

Minute

Monitoring and Audit Committee

Thursday, 15 November 2018, 10:30.

Council Chamber, Council Offices, School Place, Kirkwall.



Present

Councillors John T Richards, David Dawson, Steven B Heddle, Stephen Sankey and Gwenda M Shearer.

Clerk

- Sandra Craigie, Committees Officer.

In Attendance

- Gillian Morrison, Executive Director of Corporate Services.
- Gareth Waterson, Head of Finance.
- Andrew Groundwater, Head of HR and Performance.
- Gavin Mitchell, Head of Legal Services.
- William Ross, Principal, Orkney College (for Items 1 to 3.1).
- Olwen Sinclair, Chief Internal Auditor.
- Andrew Hamilton, Performance and Best Value Officer.

Audit Scotland:

- Neil Reid, Senior Auditor.

Observing

- Kirsty Groundwater, Press Officer.

Apologies

- Councillor Stephen G Clackson.
- Councillor Andrew Drever.

Declaration of Interest

- Councillor John T Richards – Item 3.2.

Chair

- Councillor John T Richards.

1. How Good is Our Council? – Self Assessments

After consideration of a report by the Executive Director of Corporate Services, copies of which had been circulated, and after hearing a report from the Performance and Best Value Officer, the Committee:

Noted:

1.1. That How Good is Our Council? fulfilled the requirement within the duty of Best Value for the Council to conduct evidence-based self-assessment.

1.2. That How Good is Our Council? self-assessments had the potential to minimise external audit and inspection of Council services and activities.

1.3. That services which conducted How Good is Our Council? self-assessments in 2015 and 2016 were more self-aware and able to identify areas for improvement.

1.4. That Audit Scotland's Best Value Assurance Report, published in December 2017, acknowledged the Council's progress with self-evaluation since it adopted How Good is our Council? in 2009.

1.5. That the Best Value Assurance Report also stated that the Council was required to further develop a corporate approach to self-evaluation.

1.6. That the updated How Good is Our Council? – Corporate and Service Self-Assessment, attached as Appendix 1 to the report by the Executive Director of Corporate Services, addressed Audit Scotland's recommendation regarding corporate-level self-assessment, whilst ensuring a targeted and proportionate approach was maintained for individual services.

The Committee resolved to **recommend to the Council:**

1.7. That the updated How Good is Our Council? – Corporate and Service Self-Assessment, attached as Appendix 1 to this Minute, be approved for conducting the next cycle of self-assessments at corporate and service level.

2. Internal Audit Plan 2018 to 2019 – Progress Update

After consideration of a report by the Chief Internal Auditor, copies of which had been circulated, with reference to the Minute of the Meeting of the Monitoring and Audit Committee held on 29 March 2018, paragraph 3, the Committee:

Noted:

2.1. Progress made to date in completing the Internal Audit Plan for 2018 to 2019, as detailed in Appendix 1 to the report by the Chief Internal Auditor.

The Committee resolved to **recommend to the Council:**

2.2. That the following audits be deferred to 2019 to 2020:

- Business Continuity.
- School Establishment Audit – Stromness Academy.

3. Internal Audit Reports

3.1. Orkney College – Credits Audit

After consideration of a report by the Chief Internal Auditor, copies of which had been circulated, the Committee:

Noted:

3.1.1. That Internal Audit had undertaken a review of the further education statistical return and supporting systems at Orkney College in relation to academic year 2017 to 2018.

3.1.2. That an audit certificate and audit report was provided to the Scottish Funding Council to report the findings of the review of the further education statistical return and supporting systems at Orkney College.

3.1.3. The findings contained in the internal audit report, attached as Appendix 1 to the report by the Chief Internal Auditor, relating to the review of the further education statistical return and supporting systems at Orkney College.

The Committee resolved to **recommend to the Council:**

3.1.4. That, having reviewed the audit findings referred to at paragraph 3.1.3 above, assurance was obtained that action had been taken or agreed where necessary.

3.2. Pensions System Data Migration

Councillor John T Richards declared a financial interest in this item in that, as a former employee of the Council, he was in receipt of a Local Government Pension, but concluded that his interest did not preclude his involvement in the discussion.

After consideration of a report by the Chief Internal Auditor, copies of which had been circulated, the Committee:

Noted:

3.2.1. That Internal Audit had undertaken an audit of the processes and checks which were carried out as part of the data migration to the pensions system.

3.2.2. The findings contained in the internal audit report, attached as Appendix 1 to the report by the Chief Internal Auditor, relating to the pensions system data migration.

The Committee resolved to **recommend to the Council:**

3.2.3. That, having reviewed the audit findings referred to at paragraph 3.2.2 above, assurance was obtained that action had been taken or agreed where necessary.

3.3. Orkney LEADER Programme

After consideration of a report by the Chief Internal Auditor, copies of which had been circulated, the Committee:

Noted:

3.3.1. That Internal Audit had undertaken a review of compliance with the LEADER Programme Service Level Agreement and relevant EC Regulations.

3.3.2. The findings contained in the internal audit report, attached as Appendix 1 to the report by the Chief Internal Auditor, relating to the administration of the Orkney LEADER programme during the period 1 October 2017 to 30 September 2018.

The Committee resolved to **recommend to the Council:**

3.3.3. That, having reviewed the audit findings referred to at paragraph 3.3.2 above, assurance was obtained that action had been taken or agreed where necessary.

4. Conclusion of Meeting

At 10:50 the Chair declared the meeting concluded.

Signed: J T Richards.

How Good is Our Council?

Corporate and Service Self-Assessment

1. Aim

1.1.

The aim of the process is to utilise aspects of existing Council governance to evaluate performance and identify areas for improvement within services, and across the council, and to assess which of these areas would benefit from additional, proportionate and targeted scrutiny via the HGIOC? self-assessments.

1.2.

Areas for improvement or 'gaps' are assessed and those posing a higher level of risk are included in either the Annual Corporate Level HGIOC? Self-assessment Plan, or the Annual Service Level HGIOC? Self-assessment Plan.

2. Premise

Although certain areas for improvement identified may be specific to a service area, using this approach will also enable the Council to identify and address areas for improvement across the organisation.

3. Process

3.1.

Areas for improvement or 'gaps' in service scrutiny are identified and prioritised by each service through considering existing and recent scrutiny or assessment processes such as:

- The annual audit risk assessment.
- The annual self-assessment against the council's local code of corporate governance.
- Other self-assessments and performance indicators.
- External scrutiny.
- Service managers' experience.

3.2.

Heads of Service will use this process to:

- Categorise each area within each service as either high, medium or low risk.
- Prioritise the higher-risk areas of each service which are suitable for a HGIOC? self-assessment.

Heads of Service will therefore select between 3 and 6 quality indicators from within the HGIOC? Framework for self-assessment and then carry out those assessments with involvement from their management teams for their service area.

3.3.

3.3.1.

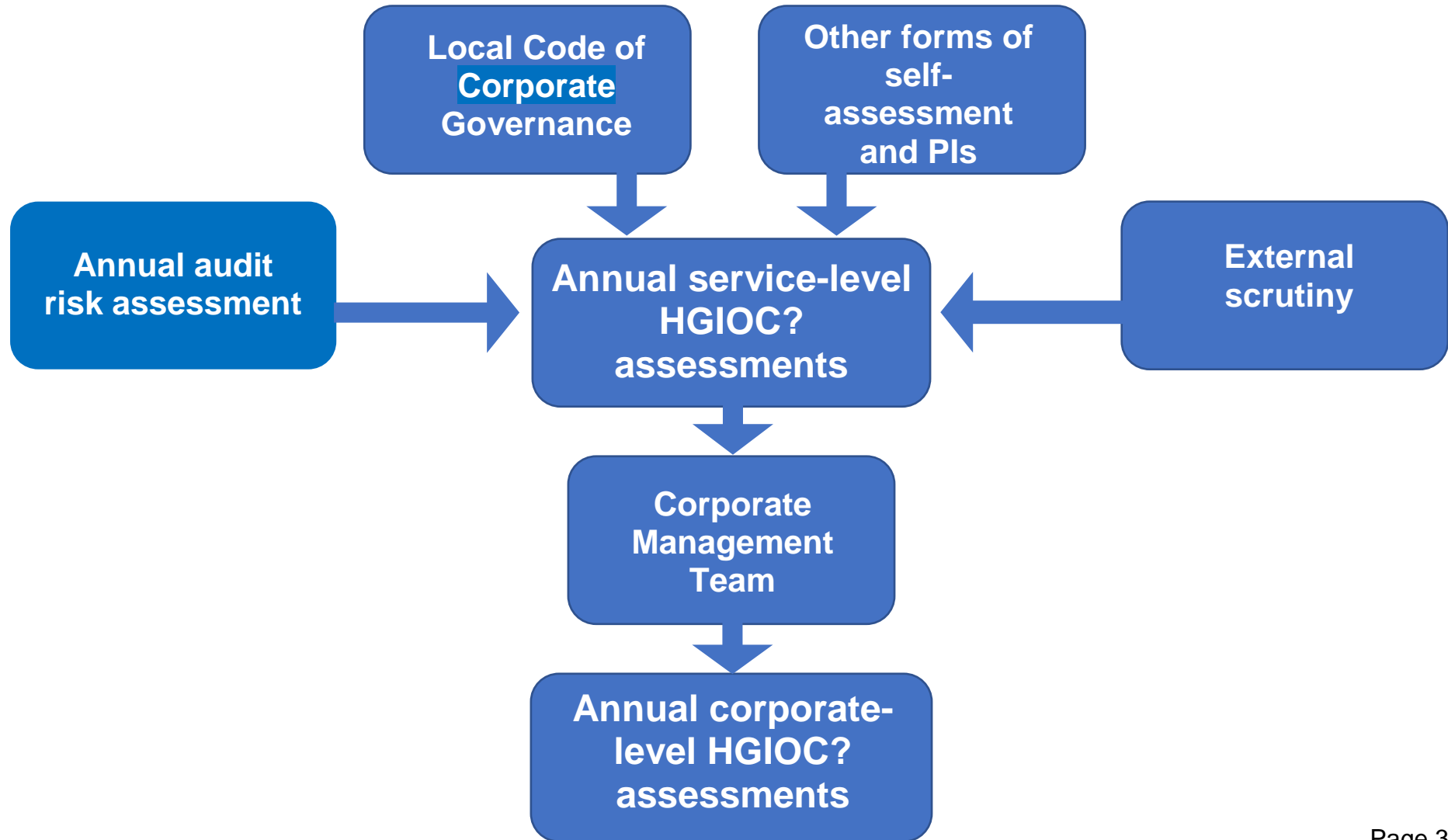
These assessments will be collated by HR and Performance for consideration by the Corporate Management Team.

3.3.2.

At a workshop the Corporate Management Team will then:

- Consider the collated assessments from across the different Service areas.
- Determine which areas are suitable and should be prioritised for corporate-level self-assessments.
- From the list of 20 HGIOC? indicators, select between 3 and 6 which the council will assess itself against across all services to further develop a corporate approach and overview of self-assessment.

How Good is Our Council? – Corporate and Service self-assessment – Flowchart.



How Good is Our Council? – Quality Indicators

Outcomes.	Stakeholders.	Processes.	Management.	Leadership.
High level question 1 - What key outcomes have we achieved?	High level question 2 – How well do we meet the needs of our stakeholders?	High level question 3 – How good is the delivery of key processes?	High level question 4 – How good is our management?	High level question 5 – How good is our leadership?
1.1 - Improvement in performance. 1.2 - Adherence to statutory principles and fulfilment of statutory duties.	2.1 - Impact on service users. 2.2 - Impact on staff. 2.3 - Impact on the local community. 2.4 - Inclusion, equality and fairness.	3.1 - Policy compliance and development. 3.2 - Delivering services.	4.1 - Service planning, and performance and risk management. 4.2 - Sufficiency, recruitment and retention. 4.3 - Deployment and teamwork. 4.4 - Development and training. 4.5 - Partnership working. 4.6 - Financial and resource management. 4.7 - Information systems.	5.1 - Vision, values and aims. 5.2 - Leadership and direction. 5.3 - Leading people and developing partnerships. 5.4 - Leadership of innovation, change and development. 5.5 - Elected member and officer roles and relationships.