

Agenda Item	8
Report No	AS/23/18

HIGHLAND COUNCIL

Committee: The Highland Council

Date: 29 November 2018

Report Title: **Members Survey on the Effectiveness of Audit & Scrutiny Committee**

Report By: The Depute Chief Executive/Director of Corporate Resources

1. Purpose/Executive Summary

- 1.1 An electronic survey of Members views on the effectiveness of Audit & Scrutiny Committee was circulated between June and September 2018 with 22 responses. The focus was on securing Members views on a range of topics connected to the effectiveness of the Committee including understanding their role, the scope and size of the Committee, its effectiveness in delivering its core functions and training and development needs.

2. Recommendations

- 2.1 Members are asked to:
- I. Consider the key findings of the survey;
 - II. Agree the survey be conducted annually;
 - III. Agree to the development of online learning resources for Members on their role in scrutiny;
 - IV. Note the Committee Chair and Vice-Chair's intent to review the role and remit of Committee.

2. Background

- 2.1 Our external auditors, Grant Thornton, highlighted the need for an assessment of the

effectiveness of the Audit and Scrutiny Committee in their annual report to Committee in September 2017. It is considered best practice to survey scrutiny committees on an annual basis in order to assess their effectiveness.

2.2 We received 22 responses from Members representing an 88% response rate to the survey which ran from June to September 2018. There were 30 questions and the full analysis of the survey is provided as appendix 1 of this report.

3. Key findings

3.1 Key results are as follows:

Members role

- 95% said they understood their role in Committee to a moderate, large or great extent;
- 91% said they actively engaged in scrutiny and asking constructive questions to a moderate, large or great extent;
- 82% said they felt they actively contribute to effective governance and scrutiny to a moderate, large or great extent, however half scored this as 'moderate';

Training & Development

- 68% said they had received sufficient training to at least a moderate extent to support their scrutiny role, however 32% (7 people) said they had not;
- 55% responded that they take up all or most training opportunities, 32% had taken up some training opportunities, and 14% (3 people) said they had not taken up training opportunities. Reasons for not taking up training included notice, travel time, lack of personal time or opportunities weren't offered for training;
- 82% agreed to a moderate, large or great extent that training and development was sufficient for them to do their job, no one indicated it was not;
- 77% felt they had sufficient time to fully commit to their role in Committee, however 23% felt this was challenging;
- 64% felt to a moderate, large, or great extent, that they need further guidance on how to fulfil their role.

Views of Effectiveness of Committee

- On the effectiveness of the Committee in relation to key functions, between 71% and 95% of respondents felt the Committee was effective. The average score was calculated between 1 and 5 where 5 equalled full agreement with the effectiveness of Committee for the function:

Function	Average Score (Mean)
Assurance - Internal Audit Plan & Annual Internal Audit Report	3.8
Internal Audit Reporting	3.7
Financial reporting (annual accounts)	3.7
External audit reporting	3.6
Counter fraud and corruption	3.5
Risk Management	3.4
Value for Money or Best Value	3.1

From this we can see that overall Members view the Committee as quite effective for all functions with Internal Audit Plan and annual report scoring highest and the Committee's role in relation to value for money or Best Value scoring lowest.

- 81% felt that the Committee was the right size to be effective, while 62% thought meetings were too short and comments included that the agenda could be

- wider;
- 38% did not believe the Committee had the appropriate skills and expertise to fulfil their role, whilst 62% felt to a moderate or large extent that the Committee did;
- There was agreement that the Chair acted independently (90%) and that the Committee acted independently and impartially (95%);
- 86% said they made the most of advice and support available from officers, 71% agreed that officers were accessible to support them in their scrutiny role, with 29% neither agreeing nor disagreeing;
- 95% felt there was a culture of trust and openness amongst Members and 86% felt that they worked constructively together with mutual trust and respect;
- 71% felt to a moderate, large or great extent they received sufficient information in internal audit reports;
- 86% felt there was clarity over the role of Committee and 86%, to at least a moderate extent, believed it added value to the work of the Council as a whole;
- While 86% felt the Council was open to scrutiny, only 62% felt that scrutiny was being encouraged to improve services and make better decisions.

3.2 Analysis and Areas for improvement

The main areas for improvement identified in the survey are around the provision and uptake of training, the role of Committee and encouraging active contribution to effective governance and scrutiny. While 91% of respondents said they actively engaged in scrutiny and asked constructive questions; 62% said meetings were too short, however a key determinate of the length of meetings will be Members engagement in scrutinising the papers presented. In addition, discussion with Members on the timing of the post local election induction and training programme highlighted this had proved challenging for Members. This is supported by the low uptake of audit and scrutiny training offered to all Members at that time and therefore other options are needed. The following is proposed:

- Training – development of on-line modules using the Council's My Online Learning (MOL) system. To delay future audit and scrutiny training post local elections to allow for on-line training modules to be completed and the planning of face-to-face training to provide additional support to Members and address any individual training or development needs. This will support Members in their scrutiny role and encourage active contributions which will also strengthen the role of the Committee.
- Committee review - The Chair and Vice-Chair plan to review the role and remit of the Committee along with considering core competencies for Members which will be link to the development of appropriate training. This will also consider the Committee's role in monitoring the delivery of outcomes and the use of scrutiny to improve services and make better decisions.
- Survey work – It is proposed to follow best practice and survey the Committee on an annual basis; this first report therefore provides a baseline for future comparison.

6. **Implications**

6.1 Resource implications

The report proposes that on-line learning modules are developed and these will require staff time to develop. This will be achieved from within current resources phasing the work in order to do so.

6.2 Community, climate change/carbon clever implications

There are no legal implications arising from this report.

6.5 Legal and Risk implications

Failing to develop Members skills and competencies could potentially reduce the effectiveness of the Audit and Scrutiny Committee. This committee plays a central role in providing assurance that the Council's resources are being used efficiently and delivering Best Value. In addition the structure, role and remit of the Committee should be such as to provide the most effective approach possible to delivering its scrutiny role.

6.6 Gaelic Implications

There are no implications arising from this report.

Date: 01.11.18

Author: Evelyn Johnston, Corporate Audit & Performance Manager,
Tel (01463) 702671

Appendices

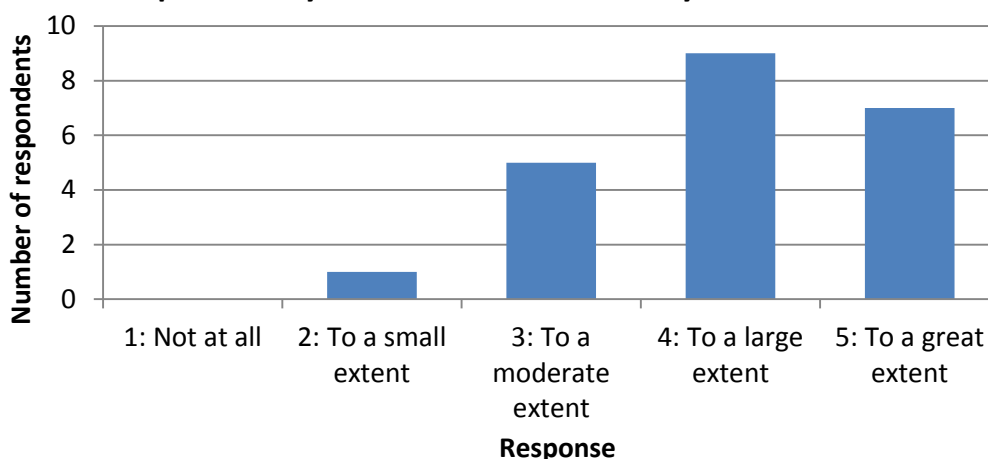
1. Analysis of Members responses to the survey on the Effectiveness of the Audit & Scrutiny Committee.

A survey to better understand the views of Members of the Audit and Scrutiny committee was circulated to Members for completion between June and September 2018. The final response was collected on September 21st 2018. 22 people completed the survey representing a response rate of 88%.

The survey contained 30 questions, and the responses are presented below.

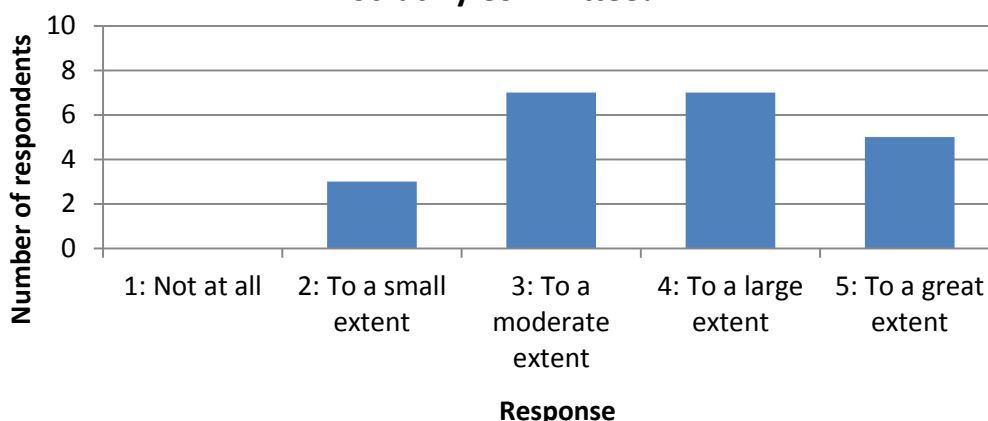
Question 1: Respondents were asked to give their name. This enabled officers to target directly people who had not yet completed a response. In total 22 Elected Members completed the survey, one of which was a partial completion.

Question 2: To what extent do you understand the role expected of you in the Audit & Scrutiny Committee?



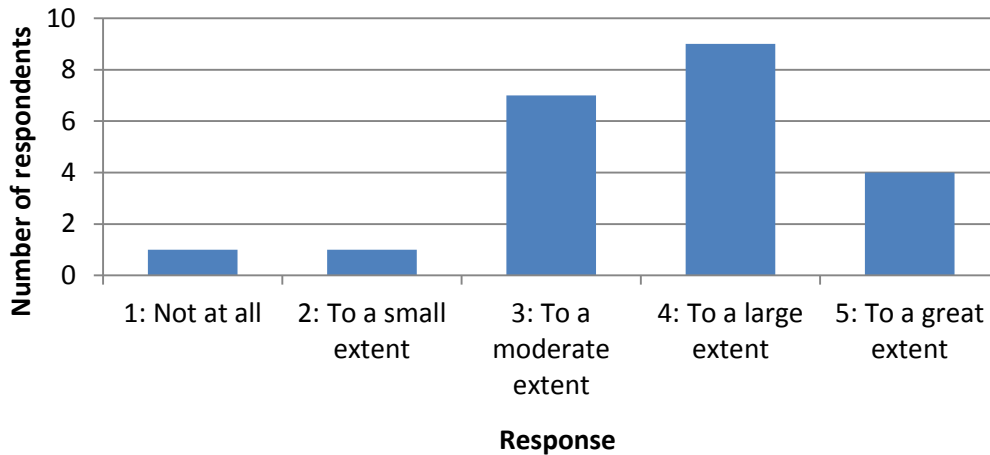
21 respondents (95%) selected option 3, 4 or 5 when considering to what extent they understand the role expected in the Audit and Scrutiny committee. No respondents selected option 1 (Not at all), and one respondent (5%) selected option 2.

Question 3: To what extent do you feel able to observe/carry out the role expected of you in Audit & Scrutiny Committee?



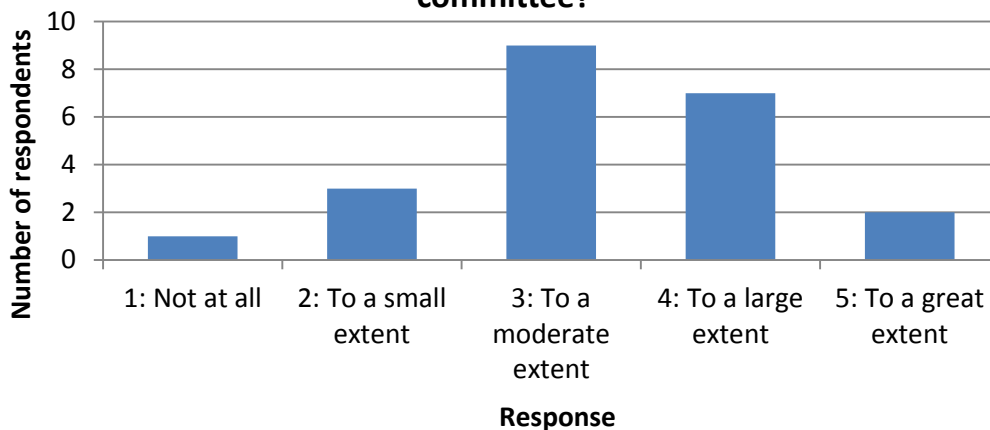
19 respondents (86%) selected option 3, 4 or 5 when considering to what extent they feel able to observe/ carry out the role expected of them in the Audit and Scrutiny committee. No respondents selected option 1 (Not at all), and 3 respondents (14%) selected option 2.

Question 4: How actively do you engage in scrutiny and ask constructive questions?



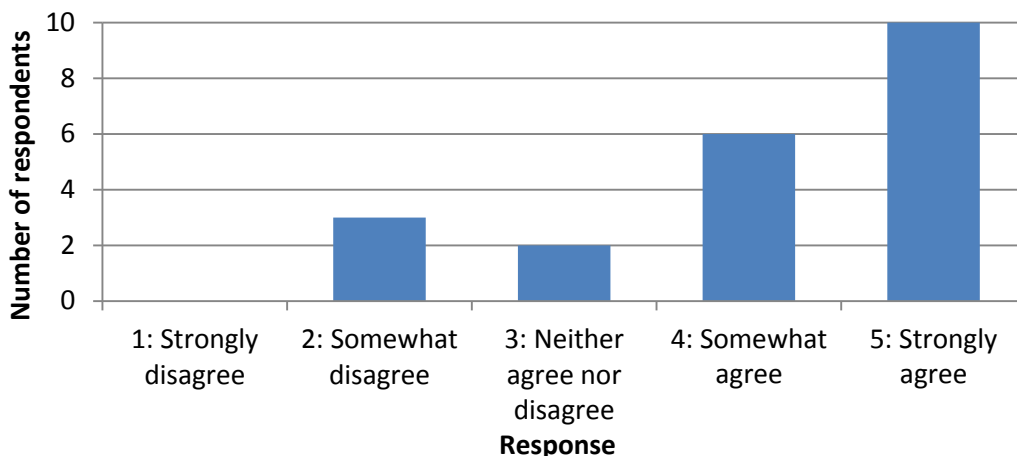
20 respondents (91%) selected option 3, 4 or 5 when considering how actively they engage in scrutiny and ask constructive questions. One respondent (5%) selected option 1 (not at all), and one respondent (5%) selected option 2.

Question 5: To what extent do you feel you actively contribute to effective governance and scrutiny in committee?



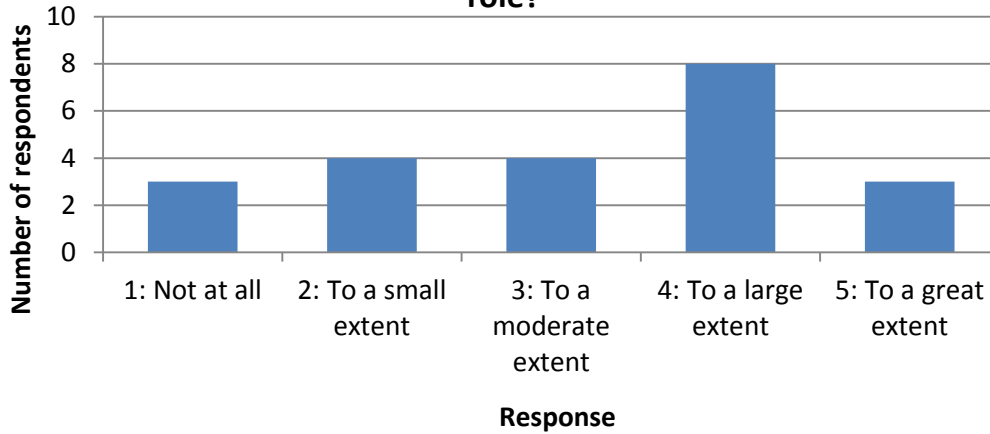
18 respondents (82%) selected option 3, 4 or 5 when considering the extent to which they felt they actively contributed to the effective governance and scrutiny in committee. One respondent (5%) selected option 1 (not at all), and 3 respondents (14%) selected option 2.

Question 6: Do you agree that you are made aware of the behaviours and conduct expected of you?



19 respondents (86%) selected option 3, 4 or 5 when asked whether they agree they are made aware of the behaviours and conduct expected of them. No respondents selected option 1 (strongly disagree), and 3 respondents (14%) selected option 2.

Question 7: To what extent do you agree that you have received sufficient training and support in your scrutiny role?



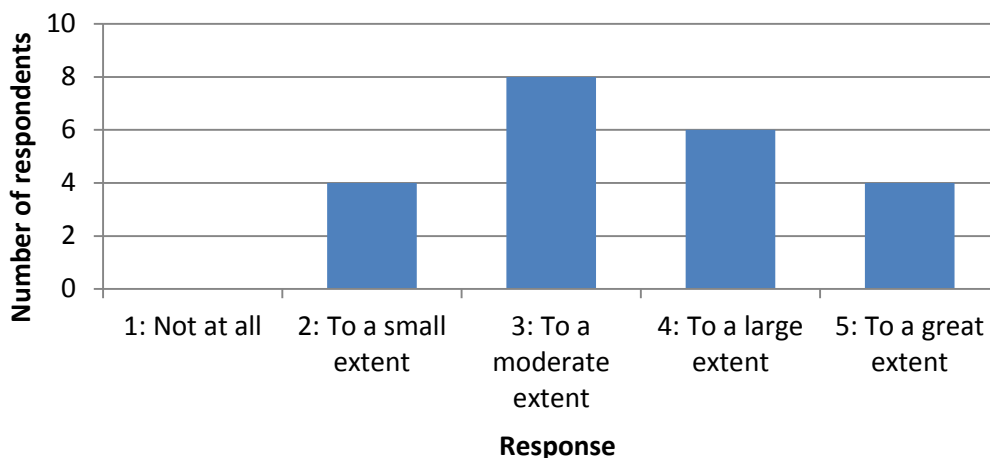
15 respondents (68%) selected option 3, 4 or 5 when asked to what extent they agree that they have received sufficient training and support in their scrutiny role. Three respondents (14%) selected option 1 (not at all), and 4 respondents (18%) selected option 2.

Question 8: Do you take up the audit and scrutiny related training opportunities offered?

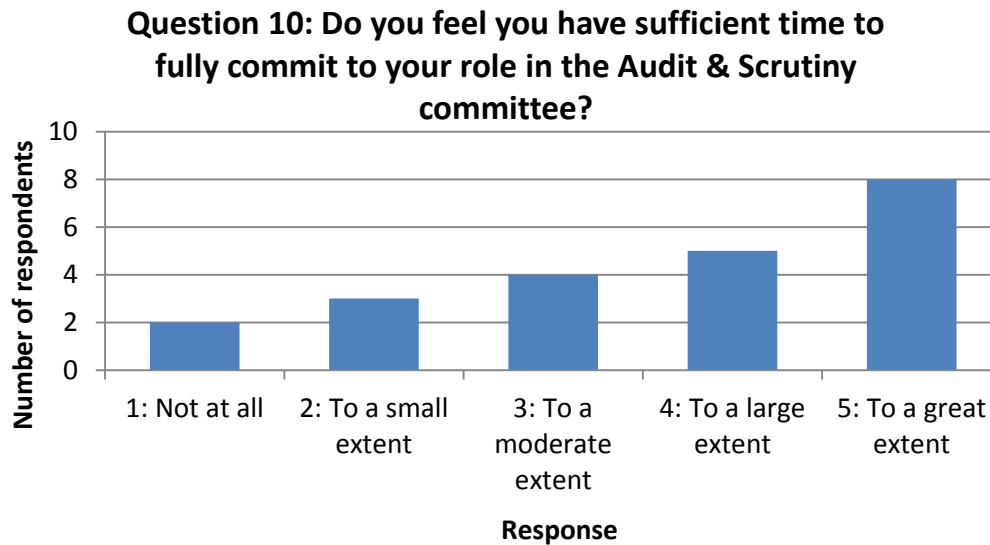


When asked whether they take up the audit and scrutiny related training opportunities offered, two respondents (9%) indicated that they take up all training opportunities. A further ten respondents (45%) take up most training opportunities, and seven respondents (32%) take up some of the training opportunities. Three respondents (14%) indicated that they have not attended training. The reasons for this were: the short notice of scheduling training makes it difficult for rural Members to attend; a lack of time; and that no training opportunities had been offered.

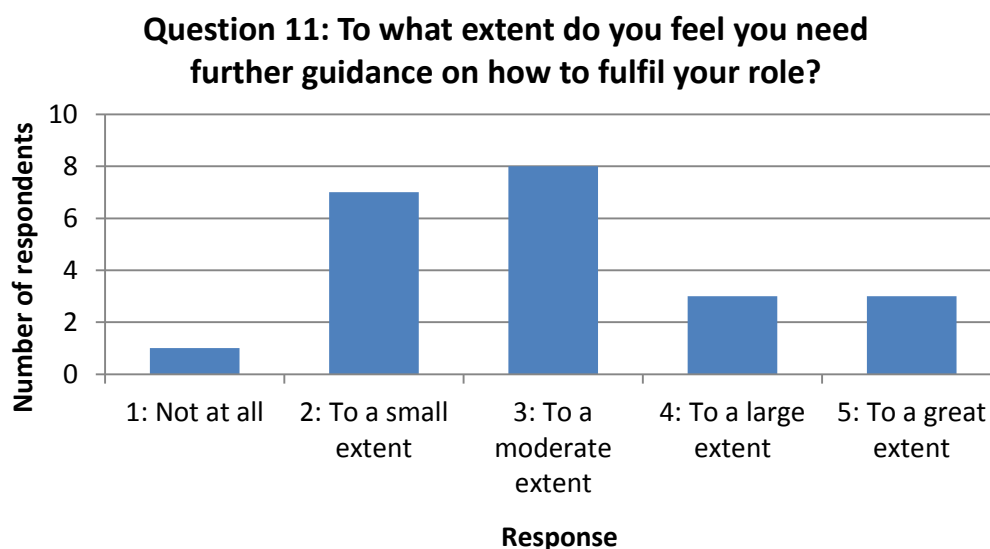
Question 9: To what extent do you feel training and development is sufficient for you to do your job?



18 respondents (82%) selected option 3, 4 or 5 when asked to what extent they felt training and development is sufficient for them to do their job. No respondents selected option 1 (not at all), and 4 respondents (18%) selected option 2.



17 respondents (77%) selected option 3, 4 or 5 when asked if they felt they had sufficient time to fully commit to their role in the Audit and Scrutiny committee. Two respondents (9%) selected option 1 (not at all), and 3 respondents (14%) selected option 2.



16 respondents (73%) selected option 1, 2, or 3 when asked to what extent they felt they needed further guidance on how to fulfil their role. Three respondents (14%) selected option 5 (to a great extent), and 3 respondents (14%) selected option 4.

Question 12 was an open question which asked respondents “if you need further guidance, what would be the most help?”

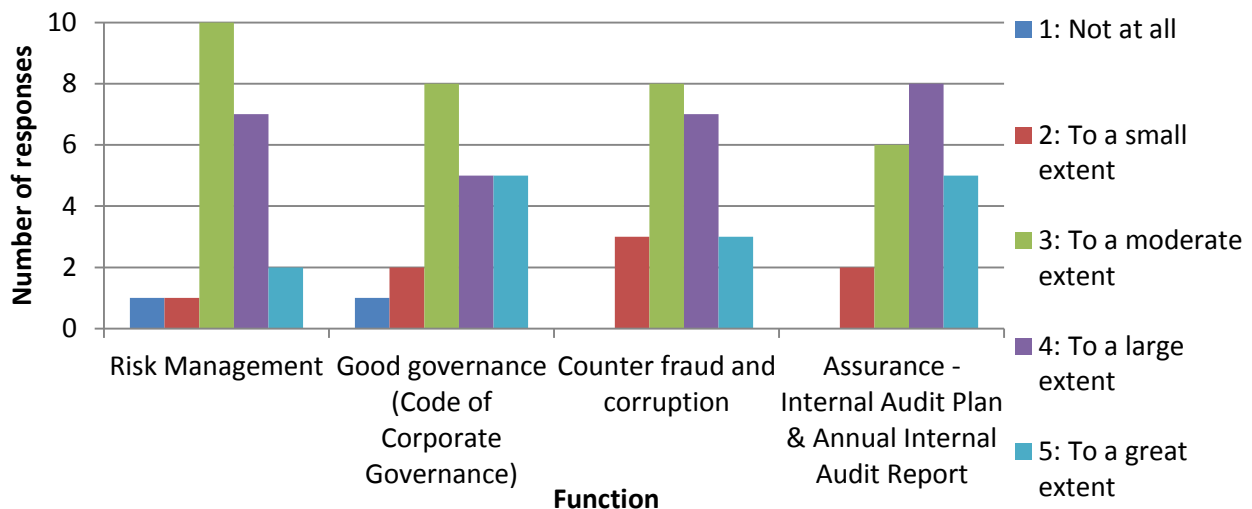
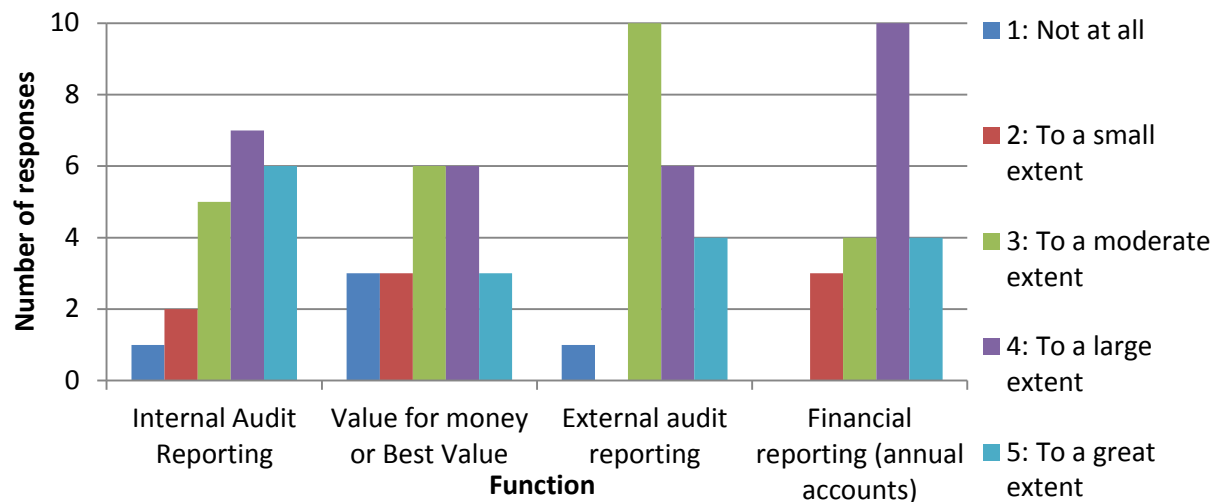
11 relevant responses were given:

- Five of these focused on training opportunities and easy access to basic training.
- Three responses focused on the role of the committee – either in terms of an overview of its function; clear guidelines; and a reflection of the scrutiny role of the committee and across the Council.
- A couple of comments were made about committee reports – one highlighting the occurrence of contradictory statements in reports, and one request for printed copies of reports rather than electronic.
- One specific comment requested further guidance was required on access to the Council’s financial accounts.

Note: From this point in the survey onwards there were only 21 complete survey responses.

Question 13: To what extent do you feel that Audit & Scrutiny Committee is effective in the following functions?

Respondents were presented with eight functions and asked how effective they felt the Audit and Scrutiny committee is with regards to them on a scale of 1 (Not at all) to 5 (To a great extent).



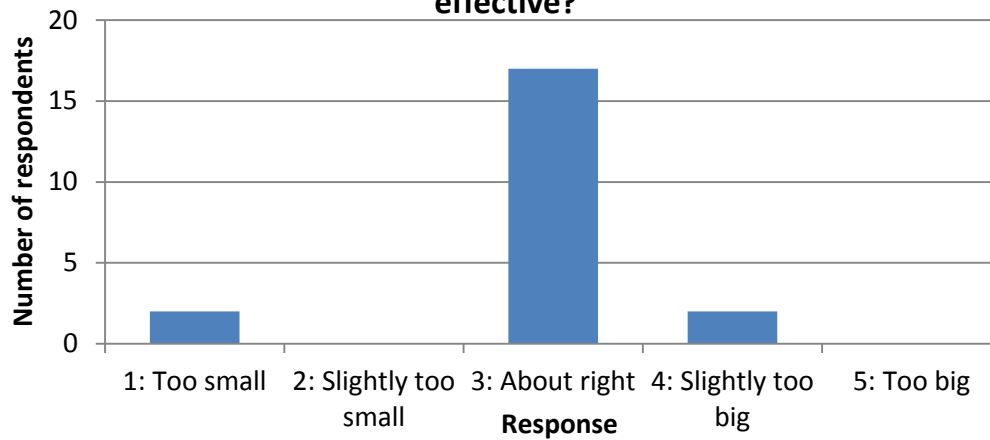
For all functions, between 15 (71%) and 20 (95%) respondents selected at least “to a moderate extent” (option 3).

By allocating a numerical value to each response category (e.g. “Not at all” =1; “To a small extent” = 2, etc.) an average response value can be calculated for the extent to which respondents feel that Audit and Scrutiny committee is effective for the eight functions.

Function	Average Score (Mean)
Assurance - Internal Audit Plan & Annual Internal Audit Report	3.8
Internal Audit Reporting	3.7
Financial reporting (annual accounts)	3.7
External audit reporting	3.6
Counter fraud and corruption	3.5
Risk Management	3.4
Value for Money or Best Value	3.1

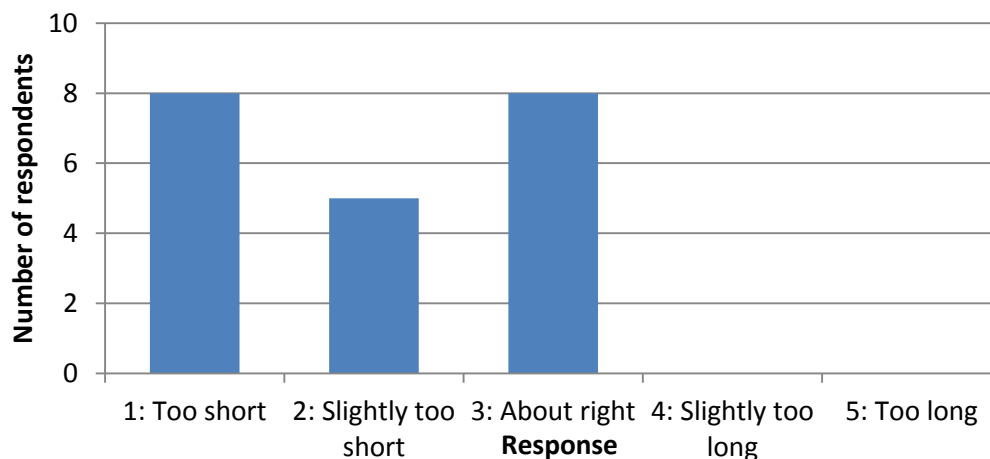
The highest average score (3.8) was recorded for “Assurance – Internal Audit Plan and Annual Internal Audit Report”, and the lowest average score (3.1) was for “Value for Money or Best Value”.

Question 14: Do you agree that the Audit & Scrutiny Committee has the right number of Members to be effective?



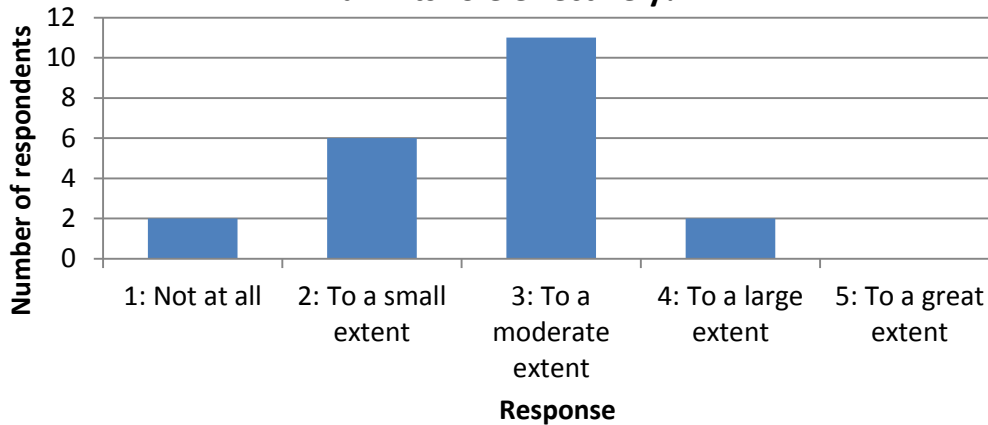
17 respondents (81%) selected option 3, indicating that they felt the Audit and Scrutiny committee has about the right number of Members to be effective. Two respondents (10%) selected option 1 (Too small), and two respondents (10%) selected option 4.

Question 15: Do you agree that meetings are of sufficient length to enable effective scrutiny?



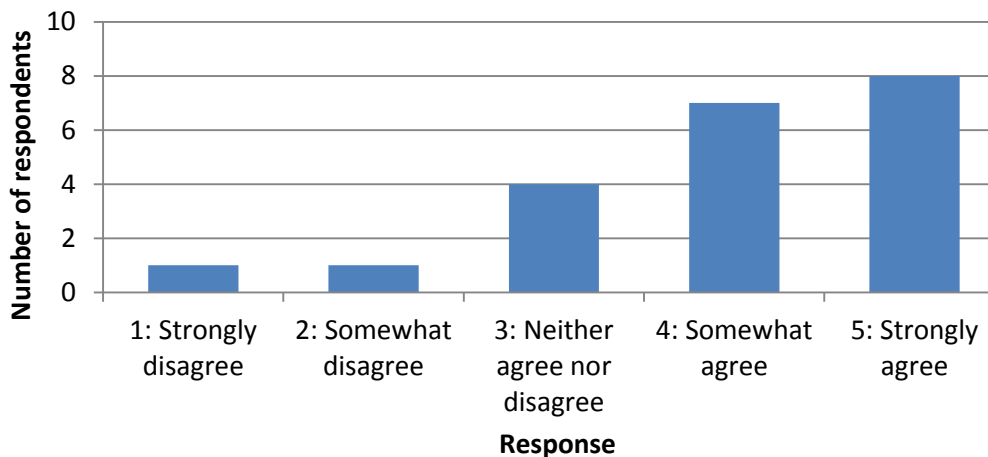
8 respondents (38%) selected option 3, indicating they felt Audit and Scrutiny committee meetings are “about right” in terms of sufficient length to enable effective scrutiny. 8 respondents (38%) selected option 1 indicating that meetings are too short to enable effective scrutiny. 5 respondents (24%) selected option 2.

Question 16: To what extent do you believe that the committee has the appropriate skills and expertise to fulfil its role effectively?



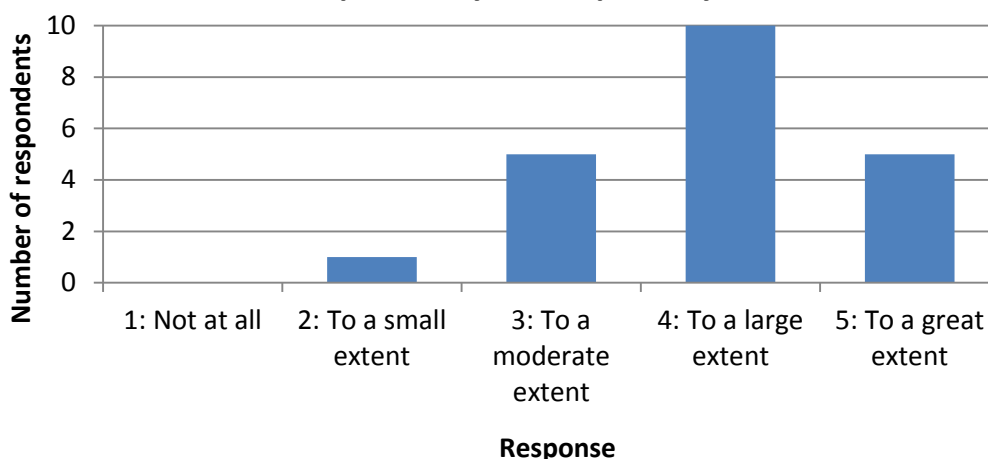
13 respondents (62%) selected option 3, 4 or 5 when asked the extent to which they believe that the committee has the appropriate skills and expertise to fulfil its role effectively. Two respondents (9%) selected option 1 (not at all), and 6 respondents (29%) selected option 2.

Question 17: Do you agree the Chair of Audit & Scrutiny is sufficiently independent?



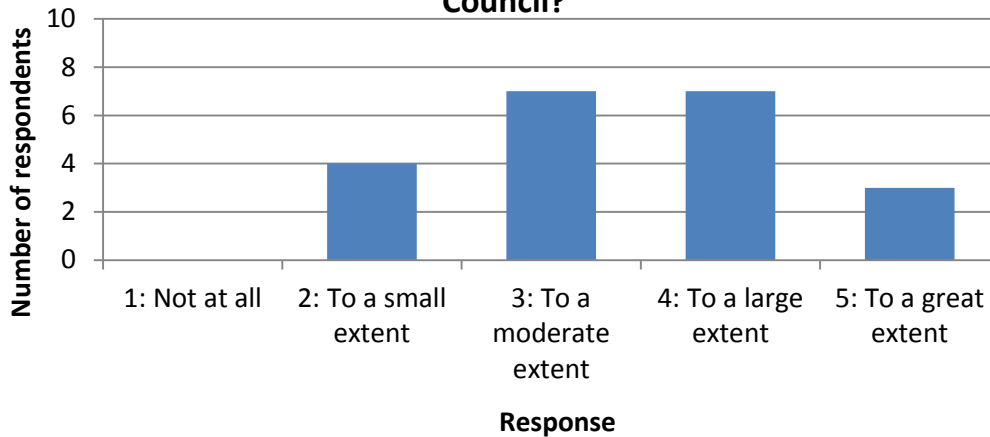
19 respondents (90%) selected option 3, 4 or 5 when asked whether they agreed the Chair of Audit and Scrutiny is sufficiently independent. One respondent (5%) selected option 1 (strongly disagree), and one respondents (5%) selected option 2.

Question 18: Does the Audit & Scrutiny Committee act independently and impartially?



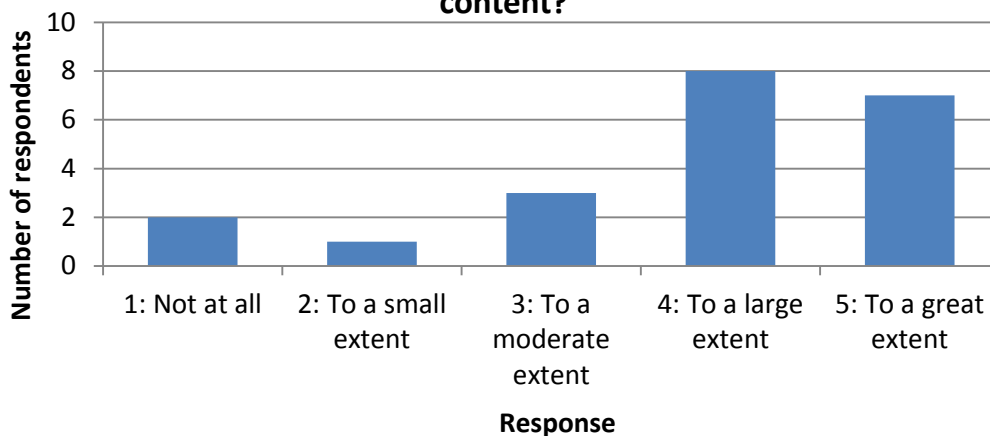
20 respondents (95%) selected option 3, 4 or 5 when asked whether the Audit and Scrutiny committee acts independently and impartially. No respondents selected option 1 (not at all), and 1 respondents (5%) selected option 2.

Question 19: Do you get sufficient assurance that Corporate Risks are being effectively managed in the Council?



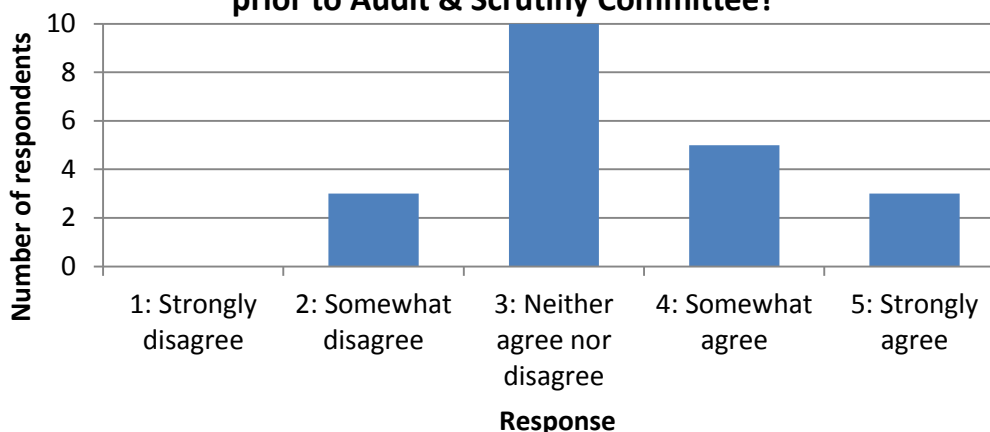
17 respondents (81%) selected option 3, 4 or 5 when asked whether they get sufficient assurance that corporate risk are being effectively managed in the Council. No respondents selected option 1 (not at all), and 4 respondents (19%) selected option 2.

Question 20: To what extent do you feel able to ask candid questions, for example about risk or audit report content?



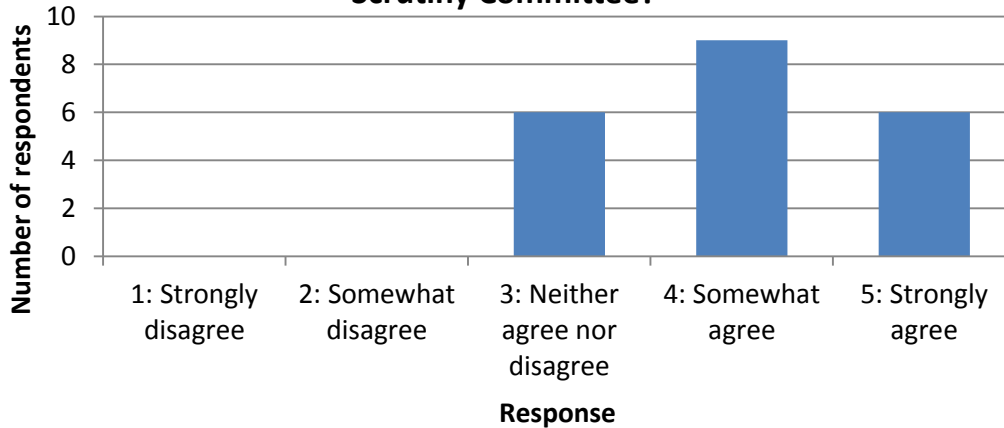
18 respondents (86%) selected option 3, 4 or 5 when asked to what extent they felt able to ask candid questions, such as about risk or audit report content. Two respondents (10%) selected option 1 (not at all), and 1 respondent (5%) selected option 2.

Question 21: Do you agree that you make the most of the advice and support available from relevant officers prior to Audit & Scrutiny Committee?



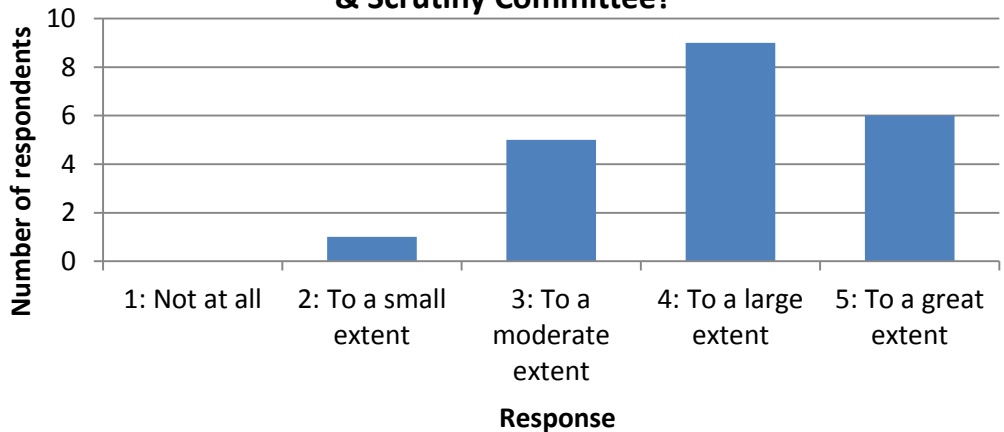
18 respondents (86%) selected option 3, 4 or 5 when asked whether they agreed that they make the most of the advice and support available from relevant officers prior to Audit and Scrutiny committee. No respondents selected option 1 (strongly disagree), and three respondents (14%) selected option 2.

Question 22: Do you agree that all relevant officers are accessible to you to support your role in Audit & Scrutiny Committee?



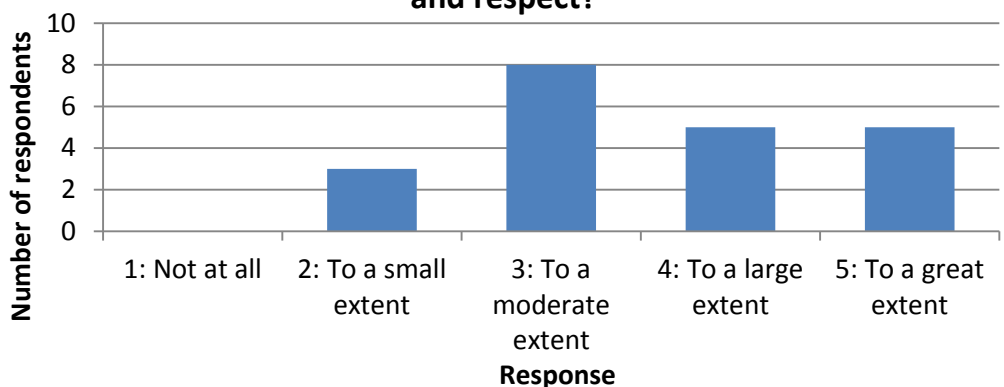
All 21 respondents (100%) selected option 3, 4 or 5 when asked whether they agreed that all relevant officers are accessible to them to support their role in the Audit and Scrutiny committee.

Question 23: Do you feel there is a culture of trust and openness between councillors and officers in the Audit & Scrutiny Committee?



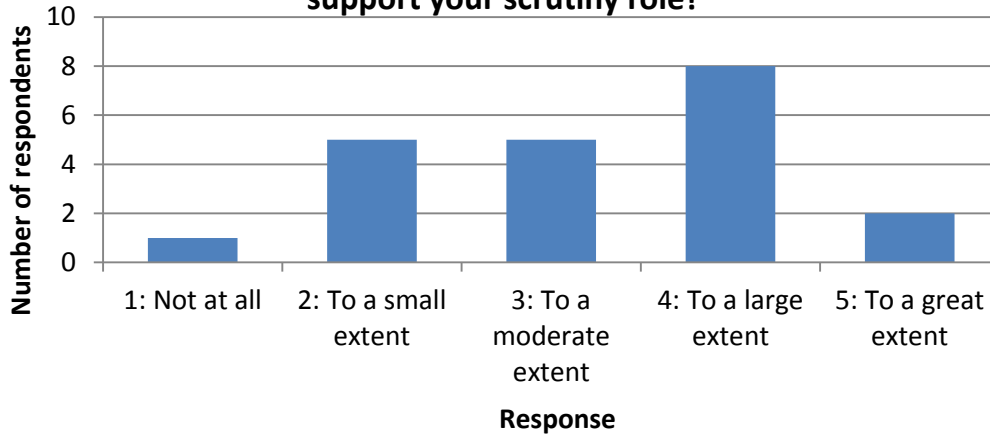
20 respondents (95%) selected option 3, 4 or 5 when asked whether they felt there is a culture of trust and openness between councillors and officers in the Audit and Scrutiny committee. No respondents selected option 1 (not at all), and 1 respondent (5%) selected option 2.

Question 24: To what extent do you agree that Councillors work constructively together on the Audit & Scrutiny Committee and show mutual trust and respect?



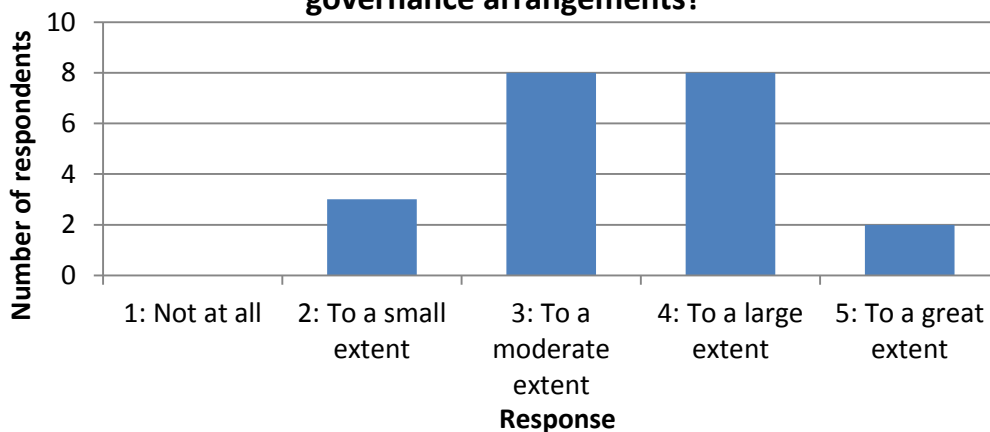
18 respondents (86%) selected option 3, 4 or 5 when asked to what extent they agreed that Councillors work constructively together on the Audit and Scrutiny committee and show mutual trust and respect. No respondents selected option 1 (not at all), and 3 respondent (14%) selected option 2.

Question 25: To what extent do you agree that you get sufficient information in internal audit reports to support your scrutiny role?



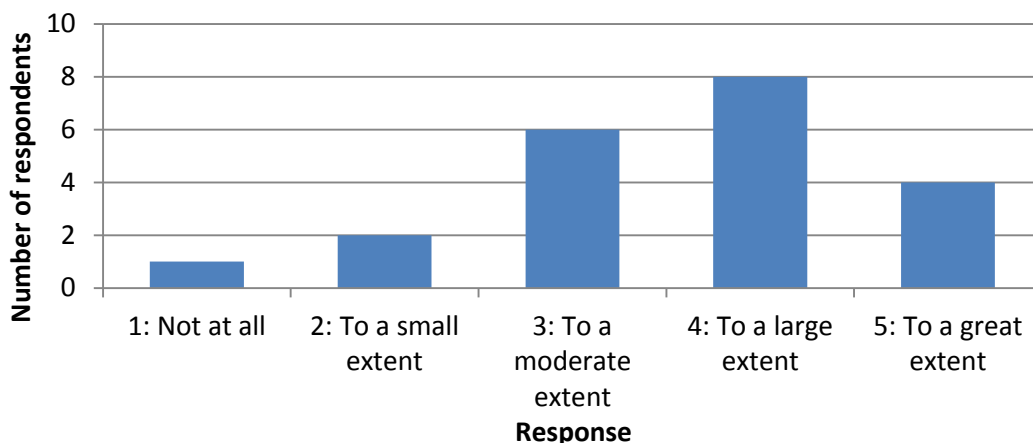
15 respondents (71%) selected option 3, 4 or 5 when asked to what extent they agreed that they get sufficient information in internal audit reports to support their scrutiny role. One respondent (5%) selected option 1 (not at all), and 5 respondents (24%) selected option 2.

Question 26: Do you feel there is clarity over the role of the Audit & Scrutiny Committee within the Council's governance arrangements?



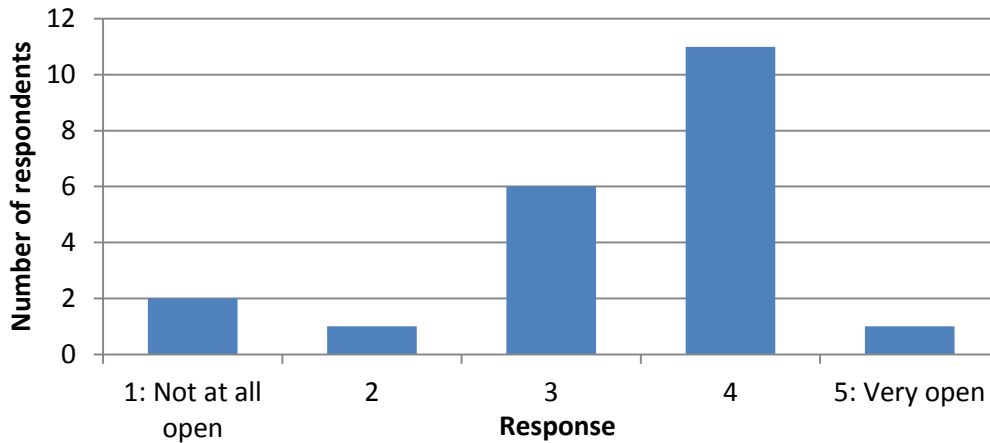
18 respondents (86%) selected option 3, 4 or 5 when asked if they felt there is clarity over the role of the Audit and Scrutiny committee within the Council's governance arrangements. No respondents selected option 1 (not at all), and 3 respondents (14%) selected option 2.

Question 27: To what extent do you feel the Committee adds value to the work of the Council as a whole?



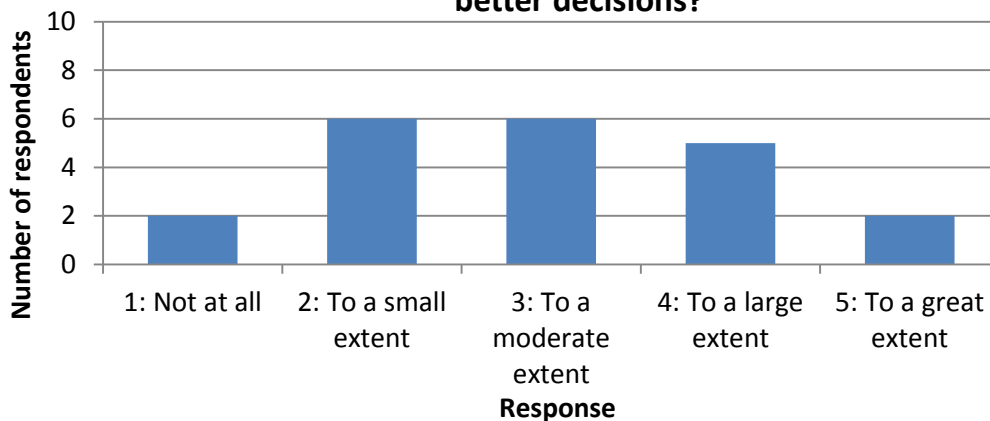
18 respondents (86%) selected option 3, 4 or 5 when asked the extent to which they felt the committee as a whole adds value to the work of the Council as a whole. One respondent (5%) selected option 1 (not at all), and 2 respondents (10%) selected option 2.

Question 28: How open do you feel the Council is to scrutiny?



18 respondents (86%) selected option 3, 4 or 5 when asked how open they felt the Council is to scrutiny. Two respondents (10%) selected option 1 (not at all open), and one respondent (5%) selected option 2.

Question 29: To what extent is scrutiny being encouraged as a means to improve services and make better decisions?



13 respondents (62%) selected option 3, 4 or 5 when asked the extent to which scrutiny is being encouraged as a means to improve services and make better decisions. Two respondents (10%) selected option 1 (not at all), and six respondents (29%) selected option 2.

Question 30 was the final question in the survey and asked respondents to provide any supplementary comments they wish to make in relation to any of the survey questions or the effectiveness of the Audit and Scrutiny committee. 11 respondents provided a range of constructive comments to be considered:

- Two comments related to the need for Councillors to have relevant experience to fulfil their duties;
- Two comments were made in regards to reports – one requesting executive summaries, and another highlighting how long an audit report took to compile;
- Two comments on how proper scrutiny can help to deliver efficiencies and improvements to services.

Comments were also received on:

- The need for training to produce better scrutiny;
- That meetings are too short to provide effective scrutiny;
- Better access to data is required to provide better scrutiny;
- There should be a wider agenda, with more agenda items contributed from Elected Members/ Audit team; and
- The interjection of senior management to halt an investigation can limit scrutiny.