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|  | **RECOMMENDATIONS: FINANCIAL SUSTAINABILITY** | | **PRIORITY** | **CC**  **Weighting** | | **KEY ACTIONS** | **TARGET DATE** | **STATUS** | **% Complete** | **OWNER** |
| 1.1 | The level of detail provided on staff costs in the budget should be reconsidered, with less focus on staff grades and a shift to considering at a high level how the budget drives progress to the optimal staffing structure in line with the Workforce Plan. | | HIGH | 3 | | This recommendation has been incorporated within the 2022/23 budget process. Staff costs are reflected at a higher reporting level. The budget setting process is linked to the Corporate Plan and will also link to the Workforce Plan once recommendation 1.3 is completed. | June 2021 | Implemented | 100% | Head of Finance |
| 1.2 | The Medium-Term Financial Plan should be revised to address the issues identified through our audit, as set out on page 12. | | HIGH | 3 | | The Head of Finance has revised the MTFP and extended from 3 to 5 years. A data pack has been devised that can be adjusted dependent upon variations of 1.3, 1.4 & 1.5. Considered and approved by our Audit & Finance Committee (AFC) at April 2022 meeting. | July – Sept 2021 | Implemented | 100% | Head of Finance |
| 1.3 | The Commission should engage an independent review into the optimal workforce structure for the organisation. | | HIGH | 1 | | Identified and appointed an independent reviewer in September 2021 to carry out consultation on staff structure and report on optimal structure to the Board.  Review completed and considered by the Board on 3 December 2021. Business Case for optimal workforce structure was submitted to Scottish Government February 2022 and subsequently approved. | September 2021 | Implemented | 100% | CEO in consultation with Convener |
| 1.4 | Subject to the findings of the independent review into the Commission’s workforce, the Commission should revise its Workforce Plan to clearly set out how the Commission intends to make any transition from the current structure to the proposed structure. | | HIGH | 2 | | Linked to 1.3/1.5  A Workforce Plan was considered and approved by the Commission Board at its June 2022 meeting. | To follow after 1.3 review concludes. | Implemented | 100% | CEO with Head of Operations |
| 1.5 | Management, in conjunction with the Board, should carry out a review into the optimal SMT structure for the organisation, with restructuring plans subsequently prepared following appropriate staff consultation to implement this structure, subject to approval by the Board. | | HIGH | 1 | | Was considered as part of the Independent Review of staffing (1.3). Board approved CEO recommendations for a restructured SMT at February 2022 Board meeting. A Business Case was subsequently submitted to Scottish Government and was subsequently approved. | September 2021 | Implemented | 100% | CEO in consultation with Vice Chair |
| 1.6 | In conjunction with the Board, management should review and formalise the budget-setting process, including setting out those involved and their stage of involvement. In carrying out this review, there should be sufficient opportunity for the Board to contribute to the budget setting process at the ‘input’ stage, rather than only at the ‘approval’ stage. | | MEDIUM | 4 | | A paper was presented to the AFC for consideration at its scheduled meeting on 27 July 2021. Approved a process for capturing input from AFC/Board for 2022/23 budget. | July 2021 | Implemented | 100% | Head of Finance |
| 1.7 | For the high-level savings set out in the ‘budget summary’, management should clearly identify savings which have been specifically identified and those which remain to be identified – including a ‘RAG’ status to highlight any areas of particular risk to the Commission in terms of the achievability of savings. | | LOW | 5 | | This recommendation has been incorporated within the 2022/23 budget process and will feature within relevant papers to AFC. | June 2021 | Implemented | 100% | Head of Finance |
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|  | **RECOMMENDATIONS: LEADERSHIP** | | **PRIORITY** | **CC**  **Weighting** | | **KEY ACTIONS** | **TARGET DATE** | **STATUS** |  | **OWNER** |
| 2.1 | The Commission should consider whether the CEO can reasonably expect to deliver his functions effectively in light of the Board expressing no confidence in his abilities to do so. This will need to be in consultation with the Scottish Minister. The conclusion reached should be formally communicated to the Board. | | HIGH | 1 | | Board met privately with Cabinet Secretary Minister for Rural Affairs and Natural Environment Mairi Gougeon in July. CEO met with her on 1 September.  Additional discussion between Board and SMT within Closed Session of October Board Meeting.  The Board has cancelled its earlier 'no confidence' position. | June 2021 | Implemented | 100% | **Board** |
| 2.2 | The Board should consider whether the Convener can deliver his functions effectively in light of the issues highlighted through our audit. This will need to be in consultation with the Scottish Minister. The  conclusion reached should be formally recorded. | | HIGH | 1 | | Actioned  The Board expressed confidence in the then Convener. | June 2021 | Implemented | 100% | **Board** |
| 2.3 | The Convener must conduct appraisals of fellow Commissioners. Appraisals for the 2020/21 year just ended should be performed as soon as possible, with plans for future appraisals clearly set out. The other Commissioners should ensure that they hold the Convener accountable for performing this key aspect of his role. | | HIGH | 3 | | Retrospective completion of this action is not now possible.  Convener Mathieson who was appointed 20 July 2021. “Will now be completed in Q4 2021/22”. | February 2022 | Implemented | 100% | Convener |
| 2.4 | A training plan should be developed for members of SMT, informed by their role, objectives and identified development needs from their performance appraisal. The CEO should ensure that individual training plans address any perceived cross-SMT weaknesses identified either by the SMT themselves or the Board. | | HIGH | 3 | | SMT Training Plan revised + individual SMT PLPs completed.  Monitoring System set up and populated. Is now a standing monthly agenda item for SMT continual professional development. | August 2021 | Implemented | 100% | CEO |
| 2.5 | Communications between the CEO, Sponsor Division, and Convener, should be documented in a proportionate manner to the importance of the matters being discussed, always capturing key details of  what has been communicated and setting out any actions arising. | | HIGH | 2 | | CEO and Convener to document communications with sponsor division.  Include update from meetings with sponsor division as Standing Item on Board agenda.  Convener e-mailed Board an update regards this recommendation 28 July 2021. | Immediate  From August 21 Board | Implemented | 100% | CEO/Convener  Head of Business Support |
| 2.6 | The Board, CEO and SMT should undertake joint training to understand and appreciate each other’s roles. The Sponsor Division should be invited to this. This training should focus on specific areas of perceived ambiguity in the On Board guidance, Framework Document and other key governance documents within the Commission | | HIGH | 2 | | Part 1 & Part 2 joint training session with David Nicholl (On Board Training and Consultancy Ltd) as Facilitator delivered 5 Oct/2 Nov 2022, for the Board, CEO and SMT and sponsor division.  Combined Action Plan subsequently considered by Board. | September 21 | Implemented | 100% | Convener/Head of Business Support |
| 2.7 | The Commission should nominate a Deputy Accountable Officer who will officially ‘step in’ when the designated Accountable Officer is unavailable. | | HIGH | 2 | | Agreed CC Solicitor as the ‘senior officer’ will act on the Accountable Officer’s behalf, when necessary, when the AO is uncontactable. Will be reflected within the Commission’s Code of Corporate Governance (Recommendation 3.4). | August 21 | Implemented | 100% | Convener |
| 2.8 | The Board, CEO, and SMT Division should have a facilitated development session to identify the root cause of communication issues highlighted throughout our audit, their implications, and proposed solutions. The Sponsor Division should be invited to this. An action plan should be prepared following this to address these underlying issues, with this being reported to the Board until such time as all parties are satisfied that the underlying issues have been addressed. | | HIGH | 2 | | Refer to 2.6 | September 21 | Implemented | 100% | Convener/Head of Business Support |
| 2.9 | The training plan for the Board should be subject to Board approval, and clearly set out how the training plan was informed and decided upon. It should be updated annually. | | MEDIUM | 4 | | Updated and revised Board Training Plan and created procedure for monitoring outputs. Programme has been revised to show all training to date. Paper presented at April 2022 Board. | September 21 | Implemented | 100% | Head of Business Support |
| 2.10 | The Commission should ensure that it has systems in place to monitor who attends training and to capture how effective this training is perceived to be. | | MEDIUM | 4 | | Update and revision Board Training Plan complete and feedback form created for monitoring outputs. | September 21 | Implemented |  | Head of Business Support |
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|  | **RECOMMENDATIONS: GOVERNANCE** | | **PRIORITY** | **CC**  **Weighting** | | **KEY ACTIONS** | **TARGET DATE** | **STATUS** |  | **OWNER** |
| 3.1 | The Commission’s should engage with the Sponsor Division to investigate if the Framework Document can be revised to explicitly set out that, where the CEO is an employee of the Scottish Government rather than the Commission, the Board is jointly responsible with the Sponsor Division for performing an appraisal of the CEO. | | HIGH | 3 | | Signed off by Accountable Officer and SG 25 Jan 2022. | August 21 | Implemented | 100% | Convener |
| 3.2 | The Board, in consultation with staff, management and the Sponsor Division, should formally agree the Commission’s prospective approach to the appointment of employees in terms of appointing their own employees or using Scottish Government staff. | | HIGH | 3 | | Board Strategy Meeting on in August 2021 and Board Meeting in October 2021: outcome was not to pursue appointment of own employees (with the possible exception of a future CEO) at this time. | August 21 | Implemented | 100% | CEO |
| 3.3 | The Board, in conjunction with management and the Sponsor Division, should ensure there is an agreed protocol for ensuring that the Board has the necessary levels to effect accountability of the CEO where the CEO is an employee of the Scottish Government. | | HIGH | 3 | | All parties (Convener, CEO, SG Sponsor) have agreed protocol and incorporated within Framework Agreement. | August 21 | Implemented | 100% | Convener |
| 3.4 | The Commission should consider whether it needs an overriding Code of Corporate Governance, bringing together its interpretation of its governing legislation, Scottish Government guidance as it applies to the Commission, and the Commission’s Framework Document. | | HIGH | 3 | | Draft Code of Corporate Governance (CG) and link this to Framework Document. Linked to 3.1 & 3.3.  A finalised draft was considered and approved by the Commission Board at its June 2022 meeting. | October 21 | Implemented | 100% | CEO/Convener |
| 3.5 | In developing a Code of Corporate Governance or revising its Framework Document, the Commission should consider including an explicit ‘reasonableness’ test for communication of matters between  management, the Board and the Scottish Government. | | HIGH | 4 | | Incorporate ‘reasonableness’ test into above Code. Linked to 3.1, 3.3 & 3.4 | October 21 | Implemented |  | CEO/Vice-Chair AFC |
| 3.6 | The Commission should arrange a joint development session between the Board and SMT on the governance arrangements as they apply across the Commission to ensure mutual understanding of the arrangements as every party expects them to work. The Sponsor Division should be invited to this. | | HIGH | 2 | | Joint training of Board, SMT and sponsor included in Training Plan.  Linked to 2.6 | September 21 | Implemented | 100% | Convener/Head of Business Support |
| 3.7 | The Commission should arrange training for the Board and SMT on how to effectively challenge inappropriate behaviours where an individual or group is failing to follow the arrangements as they have been agreed. | | HIGH | 2 | | Linked to 3.6 | September 21 | Implemented | 100% | Head of Business Support |
| 3.8 | The Commission should arrange training for both the Board and SMT, specifically covering the strategic and operational split in public sector organisations. | | HIGH | 2 | | Linked to 3.6 & 3.7 | September 21 | Implemented | 100% | Head of Business Support |
| 3.9 | The governance structure within the Commission should be reviewed to ensure that the Audit and Finance Committee is considering matters in line with its Terms of Reference, that the Board considers appropriate matters and that there is a structure in place to provide appropriate scrutiny of performance. | | HIGH | 3 | | Formalise revised procedure for items to be taken from AFC to Board for scrutiny.  Key Performance Indicators Quarterly Review transferred to the Board Agenda.  Vice-Chair content that AFC Work Plan is in line with the SG Audit & Assurance Committee Handbook. AFC Terms of Reference updated at November 2021 Committee Meeting to reflect completion of this recommendation. | August 21 | Implemented | 100% | Vice Chair/Head of Finance |
| 3.10 | The Commission should consider how to address the expectation gap between what the role of the elected Commissioners is and what it is perceived to be, in advance of elections in 2022. | | HIGH | 3 | | Delivered within pre-election materials and events. | December 21 | Implemented | 100% | Board Support/Board |
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|  | **RECOMMENDATIONS: OPENESS & TRANSPARENCY** | | **PRIORITY** | **CC**  **Weighting** | | **KEY ACTIONS** | **TARGET DATE** | **STATUS** |  | **OWNER** |
| 4.1 | The SMT should review the process through which papers are submitted to the Audit and Finance Committee and Board to ensure there is an appropriate review prior to the presentation. | | HIGH | 3 | | Reviewed | August 21 | Implemented | 100% | CEO |
| 4.2 | Both the SMT and the Board should receive training on risk management – for example on identifying, understanding, responding to and scrutinising risk. | | HIGH | 3 | | Added to Training Plan. Combination of Scottish Government CPD Risk training and a half day Board/SMT workshop facilitated by Azets approved.  22/9/21 Azets training workshop delivered. SMT Training delivered 9/11/21 and Risk Management reviewed at December 2021 Board Strategy Day. | September 21 | Implemented | 100% | Head of Business Support |
| 4.3 | The risk registers should be reviewed in their totality to ensure that they are reflective of the risks which actually face the organisation. | | HIGH | 2 | | Refer to recommendation 4.2. Outcome of workshops was a comprehensive review of risk registers.  26.01.22 AFC content with revised Operational Risk Register. Board agreed the Strategic Risk Register on 8.02.22. | January 22 | Implemented | 100% | CEO/AFC |
| 4.4 | The Commission should review its key performance indicators to ensure they provide performance information not only against the corporate plan outcomes, but also against key operational performance matters which may have a strategic impact. | | HIGH | 3 | | Reviewed KPIs. High Level Regulatory Case Statistics now included within KPI Report. | August 21 & November 21 AFC Agenda | Implemented | 100% | CEO/Board |
| 4.5 | Similar to the Audit and Finance Committee, the Board should institute a system of monitoring an Action Log as a standing item. | | MEDIUM | 4 | | Include Action Points within Board Minute. | From June Board | Implemented | 100% | Head of Business Support |
| 4.6 | The Commission should review its practice of regularly using ‘oral’ updates for the Board and ensure that these are only used where a paper would not be appropriate. | | MEDIUM | 4 | | Oral updates to the Board will be accompanied by a brief written paper provided by SMT and Commissioners.  From Jan 2022, written team updates are circulated quarterly to the Board *outwith* Board meetings | From August 21 Board | Implemented | 100% | SMT/Head of Business Support |
| 4.7 | The Commission should identify the methods through which it provides information to the Audit and Finance Committee and the Board and assess whether it is appropriate to continue to provide that information informally or whether the information should form part of routine reporting at arranged  meetings. | | MEDIUM | 4 | | Reviewed: No Action Required. Captured within other actions. |  | Implemented | 100% |  |
| 4.8 | The Board should consider whether it is appropriate for the Strategic Risk Register to be ‘for info’ or whether the Board should perform a more in-depth challenge of the risks included and excluded. | | MEDIUM | 2 | | The Strategic Risk Register will be scrutinised by the Board on a quarterly basis. | From October 21 | Implemented | 100% | CEO/Board |
| 4.9 | The SMT should explicitly consider at their meetings whether each item on their agenda should be reported to the AFC or Board and if it should, when that expects to be done. | | MEDIUM | 3 | | SMT will consider whether any agenda items need to be transferred to Board. | Immediate effect | Implemented | 100% | Head of Business Support |
| 4.10 | The Standing Orders – or equivalent – should clearly set out how informal, private meetings of the Board can be called, how they should be conducted, any records which should be kept and emphasise the importance of the Board not using these meetings to in essence take Board decisions. | | MEDIUM | 2 | | Sign off confirmed at 31 March 2022 Board meeting. | December 21 | Implemented | 100% | Head of Business Support |
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|  | **RECOMMENDATIONS: RELATIONSHIPS** | | **PRIORITY** | **CC**  **Weighting** | | **KEY ACTIONS** | **TARGET DATE** | **STATUS** |  | **OWNER** |
| 5.1 | The Commission, in consultation with the Sponsor Division, should agree a protocol for attendance at Sponsor Division meetings, ensuring appropriate attendance to maintain effective relationships at appropriate levels between both parties. | | HIGH | 2 | | The Convener agreed action with Sponsor Division.  Invite will be automatically issued to Convener/Vice Convener. Another Board member will attend if both unavailable. Agenda will be issued in advance of meeting. | August 21 | Implemented | 100% | Convener |
| 5.2 | In agreeing a protocol for the meetings between the Commission and Sponsor Division, consideration should be given to how the matters discussed at Sponsor Division meetings are shared with the wider Board. | | HIGH | 3 | | Minutes/agenda of sponsor division meetings with Commission to be shared with Board | Immediate effect | Implemented | 100% | CEO/Convener |
| 5.3 | Similar to SMT meetings, there should be explicit consideration by the Commission as to whether items which are on the agenda at Sponsor Division meetings have been reported to the Committee or Board and if they have not, whether they should be. | | HIGH | 3 | | Standing item to be added to Board agenda | August 21 | Implemented | 100% | Head of Business Support |
| 5.4 | The Commission should consider, in consultation with the Sponsor Division, the appropriateness of representatives of the Sponsor Division attending Board or other internal Commission meetings. | | HIGH | 3 | | Agreed SG Sponsor will be invited to internal CC meetings ‘as appropriate’ and Convener will be aware in advance regards attendance. | August 21 | Implemented | 100% | Convener |

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| **CC Weighting Key** | |  |
| **1** | **CRITICAL** |  |
| **2** | **URGENT** |  |
| **3** | **MODERATELY URGENT** | |
| **4** | **LEAST URGENT** |  |
| **5** | **NOT URGENT** |  |