duty to be undertaken.
Key strengths	• The committee's strength lies in identifying failure of governance and control, and the effectiveness of trends in performance • Members regularly raise issues where control is not robust • Referral process to policy committees is useful when used appropriately
Areas for improvement	• Practical implementation of audit recommendations has been delayed by operational restraints, resulting in issues outstanding • The committee does not necessarily identify risk or frequency of any failures in service as this is open to interpretation within the Audit papers presented to us;] • Possibly open to challenge that having had officers attend to explain issues in the reports, the Committee is lenient

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	- Some practices which have been identified as unacceptable then recur - Decision making can be slow. Tracking and monitoring of outcomes not always clear. Not always clear how major the identified issue is in context of the whole council. Referral process takes too long	
Improvement Service question 5	**Committee members receive briefings and training to carry out their role. To what extent do these support members to carry out their role in a robust and effective manner?**	**Score out of 5 3.0**
What did we find?	- Briefings and training are an essential part of being a member of any committee, and Audit training is invaluable. However, not all members were able to attend, and recorded briefings could be used to provide actual content and further reading, or experiences by other Audit committees of other councils - Far more examples of how other councils are running their audit committees is needed with learning from others being crucial for improvement	
Key strengths: Elected Members	Briefings and training have been very helpful in helping to support understanding of the role and appreciate the can opener effect of asking questions to stimulate scrutiny	
Areas for improvement	- Online access has been used much more over the lockdown period and continuing this can encourage members, make it easier for engagement, training and webcasts - Regular mandatory training, especially for new councillors joining the Audit Committee and regular refresher sessions on role and powers of the committee would benefit all members	
Improvement Service question 6	**How effectively are meetings conducted in terms of content of reports, member participation etc?**	**Score out of 5** **Elected Members 3.4** **Officers 4**
What did we find – Elected Members	Feedback to Councillors on Audit Committee and for Officers as well from Elected members. In other words, giving the chance for informal sessions to allow knowledge through feedback to give confidence to members that they are interpreting papers effectively and that good guidance for services is being delivered.	
What did we find – Officers	- The submission of national reports does not get the due attention it requires (as per previous Council decision that all performance etc reports - including Audit Scotland National Reports/Association of Public Sector Excellence (APS) and other professional performance reports, if not service specific, be submitted to the previous Scrutiny and Audit Committee, of which the Audit Committee is the successor.) - The Committee would perhaps benefit from a more strategic approach to improvement/ performance if additional benchmarking opportunities were afforded and taken - Some reports are repeatedly submitted, albeit with poor progress to be observed, or deadlines in implementation of agreed	

	recommendations without due justification being reported: this is disheartening for Members and is a discouragement of participation
Key strengths – Elected Members	• Meetings are well chaired and well attended by officers, members are participating more as they settle into this committee • The committee are actively trying to make a difference and their aim to improve the function of the council validated by this participation • There is definite strength in contents of the reports which can be excellent • Content of reports very clear allowing for discussion and decisions to be made • In general Audit Committee meetings are effective in how they are conducted in terms of reporting accountability and practice • Chair and vice chair offer helpful guidance at pre-meetings and during formal committee session • Good challenges from approximately 50% of the members • Reports are well presented • Reports are clear, transparent and publicly available when the information is not sensitive • Regular, scheduled, well attended meetings. Good papers, fairly clear reports
Key strengths - Officers	• Meetings are effectively chaired Elected members and officers are given the opportunity to contribute to discuss and comment Elected member and officer interactions are largely professional and respectful • Strong chair, good officer attendance, well written audit reports (and other officer reports), good level of knowledge from officers attending and lots of information shared at meetings in public forum • Member participation has improved over the current session. Meetings are well chaired and Members are encouraged to participate • Diligent approach to managing business. Broad range of reports come through • The Internal and External Audit reports are very effective, and great working relationships with both Internal Audit and Audit Scotland make discussion of those reports very effective and engaging with Members • Meetings are effective, appropriate length and diligent questioning from all members • Member participation, but it has improved and is improving
Areas for improvement – Elected Members	• There is still work to be done with member participation in as such as feedback for members to give confidence to all members that papers are interpreted effectively and good guidance is delivered for services; • Too much can be spent on detail of outstanding work; • There is a need to encourage those who appear reluctant to engage; • Members don't always make enquiries of officers or wish to add comments; • Substitute members can affect the consistency of decision making • Reports very lengthy, meaning some information is hard to pick out

Areas for improvement - Officers	- External Audit has proposed that full Internal Audit reports be considered at Committee where appropriate however the decision making around this has been delayed - Member participation can be mixed and can feel forced on occasion - The submission of national reports does not get the due attention it requires - Sometimes members switch questions from summarised reports to full reports and the full reports are not in the public domain - Continue to make the agendas full and diverse within the scope of the committee's remit - Speed up decision making process so that Committee is seen to be actively considering issues - More focus on higher risk areas rather than on volume of less important outstanding recommendations would be useful - Reports need to be accurate, to reflect, as far as possible, positive action, or the reasons for lack of progress. There needs to be a wider overview of performance reports from external sources/ greater evidence of benchmarking - Resolve the reporting of information between Committee and the public domain	
Improvement Service question 7	**Are meetings effective with a good level of discussion and engagement from all members?**	**Score out of 5** **Elected Members 3.4** **Officers 3.3**
What did we find out – Elected Members	- Weakness and opportunities are presented where an internal audit report, reports all the policy, procedure and economic failures and then provides all identified improvements to a service thus giving Audit Committee members no perceived line of questioning albeit challenge questions should arise and be encouraged from each paper - There are good and effective pre-meetings and many questions with officers overall providing comprehensive information to support the process effectively	
What did we find out - Officers	- Encourage more member participation in non-routine reports to help increase their knowledge and understanding of the matter/area. This could then lead on to a higher quality discussion with members feeling confident to put forward their ideas for improvement. Supported training to allow the development of skills would be beneficial - Engagement might also come were the Committee to have more freedom in requesting reports above those standardly scheduled to come for their consideration. It is not all about the three stage formal scrutiny process - and sometimes the referral to other committees for action restricts the instinct to investigate/ find out more	
Key strengths – Elected Members	- The meetings are effective and there is a good level of discussion from most member - Meetings do generate good effective discussion and more so when greater discussion required - I think that all members that are present at Audit Committee are capable to comment and discuss papers within Audit Committee well - Pre-meeting discussions good	

	• Not always evident and sometimes hidden by the level of really good engagement by regular contributors; • There can be constructive comments and searching questions posed; • Most members contribute well; • Good level of discussion and involvement, hardly ever a vote
Key strengths - Officers	• Meetings are effectively chaired Business is given suitable time for debate and discussion All elected members and officers are given opportunity to contribute • Opportunity for all members to ask questions / comment on items throughout meeting. Internal audit reports are always well discussed • Reports prepared by internal and external audit are of a high standard • Member participation has improved over the current session. Meetings are well chaired and Members are encouraged to participate • Chair and Vide-chair do encourage participation • Some Members demonstrate particularly good engagement and analytic skills and are happy to ask questions, and, if need be, challenge answers given, as well as information in the reports. The Chair and Vice Chair are very astute, diligent, persistent - and simultaneously respectful of officers • Main issues as reported are drawn out and challenged
Areas for improvement – Elected Members	• Look at attendance of members and level of substitutes • More engagement from all members • Internal Audit reports and Reports to Audit Committee must be presented in a way which encourages discussion and engagement from all members present at Committee • To engage more members and encourage participation • Part of the training/workshops in future might include the 'dissecting' of two or three former Int Audit reports, demonstrating the contents importance to a service or Policy Committee • Members may require further training or peer support • Ensure all members are well briefed • More forceful scrutiny and enforcement would increase engagement and efficiency
Areas for improvement – Officers	• Encourage more member participation in non-routine reports to help increase their knowledge and understanding of the matter/area. This could then lead on to a higher quality discussion with members feeling confident to put forward their ideas for improvement • Speed up decision making process so that Committee is seen to be actively considering issues • Support should be provided to all members across a range of topics or service areas to increase awareness so they can contribute more confidently • Supported training to allow the development of skills would be beneficial. Engagement might also come were the Committee to have more freedom in requesting reports above those standardly scheduled to come for their consideration. It is not all about the three stage formal scrutiny process - and sometimes the referral to other committees for action restricts the instinct to investigate/ find out more

	• Ownership of the issues in the Internal Audit report is with the Service and this should be drawn out in the Committee	
Improvement Service question 8	**How much value would be gained with inclusion of the associated full internal audit report within Agenda?**	**Score out of 5** **Elected Members 3.6**
What did we find	• All members who provided a response considered that the full report should be provided • This would also allow members of the public to understand the context of the conversation when the full report is referenced during discussions. It is good to refer to the full internal Audit report prior to Committee as this can raise a series of questions and challenges for Audit Committee Members • In providing greater detail, this may allow those not regularly engaging, to contribute more as they will have more information to scrutinise • The full reports provide greater insight into the subject area under review and allows Members to be better informed.	
Key strengths	• Full reports support greater insight into service areas and issues under review • Encourages greater discussion with more available information • Allows members of the public to understand the conversation within Committee discussions • Improves scrutiny and greater accountability	
Areas for improvement	• Greater access for Councillors to the full internal report but must be kept confidential • Full internal audit report should be used as a further reference tool by Members • Publication of full Audit reports at an early stage and included within Agenda setting meeting • Executive summaries included for reference only	
Improvement Service question 9	**What value would be added, by the public having access to all the information subject to scrutiny by the committee?**	**Score out of 5** **Elected Members 3.4**
What did we find	• Overall, Members have indicated support in providing greater transparency and more freely and fully available information into the processes and protocols of the Council and Local Government. However, this must include a caveat to ensure data protection and non-identification of individual officers • Fuller discussion should be undertaken by the Audit Committee and supported by Officers	
Key strengths	• Transparency in full – constant scrutiny for the Council • Public scrutiny would support position of Internal Audit • Members of the public could attend meetings via Webcast to access and follow the same information as Members • A good reflection of public scrutiny in Local Government • Strengthening effect in that the Committee is aware of greater public access to the issues and protocols within Council operations	

Areas for improvement	• Greater access for the public but care must be taken to protect identity of individuals • Public access to all information within reports would show transparency and support expectations	
Improvement service question 10	**How effective are the Committee in monitoring audit recommendations outstanding for over 12 months?**	**Score out of 5** **Elected Members 3.1**
What did we find	• Outstanding recommendations are always on the Committee agenda and explanations are sought with expected completion dates. • Some recommendations have proved beyond the capabilities of the council to comply with due to operational practicalities of dependence on 3rd parties or suppliers. • Where some outstanding Audit recommendations are acceptable when sufficient reasoning has been presented to Audit Committee this does not explain how some outstanding recommendations are allowed to persist. • There are currently no mechanisms in place to support compliance or enforcement of outstanding recommendations to work together with services to completion	
Key strengths	• Outstanding recommendations are always on the Committee agenda and explanations are sought with expected completion dates • Effective monitoring but the list appears to be gaining in length • Committee is definitely having a full agenda so going through a fair bit of reports • Committee have become more robust in the challenges to this aspect of work, no longer are extensions just accepted • This is a key part of the Committee's work • Good in most respects, however, maybe too forgiving when dates roll on and it has to be understood that there are many acceptable reasons given • Recommendations are highlighted and monitored • They are listed and referred to.	
Areas for improvement	• Focus on the progress made to date on the outstanding recommendation rather than if it has been completed and the reason for why it has not been achieved • More resources allocated for the internal auditors to do their job and their follow ups • More challenge along with a different way of looking at long term outstanding recommendations rather than repetitive review • Having a better system of explanation for reports with outstanding recommendations would allow the Audit Committee meeting to deliver effective accountability • More detailed work is needed in this area, particularly as part of the need to give assurance to the wider council • In the immediate term a review of the content and relativity to current Council priorities and governance reviews, some reports may become redundant or irrelevant • Greater challenge could be made re lack of progress • Deal with outstanding issues and ensure robust outcomes and monitoring • Additional powers for enforcement.	

Improvement action plan	• Consider a review into all current outstanding recommendations/plans and determine their place of viability or otherwise, during this time of review against Priorities and Governance • Review current practices in reaching recommendations with timelines for implementation between Internal Audit and Services e.g. are they realistic versus optimistic • Consider whether appropriate methods of enforcement of accountability to services could be implemented
Improvement Service question 11	**Taking a global overview of your answers and evidence provided to all of the above questions, please provide an overarching statement in relation to: 'How do you view the role of governance and scrutiny of the Audit Committee, and our capacity for its improvement' against delivering our outcomes, our impact and our leadership**
What did we find	• The organisation has become complacent and lacks ambition or drive. The pandemic provides an opportunity to press reset, to be open to challenge and accept that there is a need for us to change. It requires clear and decisive leadership and a willingness for all senior leaders to contribute and drive the change. The council's response to the pandemic has been exceptional and demonstrates an ability to respond when the needs of our communities are clearly articulated and prioritised. • Governance is generally good. It controls the "day to day" well and generally strikes the right balance between central and local decision making. However, it can stifle innovation and not fully reflect the broad range of operational structures across the Council, and partners. • The overall impression gained at the Council is a constant requirement to maintain high standards, respond to change, consider diversity, tackle inequality, comply with the Scheme of Governance. There is an impression that we should lead, rather than follow other Councils. • Aberdeenshire has well established structures which allow flexibility in decision making and leadership. These structures could be better promoted across the entire organisation to develop the deeper understanding of leadership at all levels. This will be particularly important as we come through the current pandemic. • Yes we do have the capacity and tools but not always the will. It is the culture to want to change. We have no work force strategy to manage aging workforce and budget issues to inform areas of improvement. We need to use the tools more effectively and be consistent across all Directorates. No corporate approach taken but managed in a silo way. Fix the culture and ethos. Strategic Change Board should offer the opportunity for improved