



## **AUDIT COMMITTEE – 9TH DECEMBER 2015**

**SUBJECT: UPDATE IN RESPECT OF THE AREA FOR IMPROVEMENT IN THE ANNUAL GOVERNANCE STATEMENT FOR 2014/15**

**REPORT BY: ACTING DIRECTOR CORPORATE SERVICES & SECTION 151 OFFICER**

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### **1. PURPOSE OF REPORT**

- 1.1 To advise Audit Committee of progress in respect of the area for improvement agreed in the Annual Governance statement for 2014/15 'to improve the effectiveness of current scrutiny arrangements'.

### **2. SUMMARY**

- 2.1 In June 2015 Audit committee agreed an area for improvement ' The effectiveness of the current scrutiny arrangements' this report provides an update on progress to date. Council approved 20 recommendations to improve the effectiveness of Scrutiny on 6 October 2015 following the Scrutiny Review. These will be implemented following a careful plan between October 2015 and May 2016, and will be reviewed via a self-evaluation process after 12 months.
- 2.2 Each Scrutiny Committee will discuss their forward work programme in detail at their meeting in February 2016 and the limit of no more than 4 agenda items will commence from the Committee meetings after April 2016.
- 2.3 Communication, engagement and training as well as detailed protocols and guidance will be essential to ensuring successful implementation.

### **3. LINKS TO STRATEGY**

- 3.1 The operation of scrutiny is required by the Local Government Act 2000 and subsequent Assembly legislation.

### **4. THE REPORT**

- 4.1 This report outlines the arrangements to implement the recommendations from the scrutiny review report that were endorsed by Council on 6th October 2015 (appendix 1).
- 4.2 The scrutiny review was carried out to identify possible improvements to the operation of scrutiny following recommendations from the Wales Audit Office report 'Follow-up of the Special Inspection and Reports in the Public Interest', dated January 2015.
- 4.3 Council recommendations in the scrutiny review were as follows:
- (i) That a limit of no more than 4 items is placed scrutiny agendas.

- (ii) That there is a limit placed on the number of special scrutiny meetings held per scrutiny committee, of two additional meetings per annum, with priority for MTFP.
- (iii) Cabinet and scrutiny forward work programmes to include brief narrative on key issues to be covered in the Reports.
- (iv) Scrutiny committees will discuss their forward work programmes at each meeting and confirm the 4 items to be discussed at the following meeting. The Chair of the relevant Committee will decide whether any additional items are to be added to the agenda if presented urgently before the next meeting, subject to the limit of 4 items per agenda and acknowledging a special meeting can be arranged if necessary.
- (v) Scrutiny Leadership Group will recommend whether referrals of individual Ombudsman reports from Standards Committee should be referred to Scrutiny Committee (and if so which Committee) or Audit Committee.
- (vi) The positions of non- statutory co-opted members (without voting rights) of Health Social Care and Wellbeing & Education for Life Scrutiny Committees are removed and a list of stakeholders and external witnesses is developed for each scrutiny committee and maintained and agreed by Scrutiny Leadership Group. These can be called upon for specific agenda items to give evidence.
- (vii) A expert witness protocol to be developed to ensure that witnesses are fully briefed and in accordance with good practice to ensure that evidence provided to the scrutiny committee is balanced and fair.
- (viii) Information items are removed from scrutiny agendas and instead are placed on the Members Portal in consultation with Democratic Services Committee.
- (ix) A prioritisation matrix is developed for requests for reports from Members and the public.
- (x) Comments from the workshops about report content are fed back to the relevant Directors. The quality of Reports will be reviewed and monitored by Scrutiny Leadership Group for 6 months from implementation of the new arrangements.
- (xi) A protocol is developed for task and finish groups and agreed by Democratic Services Committee with a limit of two task and finish groups to run at a time, to ensure that the burden on limited resources is managed appropriately.
- (xii) The members training programme is further developed to incorporate relevant comments from the workshops including developing cabinet members role to be monitored by Democratic Services Committee and Cabinet Member with responsibility for HR, Governance and Business.
- (xiii) That guidance on the format and content of the Cabinet Members written statement is developed. A new protocol developed to provide that the statement is shared ahead of the relevant meeting with scrutiny committee members and placed on the Members Portal, in advance of the scrutiny meeting. The protocol will give advice on the type of information to be included in the statement.
- (xiv) Good practice for pre-meetings is shared amongst Scrutiny Leadership Group including peer observations.
- (xv) Explore possibility of joint scrutiny committee and publish minutes of joint committees and other information about relevant outside bodies on the Members portal.
- (xvi) Hold a dedicated performance management meeting for each scrutiny committee once per annum.

- (xvii) The protocol for External Audit, Inspection & Regulatory Bodies interface with scrutiny to be presented to Council to consider for adoption once it is completed.
- (xviii) Review the terms of reference and membership of Scrutiny Leadership Group to take into account any changes required as a result of the scrutiny review.
- (xix) Carry out a self-evaluation of scrutiny arrangements within 12 months of changes being agreed.
- (xx) Allow the Monitoring Officer to amend the constitution in line with the above recommendations.

4.4 There was one amendment moved in respect of recommendation (vi) in respect of Co-opted Members that was supported by Council, therefore the co-opted members will continue in their role, although a procedure for their appointment will be developed.

4.5 In order to ensure a smooth transition to the new arrangements, an implementation plan has been developed and shared with Wales Audit Office who will be monitoring the changes as part of their overall review of the response to their report 'Follow-up of the Special Inspection and Reports in the Public Interest'.

4.6 The scrutiny review implementation plan is planned for completion by May 2016 and then reviewed during Autumn 2016. Initial meetings have already been held to consult on the changes and outline the plan, as follows:

#### **October 2015**

- Discussions of implementation plan at Corporate Management Team (including giving feedback on report content) and with Scrutiny Leadership Group.
- Initial meeting with IT to arrange Members focus group to work on information items.
- Initial meeting with Performance Management to discuss timing of meetings and transition from current process.

#### **November 2015**

- Discussions of implementation plan with Cabinet Member and Democratic Services Committee.
- Minutes of joint committees and other relevant bodies to be placed on the website (following discussion about how to inform members about this as part of the IT focus group meetings).
- Members of Scrutiny Committees to receive initial information about prioritisation and key decisions in their refresher training sessions.
- Scrutiny Manager to attend Senior Management Team (SMT) for each directorate to discuss narratives in Cabinet Forward Work Programme (FWP).
- Initial meeting with Monitoring Officer and Corporate solicitor to discuss changes to constitution.
- Meeting with Communications and Engagement Team to discuss development of external witness & stakeholder list both internally and externally.

#### **December 2016**

- FWP template to be amended.
- Prioritisation matrix to be developed.
- Cabinet Members protocol for written reports to be developed.

#### **January 2016**

- Training to be given on Cabinet Members protocol and detailed Cabinet FWP.

- Requests for reports procedure to be developed – linked to prioritisation matrix.
- Co-opted Members appointments process to be developed.
- Further update to Scrutiny Leadership Group on implementation plan, including discussions about FWP discussions and good practice at meetings, discussion of co-opted members role and appointments.
- New processes for information items to be on Members' Portal (or other methods as suggested by focus group) to be commenced.

### **February 2016**

- Task and Finish group protocol to be developed.
- Scrutiny Committees to begin discussing FWPs at each meeting.
- Cabinet Members protocol to commence at Scrutiny Meetings.
- Amended terms of reference for Scrutiny Leadership Group to be developed.

### **March 2016**

- Democratic Services to discuss training requirements and programme as a result of changes.
- List of stakeholders and external witnesses to be developed and consulted on internally and externally and with Scrutiny Leadership Group. Communication strategy to commence with information being provided about Scrutiny and forward work programmes.

### **April 2016**

- Protocol for expert witnesses to be developed.
- Agenda items limit of no more than 4 meetings to be applied.
- Protocol for AIRs bodies to be considered and adapted if necessary.
- List of stakeholders and external witnesses to be discussed by Scrutiny Leadership Group
- Scrutiny Leadership Group to discuss their new terms of reference and good practice in relation to new processes.
- Scrutiny Leadership to review report content and quality of reports.

### **May 2016**

- Training to be given on new processes before all Scrutiny meetings in their scheduled training sessions and communicated both internally and externally
- Constitution amendments to be agreed at AGM, for any changes required that are not explicit in the original recommendations.
- Engagement with stakeholders and potential external witnesses.
- Performance Specific Scrutiny Meetings to be held.

### **August/Sept/October 2016**

- Self-evaluation process to be undertaken including peer observations of scrutiny committees.

4.8 In order to ensure that scrutiny engages and communicates appropriately a communication and engagement strategy will be developed to identify stakeholders and expert witnesses. The aim will be to raise the profile of scrutiny and ensure that its work programmes are understandable and accessible.

## **5. EQUALITIES IMPLICATIONS**

5.1 The principles of good governance are directly linked to the Council's Strategic Equality Objectives, stemming from duties under the Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011 and the Welsh Language (Wales) Measure 2011. Equalities Implications

are a standard part of all committee reports in order to ensure that due consideration has been given to the views of individuals and groups from the communities of Caerphilly county borough, regardless of their backgrounds and circumstances. The communication and engagement strategy will consider how to engage with stakeholders and expert witnesses and will incorporate consideration of equalities implications.

## **6. FINANCIAL IMPLICATIONS**

6.1 There are no financial implications not contained in the report.

## **7. PERSONNEL IMPLICATIONS**

7.1 There are no personnel implications not contained in the report.

## **8. CONSULTATIONS**

8.1 There are no consultation responses not contained in the report.

## **9. RECOMMENDATIONS**

9.1 That members note the progress made in respect of this area for improvement identified in the Annual Governance statement for 2014/15.

## **10. REASONS FOR THE RECOMMENDATIONS**

10.1 In order to ensure that Audit Committee are informed of the arrangements to implement the recommendations of the Scrutiny Review which were outlined in the Councils' Annual Governance Statement Action Plan.

## **11. STATUTORY POWER**

11.1 Section 21 of the Local Government Act 2000.

11.2 Local Government (Wales) Measure 2011.

Author: Catherine Forbes-Thompson Scrutiny Manager  
Consultees: Nicole Scammell Acting Director Corporate Services and Section 151 Officer  
Gail Williams Interim Monitoring Officer and Head of Legal Services  
Angharad Price Interim Head of Democratic Services and Deputy Monitoring Officer  
Richard Harris Internal Audit Manager

Background papers:  
Report to Council 6th October 2015 – Scrutiny Review 2015