

Agenda Item	9
Report No	AS/29/21

HIGHLAND COUNCIL

Committee: Audit & Scrutiny Committee

Date: 25 November 2021

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

Report By: Corporate Audit & Performance Manager

1.

Purpose/Executive Summary

- 1.1 An electronic survey of Committee Members' views on the effectiveness of Audit & Scrutiny Committee was circulated between 2 August and 3 November 2021 with 12 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. The survey is seen as best practice by the Council's external auditors.

2.

Recommendations

- 2.1 Members are asked to:
- I. Consider the key findings of the survey;
 - II. Agree the survey continues to be conducted annually;
 - III. Note that training modules on internal audit, risk and performance management are available for online learning and these are being migrated to the new online learning system.
 - IV. Note that a corporate training programme for Members is being finalised and will support Member's training, development, and induction in 2022/23.
 - V. Agree to 2 informal meetings for Members each year. The first meeting in late March 2022 to provide an early opportunity to input to the development of the Internal Audit Plan due to Committee in June 2022.

3 Implications

3.1 Resource implications

As previously indicated on-line learning modules will require staff time to develop and to date good progress has been made within existing resources by taking a phased approach to the work in order to do so.

3.2 Community, climate change/carbon clever implications

There are no legal implications arising from this report.

3.3 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.

3.4 Gaelic Implications

There are no implications arising from this report.

4. **Background**

4.1 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. Survey work was implemented in 2018 and this the 4th Survey of the Audit & Scrutiny Committee. The baseline for data is taken from 2019 following the review of Committee governance and the change in the size of Committee membership.

4.2 There were 12 responses received from Members, representing an 86% response rate to the survey which ran from 2 August and 3 November 2021. There continued to be a standard set of 30 questions and analysis of the survey is provided as Appendix 1 of this report.

5. **Key findings**

5.1 The previous figures are provided for information and as they also reflect the size of Committee following the Governance Review providing a baseline for comparison. It may be helpful to know in reviewing the results that 8% approximates to 1 Member's views. Key results are:

a) Members' role

- 100% said they understood their role in Committee to large or great extent (100% 2020, 92% 2019);
- 67% said they actively engaged in scrutiny and asking constructive questions to a large or great extent (90% 2020, 72% 2019) a further 33% said to a moderate extent this year;
- 92% said they felt they actively contributed to effective governance and scrutiny to a moderate, large or great extent (100% 2020, 88% 2019);

b) Training & Development

- 83% said they had received sufficient training to a large or great extent to support their scrutiny role (80% 2020, 40% 2019), none said they had not;
- 75% (9 people) responded that they take up all or most training opportunities (50% 2020, 83% 2019, 55% 2018), 25% (3 people) had taken up some training opportunities (40% 2020, 17% 2019, 32% 2018), and no one indicated that they had not taken up training opportunities (10% 2020, 14% 2018). This is in the continued context of Covid limiting opportunities;
- 83% agreed to a large or great extent that training and development was sufficient for them to do their job (90% 2020, 48% 2019), no one indicated it was not;
- 75% (9 people) felt they had sufficient time to fully commit to their role in Committee to a large or great extent (90% 2020, 75% 2019), however 8% felt this was challenging and agreed to a small extent (10% 2020, 25% 2019);
- 50% felt to a moderate, large, or great extent, that they need further guidance on how to fulfil their role (70% 2020, 58% in 2019, 64% in 2018). In relation to guidance comments included: workshops enabling open discussion on audit issues out with the formal setting of Audit & Scrutiny Committee. Developing a

better understanding of audit and scrutiny roles and how scrutiny also takes place in other areas of the Council. Training was also identified as an opportunity to develop Member's knowledge and understanding.

c) Views of Effectiveness of Committee

- On the effectiveness of the Committee in relation to key functions, between 82% and 100% of respondents felt the Committee was effective to a moderate or great extent (80-100% 2020, 67-100% 2019). The average score was calculated using all responses and their score between 1 and 5 where 5 equalled full agreement with the effectiveness of Committee for the function:

Function	Average Score (Mean)
Internal Audit Reporting	4.2
Assurance- Internal Audit Plan & Annual Internal Audit Report	4.2
Good governance (Code of Corporate Governance)	3.8
Value for Money or Best Value	3.8
Risk Management	3.6
Financial Reporting (annual accounts)	3.3
External audit reporting	3.1
Counter fraud and corruption	2.8

From this we can see that, overall, Members view the Committee as quite effective for most functions with internal audit reporting and the annual audit plan and report scoring highest. With more limited scope for engagement with Members the Committee's role in relation to counter fraud and corruption and external audit achieved lower scores.

- 92% felt that the Committee was the right size to be effective (100% 2020, 92% 2019), while 83% thought meetings were of the right length with 17% thinking meetings were too short (10% 2020, 17% 2019, 62% 2018) with no respondent viewing meetings as too long (0% 2020, 58% in 2019);
- 92% feel to a moderate or large extent that the Committee does have the appropriate skills and expertise (90% 2020, 67% 2019) while 8% agreed to a small extent;
- 83% agreed that the Chair acted independently (90% 2020, 84% 2019) and that the Committee acted independently and impartially 100% agreed to a small extent, none disagreed (100% 2020, 100% 2019);
- 42% said they made the most of advice and support available from officers (70% 2020, 67% 2019) with a further 42% neither agreeing nor disagreeing they did; 75% agreed that officers were accessible to support them in their scrutiny role (50% 2020, 75% 2019);
- 92% felt there was a culture of trust and openness amongst Members (100% 2020, 100% 2019) and 92% felt that they worked constructively together with mutual trust and respect (100% 2020, 100% 2019);
- 92% felt to a moderate, large+ or great extent they received sufficient information in internal audit reports (90% 2020, 83% 2019);
- 92% felt there was clarity over the role of Committee (80% 2020, 100% 2019) and 92% believed it added value to the work of the Council as a whole to at least a moderate extent (100% 2020, 75% 2019);
- 83% felt the Council was open to scrutiny to a small extent (100% 2020, 100% 2019) and 83% also felt that scrutiny was being encouraged to improve services and make better decisions to at least a moderate extent (80% 2020, 66% 2019).

6. Analysis and Areas for improvement

- 6.1 The main areas for improvement identified in the survey are around training, making the most of advice and support from officers and further guidance on how Members fulfil their role in Committee. A stronger scrutiny role was also identified as an opportunity to ensure improvement actions from audits are met along with an opportunity for Committee to consider how it might widen its scrutiny role.
- In relation to training offered 75% said they took up at all or most training offered and 100% felt they has sufficient training to do their job. The training and development of Members (including mandatory elements) is important in maintaining the effectiveness of Committee. With 25% of respondents saying the take up only some training Members development will remain an area for improvement.
 - 50% of Members identified the need for further guidance on how to fulfil their roles (an improvement from 70% in the previous year) and this outcome also directly relates to improving training and development for Members.
 - Members identified that they could make more use of the advice and support available to them from officers and that accessibility could be improved.
 - From comments received Committee may also wish to further consider its role in developing a stronger understand of the role of external audit and of Best Value (BV), developing the scrutiny role of Committee.
 - Additional informal meetings for Committee are proposed below at paragraph 6.2. These could be used to discuss scrutiny opportunities beyond existing action tracking reports and current arrangements for Member engagement in improvement activity where a limited assurance audit is reported.

6.2 Improvement actions:

- Training – As previously reported online modules using the Council's My Online Learning (MOL) system were available to Members for internal audit, risk and performance management. The Council has just moved to a new online learning system which will improve management and reporting of training uptake. Priority has been given to the migration of current content and new module on scrutiny will be available on the new system as soon as possible. A module on governance is under development involving cross Council input as the content will apply to all Strategic Committees. Note that the overall requirements for Members training and development are being finalised for 2022 with a focus of induction for existing and new Members following the May 2022 local government elections.
- Officer Support & Advice – Members identified they could make more of the support and advice available from officers and improve accessibility. During Covid informal meetings with Committee members were established to allow updates and more informal discussion and these received positive feedback.
- Scrutiny - It is proposed to schedule 2 informal meetings annually to enable discussion on developing Committee's scrutiny role and for informal discussion. Members would be asked to put forward suggestions for the agenda. This will also further support officer advice and support. A meeting in late January to enable Members to informally input to the development of the Internal Audit Plan for 2022/23 is suggested for the first meeting.
- Survey work – It is proposed to follow best practice and continue to survey the Committee on an annual basis.

Date: 11.11.21

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Appendices:

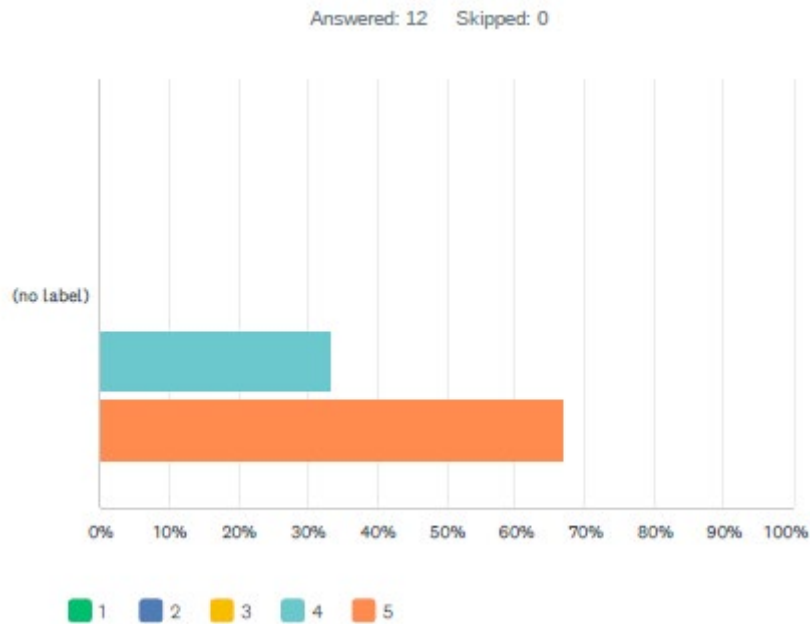
Analysis of Members responses to the survey on the Effectiveness of the Audit & Scrutiny Committee.

Survey of the Effectiveness of the Audit and Scrutiny Committee, 2021

A survey to better understand the views of the Members of the Audit and Scrutiny committee was circulated between August and November 2021. 12 Members completed the survey representing a response rate of 86%. The survey contained 30 questions and the responses are shown below.

Question 1: Respondents were asked to give their name. This was to enable officers to directly target those who had not yet completed the questionnaire.

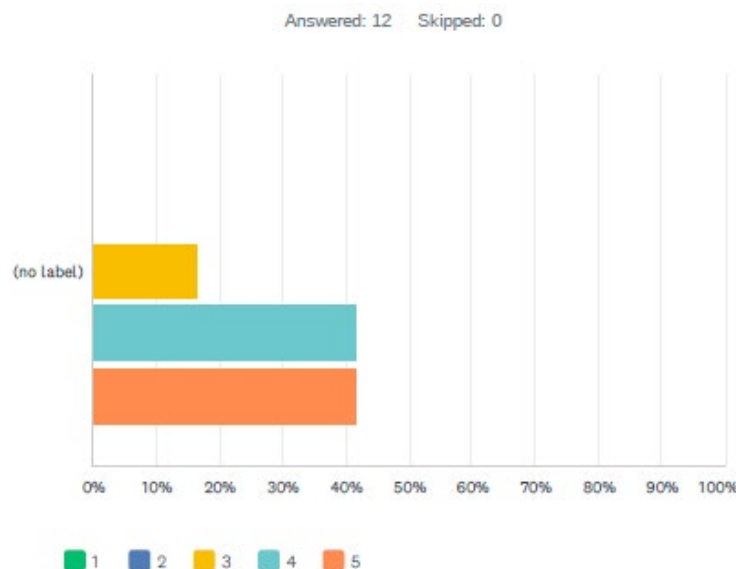
Question 2: To what extent do you understand the role expected of you in the Audit & Scrutiny Committee?



On a scale of 1-5, with 1 being "Not at all", 2 being to a small extent, 3 to a moderate extent, 4 to a large extent and 5 being "To a great extent."

100% respondents selected option 4 or 5, understanding to a "large extent" or to a "great extent" the role expected in the Audit & Scrutiny committee. No respondents selected option 1, 2 or (not at all or to a small extent or to a to a moderate extent).

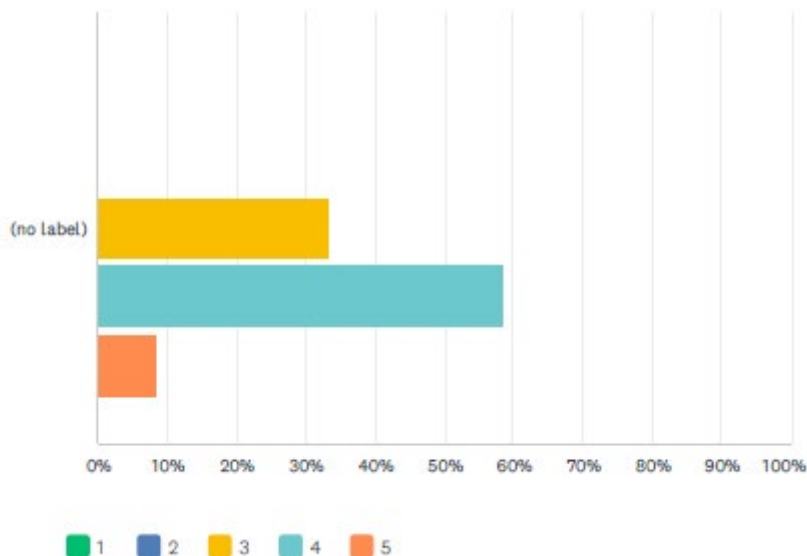
Question 3: To what extent do you feel able to observe/carry out the role expected of you in Audit & Scrutiny Committee?



On a scale of 1-5, with 1 being "Not at all", 2 being to a small extent, 3 to a moderate extent, 4 to a large extent and 5 being "To a great extent."

10 respondents (83%) selected options 4 or 5, feeling able to observe/carry out the role expected in Audit & Scrutiny Committee to a "large" or "great" extent. 2 respondents (17%) selected option 3 (to a moderate extent). No respondents selected option 1 or 2 (not at all or to a small extent).

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

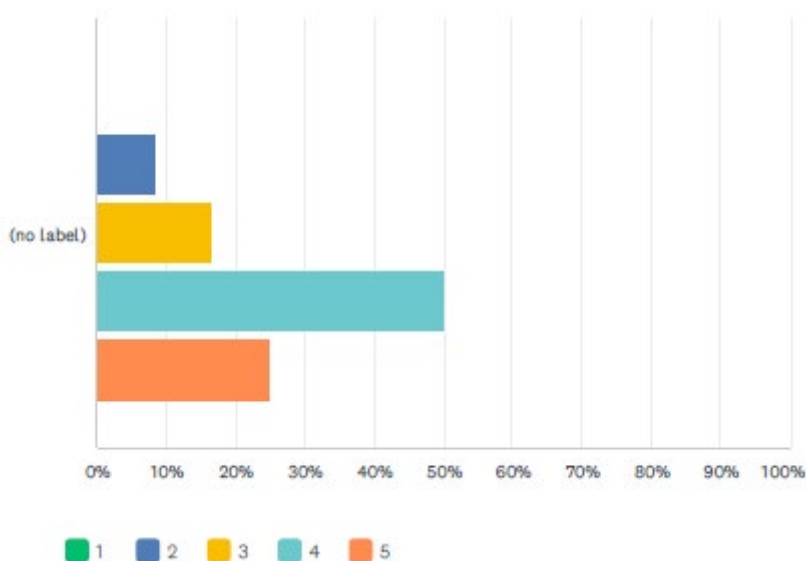


On a scale of 1-5, with 1 being "Not at all", 2 being to a small extent, 3 to a moderate extent, 4 to a large extent and 5 being "To a great extent."

8 (67%) of respondents selected that they actively engage in scrutiny and ask constructive questions to a "large" or "great" extent. 4 (33%) respondents selected to a moderate extent and no respondents selected option 1 or 2 (not at all or to a small extent).

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

Answered: 12 Skipped: 0

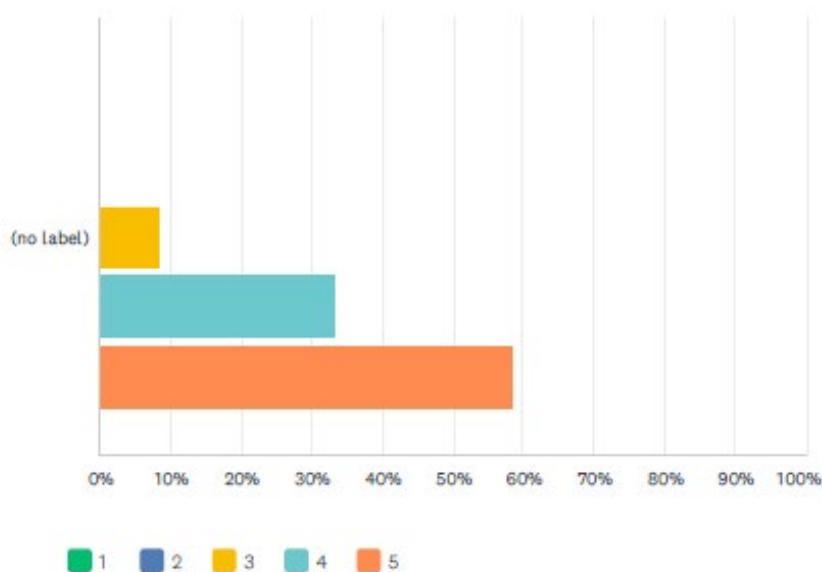


On a scale of 1-5, with 1 being "Not at all", 2 being to a small extent, 3 to a moderate extent, 4 to a large extent and 5 being "To a great extent."

9 of the 12 (75%) respondents selected option 4 or 5, actively contribute to a "large extent" or to a "great extent" to effective governance and scrutiny in committee. 2 respondents (17%) selected option 3 (to a moderate extent), and 1 respondent (8%) selected options 2 (to a small extent), no one selected "not at all".

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

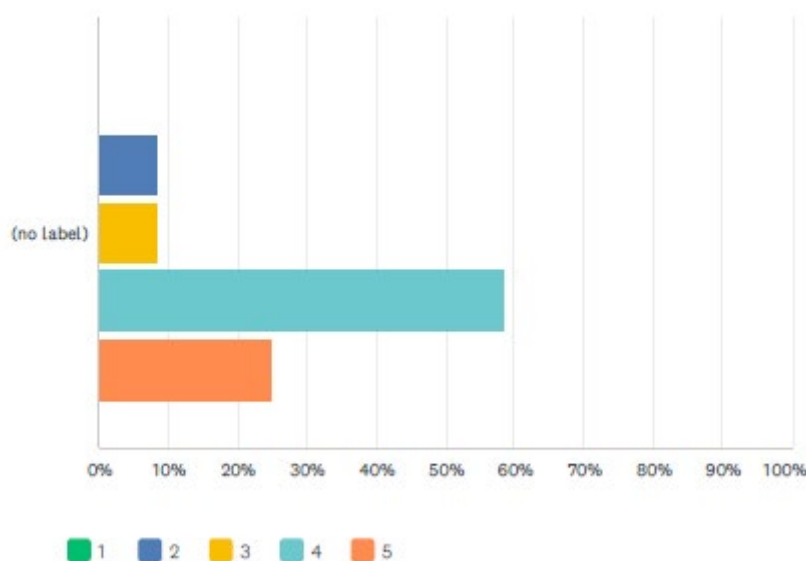
Answered: 12 Skipped: 0



On a scale of 1-5, with 1 being "strongly disagree", 2 being "somewhat disagree", 3 being "neither agree nor disagree", 4 being "somewhat agree" and 5 being "strongly agree."

11 (92%) respondents selected option 5 or 4 (strongly or somewhat agree) when asked whether they agree they are made aware of the behaviours and conduct expected of them. This is compared to 90% (2020) and 88% in 2019. There was 1 (8%) respondent selected option 3 neither agreed nor disagree. No respondents selected option 1 (strongly disagree) or option 2 (somewhat disagree) the same as in 2020.

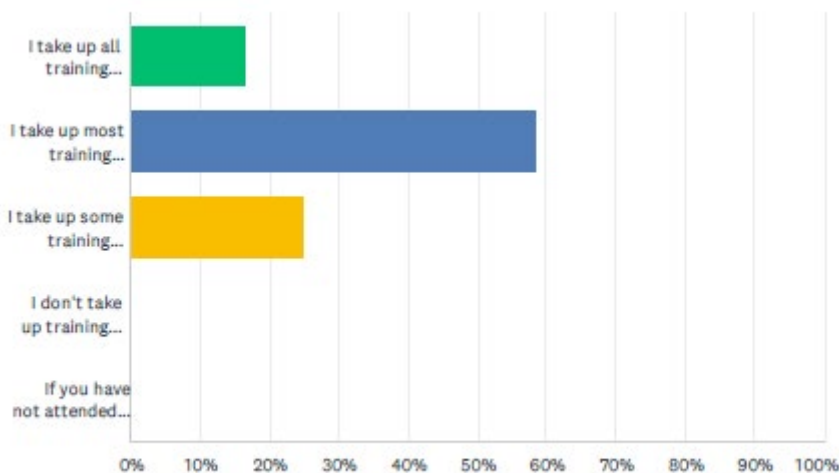
Question 7: To what extent do you agree that you have received sufficient training and support in your scrutiny role?



On a scale of 1-5, with 1 being "Not at all", 2 being to a small extent, 3 to a moderate extent, 4 to a large extent and 5 being "To a great extent."

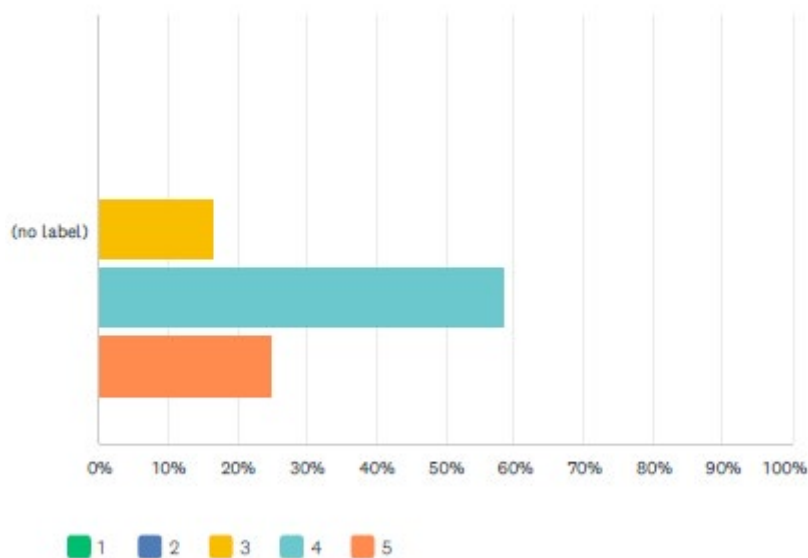
10 (82%) of respondents selected options 4 or 5, indicating that they had received, to a large or great extent that they had received sufficient training and support in their scrutiny role – this compares positively with the baseline of 40% in 2019. With 1 respondent (8%) selecting to a moderate extent and 1 one respondent selecting option 2 (To a small extent) and no respondents selected option 1 (not at all).

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



When asked about related training opportunities offered, 2 respondents (17%) answered that they take up all the training opportunities offered to them. A further 10 (83%) answered that they take up some or most training opportunities.

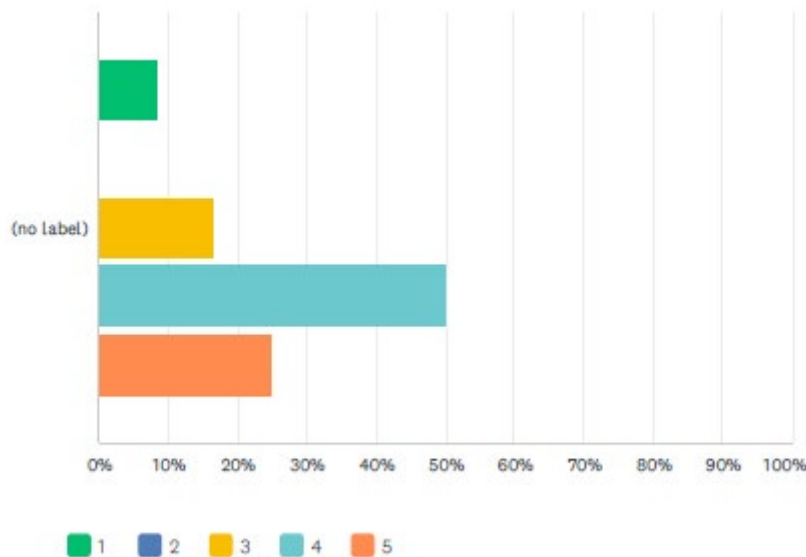
Question 9: To what extent do you feel training and development is sufficient for you to do your job?



On a scale of 1-5, with 1 being "Not at all", 2 being to a small extent, 3 to a moderate extent, 4 to a large extent and 5 being "To a great extent."

10 (83%) respondents selected "to a large extent" or to a "great extent" when considering the extent to which they felt training and development is sufficient for them to do their job. 2 (17%) respondents selected option 2 (to a small extent) No respondents selected option 3 (to a moderate extent), or selected option 1 (not at all).

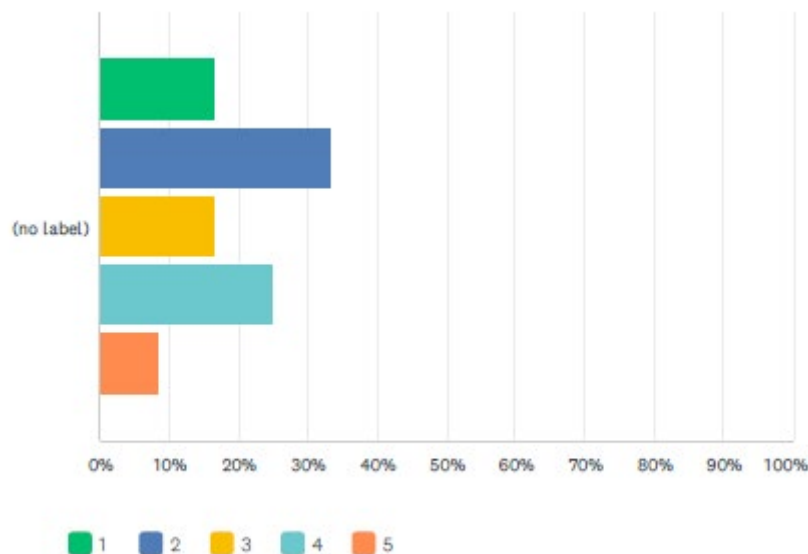
Question 10: Do you feel you have sufficient time to fully commit to your role in the Audit and Scrutiny committee?



On a scale of 1-5, with 1 being "Not at all", 2 being to a small extent, 3 to a moderate extent, 4 to a large extent and 5 being "To a great extent."

9 respondents (75%) selected option 4 or 5 (To a "large" or "great" extent) when asked if they felt they had sufficient time to fully commit to their role in the Audit and Scrutiny committee. 2 respondents (17%) selected option 2 (to a moderate extent). 1 respondent selected option 1 (Not at all).

Question 11: To what extent do you feel you need further guidance on how to fulfil your role?



On a scale of 1-5, with 1 being "Not at all", 2 being to a small extent, 3 to a moderate extent, 4 to a large extent and 5 being "To a great extent."

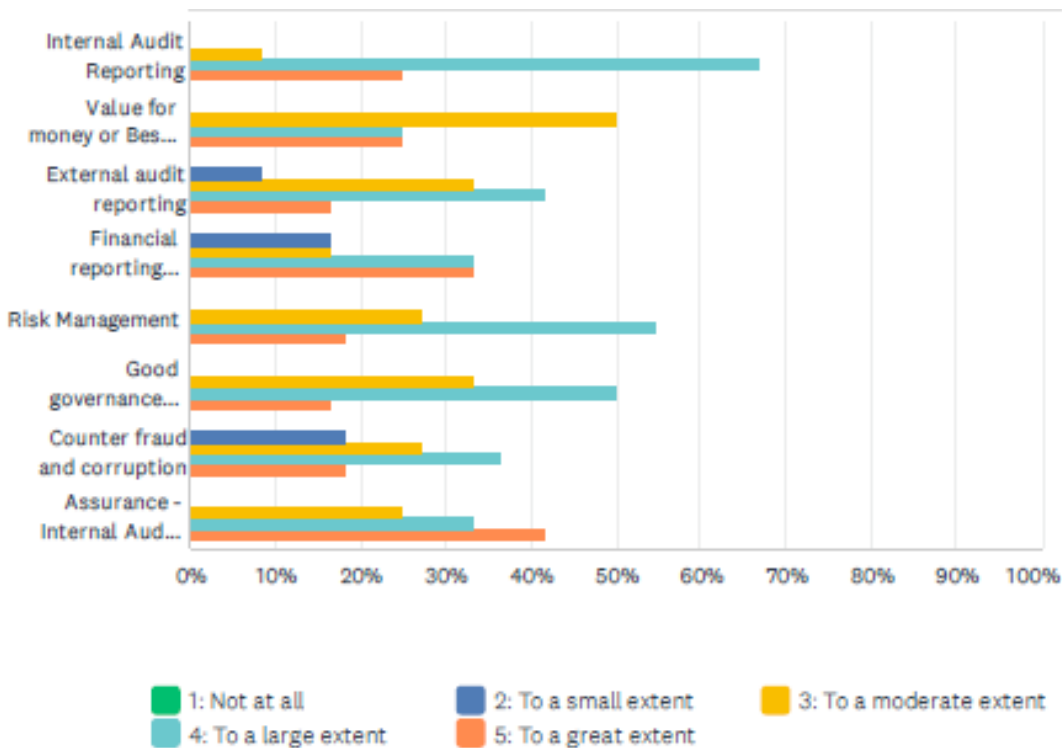
When considering to what extent respondents felt that they need further guidance on how to fulfil their role, 6 (50%) of respondents selected between to a "moderate extent" and "to a large extent". 4 respondents (33%) selected "to a small extent", and 2 (17%) respondents selected "not at all".

Question 12: If you need further guidance, what would be the most help?

This was an open question which received 6 responses and these have been summarised in the covering report above.

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

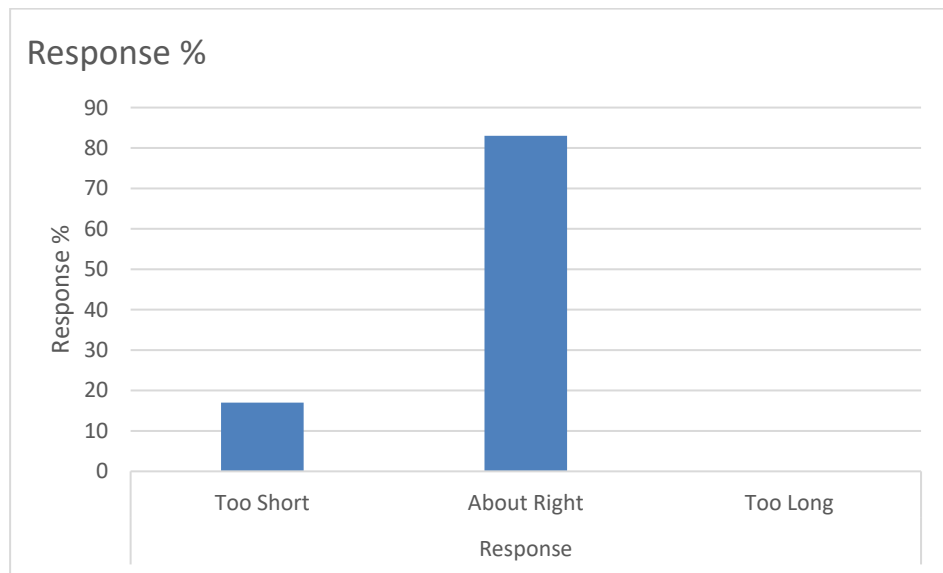
Respondents were presented with eight functions and asked how effective they felt the Audit and Scrutiny is with regards to them on a scale of 1 (Not at all) to 5 (To a great extent)



On the effectiveness of the Committee in relation to key functions, between 83% and 100% of respondents felt the Committee was effective to a moderate or great extent (80-100% 2020, 67-100% 2019). 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 at the eight functions.

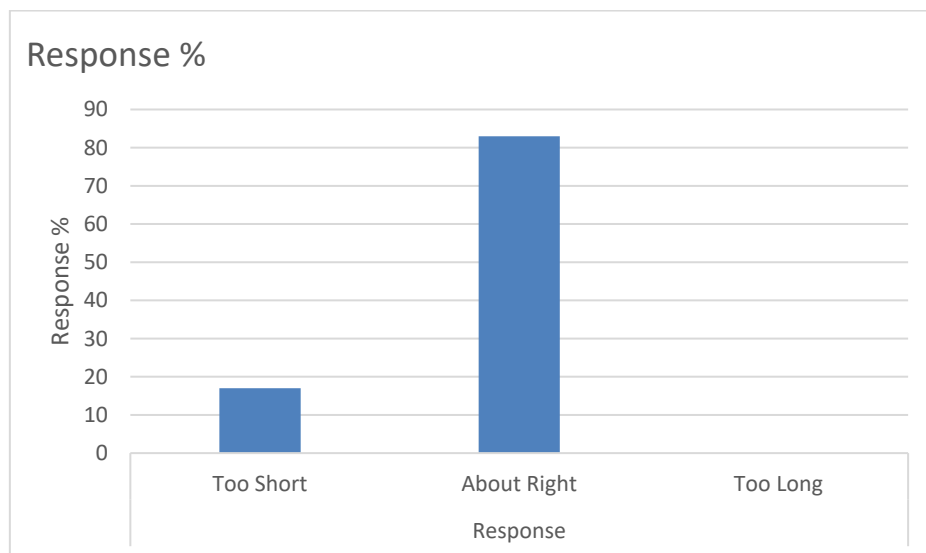
Function	Average Score (Mean)
Internal Audit Reporting	4.2
Assurance- Internal Audit Plan & Annual Internal Audit Report	4.2
Good governance (Code of Corporate Governance)	3.8
Value for Money or Best Value	3.8
Risk Management	3.6
Financial Reporting (annual accounts)	3.3
External audit reporting	3.1
Counter fraud and corruption	2.8

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



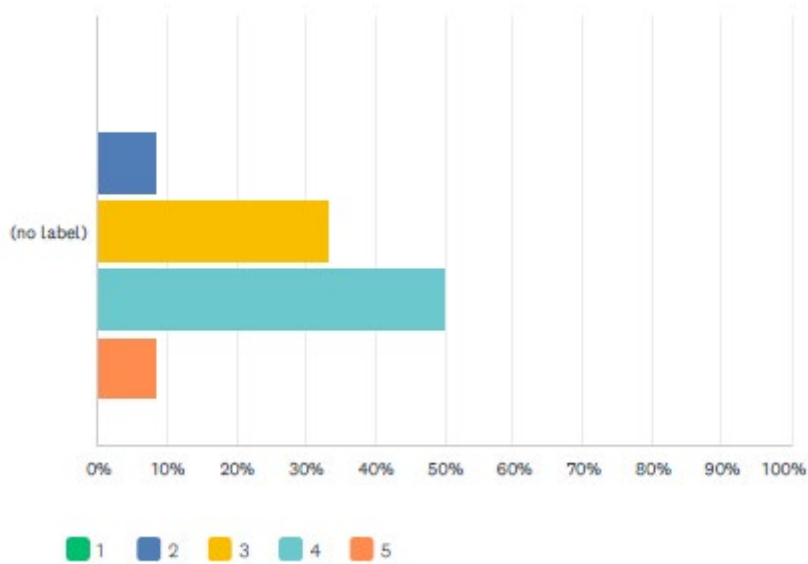
When asked if they agreed that the Audit & Scrutiny Committee has the right number of members to be effective 11 respondents (92%) selected that the membership was “about right” with 1 respondent (8%) saying it was too small.

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



2 respondents (17%) indicated that they felt Audit and Scrutiny committee meetings are “Too Short” in terms of sufficient length to enable effective scrutiny. 10 respondents (83%) selected option 2 (About Right).

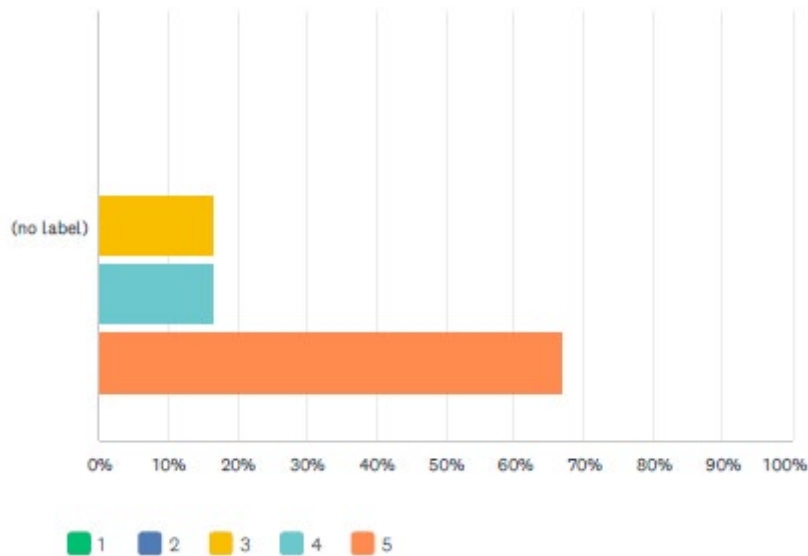
Question 16: To What extent do you believe that the committee has the appropriate skills and expertise to fulfil its role effectively?



On a scale of 1-5, with 1 being "Not at all", 2 being to a small extent, 3 to a moderate extent, 4 to a large extent and 5 being "To a great extent."

11 respondents (92%) selected options 3-5 (To a moderate, large or great extent when asked if they felt the committee has the appropriate skills and expertise to fulfil its role effectively. 1 respondent (8%) selected option 2 (To a small extent).

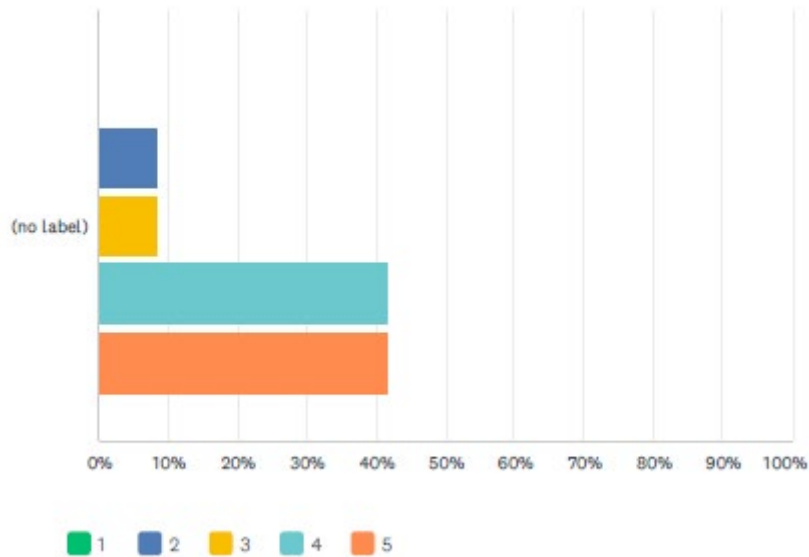
Question 17: Do you agree the Chair of Audit & Scrutiny is sufficiently independent?



On a scale of 1-5, with 1 being "strongly disagree", 2 being "somewhat disagree", 3 being "neither agree nor disagree", 4 being "somewhat agree" and 5 being "strongly agree."

10 respondents (83%) agreed or strongly agreed that the Chair of Audit and Scrutiny committee is sufficiently independent. A further 2 respondents (17%) selected "neither agree nor disagree". No respondents selected option 1 or 2 (strongly disagree or somewhat disagree).

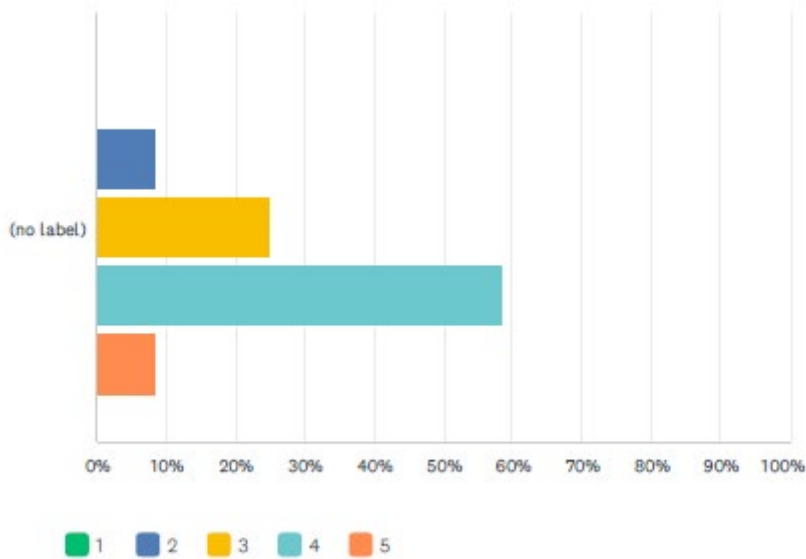
Question 18: Does the Audit & Scrutiny Committee act independently and impartially?



On a scale of 1-5, with 1 being "Not at all", 2 being to a small extent, 3 to a moderate extent, 4 to a large extent and 5 being "To a great extent."

10 respondents (92%) selected option 4 or 5 (To a large extent or to a great extent) when asked whether the Audit and Scrutiny committee acts independently and impartially. 1 respondent each selected 2 or 3 (to a small or moderate extent), no one selected "not at all".

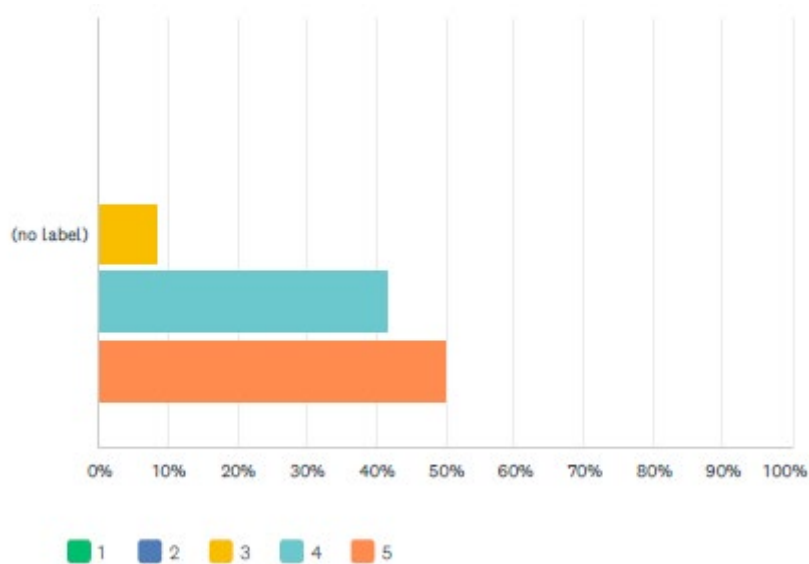
Question 19: Do you get sufficient assurance that Corporate Risks are being effectively managed in the Council?



On a scale of 1-5, with 1 being "Not at all", 2 being to a small extent, 3 to a moderate extent, 4 to a large extent and 5 being "To a great extent."

11 respondents (92%) selected options 3, 4 or 5 (a moderate to great extent) when asked whether they get sufficient assurance that corporate risks are being effectively managed in the Council. One respondent (8%) selected option 2 (to a small extent) and no respondents selected option 1.

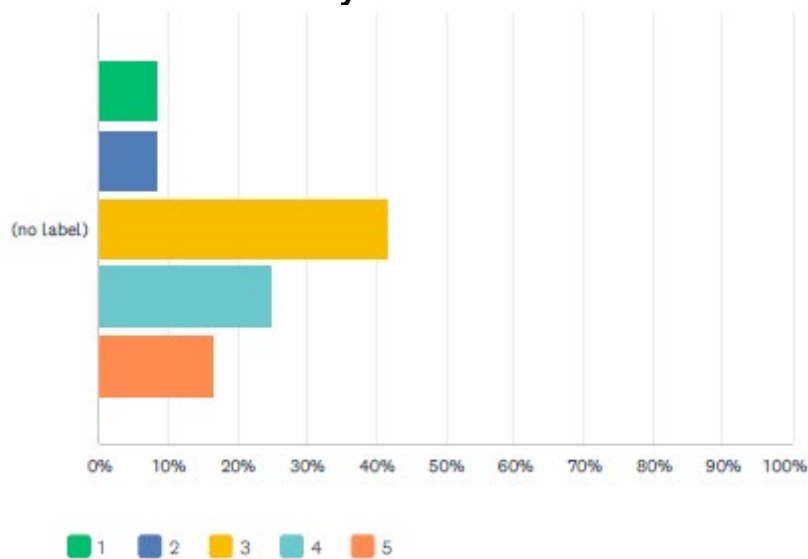
Question 20: To what extent do you feel able to ask candid questions, for example about risk or audit report content?



On a scale of 1-5, with 1 being "Not at all", 2 being to a small extent, 3 to a moderate extent, 4 to a large extent and 5 being "To a great extent."

11 respondents (92%) selected option 4 or 5 (To a large extent or to a great extent) when asked to what extent they felt able to ask candid questions about, for example, risk or audit report content. 1 respondent (8%) selected option 3 to a moderate extent. No one selected options 1 or 2 (not at all or to a small extent).

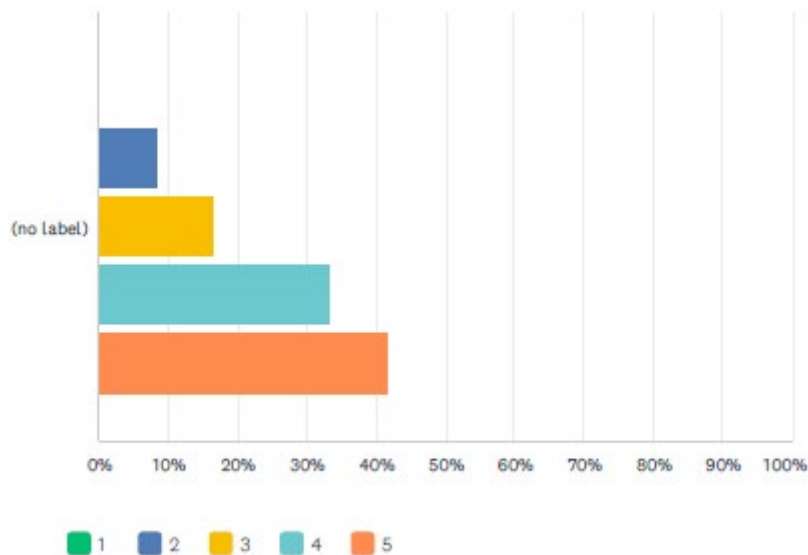
Question 21: Do you agree that you make the most of the advice and support available from relevant officers prior to Audit & Scrutiny Committee?



On a scale of 1-5, with 1 being "strongly disagree", 2 being "somewhat disagree", 3 being "neither agree nor disagree", 4 being "somewhat agree" and 5 being "strongly agree."

5 respondents (42%) selected option 4 or 5 (somewhat agree or strongly agree) that 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. A further 5 respondents (42%) selected option 3 (neither agree nor disagree) and 1 respondent (8%) selecting either option 1 or 2 (strongly disagree or somewhat disagree).

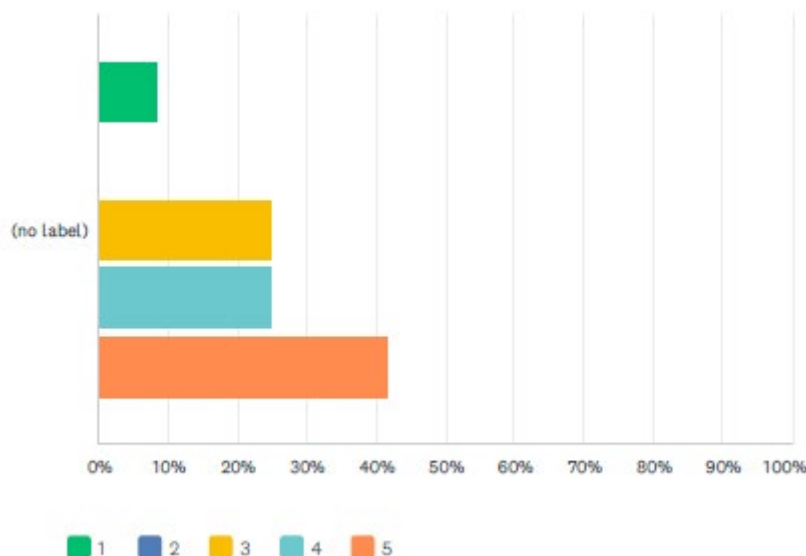
Question 22: Do you agree that all relevant officers are accessible to you to support your role in Audit & Scrutiny Committee?



On a scale of 1-5, with 1 being "strongly disagree", 2 being "somewhat disagree", 3 being "neither agree nor disagree", 4 being "somewhat agree" and 5 being "strongly agree."

9 respondents (75%) selected options 4 and 5 (somewhat agree or strongly agree) when asked whether they agreed that all relevant officers are accessible to them to support their role in the Audit and Scrutiny committee. 2 respondents (17%) neither agreed nor disagreed (option 3), and one respondent (8%) selected option 2 (somewhat disagree). No one selected option 1.

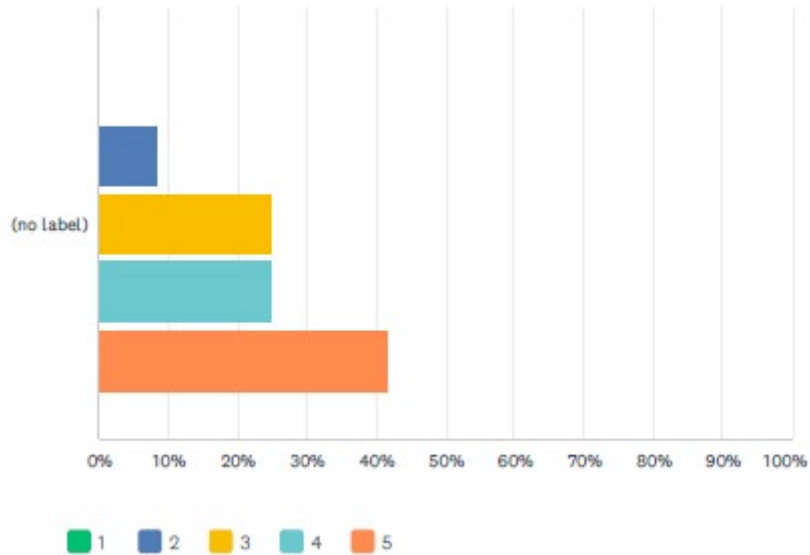
Question 23: Do you feel there is a culture of trust and openness between Councillors and officers in the Audit & Scrutiny Committee?



On a scale of 1-5, with 1 being "Not at all", 2 being to a small extent, 3 to a moderate extent, 4 to a large extent and 5 being "To a great extent."

11 respondents (92%) selected option 3, 4 or 5 (from a moderate to great extent) when asked whether they felt there is a culture of trust and openness between Councillors and officers in the Audit and Scrutiny committee. 1 respondent said "not at all"

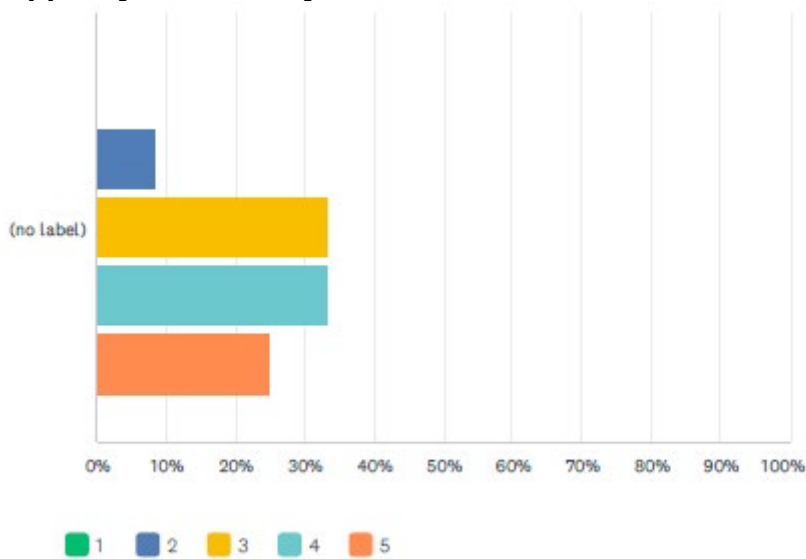
Question 24: To what extent do you agree that Councillors work constructively together on the Audit & Scrutiny Committee and show mutual trust and respect?



On a scale of 1-5, with 1 being "Not at all", 2 being to a small extent, 3 to a moderate extent, 4 to a large extent and 5 being "To a great extent."

11 respondents (92%) selected options 3, 4 or 5 (from a moderate to great extent) when asked to what extent they agreed that Councillors work constructively together on the Audit and Scrutiny committee and show mutual trust and respect. One respondent (8%) selected option 2 (to a small extent) and no-one selected option 1 (not at all).

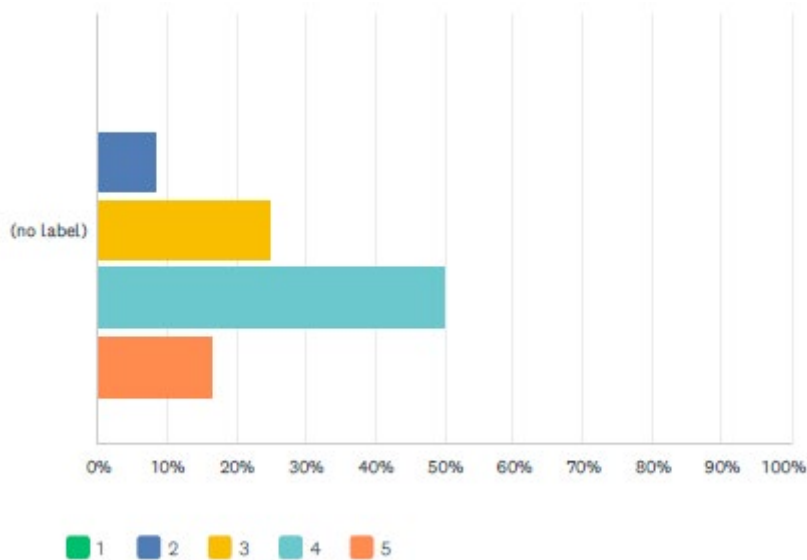
Question 25: To what extent do you agree that you get sufficient information in internal audit reports to support your scrutiny role?



On a scale of 1-5, with 1 being "Not at all", 2 being to a small extent, 3 to a moderate extent, 4 to a large extent and 5 being "To a great extent."

11 respondents (92%) selected options 3, 4 or 5 (moderate, large or great extent when asked to what extent they agreed that they get sufficient information in internal audit reports to support their scrutiny role. 1 respondent (8%) selected option 2 (to a small extent) and no-one selected option 1 (not at all).

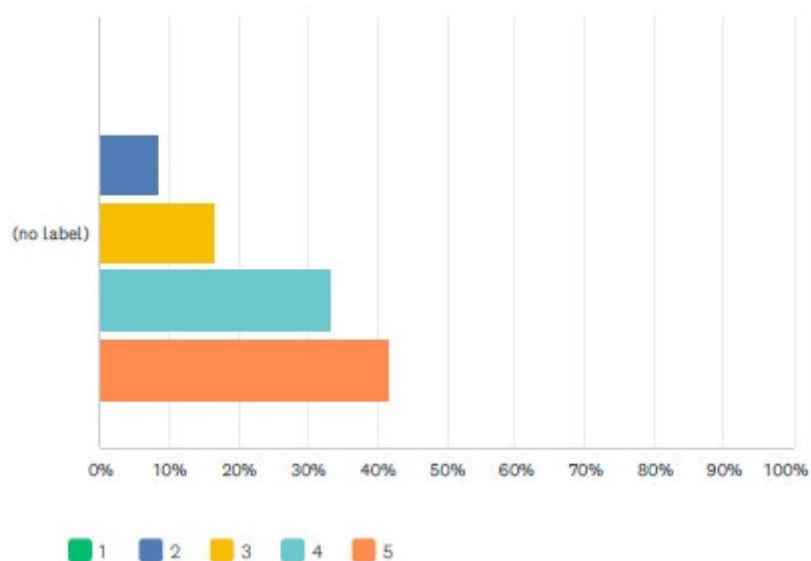
Question 26: Do you feel there is clarity over the role of the Audit & Scrutiny Committee within the Council's governance arrangements?



On a scale of 1-5, with 1 being "Not at all", 2 being to a small extent, 3 to a moderate extent, 4 to a large extent and 5 being "To a great extent."

11 respondents (92%) selected options 3, 4 or 5 (to a moderate, large, or great extent) when asked if they felt there is clarity over the role of the Audit and Scrutiny committee within the Council's governance arrangements. 1 respondent (20%) selected option 2 (to a small extent). No respondents selected option 1.

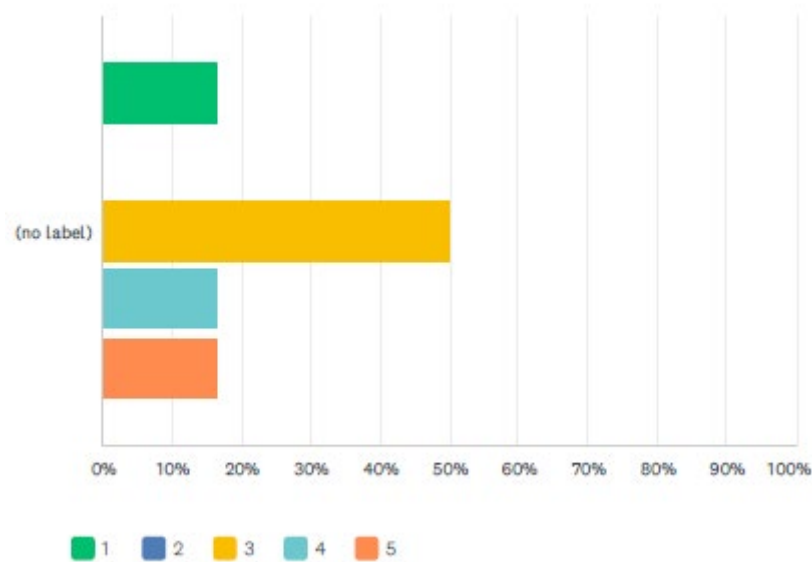
Question 27: To what extent do you feel the Committee adds value to the work of the Council as a whole?



On a scale of 1-5, with 1 being "Not at all", 2 being to a small extent, 3 to a moderate extent, 4 to a large extent and 5 being "To a great extent."

11 respondents (92%) selected options 3, 4 or 5 (to a moderate, large or to a great extent) when asked the extent to which they felt the committee as a whole adds value to the work of the Council as a whole. 1 respondent selected option 2 (to a small extent) and no one selected option 1 (not at all).

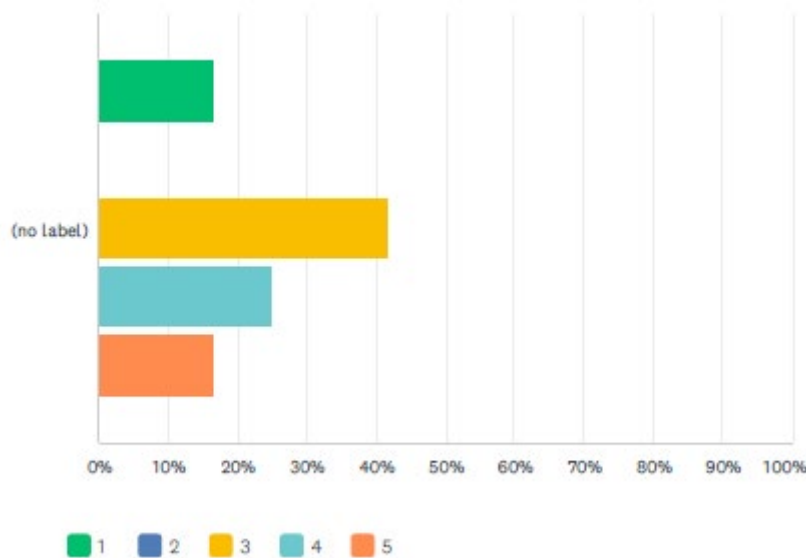
Question 28: How open do you feel the Council is to scrutiny?



On a scale of 1-5, with 1 being "Not at all", 2 being to a small extent, 3 to a moderate extent, 4 to a large extent and 5 being "To a great extent."

10 respondents (83%) selected options 3, 4 or 5 (to a moderate, large, or great extent) when asked how open they felt the Council is to scrutiny. 2 respondents (17%) selected option 1 (not at all).

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



On a scale of 1-5, with 1 being "Not at all", 2 being to a small extent, 3 to a moderate extent, 4 to a large extent and 5 being "To a great extent."

5 respondents (42%) selected options 4 or 5 (To a large or great extent) when asked the extent to which scrutiny is being encouraged as a means to improve services and make better decisions. A further 5 respondents (42%) selected option 3 (To a moderate extent), and 2 respondents selected option 1 (not at all).

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 & Scrutiny committee. 7 respondents provided comments to be considered and these have been summarised in the covering report above.