

## REPORT TO AUDIT COMMITTEE – 17 SEPTEMBER 2020

### ANNUAL GOVERNANCE STATEMENT 2019/2020

#### **1 Reason for Report / Summary**

- 1.1 This report provides the Committee with the Annual Governance Statement for Aberdeenshire Council for 2019/20 and the Governance Action Plan.

#### **2 Recommendations**

**The Committee is recommended to:**

- 1. Consider and discuss the Annual Governance Statement for 2019/20 set out in Appendix 1;**
- 2. Approve the Annual Governance Statement Action Plan set out in Appendix 2; and**
- 3. Agree to receive 6-monthly progress reports on the Annual Governance Statement Action Plan.**

#### **3 Purpose and Decision-Making Route**

- 3.1 The purpose of this report is to provide the Committee with Annual Governance Statement, which forms part of the Council's Annual Accounts and the accompanying Action Plan.
- 3.2 The Committee will receive further reports on the Annual Governance Statement Action Plan at 6-monthly intervals as the Committee has the scrutiny role in respect of the Action Plan.

#### **4 Discussion**

- 4.1 The purpose of the Annual Governance Statement is to provide assurance on the governance of Aberdeenshire Council's affairs and the stewardship of the resources at its disposal.
- 4.2 The Statement takes into account the feedback from Senior Councillors in terms of areas for improvement and these have been incorporated into the Action Plan at Appendix 2. Whilst recognising that there is always scope to improve, based on the evidence contained in this statement, the governance arrangements provide assurance, are adequate, and are operating effectively.
- 4.3 The Leader, Chairs of the Policy Committees, Chief Executive, and Directors have been consulted, and their views sought on the Annual Governance Statement during the audit period. These views are important to ensure that those who place reliance on the Accounts have assurance on the governance of Aberdeenshire Council's affairs and the stewardship of the resources at its disposal. The consultation, as in previous years, took the form of an e-mail inviting comment. In future years, a consultation report will go to all Policy Committees inviting them to consider and comment on the content of the Annual Governance Statement prior to it going to Audit Committee for approval.

- 4.4 Since the Annual Governance Statement was submitted to Audit Committee on 2<sup>nd</sup> July 2020 for noting, it has been amended to reflect the ongoing circumstances of the COVID-19 pandemic and as a result of dialogue with Senior Councillors.
- 4.5 Senior Councillors have indicated that they are content that concerns raised have been recognised and are included in the emerging Action Plan.
- 4.6 The Annual Governance Statement Action Plan encompasses the Actions from the Audit of the 2018/19 Accounts relating to governance, the actions identified through the How Good Is Our Council self-evaluation, and comments from Senior Councillors following the initial draft of the Annual Governance Statement. It is intended that this document should further develop and evolve in response to merging issues and future iterations of this Appendix will incorporate timelines for the various actions.
- 4.7 In future years the draft Annual Governance Statement will be the subject of a report to all the Policy Committees inviting discussion and comment before coming to Audit Committee.
- 4.8 The outcome of the How Good is Our Council self-evaluation will also be reported to all the Policy Committees for comment before being reported to Audit Committee.
- 4.9 The Annual Governance Statement will continue to be included in the Annual Accounts, but it will now also be the subject of a standalone report overseen by an officer who will be taking forward the Annual Governance Statement and associated Action Plan in future.

## 5 Council Priorities, Implications and Risk

- 5.1 The governance of the Council is the mechanism by which decisions are taken in order to deliver on the Council's priorities.

Pillar	Priority
Our People	<ul style="list-style-type: none"> <li>• Education</li> <li>• Health &amp; Wellbeing</li> </ul>
Our Environment	<ul style="list-style-type: none"> <li>• Infrastructure</li> <li>• Resilient Communities</li> </ul>
Our Economy	<ul style="list-style-type: none"> <li>• Economy &amp; Enterprise</li> <li>• Estate Modernisation</li> </ul>

- 5.2 This needs to be underpinned by robust performance monitoring and measurement that is outcome focused so that elected members are able to scrutinise how successfully as an organisation the Council is meeting its priorities.
- 5.3 The table below shows whether risks and implications apply if the recommendation(s) is(are) agreed.

Subject	Yes	No	N/A
Financial			X
Staffing			X
Equalities			X
Fairer Scotland Duty			X
Town Centre First			X
Sustainability			X
Children and Young People's Rights and Wellbeing			X

- 5.4 An Equalities Impact Assessment and a Town Centre Impact Assessment are not required for this report as the report deals with an annual governance statement and there will be no differential impact, as a result of this report on people with protected characteristics.
- 5.5 There are no staffing or children and young people's wellbeing implications arising from this report.
- 5.6 The following Risks have been identified as relevant to this matter on a Corporate Level: Budget Pressures (Corporate Risk Register). The following Risk has been identified as relevant to this matter on a Strategic Level: Balancing the Books (Directorate Risk Registers). The actions being taken to mitigate these risks are set out in the report.

## 6 Scheme of Governance

- 6.1 The Head of Finance and Monitoring Officer within Business Services have been consulted in the preparation of this report and are satisfied that the report complies with the Scheme of Governance and relevant legislation.
- 6.2 The Committee is able to consider this item in terms of Section G1.3 of the List of Committee Powers in Part 2A of the Scheme of Governance as it relates to a review of the financial statements, management letters or reports and compliance with the relevant codes of practice.

**Ritchie Johnson**

**Director of Business Services**

Report prepared by Susan Donald, Corporate Finance Manager

Date 25 August 2020

## List of Appendices

Appendix 1 – Annual Governance Statement

Appendix 2 – Annual Governance Statement Action Plan

## Annual Governance Statement

### Aberdeenshire's Vision

The [Council Plan, which was agreed by Councillors on 23 November 2017](#), articulates a shared aspiration for Aberdeenshire as the best area and best Council and sets out a clear strategic direction for creating a successful and sustainable region by supporting people and communities to realise their potential.

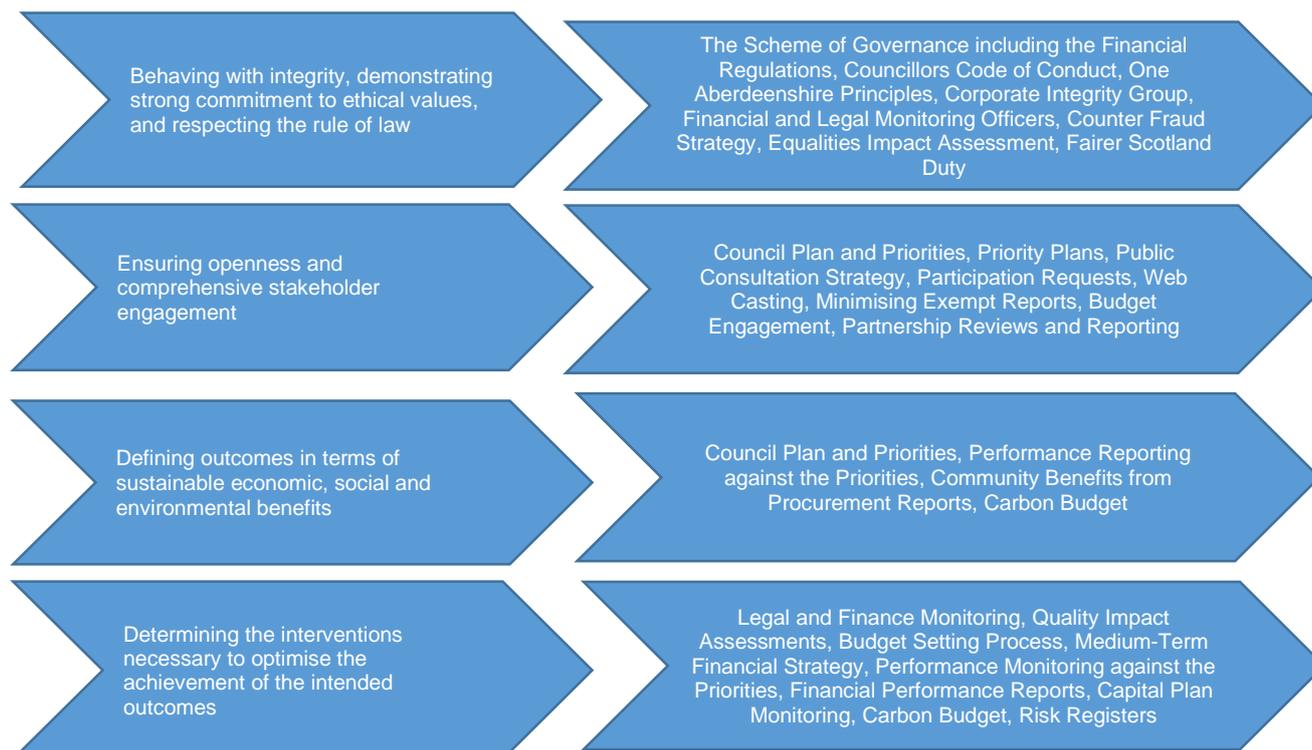
The Council Plan is underpinned by Priority Plans and Head of Service Business Plans which are shaped by the Council [Priorities](#). The Council's Medium Term Financial Strategy, which was agreed on 14 February 2019, is the financial embodiment of the Council's Plan. The Council's [performance](#) management and reporting framework in conjunction with the [Risk Management and Business Continuity Strategy](#) are the tools which Councillors will use to scrutinise delivery of the Council Plan.

### Scope of Responsibility

Aberdeenshire Council has a responsibility for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used appropriately. The Council also has a duty under the Local Government in Scotland Act 2003 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In 2016 the Council approved the current [Scheme of Governance](#) to ensure that there were appropriate arrangements for the governance of the Council's resources. The Scheme of Governance has been subject to an ongoing review process, starting in 2018 and carrying on throughout 2019, as the Scheme was adapted to ensure greater transparency, continuous improvement, changes in legislation and Council operations. During 2019/20 Full Council discussed and scrutinised Reports concerning changes to the Scheme of Governance on [27 June 2019](#), [26 September 2019](#), [21 November 2019](#) and [16 January 2020](#). Further amendments to the Scheme of Governance were agreed by Full Council on [18 March 2020](#) in response to the COVID-19 pandemic.

Aberdeenshire Council has adopted a Code of Corporate Governance (the Governance Code) which ensures the accountability and probity of officers of the Council. The Governance Code is consistent with the principles and reflects the requirements of the CIPFA Statement on the Role of the Chief Financial Officer (CFO) in Local Government (2016) as set out in *Delivering Good Governance in Local Government: Framework (2016)*, and the Council's financial management arrangements conform to the governance requirements set out therein. The Diagram below sets out the Principles and just some of the ways in which the Council complies with them.



**Annual Governance Statement (Continued)**



**The Purpose of the Governance Framework**

The governance framework comprises the systems, processes, cultures and values by which the Council is directed and controlled, and the activities used to engage with the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically. The governance framework has been in place at the Council for the year ended 31 March 2020 and up to the of approval of the annual accounts.

**The Governance Framework**

The Governance Code covers four key areas: Community Focus, Service Delivery, Structures and Processes, and Risk Management and Internal Control. The Director of Business Services has the responsibility for overseeing the implementation of the Governance Code and reviewing it in practice. Audit Committee now has the remit for scrutinising the review of the Governance Code. The review took account of CIPFA's *Delivering Good Governance in Local Government: Framework (2016)* and was reported to Audit Committee on 6 February 2020. A copy of the Governance Code Report and the Self-Assessment is available through the attached [link](#).

The revised Code of Corporate Governance is based on the seven principles from *Delivering Good Governance in Local Government: Framework (CIPFA/Solace 2016)*, which are set out above. The system of corporate governance and internal financial control is based on a framework with appropriate delegation and accountability.

The corporate governance and internal control procedures are informed by feedback from Councillors and Committees, Internal Audit and External Audit, work undertaken by external review bodies including Education Scotland, the Care Inspectorate and Audit Scotland, input and comment from managers within the Council and customer and stakeholder feedback.

Aberdeenshire's Integration Joint Board (IJB) for Health and Social Care is now well established with full delegation of functions and resources. The revenue budget for the IJB is reported to the Board, and regularly discussed at Strategic Leadership Team. The Council's contribution to the IJB is part of the Revenue Budget Monitoring Report that goes to Communities Committee and Full Council, which is in accordance with the Scheme of Governance.

**Annual Governance Statement (Continued)**

**Review of Effectiveness**

The review of the effectiveness of the governance framework, including the system of internal control, is ongoing throughout the year, building on and with contributions from the Council and its Committees, including Audit Committee, Strategic Leadership Team (SLT), the Statutory Officers, Internal Audit, external organisations which carry out audits or inspections of the Council and regular self-assessment and evaluation using the council's corporate framework 'How Good Is Our Council?'

The Council's Governance Code and the related systems of internal financial control provide reasonable assurance that the Council meets its statutory and fiduciary responsibilities. Aberdeenshire Council adheres to the principles of openness, integrity and accountability. All reasonable steps are taken to ensure assets are safeguarded, transactions are authorised, procedures are practical and adhered to and that errors are either prevented or detected within a timely period, corrective action taken and lessons learned. For example, the increasing threat from cyber fraud, arising from the hacking of individual and supplier email accounts, has resulted in additional safeguards being put in place to when it comes to dealing with requests to change payment details.

Each year the external auditor produces a report for the Council, which can include recommendations for the Council to address. The Council recognises the importance of these recommendations and will develop an Action Plan for implementation, the most recent progress was reported to Audit Committee on 19 September 2019. The Council has reacted positively and constructively in implementing the Planned Management Actions in the Action Plan by assigning each action to an officer with a target completion date agreed. The responsibility for the completion of the Action Plan rests with the Head of Finance and is discharged through the Corporate and Strategic Finance Managers.

There were 4 recommendations in the action plan arising from the 2018/19 Accounts.

- An effectiveness review should be undertaken to review the operation of the Audit Committee against its remit within the Scheme of Governance but also to consider how well the Committee and Officers work together.

A self-evaluation programme for the Audit Committee was developed at the end of 2019, with the intention of running a workshop session with the Committee members. However, the session was postponed due to the Covid-19 pandemic. Consideration is being given to holding the session remotely through the use of online tools and this is expected to take place ahead of the summer recess. Following feedback from Policy Chairs, work is currently taking place on an electronic survey of Audit Committee Members, Policy Chairs and Vice Chairs, Directors, Heads of Service and regular attendees at Audit Committee, with the aim of reporting back on the results of the survey to Audit Committee on 2 July 2020.

A series of face to face and online training sessions on the Scrutiny at Aberdeenshire process were delivered to senior management teams in August and September 2019 and six sessions with Elected Members were held between October and December 2019. There has been increased scrutiny activity in 2019/2020, with greater use of the formal scrutiny procedures by Committees. Feedback from the training and the scrutiny work undertaken this year will be used to inform any changes to the Scrutiny at Aberdeenshire guidance under Part 4A of the Scheme of Governance.

- Consider the information which the Council routinely puts in the public domain out with the formal Committee process (i.e. beyond its current annual reporting activities) to determine what more can be effectively achieved to strengthen transparency and openness arrangements

The Audit of the 2018/19 Annual Accounts recognised that the Council "demonstrates a commitment to conducting business in an open and transparent manner", which is recognised in the Scheme of Governance. In addition to supporting Committees and their Chairs with all their communications, the Communications Team support services with all their internal and external communications, for example part of the 2019/20 budget setting process involved the Team working with Finance on the development of a budget engagement tool whereby residents of Aberdeenshire could provide feedback on where they would prefer the Council to prioritise spending. The outcome of this exercise was then reported to Full Council on 14 February 2019 in Appendix 1 to the Medium-term Financial Strategy Report.

**Annual Governance Statement (Continued)**

- Reflect on the intention of the scrutiny arrangements implemented by the Scheme of Governance, consider the adequacy of the scrutiny function and whether it can be demonstrated that it helps drive improvement.

Under the Council's Scheme of Governance, the scrutiny remit falls to the various Policy Committees. During 2019/20 there were 6 Scrutiny Referrals to Policy Committees resulting in Stage 1 Reports none of which resulted in Stage 2 Workshops. There were 4 Scrutiny Referrals to Area Committees, two of which resulted in Stage 1 Reports only, one of which resulted in a Stage 2 Workshop and one which is due to report shortly. These were instigated either by the Policy or Area Committees themselves for example in relation to Newmachar Speed Limits or as a result of a referral from Audit Committee. The results of the effectiveness review of the Audit Committee will provide information on how Senior Councillors and Senior Officers assess the adequacy of the scrutiny function and where improvements can be made.

In terms of performance scrutiny, Policy Committees have received performance reports that are aligned to the Council Priorities but whilst acknowledging the progress to date there is a recognition that there is more work to do to provide a robust golden thread between the Council Plan, Priorities, Priority Plans and outcome based performance reports, which elected members are seeking.

- Develop medium-term resource plans demonstrating integrated financial and workforce capacity to deliver agreed council priorities.

The budget setting process for 2020/21 brought together financial and work force data, linking these elements to service delivery and the Council's priorities. This was done through a data analytics tool, the capabilities of which are still being explored and is a work in progress in terms of honing and refining the information so that in future it can be incorporated in the Council's Medium-Term Financial Strategy

Ensuring the Council's governance arrangements are effective and contribute to open and transparent decision-making is the responsibility of all elected members and officers of the Council, none more so than during a time of national crisis, such as we are currently experiencing. During the COVID-19 lockdown Aberdeenshire Council and its Policy Committees have been able to continue to meet via electronic means, initially posting recordings of those meetings and ultimately live-streaming the meetings.

But as feedback from Senior Councillors, the self-evaluation process and external scrutiny has shown there is still room for improvement and therefore an Annual Governance Statement (AGS) Action Plan has been approved by the Council's Strategic Leadership Team. In future the outcome of the How Good Is Our Council self-evaluation will be the subject of a report to all Policy Committees for comment before being submitted to Audit Committee and the draft annual governance statement will in future be the subject of a report to all Policy Committees for comment before being finalised. Policy Committees will also in future be given the opportunity to comment on the Draft Annual Governance Statement before Senior Councillors are asked to ratify it.

**Risk**

It is recognised that the format of the current Risk Registers do not fully reflect Council's Priorities and initial work had started in 2020 in terms of reviewing these but this had to be put on hold due to the need to respond to COVID-19. In addition the Risk Registers will require to be reviewed in light of the ongoing threat from COVID-19, the risk from future such pandemics and any changes the Council makes to its governance arrangements, priorities, strategy and operating model as it moves into the recovery and renewal phase of the pandemic.

The Council's senior management is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. The Chief Internal Auditor has the responsibility to review these independently, and report to the Audit Committee annually on the adequacy and effectiveness of the Council's internal control environment. The Chief Internal Auditor has reviewed the Council's internal control environment, and, in his opinion, reasonable assurance can be placed upon the adequacy and effectiveness of the Council's framework of governance, risk management and control in the year to 31 March 2020. However, as in previous years, some significant concerns have been identified throughout the year. Recommendations graded as "major" have been made in 5 reports in 2019/20 (7 in 2018/19, 7 in 2017/18 and 10 in 2016/17): Payroll System, Workforce Planning, Developer Obligations, Winter Maintenance and Charging Policy. The outcome of these audits, along with others, and concerns regarding the implementation of previously agreed recommendations have been reported to the Audit Committee throughout the year.

**Annual Governance Statement (Continued)**

Recommendations made regarding the issues identified have been agreed with management and Internal Audit will be ascertaining progress with implementing these during 2020/21. Progress made by Services will help inform Internal Audit's annual opinion for 2020/21. In addition to the above, it is important to include that areas of good practice, improvement, and procedural compliance have been identified and these have been detailed in individual assignment reports.

During the last External Quality Assessment of the Council's Internal Audit arrangements, undertaken in 2017/18, the Council's Internal Audit arrangements were found to generally conform with the 13 areas of the Public Sector Internal Audit Standards (PSIAS) and the recommendations made in that report have since been implemented.

**Aberdeenshire Council Budget 2020/21**

The context within which local government operates continues to be a dynamic one, particularly around funding with successive one-year settlements requiring the Council's Medium-Term Financial Strategy to be reviewed annually. The need to be financially fleet of foot was amply demonstrated when the Council had to adapt to the settlement letter being delayed due to the UK Government budget being set in March 2020 and the emerging financial implications of the COVID-19 pandemic and lockdown. Nevertheless, the Priorities contained within the Council Plan continued to inform the 2020/21 Budget which was agreed at Council on 18 March 2020.

The COVID-19 pandemic has had, and will continue to have, a significant impact on society and Council services. This has affected the financial position and governance arrangements of the Council last year, this year and possibly future years too. Aberdeenshire Council has reacted to the crisis by following national guidance on standing down some services, continuation of specific services and planning how to reopen some services safely and in an agreed manner.

A key aspect of business continuity for the Council has been the ability to deliver a significant amount of business over a digital forum and this has included contact between colleagues and teams through to Full Council meetings taking place. The governance mechanism to enable the adapted way of delivering business and decision making has also been reviewed and agreed by Council. As the transition from response to recovery continues regarding moving through and out of the current position further updates and implications will be reported through Council.

**Conclusion**

Our annual governance statement summarises the Council's governance arrangements and affirms our commitment that they are reviewed regularly and remain appropriate for the activities and delivery of services by the Council and its Group. Subject to the above assurances, the development and implementation of the Action Plan and, on the basis of the evidence contained in this statement, we are satisfied that the arrangements continue to provide assurance, are adequate and are operating effectively.

Jim Savege  
Chief Executive

Councillor Jim Gifford  
Leader of the Council

On behalf of the Officers and Councillors of Aberdeenshire Council  
17 September 2020

APPENDIX 2

ANNUAL GOVERNANCE STATEMENT – ACTION PLAN

No.	Governance Identifier	Area for Improvement	Action Plan	Owner & Timescale	Update
01	2018/19 Audit of Accounts	An effectiveness review should be undertaken to review the operation of the Audit Committee against its remit within the Scheme of Governance but also to consider how well the Committee and Officers work together.	<ul style="list-style-type: none"> <li>• Self-evaluation programme for the Audit Committee was developed at the end of 2019.</li> <li>• Session was postponed due to the Covid-19 pandemic.</li> <li>• Electronic Survey of Audit Committee members, Policy Chairs, Vice-Chairs, Directors, Heads of Service and regular attendees.</li> <li>• Report on Survey to Audit Committee.</li> <li>• Virtual Workshop through the use of online tools for Audit Committee members.</li> <li>• Report on Self-Evaluation to Full Council.</li> </ul>	Head of Customer & Digital Services	
02	2018/19 Audit of Accounts	Consider the information which the Council routinely puts in the public domain out with the formal Committee process (i.e. beyond its current annual reporting activities) to determine what more can be effectively achieved to strengthen transparency and openness arrangements		Head of Customer & Digital Services and Audit Committee	<ul style="list-style-type: none"> <li>• Ongoing support for Committees and their Chairs with all their communications.</li> <li>• Ongoing support for services with all their internal and external communications.</li> <li>• 19/20 Budget Engagement exercise.</li> </ul>

03	2018/19 Audit of Accounts	Reflect on the intention of the scrutiny arrangements implemented by the Scheme of Governance, consider the adequacy of the scrutiny function and whether it can be demonstrated that it helps drive improvement	<ul style="list-style-type: none"> <li>Feedback from the training and the scrutiny work undertaken this year will be used to inform any changes to the Scrutiny at Aberdeenshire Guidance under Part 4A of the Scheme of Governance</li> </ul>	Head of Legal & Governance	<ul style="list-style-type: none"> <li>A series of face to face and online training sessions on the Scrutiny at Aberdeenshire process were delivered to senior management teams in August and September 2019.</li> <li>Six sessions with Elected Members were held between October and December 2019.</li> <li>There has been increased scrutiny activity in 2019/2020, with greater use of the formal scrutiny procedures by Committees.</li> <li>Six Scrutiny Referrals to Policy Committees resulting in Stage 1 Reports none of which resulted in Stage 2 Workshops.</li> <li>Four Scrutiny Referrals to Area Committees, two of which resulted in Stage 1 Reports only, one of which resulted in a Stage 2 Workshop and one which is due to report shortly.</li> <li>Policy Committees have received performance reports that are aligned to the Council Priorities</li> </ul>
04	2018/19 Audit of Accounts	Develop medium-term resource plans	<ul style="list-style-type: none"> <li>Increase the use of data analytics to link financial</li> </ul>	Head of Finance	<ul style="list-style-type: none"> <li>The budget setting process for 2020/21</li> </ul>

		demonstrating integrated financial and workforce capacity to deliver agreed council priorities.	and non-financial data to calculate unit costs and inform the setting of fees and charges.		brought together financial and work force data, linking these elements to service delivery and the Council's priorities.
05	Feedback on Annual Governance Statement from Policy Chair	The Risk Registers do not align with the Council Priorities, Council Plan, Priority Plans and core service responsibilities.	<ul style="list-style-type: none"> <li>• Council re-considers existing priorities due to the societal, organisational and financial impact of COVID-19.</li> <li>• Review the Risk Registers to ensure these align with the Council Priorities, Council Plan, Priority Plans and core service responsibilities.</li> </ul>	Head of HR & OD Directors Audit Committee	<ul style="list-style-type: none"> <li>• Discussed at CLG 29/07/20</li> <li>• Review by Audit Committee</li> </ul>
06	Feedback on Annual Governance Statement from Policy Chair	Concern expressed over the linkages between policy approval, implementation, performance, and outcomes.	<ul style="list-style-type: none"> <li>• Policy implementation review based on impact of any changes to Council Priorities.</li> <li>• Identify and baseline qualitative outcome measures for amended Council Priorities</li> <li>• Consider performance reporting in terms of Activity and Outcomes, with the Activity Reports coming to Committee more frequently</li> </ul>	Head of Customer & Digital Services	New priorities, refreshed approach, new performance management framework will be built around clarity, transparency, accountability, benchmarking
07	Feedback on Annual Governance Statement from Policy Chair	Interaction of financial performance reporting with the Committee cycle	<ul style="list-style-type: none"> <li>• Consider how to provide Committees with more current financial performance data under the current Committee cycle.</li> </ul>	Head of Finance in consultation with Head of Legal & Governance	<ul style="list-style-type: none"> <li>• The deadlines for Committee Reports means that financial performance data is at least 2 months old before</li> </ul>

					<p>it comes before Committee.</p> <ul style="list-style-type: none"> <li>• The use of Power BI to produce financial performance data based on actuals means that the data can be as current as at 5pm the night before Committee.</li> <li>• Councillors have access to Power BI reports for their respective out with the Committee cycle.</li> </ul>
08	Feedback on Annual Governance Statement from Policy Chair	Request for formal reporting on the work of the Audit Committee to Full Council	<ul style="list-style-type: none"> <li>• Consider including the Chair of Audit Committee in the annual performance reporting to Full Council in September.</li> </ul>	Head of Customer & Digital Services	<ul style="list-style-type: none"> <li>• The Chair of the Audit Committee is scheduled to present an update on the work of the Audit Committee during 2019/20 to the meeting of Aberdeenshire Council on 24 September 2020 as part of the Annual Performance Report.</li> </ul>
09	Feedback on Annual Governance Statement from Policy Chair	Concern at continuing difficulties in achieving timely completion of agreed outstanding internal audit recommendations.		Directors	
10	2019 How Good is Our Governance self-evaluation	New approach to area performance reporting – including six-monthly progress report to Area Committees evidencing delivery of the priority projects supporting the Council Plan and regular informal meetings between	<ul style="list-style-type: none"> <li>• Approach has been established and first six-monthly reports were received Nov/Dec 2019.</li> <li>• All services met informally with all area committees.</li> </ul>	Head of Customer & Digital Services	<ul style="list-style-type: none"> <li>• Next round of area reports due.</li> <li>• Next round of area meetings with services will be arranged beginning in September. COMPLETE.</li> </ul>

		services and area committees			
11	2019 How Good is Our Governance self-evaluation	Ensure all services use performance data to inform decisions, taking conscious decisions on how we perform in all areas of the business, compared to others, making use of LGBF benchmarking to learn from other councils and demonstrating continuous improvements across all PIs	<ul style="list-style-type: none"> <li>Embed discussions on performance at DMTs, CLG and area management teams. Active use of Pentana</li> </ul>	Directors	<ul style="list-style-type: none"> <li>Update required</li> </ul>
12	2019 How Good is Our Governance self-evaluation	Annual complaints report to Audit Committee and used by services to drive continuous improvement	<ul style="list-style-type: none"> <li>Annual complaints report to be provided to Audit Committee to support continuous improvement by services.</li> <li>All services to make use of annual report to identify and deliver improvements.</li> </ul>	<p>Head of Customer &amp; Digital Services</p> <p>Directors</p>	<ul style="list-style-type: none"> <li>Annual complaints report considered by Audit Committee on 19 Sept 2019 and will now be delivered annually. COMPLETE.</li> <li>Update required</li> </ul>
13	2019 How Good is Our Governance self-evaluation	Scheme of Governance - revise and review appropriate inclusion of Loans and Grants within Scheme of Governance	<ul style="list-style-type: none"> <li>To be undertaken at next major review of Scheme</li> </ul>	Head of Legal & Governance	<ul style="list-style-type: none"> <li>Interim changes were made to the Financial Regulations in relation to grants which came into force on 1 February 2020. A more thorough review was going to form part of the EAPP project which is currently on hold.</li> </ul>
14	2019 How Good is Our Governance self-evaluation	SLAs - review and revise service level agreements and provide clarity on when these should be used – include roles and	<ul style="list-style-type: none"> <li>Consider scope of service arrangements</li> </ul>	Director of Business Services	<ul style="list-style-type: none"> <li>Update required</li> </ul>

		responsibilities, resource allocation, accountability, and expectations			
15	2019 How Good is Our Governance self-evaluation	Review of budget setting process to include working with services to ensure budgets are aligned to outcomes/priorities; and consider long term financial planning linking revenue, capital, HRA, alongside wider data eg performance		Head of Finance	<ul style="list-style-type: none"> <li>EAPP (Expenditure Approval Process Project) currently on hold due to COVID-19.</li> <li>MTFS2</li> </ul>
16	2019 How Good is Our Governance self-evaluation	To provide greater levels of transparency and accountability in the lead up to key decisions eg full council, through peer challenge, clear processes, and timetables		Directors	<ul style="list-style-type: none"> <li>ASB</li> <li>SLT</li> <li>RRG</li> </ul>
17	2019 How Good is Our Governance self-evaluation	Support and deliver training to governance arrangements within Community Councils		Area Managers	<ul style="list-style-type: none"> <li>Update required</li> </ul>
18	2019 How Good is Our Governance self-evaluation	Strengthen transparency of community engagement to include clarity on what is meant by engagement, consultation and broadcasting of information and provide training to officers on appropriate and consistent use.	<ul style="list-style-type: none"> <li>Engagement and participation policy under development – supported by cross-service reps</li> </ul>	Head of Customer & Digital Services	<ul style="list-style-type: none"> <li>New policy expected by end of 2020.</li> </ul>
19	2019 How Good is Our Governance self-evaluation	Promote Partnership Policy/Framework across the organisation		Head of Customer & Digital Services	<ul style="list-style-type: none"> <li><a href="#">SharePoint</a> site for officers available on Arcadia with guidance. It was promoted in the Policy Bulletin which is issued directly to</li> </ul>

					subscribers and available online. COMPLETE
20	2019 How Good is Our Governance self-evaluation	Review arrangements for provision of information to Community Groups, including funding streams available		Area Managers	<ul style="list-style-type: none"> <li>Information for Community Groups on different funding streams is accessed on the Council website, broken down per area and Groups are signposted by area offices to this information. Further work is ongoing by on reviewing the information available on the Council's charitable trusts and Common Good funds. The lessons learnt from the response to COVID-19 will also inform any further changes to the current arrangements.</li> </ul>
21	2019 How Good is Our Governance self-evaluation	Promote opportunities for community groups to use participation requests	<ul style="list-style-type: none"> <li>Further promotion of all aspects of community participation to be included within the wider engagement policy</li> </ul>	Head of Customer & Digital Services	<ul style="list-style-type: none"> <li>Info available on website, support for groups encouraged via direct contact with area management team. The promotion will be incorporated in the development of the new engagement policy due at the end of 2020</li> </ul>
22	2019 How Good is Our Governance self-evaluation	Set out objectives for embedding One Aberdeenshire for the year ahead	<ul style="list-style-type: none"> <li>Plan to support employee engagement in development, which will contain measurable objectives</li> </ul>	Head of Customer & Digital Services	<ul style="list-style-type: none"> <li>Employee Engagement Board established to oversee activity, supported by a working group with cross service reps. Activity has stepped up during Covid with a</li> </ul>

					staff microsite, regular bulletins, Team Talks and direct engagement with managers. Activity is being monitored via quick polls on Arcadia.
23	2019 How Good is Our Governance self-evaluation	Provide clear guidance to managers in support of PPP	<ul style="list-style-type: none"> <li>Extensive supporting materials available on Arcadia. Issue further resources such as articles and webinars and signpost to existing support delivered to help managers develop their skills in this area</li> </ul>	Head of HR & OD	<ul style="list-style-type: none"> <li>Update required</li> </ul>
24	2019 How Good is Our Governance self-evaluation	Increase visibility of our leadership in relation to embedding vision in support of future council and One Aberdeenshire, with a focus on leadership development	<ul style="list-style-type: none"> <li>Gap analysis to determine where we are now, and where we need to be. Action plan to then be developed based on findings</li> </ul>	Directors	<ul style="list-style-type: none"> <li>Significant progress as a result of Covid with leadership forums, Team Talks and engagement across all services. Surveys capture the progress being made in this area.</li> </ul>
25	2019 How Good is Our Governance self-evaluation	Support Councillors in providing leadership to the organisation in the delivery of their strategic priorities through CPD, seminars, action learning, external speakers and peer challenge		Group Leaders	<ul style="list-style-type: none"> <li>Update required</li> </ul>
26	2019 How Good is Our Governance self-evaluation	Embed project prioritisation process that incorporates benefits to demonstrate value to inform project approval and assign resources.	<ul style="list-style-type: none"> <li>Prioritisation tool in development for Strategic Change Board which can be adapted</li> </ul>	Head of Customer & Digital Services	<ul style="list-style-type: none"> <li>Tool agreed by SCB in Feb 2020, engagement with DMTs on hold as a result of Covid</li> </ul>

27	2019 How Good is Our Governance self-evaluation	Develop peer support/challenge mechanisms, including a model which sets out how and when to use it		Head of Customer & Digital Services	<ul style="list-style-type: none"><li>• No progress</li></ul>
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