

REPORT TO AUDIT COMMITTEE – 1 JULY 2021

ANNUAL GOVERNANCE STATEMENT

1 Reason for Report / Summary

- 1.1 Audit Committee is requested to consider and approve the Annual Governance Statement 2020/21 and Action Plan which will be presented along with the Annual Accounts to External Audit.

2 Recommendations

The Committee is recommended to:

- 2.1 **Consider and comment on the Annual Governance Statement 2020/21 (attached as Appendix 1 to this Report) which will be presented along with the Annual Accounts 2020/21 to Audit Scotland;**
- 2.2 **Note the Annual Governance Statement Action Plan (attached as Appendix 2 to this Report); and**
- 2.3 **Agree that the Annual Governance Statement Action Plan 2020/21 (once approved) is added to the Corporate Improvement Plan and subject to the monitoring and scrutiny that is in place for that Plan.**

3 Purpose and Decision Making Route

- 3.1 The Local Authority Accounts (Scotland) Regulations 2014 require the Council to conduct a review of the effectiveness of its system of internal control. Following considerations of the findings of that review the Council must prepare an Annual Governance Statement (AGS) to be signed by the Chief Executive and Leader of the Council.
- 3.2 Historically the AGS has been prepared and presented to Committee with the Annual Accounts.
- 3.3 At its meeting on [17 September 2020](#), Audit Committee agreed that, although still being submitted for audit as part of the Annual Accounts, the AGS would be taken forward as a separate report. Following feedback from Senior Councillors and External Audit during the preparation of the AGS in 2019 and 2020, it was agreed that the draft AGS would be presented to Policy Committees prior to presentation and sign off by Audit Committee with the Annual Accounts.
- 3.4 At its meeting on [25 March 2021](#) the Audit Committee agreed the process and timetable for the preparation of the Annual Governance Statement 2020/21.

- 3.5 The draft Annual Governance Statement has been considered by Policy Committees during May and June 2021 and feedback from those Committees has been incorporated into the Statement attached as Appendix 1.
- 3.6 Audit Scotland will scrutinise and challenge the information over the coming months before presenting the audited accounts to this Committee on 4 November 2021 for approval.
- 3.7 Prior to this, an open session on the accounts will be arranged, and all Councillors will be invited to this session. The purpose of this session is to explore in detail the main documents within the annual accounts, check on the understanding of Members and where, if any, gaps exist and to reinforce the role of the Audit Committee in the financial stewardship of the Council's finances.
- 3.8 The Audited Accounts for 2020/21 will be reported to Full Council on 18 November 2021.

4 Background

- 4.1 The Council's Code of Corporate Governance was agreed by Audit Committee at its meeting on [6 February 2020](#) and adopts the seven principles in the CIPFA/SOLACE 2016 Delivering Good Governance in Local Government Framework. The seven principles form the basis of the Council's annual How Good is Our Council self-assessment framework.
- 4.2 The concept underpinning the Framework is that it is helping local government in taking responsibility for developing and shaping an informed approach to governance aimed at achieving the highest standards in a measured and proportionate way.
- 4.3 The seven core principles are as follows:
1. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
 2. Ensuring openness and comprehensive stakeholder engagement
 3. Defining outcomes in terms of sustainable economic, social, and environmental benefits
 4. Determining the interventions necessary to optimise the achievement of the intended outcomes
 5. Developing the entity's capacity, including the capability of its leadership and the individuals within it
 6. Managing risks and performance through robust internal control and strong public financial management
 7. Implementing good practices in transparency, reporting, and audit to deliver effective accountability.
- 4.4 The draft Statement has been prepared in cognisance of [CIPFA's Guidance Bulletin 06](#) – Application of the Good Governance Framework 2020/21 which

concerns the impact of the Covid-19 pandemic on governance in local authorities. The draft Statement covers the summary of key areas of the Annual Governance Statement for use in 2020/21 as set out in the guidance bulletin as follows:

1. Executive summary
2. Identification of key governance arrangements
3. Evaluation of the effectiveness of governance
4. Accountability and action plans

4.5 Following consultation with Policy Committees, Strategic Leadership Team and Internal and External Audit further the draft Statement has been refined and the final version is presented to committee today.

4.6 Additionally, Certificates of Assurance have been issued to all Policy Chairs, the Council Leader, Directors and the Chief Executive, certifying that they have assurance on the governance of the Council's affairs and the stewardship of the resources at its disposal.

5 Council Priorities, Implications and Risk

5.1 This report helps deliver all six of the Council's Strategic Priorities

<i>Pillar</i>	<i>Priority</i>
<i>Our People</i>	<i>Education Health & Wellbeing</i>
<i>Our Environment</i>	<i>Infrastructure Resilient Communities</i>
<i>Our Economy</i>	<i>Economy & Enterprise Estate Modernisation</i>

5.2 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

5.3 An equality impact assessment is not required because the report is presenting the Annual Governance Statement to Audit Committee for consideration and

comment and there will be no differential impact as a result of this report on people with protected characteristics.

5.4 The following [Corporate Risks](#) have been identified as relevant to this matter on a Corporate Level:

- ACORP001 – budget pressures

6 Scheme of Governance

6.1 The Interim Chief Internal Auditor, the Head of Finance and Monitoring Officer within Business Services have been consulted in the preparation of this report and had no comments to make and are satisfied that the report complies with the [Scheme of Governance](#) and relevant legislation.

6.2 The Committee is able to consider and take a decision on this item in terms of Section G.1.2(a) and Section G.1.6 of the [List of Committee Powers in Part 2A](#) of the Scheme of Governance as it relates to the review of the adequacy of the Council's policies and practices employed to ensure compliance with the Best Value duty and aligns with the approval and review of the annual Self-Evaluation Report arising from the Code of Corporate Governance.

Ritchie Johnson, Director of Business Services

Report prepared by Fiona McCallum, Business Strategy Manager
Date 27 May 2021

List of Appendices –

Appendix 1: Annual Governance Statement 2020/21

1 Scope of Responsibility

- 1.1 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 best value through continuous improvement in the way performance of its functions. Elected Members and the Strategic Leadership Team are responsible in discharging those responsibilities for putting proper arrangements in place for the governance of the Council's affairs, and for facilitating the effective exercise of its functions, including risk management arrangements.
- 1.2 In discharging this overall responsibility, Aberdeenshire Council approved and adopted a Code of Corporate Governance (the Local Code) which is consistent with the principles and reflects the requirements of the CIPFA/SOLACE (Chartered Institute of Public Finance & Accountancy/Society of Local Authority Chief Executives and Senior Managers) Framework "Delivering Good Governance in Local Government." The Council revised its Code of Governance in 2020 to ensure it is fit for purpose. The latest revision has been developed based on the CIPFA/SOLACE Delivering Good Governance in Local Government Framework 2016.
- 1.3 This assurance statement relates to the governance framework in place within the Council for the year ended 31 March 2021 and up to the date of signature of the Council's Annual Accounts for 2020-21.
- 1.4 This Annual Governance Statement explains how the Council has complied with the Local Code and complies with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom: Guidance Notes for Practitioners 2020-21, which details the requirements for the Annual Governance Statement.
- 1.5 Aberdeenshire Council has put in place appropriate management and reporting arrangements to enable it to satisfy itself that its approach to corporate governance is both adequate and effective in practice.
- 1.6 The Director of Business Services has responsibility to:
 - Oversee the implementation and monitor the operation of the Local Code and
 - Review the operation of the Local Code in practice
- 1.7 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 2021 and up to the of approval of the annual accounts.

2 Identification of Key Governance Arrangements

- 2.1 The governance framework comprises the systems, processes, cultures and values by which the Council is directed and controlled and through which it accounts to, engages with and leads 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.
- 2.2 Key elements of good corporate governance include honesty; trust and integrity; openness; performance focus; responsibility and accountability; management of risk; mutual respect and commitment to the organisation. The diagram on the next page sets out the Principles of the Local Code and some of the ways in which the Council complies with them.

Code of Corporate Governance Principle	How the Council demonstrates compliance
Principle 1 Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law	<ul style="list-style-type: none"> • The Scheme of Governance including the Financial Regulations • Councillors Code of Conduct • One Aberdeenshire Principles • Corporate Integrity Group • Financial and Legal Monitoring Officers • Counter Fraud Strategy • Integrated Impact Assessments • Fairer Scotland Duty
Principle 2: Ensuring openness and comprehensive stakeholder engagements	<ul style="list-style-type: none"> • Council Plan • Local Outcome Improvement Plan • Directorate and Area Plans • Engagement & Participation Policy • Participation Requests • Participatory Budgeting • Live Webcasting • Minimising exempt reports • Budget Engagement • Partnership Reviews and Reporting • Engage Aberdeenshire • Community Impact Assessment
Principle 3: defining outcomes in terms of sustainable	<ul style="list-style-type: none"> • Council Plan and Strategic Priorities • Performance Reporting

Code of Corporate Governance Principle	How the Council demonstrates compliance
economic, social and environmental benefits	<ul style="list-style-type: none"> • Community Benefits in Procurement • Carbon Budget • Climate Change Commitment • Aberdeenshire's Digital Strategy • Procurement Strategy
Principle 4: determining the interventions necessary to optimise the achievements of the intended outcomes	<ul style="list-style-type: none"> • Legal and Financial Monitoring • Integrated Impact Assessments • Budget Setting Process • Medium Term Financial Strategy • Performance Reporting • Financial Performance Reports • Capital Plan Monitoring • Carbon Budget • Risk Registers • Policy Review
Principle 5: Developing the entity's capacity including the capability of its leadership and the individual within it	<ul style="list-style-type: none"> • Councillors Roles and Responsibilities • Multi Member Ward Guidance • Training and CPD for Councillors • Committee Workshops • Leadership Forum • Learning and Development programme • ALDO (Aberdeenshire Learning & Development Onling) training • Workforce Strategy • HR Policies and Procedures
Principle 6: Managing risks and performance through robust internal control and strong public financial management	<ul style="list-style-type: none"> • Corporate Risk Group • Corporate, Directorate & Operational Risk Registers • Committee Reports • Financial Performance Reporting • Audit Committee • Internal Audit • Financial Regulations • Capital Plan • Strategic Leadership Team • Contracts Register
Principle 7: implementing good practices in transparency, reporting and audit to deliver effective accountability	<ul style="list-style-type: none"> • Budget engagement • Web Casting of Committee Meetings • Annual Review Reports • Corporate Improvement Plan • Scrutiny Reports • Performance Reports • Internal Audit Charter • Notices of Motion • Audit Committee • External Audit Reports to Committee • Committee Review Process

- 2.3 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 is subject to regular ongoing review. An Annual Review of the Scheme of Governance was presented to Full Council on [14 January 2021](#) and was approved on [11 February 2021](#).
- 2.4 Aberdeenshire Councillors agreed a revised [Council Plan 2020-2022](#) on 7 October 2020. At a meeting held on [23 July 2020](#) Full Council formally closed down the Council Plan 2017-2022 and associated priorities. In recognition of the circumstances faced by the Council new priorities were adopted and officers commissioned to draft a new Council plan on that basis. The Annual Performance Report was presented to Full Council on 24 September 2020 providing progress against the previous priorities.
- 2.5 The plan is centred around three pillars, Our People, Our Environment and Our Economy. Under those sit [strategic priorities](#) and these are supported by directorate and area plans. This means everyone understands their part in the delivery of the new priorities and what we can do to help make a difference. Directorate plans are being developed to provide detail around how outcomes will be delivered and will focus on performance and improvement and will include performance measures, benchmarking and accountability for delivery. Area plans will ensure alignment between community planning and Council priorities as well as providing additional local level scrutiny, accountability and transparency in terms of area reporting. A robust performance management framework has been developed and will be considered by Full Council on 24 June 2021.
- 2.6 The Council's revised Medium Term Financial Strategy, was agreed by Councillors on [19 November 2020](#), and is the financial embodiment of the Council 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. In addition to this and in response to the Covid-19 pandemic, Aberdeenshire Council Recovery Strategy was approved by Councillors on [23 July 2020](#).

3 The Impact of Covid-19 on the Governance Framework

- 3.1 Since the onset of the Covid-19 pandemic, the Council has adapted its governance arrangements to reflect the new environment the Council is operating in and to

preserve the democratic decision-making process. The changes introduced in response to the pandemic include:

- On [18 March 2020](#) Full Council agreed to adopt a new Part 5 of the Scheme of Governance (Supplementary Addendum in response to Covid-19 Pandemic), with the aim of further facilitating remote participation at meetings and provide for a single source of consolidated decision making in the event of significant disruption preventing the Council from carrying out business in the usual way.
- On [10 June 2020](#) Full Council agreed to establish the Covid-19 Recovery Reference Group to oversee the transition from the response phase of the Covid-19 pandemic. It was agreed that the Covid-19 Recovery Reference Group would fulfil the remit of the Procedures Committee.
- On [24 September 2020](#) Full Council agreed to the continuation of Committee on a virtual basis with a further review at Full Council on 14 January 2021. It was also agreed that the provision of electronic agendas would continue with options for providing hard copies to Chairs if required or to Members for the purposes of addressing an equalities issue.

3.2 In addition, arrangements were put in place to enable Members to have broad oversight of the extent to which decisions were being taken through the use of officers' special urgency powers through regular reporting to each meeting of Full Council, where required. An Outstanding Business item was also introduced for agendas of Full Council so it was clear to Members what work had particularly been paused as a result of the pandemic.

3.3 During the emergency response phase of the pandemic a range of different Council services had to be changed, adapted and in some cases stopped altogether. To assist with determining what, if any reinstatement or adaptation was needed to ensure appropriate provision of scope and standard of services the Council established the Adaptive Services Board (ASB), comprising senior officers from across the Council. ASB was a clearing house and engine room to allow cross Service consideration of post Covid-19 activity to ensure an integrated and coordinated One Council approach. The aim of ASB was to coordinate and ensure integrated service planning propositions that would be taken forward to SLT, the Recovery Reference Group or where, if required, Full Council or Committee.

3.4 A Review of Covid Governance was considered by Full Council [14 January 2021](#) which disestablished the Covid-19 Recovery Reference Group. A review specifically

of virtual meetings was considered by Full Council on [29 April 2021](#). It was agreed to continue with virtual meetings as the default until a further review on 23 September 2021 and work ongoing to develop an options appraisal for hybrid meetings.

4 Evaluation of the effectiveness of governance

4.1 Aberdeenshire Council has responsibility for conducting at least annually a review of the effectiveness of its governance framework including the system of internal control. This review of effectiveness is informed by contributions from the Council and its Committees, including Audit Committee, Strategic Leadership Team (SLT), the Statutory Officers, our Internal and External Auditors, external organisations which carry out audits or inspections of the Council. A new process for evaluating and endorsing compliance with the Local Code was agreed by Audit Committee on [25 March 2021](#) and is as follows:

- Strategic Leadership Team – comprising the Chief Executive and Directors, Section 95 Officer, Monitoring Officer to review and update the self-assessment and agree improvement plan if required
- Policy Committees – for comment
- Audit Committee – for comment
- Leader of the Council and Chief Executive – to sign off

4.2 This process not only creates an opportunity for the Council to set out its standard for good governance but also to ensure that its governance arrangements in public services are closely scrutinised.

4.3 Aberdeenshire Council adopted the How Good is Our Council self-evaluation framework in 2012 and a review was carried out in 2016. The framework promotes a holistic approach to continuous improvement and evaluation, mapped to a number of established performance improvement frameworks including The EFQM Excellence Model, Best Value principles and the Local Government Benchmarking Framework (LGBF).

4.4 The self-assessment indicated the governance framework is being complied with. The Council continues to recognise the need to exercise strong financial management arrangements to manage the financial pressures common to all local authorities. The following main issues and areas for improvement during 2021/22 have been identified through the self-assessment exercised against the Local Code:

Issue	Improvement action
Embedding a performance management culture	A performance management framework has been developed following the agreement of new Council priorities in September 2020. Training modules will be developed and regular meetings of performance Leads across the organisation will create a culture of positive performance management across the organisation. Work is underway to review the self-evaluation framework to ensure a more rounded and corporate approach and to embed this within performance processes.
	Develop a corporate data hub to promote robust data analysis as well as smart service design based on the needs of our citizens across partner organisations
	Implement new self-evaluation framework aligned to the Code of Corporate Governance
Embedding risk management	A review of the Risk Management Strategy and related processes has been undertaken during 2020/21 along with a refresh of the Corporate and Directorate Risk Registers. The review will seek to ensure that Risk management practices become more embedded in everything that the Council does through Service and Team risk processes.
Impact on the local community	Promote service design approach by involving customers in our decision-making and shaping service delivery
	Work with citizens to help them to realise their digital aspirations through delivery of the Digital Strategy
Working together across services	Develop and implement governance frameworks to support and promote cross service working and collaborative projects

4.5 Risk

4.5.1 The Council's senior management is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. The Interim 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 Interim 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 2021. On balance, most of the audited areas were operating as anticipated. Areas of good practice, improvement, and procedural compliance have been identified. Most recommendations made by Internal Audit during 2020/21 related to general improvements to procedures, and the requirement to consistently evidence adherence to them. However, as in previous years, some significant issues have been identified throughout the year, including breaches of the Council's financial and procurement regulations, segregation of duties, delegated authority, data protection and compliance with the Council's Following the Public Pound policy. Fraud risks have also been identified and are being investigated.

4.5.2 Whilst the foregoing indicates various risk areas, the majority of recommendations made by Internal Audit have been agreed by Services, which have committed to appropriate action to improve controls and compliance to address the identified risks. "Major" actions from previous years were outstanding at the end of the year, including various actions relating to Services' application of the Council's charging policy framework, and procurement compliance. 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. Management has highlighted in these reports that, where necessary, progress with implementing actions has been delayed where resources have been prioritised to support the Council's response to the Covid 19 pandemic, which is considered to be an appropriate and proportionate response to the management of the relative risks. A substantial number of actions have however been progressed and concluded during the year.

4.5.3 The Interim Chief Internal Auditor has advised that, except to the extent that work has been impacted by COVID-19, there has been no limitation to the scope of Internal Audit's work during 2020/21.

4.6 Impact of Covid-19 on Risk

4.6.1 During the Covid-19 pandemic, a Covid-19 Special Strategic Leadership team was established to provide strategic direction to Aberdeenshire Council, ensuring effective liaison and co-ordination between services. The membership of Covid-19 Special Strategic Leadership team was expanded from the Strategic Leadership Team (Chief Executive, Directors, Monitoring Officer, Section 95 Officer and the Chief Social Work Officer) to include the former Head of HR and OD, the Head of Customer and Digital Services, and an Area Manager with civil contingencies and risk advice provided by

the Risk and Resilience Manager. The team was responsible for maintaining an overview of the wider consequences of the response to Covid-19, monitoring any and all risks to Aberdeenshire Council, including those in relation to Covid-19 and those which may impact the Council's ability to discharge its critical activities and statutory duties. A weekly check-in with all of the Corporate Leadership team also offered the opportunity to share situational awareness and monitor any risks arising with the Council.

- 4.6.2 Following the stand-down of the COVID-19 Special Strategic Leadership team, the Adaptive Services Board was established to manage Service re-instatement. Any identified risks were reported to Strategic Leadership Team. Adaptive Services Board had rotating membership and offered the opportunity for cross-organisational collaboration and peer review in order to identify any risk and the interdependencies on multi-service delivery.
- 4.6.3 Throughout the course of the pandemic, Services have continued to manage their risks using the current Risk Management process. Services have continued to update and refresh Operational Risk Registers and Directorate Management Teams have continued to maintain Directorate Risk Registers and have full ownership, oversight and management of risks of operational significance. Any risks which require strategic direction have continued to be reported to Strategic Leadership Team.
- 4.6.4 Since the inception of the new Risk and Resilience Team in January 2020 a full review of all areas of the remit, which covers Risk Management, Business Continuity, Emergency Planning, Emergency Response, Resilience, Serious Organised Crime, Counterterrorism, EU Exit and Public Safety, is in progress with proposed improvement plans to be produced throughout the course of 2021. Whilst the Risk and Resilience Team have been at capacity dealing with the response to COVID-19 and several concurrent incidents, significant progress on the full review has been made.
- 4.6.5 A full Risk Management review has been completed and an improvement plan is currently being consulted with each Directorate Service. The Risk Management review took into account compliance with ISO Standards, best practice guidance and is looking at strategy, framework, policies, procedures, processes, assurance, accountability, risk appetite and risk registers.

4.7 Best Value Assurance Report

- 4.7.1 Audit Scotland's Best Value Assurance Report on [Aberdeenshire Council](#) contained nine recommendations. An action plan was agreed by Full Council on [19 November](#)

[2020](#) and a progress report was considered on [29 April 2021](#). Strategic Leadership Team has since implemented rigorous reporting to ensure actions are progressed and completed within agreed timescales.

4.8 Health & Social Care Integration

- 4.8.1 The Council, as a key partner within the Aberdeenshire Health and Social Care Partnership (HSCP) has an interest in the governance arrangements within the HSCP. Internal Audit arrangements for the HSCP are provided jointly by the Council's Internal Audit service and NHS Grampian's Internal Auditors. The Council's Internal Audit Service provides assurance over social care services, and oversight of the HSCP's governance arrangements to provide assurance to the Integration Joint Board (IJB).
- 4.8.2 The HSCP has arrangements in place to review its ongoing compliance with the Local Code. Due to the Council's role as social care service provider, Internal Audit's reports are presented to the Council's Audit Committee as well as the integration Joint Board. The Chief Social Work Officer provides the Council with an annual report on the performance of the HSCP.
- 4.8.3 The financial arrangements for the Council's funding to the HSCP are aligned and budget processes run parallel to ensure that appropriate budgets for the HSCP are aligned with Council policy and budgeting approaches, particularly in relation to any efficiency targets for the HSCP funding from the Council are planned for and appropriate efficiencies are approved by the HSCP. On an ongoing basis the Council continues to receive budgetary control information in relation to HSCP services funded by the Council.

4.9 Aberdeenshire Council Budget 2020/21

- 4.9.1 The financial context within which the Council was operating in 20/21 was a particularly challenging one. A report to Council on 25 June 2020 set out the predicted negative impact on the Council's financial position due to the current pandemic and resulting operating conditions, and it was agreed that a revised Medium Term Financial Strategy (MTFS) be developed to enable financial resources to be prioritised, allocated and managed to support the future delivery of services as well as the effective planning, restructuring and delivery of a balanced budget. The revised MTFS provided savings and efficiencies, together with a reprofiling of the Council's capital plan and use of reserves to ensure a balanced position by March 22 was approved by Council on 19th November 2020.

5 Accountability and action plans

5.1 Progress on the actions identified 2019/20 action plans is as follows:

Area for Improvement	Status
An effectiveness review will be undertaken to review the operation of the Audit Committee against its remit within the Scheme of Governance.	Complete
Scheme of Governance - revise and review appropriate inclusion of Loans and Grants within Scheme of Governance	Ongoing – this work was put on hold for a number of reasons during the pandemic emergency response phase. The project has recently been restarted and a report is due to be considered by Procedures Committee in September 2021.
The work of the Audit Committee will be the subject of a formal report to Full Council in line with the Policy Committees.	Complete – the Audit Committee Annual Report will be considered by Audit Committee on 1 July 2021 and presented to Full Council as part of the Annual Performance Review.
Support and deliver training on governance arrangements within Community Councils.	Complete
Strengthen the transparency of community engagement.	Ongoing – the Engagement & Participation Policy following consultation with Area Committees and the public, the Policy will be presented to Business Services Committee in September 2021 for approval.
Review arrangements for provision of information to Community Groups, including the availability of funding streams.	Complete.
Promote opportunities for community groups to use participation requests.	Complete
Undertake a programme of work to strengthen the linkages between policy approval, implementation, performance and outcomes.	Ongoing – this work was paused due to competing commitments and is scheduled to take place over summer 2021 with a report to Procedures Committee in September 2021.
Review and revise service level agreements and provide clarity on their content and use.	Complete
Complete a programme of activities aimed at providing a more rigorous approach to the implementation of audit recommendations.	Complete
Promote the Partnership Policy/Framework across the organisation.	Complete
Set out objectives for embedding One Aberdeenshire for the year ahead.	Complete
Provide clear guidance to managers in support of Personal Performance Plans.	Complete
Increase visibility of our leadership in relation to embedding vision in support of future council and One Aberdeenshire, with a focus on leadership development.	Complete

Area for Improvement	Status
Support Councillors in providing leadership to the organisation in the delivery of their strategic priorities.	Complete
Embed project prioritisation process that incorporates benefits to demonstrate value for money, inform project approval and assign resources.	Complete
Develop peer support and challenge mechanisms which sets out how and when these are to be used.	Complete
Develop medium-term resource plans demonstrating integrated financial and workforce capacity to deliver agreed council priorities.	Complete
Review the interaction of financial performance reporting with the Committee cycle.	Complete
Review the use of performance data and benchmarking by services to drive continuous improvement.	Complete
Review of budget setting process to ensure budgets are aligned to Council priorities, Service Plans and outcomes.	Complete
Provide greater levels of transparency and accountability in the lead up to key decisions.	Ongoing
Audit Committee will receive quarterly progress reports on the Annual Governance Statement Action Plan.	Complete
The draft Annual Governance Statement for 2020/21 will be the subject of a report to all the Policy Committees for discussion and comment prior to being put before Audit Committee.	Complete

6 Conclusion

6.1 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 Andy Kille

Leader of the Council

On behalf of the Officers and Councillors of Aberdeenshire Council

July 2021