

ESSENTIAL REFERENCE PAPER 'C'

Article 6 – Scrutiny Committees

- 6.1 There shall be two Scrutiny Committees: an Overview and Scrutiny Committee (OAS) and a Performance, Audit and Governance Scrutiny Committee (PAG)
- 6.2 A Standards Sub-committee will be appointed from the Membership of the PAG Committee.
- 6.3 The terms of reference of the committees and sub- committee are set out below.

The Meaning of Scrutiny

- 6.4 Effective overview and scrutiny is essential to enhance the accountability and transparency of the decision-making process. This allows Members outside the Executive and citizens to have a greater say in Council matters by investigating issues of local concern. This can include questioning Executive Members, senior officers of the Council and inviting people from outside the Council to give opinions and expert advice.
- 6.5 Scrutiny Committees also have the power to scrutinise the services provided by organisations outside the Council.
- 6.6 Scrutiny Committees can agree reports and make recommendations to the Leader, the Council and some partner organisations. The Decision Takers (Full Council, Executive Committees) are not required to implement the recommendations but do have to consider any recommendations made.
- 6.7 Scrutiny committees also monitor the decisions of Decision Takers. Members of scrutiny committees can 'call-in' a decision which has been made by the Decision Taker but not yet implemented. This enables them to consider whether the decision is appropriate. They may recommend that the Decision Taker reconsider the decision. They may also be consulted by the Leader, other Executive Members or the Council on forthcoming decisions and the development of the Budget & Policy Framework.
- 6.8 The Council has appointed a Scrutiny Officer with statutory responsibilities to promote the role of the Council's scrutiny committees within the Council, support the work of the scrutiny committees by providing help and advice to scrutiny Members but also to those being scrutinised. (This role cannot be held by the Head of Paid Services, the Chief Finance Officer or the Monitoring Officer.)

The Overview and Scrutiny Committee

- 6.9 The Council will appoint an Overview and Scrutiny Committee shall comprise up to 14 Members. No member of the Executive may be a member of the Overview and Scrutiny Committee.
- 6.10 The main function of this Committee will be ‘forward-looking’, shaping new policies at an early stage of their development, and undertaking major reviews of existing policies or service delivery models in order to look to make future improvements. It will have recourse to Task and Finish groups where appropriate (which could include Non-Members of the Committee where they have a particular interest in the topic or have a particular skill set to bring to the group).
- 6.11 The committee will also exercise the functions of an Overview and Scrutiny Committee as set out in section 9F Local Government Act 2000 as amended.

Terms of Reference

The performance of all overview and scrutiny functions on behalf of the Council and as set out in section 9F of the Local Government Act 2000, to include:-

- 6.12 review and scrutinise decisions made or actions taken in connection with the discharge of any of the Council’s functions
- 6.13 agree reports and make recommendations to the Council and the Executive in connection with the discharge of any functions;
- 6.14 consider any matter affecting the area or its inhabitants;
- 6.15 question Members of the Executive and officers about their views on issues and proposals affecting the area;
- 6.16 liaise with external organisations operating in the area, whether national, regional or local, to ensure the interests of local people are enhanced by collaborative working;
- 6.17 exercise the right to “call in”, for reconsideration of decisions made but not yet implemented by the Executive, in accordance with the rules set out in this Constitution;
- 6.18 consider any matter which has been placed on the agenda of the committee by any Member of the committee in accordance with the rules of procedure in this Constitution, and;

- 6.19 act as the Crime and Disorder committee for the purposes of section 19 of the Police and Justice Act 2006.

The Committee will also:-

- 6.20 Undertake consideration of such matters that will be Executive Key decisions where the Executive requests the Committee to scrutinise the matter in advance of an executive decision. This relates to matters that are of particular interest to the Committee: for example decisions to be made on significant place making projects;
- 6.21 Review current service delivery models (our own and those of the Council's partners) with a view to identifying gaps, exploring innovative solutions to delivery issues;
- 6.22 Review draft strategies;
- 6.23 Consider issues or functions in which Members feel they could shape future policy.

Performance, Audit and Governance Scrutiny Committee

- 6.24 The Performance, Audit and Governance Scrutiny Committee shall comprise 14 Members. No Member of the Executive may be a member of the Performance, Audit and Governance Scrutiny Committee.
- 6.25 This Scrutiny committee shall review progress on delivery of the corporate strategic plan, the Medium Term Financial Plan and the key performance metrics of the council. It may set up Task and Finish groups where appropriate, and shall also have a Sub-committee to deal with Member Code of Conduct issues, to be known as the Standards Sub- Committee.

Terms of Reference

The Committee will:-

- 6.26 Assist the Council and the Executive in the development of the budget framework;
- 6.27 Act as the Council's Audit Committee. The nature of this role is specified in the Procedure Rules of this Constitution;
- 6.28 Consider means of improving and promoting the performance management and audit functions of the Council;
- 6.29 Promote and maintain the Ethical Standards Framework;
- 6.30 Make recommendations taking into account the advice of the Monitoring officer of periodic amendments and updating of the Council's Constitution

Audit Role:

6.31 The Committee will undertake within its terms of reference and as an integral part of its role as the Council's Audit Committee, the following areas:-

6.31.1 Integration of the Audit role

To ensure that the principles of effective audit are integrated into the work of the Performance and Audit Scrutiny Committee and the Council generally.

6.31.2 Risk Management

To provide assurance of the effectiveness of the corporate risk assessment process and monitor the effective development and operation of risk management policies in the Council, specifically including monitoring of the Risk Management Strategy and the Corporate Risk Register.

6.31.3 Internal Audit and Governance

To provide an effective mechanism to monitor the control environment within the Council, ensuring the highest standards of probity and public accountability by:-

- reviewing and approving of the Annual Audit Plan;
- challenging and follow-up of internal audit recommendations;
- reviewing internal audit performance;
- reviewing the Annual Governance Statement and Statement of Internal Control; and
- reviewing the anti-fraud and corruption controls and arrangements (including the whistleblowing process).

6.31.4 Financial Statements and Annual Accounts

To provide scrutiny of the Council's financial performance by scrutinising the:-

- Finance Monitoring Reports;
- Medium Term Financial Planning
- Financial Outturn reports
- Statement of Accounts

6.31.5 Treasury Management

To provide scrutiny of:-

- the Council's responses to changes in statutory and regulatory requirements and guidance;
- the annual Treasury Management and Investment Strategy;

- on-going revisions to treasury management strategies and policies;
- the mid-year treasury management review;

6.31.6 External Audit

To maintain and develop a trusting and professional relationship with the Council's external auditors and ensure any issues arising from inspection are dealt with including:-

- Annual audit and Inspection Plan and any resulting reports;
- Consideration of how the external Audit is conducted and any issues arising

6.31.7 Annual Audit Letter

6.31.8 Statement of Auditing Standard (SAS) 610 Communications.

6.31.9 Procurement

To ensure formal reporting of procurement issues including:-

- Contract Waivers
- Update and revision of Contract Procedure Rules
- Issues arising from contracts that may impact on the Council's finances.

Ethical Standards Framework

- 6.32 To promote and maintain high standards of conduct by Members and Co-Opted Members of the Council;
- 6.33 To advise and assist Town and Parish Councils and Councillors to maintain high standards of conduct and to make recommendation to Town and Parish Councils on improving standards or actions following a finding of a failure by a Town or Parish Member to comply with the Code of Conduct;
- 6.34 To manage complaints on behalf of Town and Parish Councils;
- 6.35 To advise the Council on the adoption or revision of the Members' Code of Conduct;
- 6.36 To receive referrals from the Monitoring Officer into allegations of misconduct in accordance with the Council's assessment criteria;
- 6.37 To receive reports from the Monitoring Officer and assess the operation and effectiveness of the Members' Code of Conduct;
- 6.38 To train Members and Co-opted Members to observe the Members' Code of Conduct;

- 6.39 To assist Members and co-opted Members to observe the Members' Code of Conduct;
- 6.40 To hear and determine complaints about Members and Co-Opted Members referred to it by the Monitoring Officer;
- 6.41 To advise the Council upon the contents of and requirements for codes/protocols/other procedures relating to standards or conduct throughout the Council;
- 6.42 To maintain an oversight of the Council's arrangements for dealing with complaints;
- 6.43 To inform the Council and the Chief Executive of relevant issues arising from the determination of Code of Conduct complaints;
- 6.44 To appoint the Standards Sub-Committee drawn from three Members of the PAG Committee which will exercise, on a delegated basis, the functions as set out in the sub-committee terms of reference. The Committee should reflect Member representation where practicable.
- 6.45 The power to consider and grant dispensations to Members where:
- The number of Members precluded from transacting the business is so great that it would impede the business of the Council, committee or Executive
 - The political balance is affected to the extent that it could affect the outcome of a vote relating to the business.

Standards Sub-Committee Terms of Reference

- 6.46 To consider investigation reports in respect of Code of Conduct complaints that are referred to it by the Monitoring Officer.
- 6.47 To conduct a hearing into an allegation that a Member or co-opted Member of the Council or Town/Parish Council has breached the relevant code of conduct. At such hearing, the Member against whom a complaint has been made may respond to the investigation report. Following the hearing the sub-committee can make one of the following findings:-
- 6.48 That the Member has *not* failed to comply with the Code of Conduct and no further action needs to be taken in respect of the matters considered at the hearing.
- 6.49 That the Member *has* failed to comply with the Code of Conduct but no further action needs to be taken in respect of the matters considered at the hearing.

- 6.50 That the Member *has* failed to comply with the Code of Conduct and a sanction and/or an informal resolution should be imposed.
- 6.51 The sub-committee may impose any action or combination of actions available to it, or impose any informal resolution or combination of informal resolutions as are available to it either by law or policy.
- 6.52 After making a finding the sub-committee shall, as soon as reasonably practicable, provide written notice of its findings and the reason for its decision to the Member and the complainant.

Note – The Council on 18 May 2016 approved a Standards Complaints Procedure and a Complaints Standards Sub-Committee Procedure for hearings before the sub-committee. They shall continue to apply to the work of the sub-committee.

Proceedings of scrutiny committees

Scrutiny committees shall conduct their proceedings in accordance with the Scrutiny Procedure Rules set out in this Constitution.