

**AUDIT SCOTLAND/ACCOUNTS COMMISSION
ACTION PLAN UPDATE**

1.0 EXECUTIVE SUMMARY

- 1.1 This report provides an update on the Audit Scotland action plan, which was most recently approved by members at the full Council held on 25 September 2014, following a further visit from Audit Scotland in April 2014.
- 1.2 The majority of actions within the action plan are complete, with the remainder on track as per the agreed timescales. A meeting was held on 12 November 2014 involving Executive Director - Customer Services, Head of Governance and Law, Head of Strategic Finance, Chief Internal Auditor, and Corporate Support Manager, with instruction from the Chief Executive to review progress against the plan, and consider the gathering of evidence in support of all actions on her behalf.
- 1.3 As part of this meeting Officers challenged the progress against all actions, including those which have already been completed, to determine whether any further action could be achieved. This resulted in a number of additional actions being agreed, including: member feedback via survey in FQ4; audit of attendance at seminars to ensure follow up training/provision of seminar notes/presentations; service committee work plans to be tabled at Performance Review and Scrutiny (PRS) Committee to identify scrutiny areas; work of PRS will be monitored over next 9 months, including a report in February 2015 with proposed changes to operation; and sounding boards to be created to review the committee reporting template and the approach to training for elected members.
- 1.4 Members are asked to note the contents of this report and the updated action plan, which outlines the progress that has been made.

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- 1.4 The action plan is attached at Appendix 1 and includes an additional column providing an update on the discussions held.

2.0 RECOMMENDATIONS

- 2.1 Members are asked to note the contents of this report and the updated action plan, which outlines the progress that has been made.

3.0 DETAIL

- 3.1 Background

- 3.1.1 Audit work was carried out between May and August 2013 – following Assurance and Improvement Plan report 2013-16 which identified that scrutiny was required on some aspects of Argyll and Bute Council's leadership and culture, specifically in respect of councillor to councillor and councillor to officer working relationships
- 3.1.2 During the onsite work the Audit Team carried out interviews with senior officers and councillors, observations at committees and focus groups.
- 3.1.3 Statutory Report and Findings prepared by the Controller of Audit for the Accounts Commission was published in October 2013, and was tabled at the Council in November 2013 where Statutory Report and Accounts Commission's findings were accepted.
- 3.1.4 The Commission asked Audit Scotland for a further report on the progress made to improve over the following 6 months, and a follow up visit was scheduled for week commencing 21 April 2014. The Follow up report undertaken was submitted by the Controller of Audit to the Accounts Commission for consideration at their meeting on 19 June 2014. The Commission accepted the Controller of Audit's report, noted the progress that had been made and concluded there was further work to be done to secure improvements and requested a further report by the end of 2015.

3.2 Current Position

- 3.2.1 Since the publication of the two Audit reports in October 2013 and June 2014, a wide range of activity has been undertaken to meet the Audit Scotland recommendations. All actions within the plan are either on track or complete, and a summary of the main achievements are detailed below;
- New political management arrangements implemented – new committees in operation and dealing with their workload.
 - Terms of reference developed for all committees and been incorporated into standing orders/constitution. Development days held for each committee and work plans prepared. Feedback from members has been positive, advising that the development days provided clarity on the role of the new committees and the linkages/interaction between them.
 - Improved scrutiny and decision making processes - In terms of ensuring effective governance and scrutiny, scorecards and performance reporting measures have now be incorporated within the scrutiny reporting arrangements for each committee. In addition, the work plans for each committee will be tabled at the PRS to enable them to proactively identify areas to fulfil their scrutiny role.
 - Increased communication and information flows across committees, groups and those with lead roles in the political management and

governance framework – e.g access to committee papers for all councillors; Chief Executive meetings with Leader/Depute Leader/Leader of Opposition; SMOG meetings have been reintroduced which provides senior members, including Leader of Opposition, the opportunity to discuss relevant issues on a collegiate basis; monthly Policy Leads meetings in place to give senior members “space” to engage in political discussion on policy development/strategic issues.

- Monitoring Officer role has been re-affirmed, with a revised Protocol implemented, which has contributed to the overall improvement in member behaviour.
- Training delivered to Officers in respect of dealing with unacceptable behaviours and managing expectations
- Seminar programme delivered to members in respect to a wide range of topics/issues, including their roles/responsibilities in line with code of conduct, role of officers as professional advisors, and dealing with private/confidential information. Seminar approach being revisited to provide a more flexible/targeted approach.
- Group protocols have been adopted to provide clarity around proper conduct/group discipline
- Revised committee report template and guidance implemented – generally positive feedback. Further feedback will be invited as part of the annual members survey, which will inform the creation of a sounding board thereafter.
- Provision made within the constitution for SLWGs to allow groups to examine long term challenges and strategic issues facing Argyll and Bute
- Impact of behaviours on employees has been monitored via stress survey, morale survey and annual employee survey. Report setting out analysis of results was tabled at Policy and Resources Committee on 27 November 2014. Overall, there is an improving trend in a wide range of factors, when compared to previous survey results.

3.2.2 The above gives a flavour of the nature of improvements which have been made in response to the recommendations from Audit Scotland in regard to member/member and member/officer relations within the Council. In preparation for the return visit from Audit Scotland, evidence will be gathered in respect of each of the completed actions, including the results of a member survey to obtain their views on the changes that have been put in place since the initial visit between May and August 2013.

4.0 CONCLUSION

- 4.1 This report provides an update on the progress that has been made with the Audit Scotland Action Plan, following a review by senior Officers in November 2014.

5.0 IMPLICATIONS

- 5.1 Policy – The Council requires to have full regard to the terms of the Accounts Commission findings
- 5.2 Financial – none at this time
- 5.3 Legal – the Council requires to comply with the statutory requirements
- 5.4 HR – Additional time commitment required from Members and Officers to implement the action plan
- 5.5 Equalities - none
- 5.6 Risk – Failure to comply with the requirements could result in further action by the Accounts Commission.
- 5.7 Customer Service - none

6.0 APPENDICES

- 6.1 Action Plan update as at 20 November 2014

December 2014

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